

# Key players give nod to 'bold step'

Treasury's economic strategy has been broadly welcomed as a bold first step by key players within the Island's private sector.

'This is an intelligent, objective and sometimes adventurous review which is packed with good ideas and is not afraid to tackle the hard questions and sacred cows,' said one member of a six-strong forum, chaired by Professor Mike Lloyd-Williams of the International Business School.

The forum, which was jointly hosted by the IBS and *Business News*, reviewed the 65-page economic strategy document published by Treasury last month. The thrust of the strategy is to maximise economic growth while minimising the demand for additional labour. *Business News* coverage of the forum followed Chatham House rules.

While all forum members agreed the strategy provides a good blueprint for future debate there was concern that the government may be slow to act on it.

'We simply cannot afford to see this shelved. For too long the Island has allowed "market forces" to dictate rather than determining its own business plan,' said one forum member.

The strategy came in for criticism for not being sufficiently custom driven. 'The emphasis is on what's good for us and what do we want.'

The forum felt there was insufficient analysis of the future of the Island's key markets and changing customer requirements. The strategy also lacked an in-depth review of the

Island's competitors.

It was agreed the government should be leading by example in terms of raising productivity. 'The strategy concerns itself with productivity in the private sector and fails to realise that that the challenge for improved and increased productivity is also government's challenge.'

By way of an example, one member asked why the Financial Supervision Commission and the Insurance and Pensions Authority

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have not been merged into a single regulatory body as a cost-saving measure.

The issue of the government squeezing out the private sector in the labour market was also discussed.

There was concern as to the impact a proposed £1,000 charge for work permits would have on sectors of the economy which rely on low-skilled workers.

The merits of residence control were debated with one member arguing that the current work permit system restricted the free movement of skills within the workplace.

Another felt an ID card which controlled the provision of services would be the best option.

The forum also considered the question of how to encourage graduates who studied off-Island with government financial assistance to return to the Island to work. It was divided as to the merits of introducing a 'penalty'. One forum member believed this would require an impossible degree of manpower planning.

The forum recognised it was critical for further economic prosperity that the Island's finance sector gain greater access to markets in the European Union. It supported a strategy proposal that a study be carried out as to how this can be achieved.

There was also a general belief that the Island had more to gain than it had to lose by applying for membership of the EU.

The forum also argued the case for the creation of a Finance Minister in addition to a Treasury Minister.

It was felt the strategy did not fully explore the potential of the tourism industry. And it was noted that the film and shipping industries were overlooked.

On the question of marketing the Island, one forum member said the government needed to employ a 'heavyweight' marketer. 'This person would be given a gold card to go out and bring in the sought-after business to our Island. Paid on a performance linked basis, this person and his/her team would need to introduce a radical change from previous



Professor Mike Lloyd-Williams

IoM marketing practice which has seen only limited success.'

One of the delegates agreed there was a case for a single government marketing unit but he questioned the viability of the structure put forward where responsibility for all marketing management is centralised.

The forum agreed that the Island needed to upgrade what it has to offer in terms of culture and entertainment if it is to attract high calibre people. One forum member called for Douglas to be given a facelift. 'Our capital, irrespective of the many new office blocks, remains tatty and rundown in appearance. Its seafront with its numerous semi-derelict hotels is a gross embarrassment to any local resident. It is dirty and poorly maintained.'

'It doesn't have to be this way. We are not a poor Island. We possess the means to do something about it, so why aren't we? If we want front office chiefs to consider moving here then we have to undertake a major makeover and improve what we have to offer.'