



New Isle of Man ferry terminal link bridge at Liverpool Waters

A SMALL STEP TO MAN, A GIGANTIC LEAP FOR BUSINESS

The Isle of Man offers business agility because of its independent financial services regulator. It's also a hotbed of innovation, digital and clean energy, and enjoys a 'special relationship' with the North West. In the first of a series on the island, **Alex Bell** looks at its challenges and opportunities



The Isle of Man's strength sectors range from wealth management and insurance to data centres, but the island's most explosive story of late is the growth of e-sports, which has been able to thrive due to the Isle of Man's agile regulatory system.

This year, its government has published a Draft Economic Strategy, which sets out a ten to 15-year vision to secure prosperity for its people and the future security and sustainability of its economy. Four aspirations from the strategy include growing the island's population to 100,000 by 2037; reaching GDP of £10bn;

generating £200m additional annual income to reinvest in services by 2032; and reducing greenhouse gas emissions by 35 per cent by decarbonising the services sector by 2030.

"We have a world-leading digital infrastructure," says Lyle Wrxall, who moved from New York to become chief executive of Digital Isle of Man (DIOM) four years ago. "Our e-sports sector has evolved from a grassroots level to international prominence."

Another mover from across the pond is Liam Slack, who relocated from California

to join DIOM as e-sports executive. Slack runs the e-sports team alongside Josh Kingett, who joined in December 2021 and is founder of the Isle of Man's first professional e-sports organisation, X7 Esports.

One of the team's core objectives is the promotion of e-sports as a "legitimate career path", not just as a player, but in broadcasting, marketing and operational roles.

New initiatives

Wrxall says DIOM focuses on, among other things, establishing the Isle of

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"The ambition is for the Isle of Man to become a real tech and innovation hub more globally."

Lyle Wrxall
Digital Isle of Man

to doing that. About a third of our GDP [gross domestic product] is from the digital space."

Commenting on collaborative opportunities with North West-based businesses, Wrxall adds: "We have our own financial services regulator so we do have more agility here than businesses do in the UK."

"So while we partner with the North West on projects, there is an element of competition."

Building bridges

Thanks to the approval of section 106 funding, a new link bridge at Liverpool Waters – connecting Prince's Dock with the new Isle of Man Ferry Terminal – will be built. The bridge, said to be a critical link, is set to be in place ready for the opening of the ferry terminal in June 2023.

Transport-wise, Loganair, easyJet and British Airways all operate flights to the Isle of Man from Manchester or Liverpool, making the island more accessible than ever. This is in stark contrast to the Isle of Man's relatively recent past, when the rise of package holidays and guaranteed ➤

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Special relationship between the Isle of Man and the North West



Liverpool and the wider North West region has long been a key strategic partner for the Isle of Man. In addition to our geographical and transport connections, we have also mutually

contributed millions of pounds to our respective economies in a variety of ways. For example, the Island's public sector relies heavily on the region, with a large proportion of the Island's external £30m health and education expenditure invested into Liverpool.

The £70m Isle of Man Ferry terminal, which is currently being built on the docks of Liverpool, is the Island's first significant investment into the city and symbolises our commitment to strengthening ties with the region further.

For Manx residents, Liverpool is a gateway to the UK and beyond. It is vital that we continue to make this accessible for Islanders, as well as visitors to the Island. The Isle of Man Government and Liverpool City Council therefore have a continued focus on transport links for future generations.

As well as our common interests in areas such as financial services, aerospace, maritime and tourism, the Isle of Man Government is eager to promote several emerging and dynamic sectors to the region. The Isle of Man has developed outstanding expertise in industries such as eGaming, CleanTech and BioMed, which we see as very complementary to the North West's economic strengths. Leveraging existing connections and new relationships with the likes of the Northern Powerhouse, we hope to bind the expertise and assets of the North West with the skills and talent of the Isle of Man – and vice versa. However, it must be emphasised that our links go beyond the economic, to the cultural and historical – therefore, it is of real importance to both jurisdictions that we develop, grow and sustain this special relationship for the long term.

Alfred Cannan
Chief Minister, Isle of Man Government

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sunshine abroad caused the island's tourism sector to decline in the 1970s.

On the rise, however, was the island's financial services sector. The industry now boasts a 42 per cent contribution to the island's GDP and is often hailed as a success on the international stage.

"We now have markets at all points east and west around the world," says Michael Crowe, chief executive of Finance Isle of Man. "That includes South Africa and other parts of southern Africa, Hong Kong, Europe, the UK, the Middle East, Latin America and East Asia."

Crowe points out that the roots of the Isle of Man's financial services industry still tend to be centred in the North of England.

"The North West in particular is a big area for us," he explains. "We have wealth management businesses and banks based here that have a presence in the North West."

Commenting on the island's economic plan, Crowe says: "One of the key messages coming out of it is that financial services are going to remain the cornerstone of our economy moving forward."

"Our economy has diversified and expanded, and financial services underpins that."

Michael Crowe
Finance Isle of Man



Our economy has diversified and expanded, and financial services is one of the things which underpins all of that.

"I'd suggest we are a centre of excellence in life insurance on a world stage. We've just launched a project called Insurtech, which is all about financial technology, helping support the insurance industry and encouraging people to move here and get involved in the industry."

One of the challenges is bringing people to the island, as Crowe explains. "We need more people here to support what we do and provide opportunities for growth. It's an exciting and rewarding place to live and work."

Roger Smith watchmakers, Isle of Man

One of the island's more interesting manufacturers is Roger W Smith Ltd, a luxury watchmaker that only makes about ten pieces a year. Its founder learnt to handcraft watches under the world famous Dr George Daniels. It is the only watchmaker in the world that handcrafts every piece in the studio so its watches are the most exclusive in the world.

'WE CAN LEARN FROM THE NORTH WEST'

Tim Cowsill is head of Business Isle of Man

In June, his agency spearheaded bringing medicinal cannabis to the Isle of Man for export; a first for the island. GrowLab Organics (GLO) can now cultivate, extract, manufacture, import and export the drug.

Cowsill says: "The business agency covers everything from construction on the island to medicinal cannabis and engineering and manufacturing."

"Many of the island's engineering and manufacturing companies have bases or ties in the North West. They include Isle of Man-headquartered RLC Group which produces aerospace

components for the global aerospace industry, including commercial and military aircraft.

"Strix Group is a world leader in kettle controls, with its products being used an estimated one billion times a day globally. And there are many more, too."

Cowsill adds: "We also have great links with the North West Aerospace Alliance, Wirral Chamber of Commerce, Peel Group, The Derwent Group and Dandara Group.



"Going forward, I think the North West shows us what we can do as well, especially in terms of development and regeneration. "There's an absolute friendliness

with the North West. As we go through this next bumpy section of life with the cost of living, we need to make sure our links with local government and businesses in the North West are further strengthened."

Locks like a billion dollars

\$2bn US engineers Swagelok now has a base on the Isle of Man that is pivoting from declining industries like oil into new sectors like hydrogen and clean energy

Swagelok is a \$2bn privately owned developer of fluid system products, assemblies and services for the oil and gas, chemical and petrochemical, semiconductor and transportation industries with a big presence on the Isle of Man.

Swagelok managing director David Hester on the Isle of Man tells *Insider*: "The Isle of Man has a factory with 240 people. It has grown since 2003. Swagelok bought a company called Kenmac which had already been on the Isle of Man for about 40 years with a very strong heritage."

"The products that were being made and designed here, on fairly small scale of 120 people, were then put in a global shop window with a distribution network in 70 countries and thousands of sales people. The products were good from the start, so sales started to increase, the factory needed more investment and equipment, so it had 15 years of continuous investment. It was able to support us with capital, equipment and methods. We've added new product lines from European factories and consolidated it on the Isle of

Man. We are a sizeable division, producing around \$50m of product every year into our distribution network."

Hester says the Isle of Man is like a small version of the UK with similar issues. "The only additional challenge is the 40 miles of water between us and the UK, or Ireland," he says. "Our products go to the port or airport and on to Manchester and Liverpool for distribution. It's handled by FedEx, DHL, the usual suspects."

The division is now set for further expansion and investment. Hester says: "We have just got a work package from one of the American factories. It's 30,000 hours of work in a year, it's a 20 per cent



increase for us. Our American colleagues are struggling to recruit enough skilled people. We are buying \$5m of machines, ten CNC machines, so it's 20-30 jobs. We thought that would be a challenge to find them but since January we hired 41 people. Eighty per cent of them were from the Isle of Man. I've been chairing the Isle of Man engineering or STEM committee for seven years, and I would rather we brought new people in rather than hiring from other factories."

The valve and pressure regulator is now moving into more clean energy markets.

Hester says: "We are getting a huge amount of interest in our products to be used in hydrogen vehicles. The oil and gas market is getting flatter. That's where we used to supply many of our products. The first man on the moon had one of our products in his backpack! We don't do mass-produced products, it's high pressure, high temperature or dangerous applications, so the products have to be very safe with a lifetime warranty. We are at the high end of the market."



Laura O'Sullivan Spiers' 2008 holiday from her native Canada to the Isle of

Man turned out to be life-changing. The director, audit & assurance, Deloitte, tells *Insider* about her journey.

When did you move to the Isle of Man and why?

Just after I graduated from university in 2008 – I originally came for a holiday to visit family, however, it was the start of the financial crisis and jobs in financial services were hard to come by elsewhere. Even though I needed a work permit, the local job opportunities were great for graduates. I got my first job

FROM TORONTO TO THE ISLE OF MAN

with Merrill Lynch and fell in love with the Isle of Man as a place to live so I stayed, bought a house and did all of my accountancy training locally.

Would you recommend it as a place to live and work – and why?

I absolutely love this island. It's beautiful, safe, clean and the sense of community, friendliness and inclusiveness is second to none. And we don't have to worry about long commutes.

How does working on the Isle of Man differ from your previous work life experiences?

We work with a wide range of SMEs. This keeps it interesting and I get to know and work with lots of different

people and businesses. Equally, because of the nature of lots of the businesses here, we work with many household names which are part of global groups providing the opportunity for travel and working with teams around the world.

What is your perception of the business relationship between the Isle of Man and the North West of England?

We work with a number of businesses with links into the North West and we also work very closely with our Deloitte colleagues in the North West. I think the relationship between us works well with a similar client base to share sector expertise, helped due to proximity and regular flights to and from Liverpool and Manchester.