

New beginnings or business as usual?

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As a confirmed scrooge – bah humbug- there is a certain satisfaction in writing an article for publication in January in the run up to Christmas. No need to be too jolly or festive – so just pass me a glass of mulled wine then let's think about the harsh realities of life after the turkey sandwiches have curled at the edges and the last few mince pies have settled on the waistline.

By the time this goes to print we will have a new administration in the House of Keys (spoiled ballots permitting) so in political terms we are also at the beginning of a new five year cycle. In business there are also some new realities to consider such as the recent changes in US law relating to on line gaming which have caused something of an upset in this developing sector of our economy. In the telecoms arena there is some serious competition on the horizon with new mobile operators on the verge of launching their services.

On a global scale, we are seeing the beginnings of an acceptance that global warming may be an issue which will impact on our lives rather than a purely academic possibility for the future.

Heavy stuff! The question is how should we respond? It is of course tempting to take the opportunity to sink a little further into the sofa and hope that it will all go away by the time the clocks go forward again. But writing before the holidays take their toll, I thought I would venture a few suggestions.

The online gaming issue is interesting, whilst I don't pretend to understand all of the legal niceties it seems to come down to an all American mix of protectionism and political horse trading dressed up with a bit of social conservatism. This is, of course, their privilege and would be fine if they didn't then try and impose it on the rest of the world. Anyway the issue for us seems to be primarily one of potential collateral damage to our reputation if the US authorities were to target any gaming business associated with the Isle of Man.

A well regulated and reputable on-line gaming sector has much to contribute to the local economy and has already had a huge impact behind the scenes in improving the quality and scale of internet provision on the Island. Whilst it probably isn't a one way bet, I personally think we should continue to support the development of this sector through a practical approach to regulation whilst continuing to look for other niche e-commerce markets to exploit.

One very fertile area for business innovation at the moment is the telecoms sector and local competition may have some very positive consequences. On the one hand, there is already plenty of evidence that the local consumer will benefit from lower prices and greater product innovation. On the other hand, as any locally focused business knows the market on island is largely fixed and finite. In other words it may be a great place to innovate but the real key to success is the ability to export innovative services to the rest of the world. In my view the real winners in the telecoms space over the next couple of years will be those who can use the Isle of Man as a base to deliver services into the UK and beyond.

This sentiment really applies to any sector of the economy, there is nothing to stop most businesses exploiting the internet to access much wider markets, specialist retailers can use their product knowledge and wholesale purchasing ability to develop online retailing through e-bay or Amazon as well as their own web sites.

Tourism is one area which is seriously overdue a makeover online, at the moment there is a real imbalance between the availability of on line booking facilities for travel and accommodation. These days the majority of flights and ferry crossings to and from the Island are booked on line but it is still virtually impossible to book holiday accommodation or even check availability beyond a few of the main hotels. The Island has much to offer to discerning visitors but we do need to make it a bit easier for them!

As for my throwaway reference to global warming, I can't claim to know what this may mean for us in physical terms over the next few years. Opinions seem to vary from 'a bit warmer and windier' to apocalyptic visions of devastating rises in sea levels. But economically at least, it is already a factor to consider both as an opportunity and a threat. Given our dependence on air travel for business, Gordon Brown's increased taxes on air travel will have a disproportionate affect on us whilst providing virtually no environmental benefit. As for our own contribution to carbon emissions, there is obviously nothing we can do locally which will have a significant direct effect. But this is not in my opinion an excuse for apathy, on the contrary I think that sensible investment in energy efficiency and the sustainable use of local natural resources as well as our communications infrastructure is likely to pay considerable dividends in the medium term.

Meanwhile whatever the future may hold I would like to wish anyone who has made it this far a happy and prosperous New Year!