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# Minister's Foreword



**Tim Johnston MHK**  
Minister for Enterprise

Our Advanced Engineering & Manufacturing sector has long been a source of innovation, resilience, and ingenuity, qualities that have shaped our Island's reputation on the global stage. In adopting this Strategy and Action Plan, we set forth an ambitious vision: to double the Sector's value by 2035 and lay the groundwork for even greater growth beyond that horizon.

Success will depend on collaboration between government, industry, and academia, working together in forging a dynamic, sustainable future. Through targeted investment in research and development, intellectual property generation, and advanced skills, we will ensure that the Isle of Man remains competitive in a rapidly evolving global marketplace.

Our Sector's strengths; precision, quality, and adaptability position us to lead in emerging technologies and high-value markets. As global trends shift, the Isle of Man is uniquely placed to seize new opportunities and drive prosperity for generations to come.

Central to our vision are six strategic themes: fostering innovation, attracting foreign direct investment, championing sustainability, driving productivity, developing skills, and ensuring competitive funding. These pillars will guide our efforts to retain and create new high-value jobs, strengthen supply chains, and diversify our industrial base.

I am proud to champion this vision. Together, we will build a Sector that not only drives economic prosperity but also reflects the creativity, sustainability, and excellence that define the Isle of Man. Let us embrace this opportunity and shape a future worthy of our Island's legacy.

# Introduction by the Steering Committee



**Nick Gibbs**  
Chairman, Chamber of Commerce,  
Isle of Man Advanced Engineering  
& Manufacturing Sector

This Strategy is the product of collaboration, consultation, and commitment. Over the past eighteen months, the Steering Committee has worked closely with industry leaders, educators, and government representatives to understand the challenges and opportunities facing engineering and manufacturing on the Isle of Man. We have listened to businesses of all sizes, analysed data, and benchmarked against international best practice to ensure this roadmap is both ambitious and achievable.

The result is a Strategy that addresses immediate needs while preparing for the future. In the short to medium-term it prioritises skills development, productivity, and sustainability - areas identified as critical by stakeholders. It also sets out clear actions, timelines, and accountability measures to ensure progress is transparent and tangible.

This is not a static document. It is a living framework designed to evolve as circumstances change. We encourage ongoing dialogue and collaboration to keep the Strategy relevant and effective. Together, we can create a Sector that is competitive, resilient, and a source of pride for the Isle of Man.



# Chief Executive's Overview



**Kirree Goberman**  
CEO, Business Isle of Man

I am proud to introduce the Advanced Engineering & Manufacturing Strategy's Action Plan 2026-2028, it is a blueprint shaped by the collective expertise, ambition, and commitment of our industry, government, and academic partners. This Strategy is not simply a document; it is the result of comprehensive engagement, analysis, and collaboration, requested by industry, created with industry, and now setting the direction for the Sector's future.

Our journey began with a clear direction from the sector: to build a strategy that reflects real-world challenges and opportunities, and to ensure that every initiative is tested, validated, and refined by those who will deliver its impact. Over forty businesses contributed to the evidence base, and the diagnostic assessments and workshops have ensured that our approach is based on practical experience and international best practice.

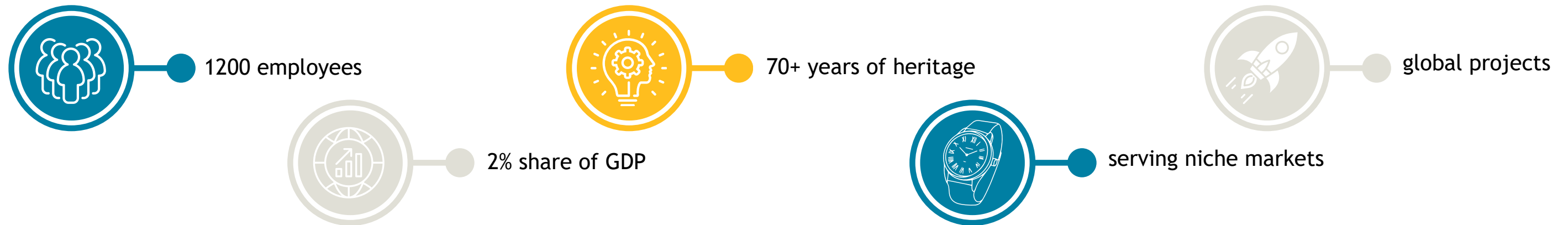
The Action Plan is now embedded within the Business Isle of Man programme and how we work. It is a living framework, designed to evolve as the sector grows and as new opportunities arise. Many recommendations have already been adopted, with changes to our Enterprise Support Schemes such as enhanced Research & Development grants and targeted support for energy efficiency, demonstrating our commitment to responsive delivery.

Central to our approach is the principle of knowledge transfer. We recognise that the sector's resilience and competitiveness depend on sharing expertise, fostering innovation, and building skills for the future. Initiatives such as the Advanced E&M Forum, STEM outreach, and leadership development are not only shaping our talent pipeline but also ensuring that every action is informed by industry insight and tested in real-world conditions.

This Strategy's six strategic themes will guide our efforts to double the sector's value by 2035, create new high-value jobs, and position the Isle of Man as a leader in high-value, innovation-driven manufacturing.

The Strategy and Action Plan are a testament to what can be achieved when industry leads the way, supported by Government and academia. Together, we are building a sector that is not only competitive and resilient, but also a source of pride for the Isle of Man. I invite all stakeholders to continue this journey with us; testing, learning, and growing together as we shape a future worthy of our Island's legacy.

# Background



The core Engineering and Manufacturing (E&M) sector in the Isle of Man consists of approximately 1,200 employees and 120 businesses contributing around 1.5%-2% of the Island's gross domestic product (GDP).

The products typically manufactured are high value, low volume, serving niche markets, where most products are exported. The E&M sector currently manufacture for a broad range of markets including energy, aerospace, automotive, optics, telecommunications, medical, pharmaceuticals, and consumer products.

A thriving E&M sector is critical for economic growth and diversification, driving competitiveness, creating high-value jobs, and strengthening supply chains across the wider economy.

Economic data from statistical input/output tables suggest an increase of 1 Full Time Equivalent (FTE) in the manufacturing sector typically supports around 2.5 new FTE roles across the wider value chain. This is a higher spillover benefit than many service industries, including egaming, information service activities, accounting and tax consultancy.

E&M skillsets play a pivotal role in many adjacent sectors like construction and utilities and are crucial for the current and future economy. A broad range of new sectors will rely on the E&M sector to enable growth.

A supported E&M sector is often the key driver of new business and innovation, in the UK the manufacturing sector represented 43% of business R&D spending which is more than four times their general share of the GDP.

Regions with diverse industrial bases are more resilient to economic shocks. The Isle of Man's Engineering & Manufacturing sector exemplifies this adaptability, responding swiftly to challenges. During COVID-19, the Sector pivoted rapidly, supporting on the production of critical medical equipment, PPE manufacture and PPE procurement, showcasing resilience, innovation, and strategic value to local and global supply chains.

The Island's unique advantages include quality of life, favourable taxation, and direct access to decision-makers, while opportunities lie in leveraging digital technologies, innovation, and sustainability.

However, challenges such as limited access to talent and finance and the risk of falling behind global competitors require strategic action to attract investment, boost innovation, develop skills and enhance productivity.

National strategies and economic studies consistently demonstrate that a well-supported manufacturing sector is a key driver of economic growth, productivity, innovation, and regional development and inclusion. In many countries, manufacturing also plays a vital role in strengthening national resilience, technological sovereignty, and security.

The development of this proposed 10-year Strategic Review for the Isle of Man's Engineering & Manufacturing sector was conducted in two distinct phases:

## Phase One

- Assessed the competitiveness of the Island's E&M sector through detailed policy and economic comparisons with similar jurisdictions.
- This included engagement with over 40 businesses within the Sector as well as diagnostic assessments of ten prominent local manufacturers, culminating in an enhanced SWOT analysis and a preliminary list of strategic initiatives.
- Phase One identified 34 potential initiatives through comprehensive stakeholder engagement and research.
- Phase One Report (published June 2024) established the evidence base that informs Phase Two.

## Phase Two

- The Phase Two Advanced Engineering & Manufacturing Strategic Review (2025-2035) was developed collaboratively by industry, government, and academia and published in July 2025.
- Builds on this foundation to articulate a coherent and realistic vision for the Sector to double in value over the next decade, with ambitions to grow beyond that.
- In Phase Two, the 34 initiatives were grouped into strategic themes and evaluated using an opportunity-feasibility framework aligned with the 2035 vision. From this process, six high-impact themes were shortlisted and explored through collaborative workshops with industry, academia, and government. These form the basis of the Strategy and this action plan.

# Our Vision

**Our vision is to create and support a diverse and sustainable environment for the Advanced E&M Sector to double in value by 2035; with a clear ambition to grow towards five times current levels beyond 2035.**

**The Advanced E&M Sector will be contributing substantially higher than average economic growth (Gross Value Added-GVA) and intellectual property (IP) generated per employee through the provision of design, manufacture, supply, maintenance, and service for high quality, innovative products, and services to a range of key emerging and growth sectors along with their associated supply chains.**

## Our Approach

- Building on past and current Government and private sector investment, encouraging local growth, new businesses and additional inward investment.
- Continuously supporting and building upon our critical mass of highly skilled, ambitious, and loyal E&M working population by nurturing interest in the Sector early; attracting graduates back to the IOM via incentives and actively supporting relocation.
- Actively engaging with our STEM community with skills recruitment, development and retention via targeted funding streams.
- Consolidating and building upon domestic and international research and education establishment links.
- Actively encouraging innovation through intellectual property rights (IPR) generation, together with technology identification, selection acquisition and exploitation.
- Shifting the mindset to drive increases in the efficiency and productivity of our manufacturing operations in order to remain competitive.
- Improving the Isle of Man Government's agility and responsiveness with the provision of funding mechanisms / resources, to enable E&M capabilities and infrastructure to be developed at a pace to maintain competitiveness in changing global markets; all within the realistic affordable envelope and financial plans.
- Actively encouraging the Sector to support the Island's transition towards net zero by supporting business' Environmental, Social & Governance (ESG) journeys, whilst also enabling the timely realisation of clean technology development and deployment opportunities.
- Attracting new businesses to the Isle of Man to increase the output of the Sector and to increase the economy's diversity and resilience.
- Ensuring timely, effective and sustained stakeholder engagement e.g. Planning (DEFA); Immigration (Treasury); Energy Supply (MUA).
- Encouraging businesses to increase their presence for non-manufacturing activities e.g. marketing, HR, finance, R&D.

# Action Plan

This Action Plan is a living framework that will be developed and updated throughout the ten-year period with this first edition concentrating on short term adoption for the period 2026-2028.

**Adoption:** Industry, Government, and academia have collaborated over the past eighteen months to develop this framework. This joint effort has produced positive results, with several recommendations and initiatives integrated into the Business Isle of Man programme and the ongoing review of Enterprise Support Schemes.

**Government adoption:** as of 1 April 2025, the Enterprise Support Schemes were amended to include

- Financial Assistance Scheme (FAS): includes enhanced Research & Development grant funding.
- Business Emissions Saving Scheme (BESS): has been designed to provide grant support for energy audits and interest free loans towards the cost of energy efficiency or emissions reducing projects with increased grant funding to £100,000.
- Business Consultancy Scheme (BCS): grant increased up to £7,500 to help businesses engage external, independent consultants for specific purposes which will improve their business.

The six themes of the Strategy provide a clear framework for resilient growth and inward investment, positioning the Isle of Man as a leader in high-value, innovation-driven manufacturing. Initiatives from each theme that have been adopted during the development of this Strategy are highlighted within each theme's timeline in the following pages.

**Immediate priorities for Industry:** consultation with Industry has identified three critical themes for short to medium-term focus, where they will focus:

- Enhancing Sustainability: reducing energy bills and meeting global demand for low-carbon, high-quality manufacturers and products.
- Driving Productivity: driving technology-led efficiency, automation, and process innovation to offset structural cost disadvantages.
- Developing Skills: building a talent pipeline equipped for emerging technologies and knowledge-based roles.

**Funding:** to date the Strategy has been adopted and implemented from existing Business Isle of Man revenue. A funding bid is in development to enable Strategy implementation in these key areas by **Q1 2026**.

- Attracting FDI through a targeted business development and marketing programme which entails participation in global trade shows and engagement with new businesses and parent companies of Isle of Man based businesses.
- Driving productivity through the adaptation of FAS to consider funding requests from businesses to support productivity improvements projects using a Balanced Scorecard Approach.\*
- Developing skills both at school level (for entry level roles) and at management level (for senior leadership roles) to address the gaps in capability for the Sector.

## SIX STRATEGIC THEMES FOR THE E&M SECTOR



\*Balanced Scorecard Approach model as explained on Page 112 of the Advanced E&M Strategic Review

# Fostering Innovation

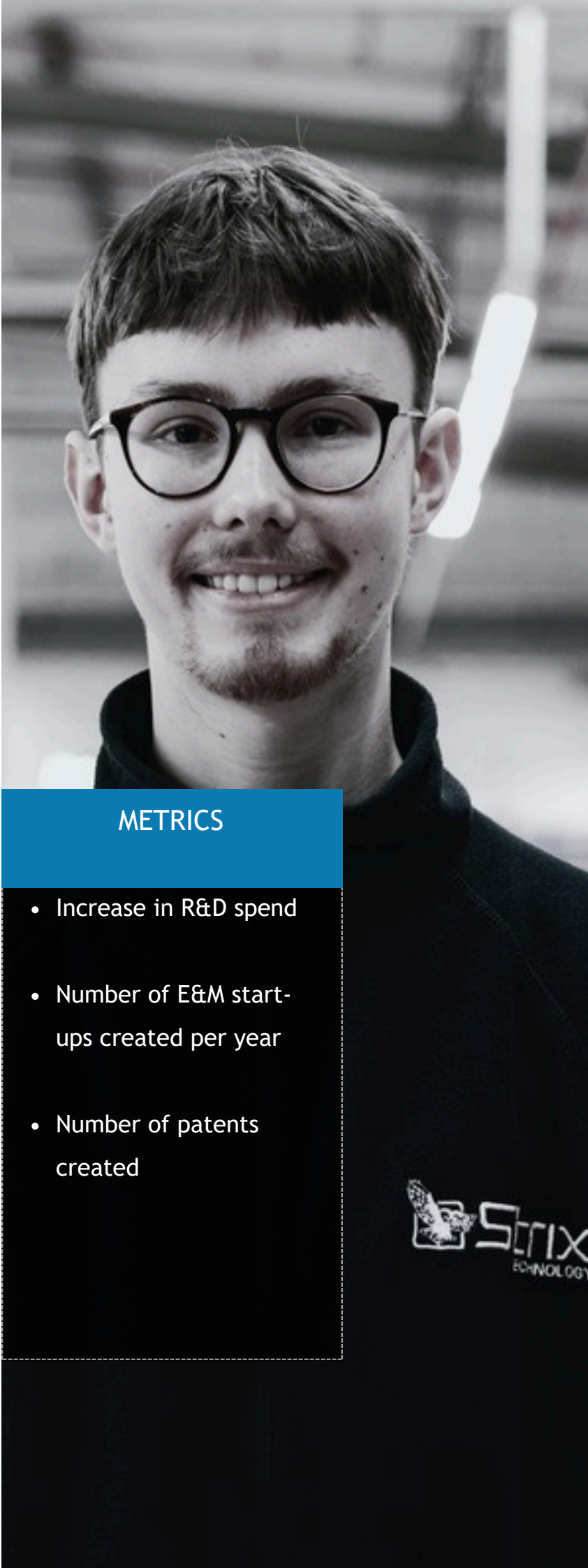
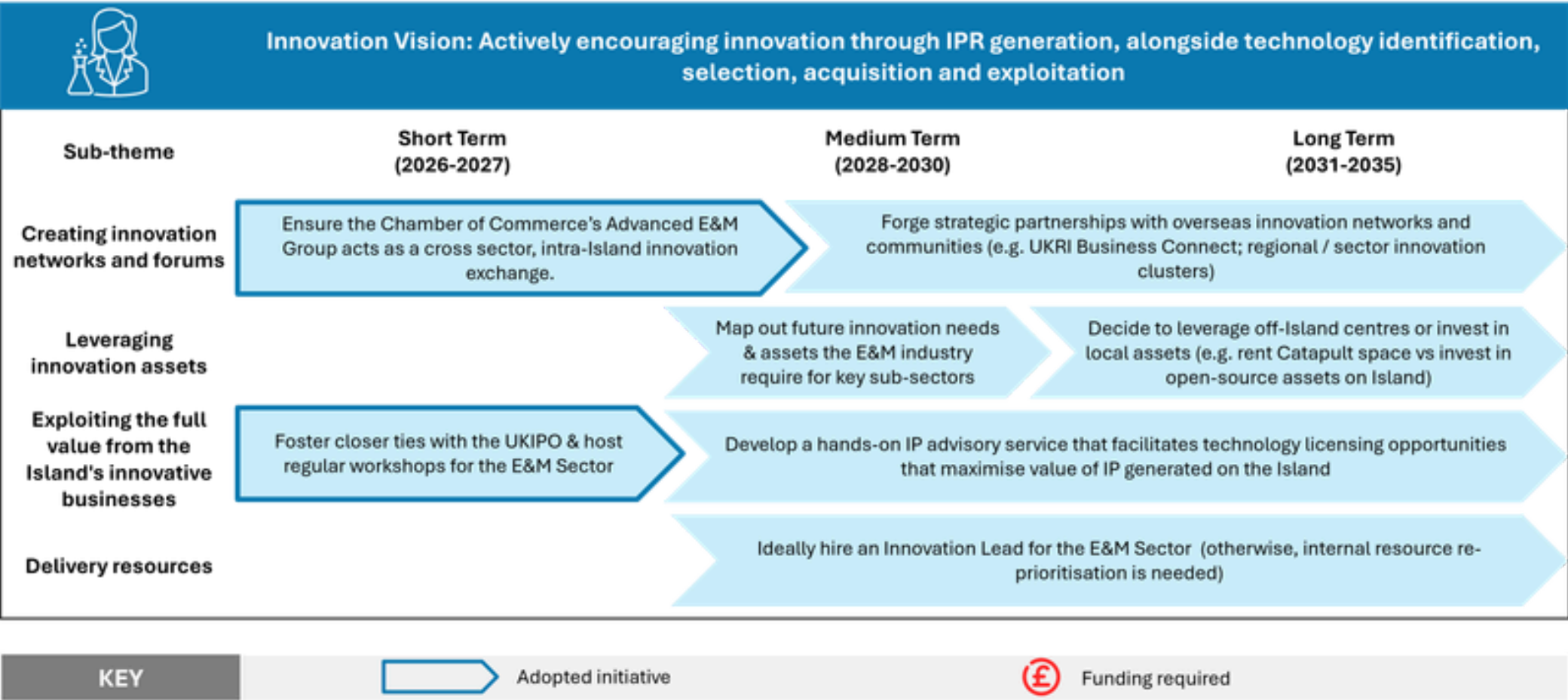
Innovation is essential for the Isle of Man’s long-term economic growth, resilience, and global position. It enables the Island to diversify its economy, attract investment, and create high-value jobs.

The E&M sector is a strategic asset for the Island. Despite higher production costs, Isle of Man firms succeed by producing high-value, niche products. Innovation helps these firms differentiate, improve productivity, and maintain a competitive edge in wider markets.

While the private sector is a key driver of knowledge and revenue, innovation funding on the Island remains modest compared to those offered by international peers. This limits the ability of firms, especially SMEs, to invest in R&D and adopt new technologies. To build a resilient, future-ready economy, the Isle of Man must embed innovation into its ecosystem. With the right support, the E&M sector is well-positioned to lead this transformation.


## ONGOING INNOVATION INITIATIVES

- The Chamber of Commerce’s Advanced E&M committee is already positioned to act as an innovation exchange. This is proven by the engagement, for example, of the Advanced E&M Forum with the Sustainability Forum and links with Isle of Man’s Chamber of Commerce to Chambers in other jurisdictions.
- Engagement with UKIPO is ongoing and should be further developed. Regular workshops are to be arranged.
- Enterprise Support’s Business Consultancy Scheme provides support for company innovation needs, IP advisory, company IP audits, and opportunity identification.



METRICS

- Increase in R&D spend
- Number of E&M start-ups created per year
- Number of patents created



# Attracting Foreign Direct Investment (FDI)

FDI is critical to the Isle of Man's economic resilience and global relevance. It brings benefits such as higher productivity, innovation growth, and access to global supply chains. These are especially valuable for the Island's E&M sector which is currently dominated by a small number of large firms. To reduce this concentration and diversify the economy, attracting new E&M businesses is essential.

The Isle of Man offers several competitive strengths that can appeal to international investors such as a favourable tax regime, government financial support, and a high quality of life as well as its strategic location near the UK, Ireland, and EU.

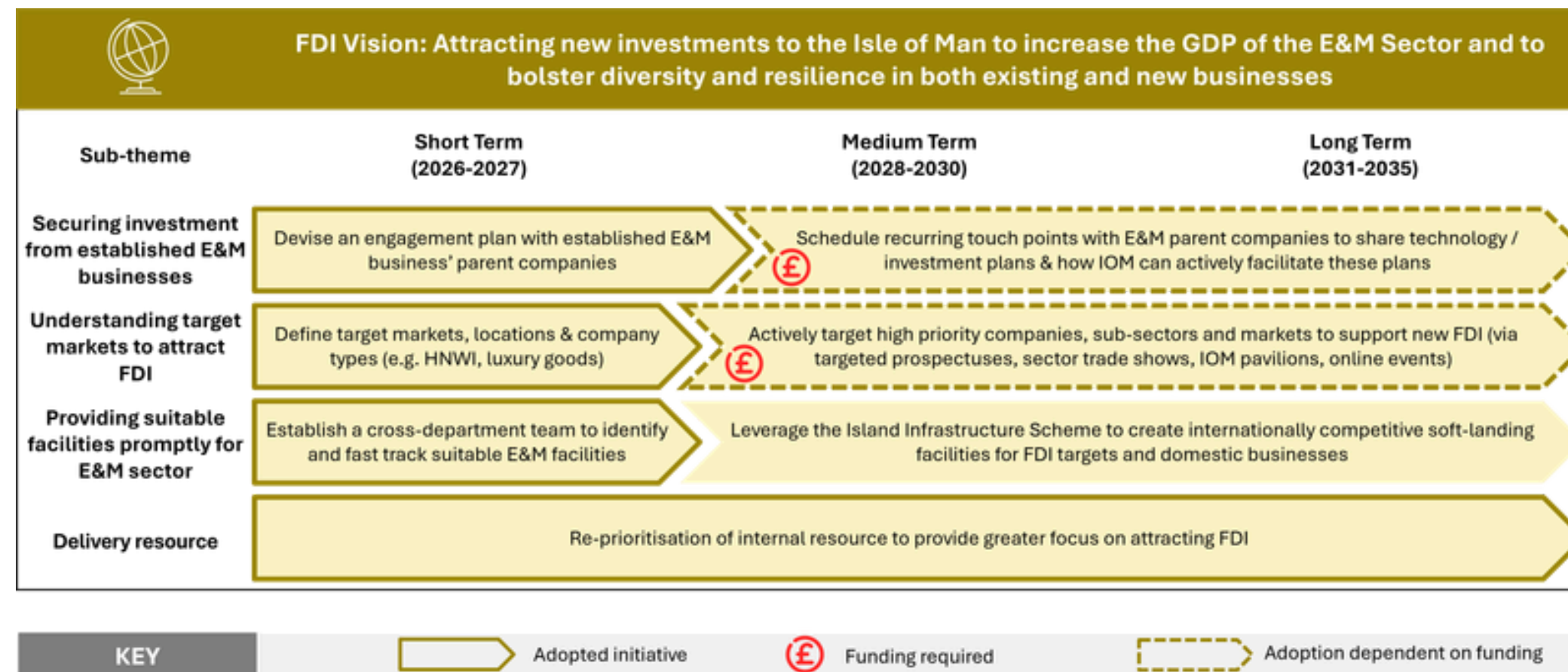
To unlock the full potential of its E&M sector and strengthen economic resilience, the Isle of Man must actively promote its FDI offer. With the right incentives and positioning, the Island can attract high-value, innovation-led businesses and individuals that contribute to long-term growth.

## ONGOING FDI INITIATIVES

- Engagement is ongoing with established E&M parent companies through business reviews and business development activity.
- FDI outreach is ongoing through active collaboration with partner Agencies and strategic networking.
- Liaison with Construction Isle of Man and Department of Infrastructure to identify suitable facilities.

## FUNDING REQUESTED

Funding bid to be developed for delivering an engagement plan with existing E&M businesses' parent companies and attracting new businesses to the Isle of Man.



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## METRICS

- New investment in E&M
- New businesses attracted (volume & value)

# Championing Sustainability

By embracing sustainability, the Isle of Man can secure long-term economic resilience and resource efficiency, while leveraging the increasing investment in cleantech, to establish itself as a centre for green innovation.

The E&M sector stands to benefit significantly from adopting sustainable practices. These can boost productivity and reduce operational costs, attract green investment, enhance compliance with international regulations, and support meeting Isle of Man’s Climate Change Act 2021 targets and improve access to global markets where sustainability is a procurement priority.

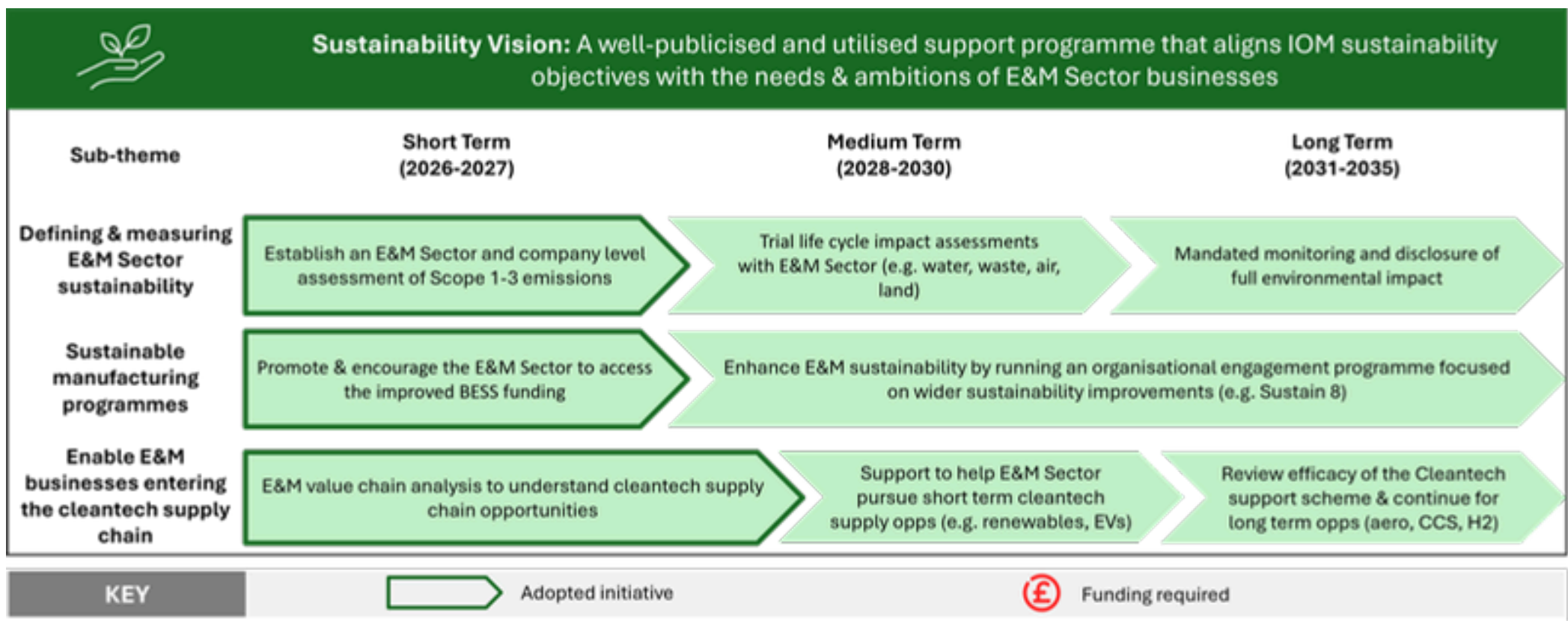
As the first entire nation designated a UNESCO Biosphere in 2016, the Isle of Man has a globally recognised commitment to sustainability. This status strengthens its appeal to businesses with sustainable growth models and aligns with the Island’s broader economic and environmental goals.

To remain competitive, embracing sustainability is essential, through productivity gains, energy efficiency, and circular economy practices.

Sustainability is not just an environmental imperative, it’s a strategic economic opportunity. By embedding sustainable practices the Isle of Man can enhance its global reputation, attract future-focused businesses, and build a more resilient economy.

## ONGOING SUSTAINABILITY INITIATIVES

- Business Emissions Saving Scheme offering grants and interest-free loans for energy efficiency projects.
- Working with Chamber of Commerce’s Advanced E&M Committee to develop workshops for E&M companies on carbon reduction strategies and ESG reporting.
- Funding for advisory in carbon reduction and E&M value chain analysis is available through Enterprise Support’s Business Consultancy Scheme.



## METRICS

- % reduction in CO2
- Number of applications to Business Emissions Saving Scheme (BESS)
- % energy reduction

# Driving Productivity

High productivity is essential for the Isle of Man to remain internationally competitive; especially in sectors like engineering and manufacturing, where firms must compete on quality, efficiency, and innovation rather than cost alone. Improving productivity enables firms to increase exports and profit margins, re-invest in R&D and innovation, offer higher wages, and attract skilled talent.

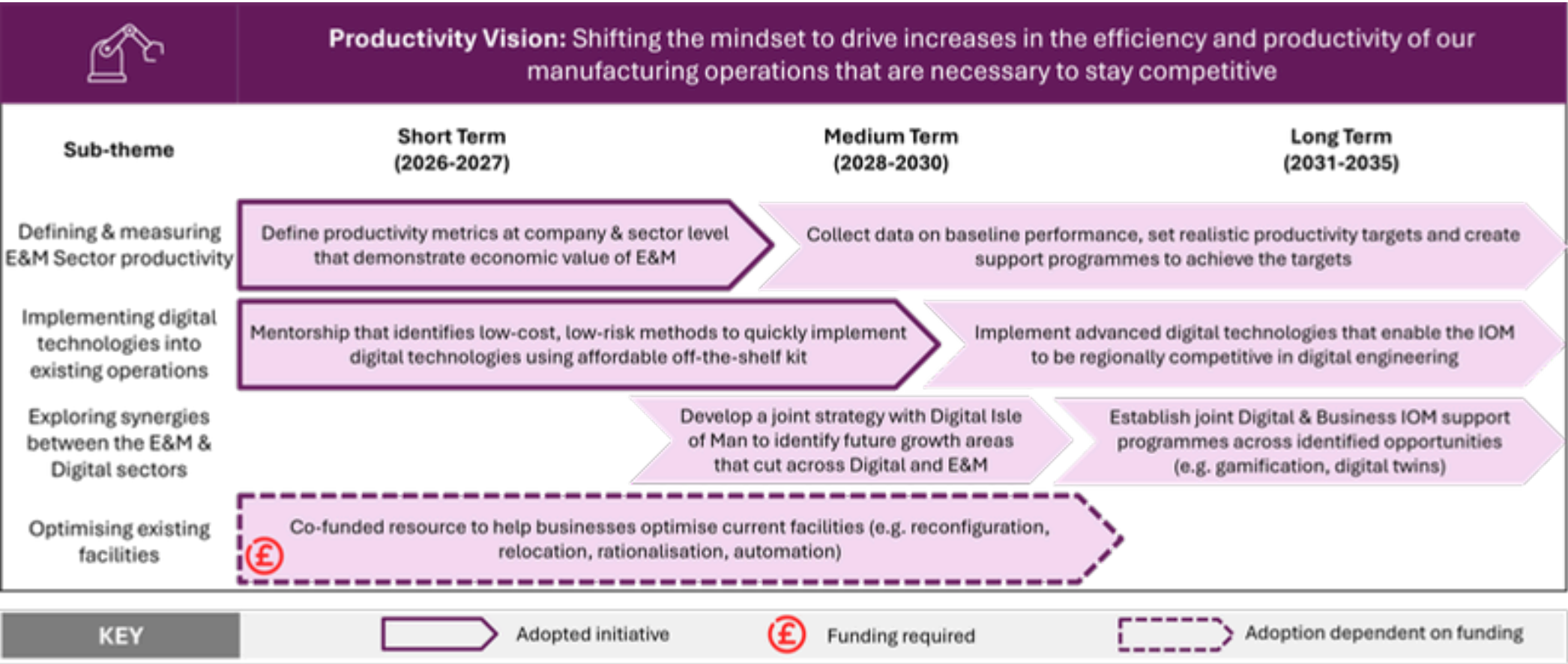
Given the Island’s relatively high logistics and energy costs, productivity gains are critical to maintaining and growing the manufacturing base. They help offset structural cost disadvantages and make the Island more attractive to new investors.

## ONGOING PRODUCTIVITY INITIATIVES

- Low-cost and low-risk methods are already being used to enhance productivity. Initiatives include Digital Isle of Man's Activate AI Programme and the E&M sector AI Community of Practice (CoP) proof of concept for visual defects.
- Business Consultancy Scheme funding is already in place for consultancy to help identify digital opportunities for individual businesses to a level of 50% to a max of £7.5K per project.

## FUNDING REQUESTED

Funding bid to be developed for a productivity programme using GVA & Balanced Scorecard across Innovation, FDI, Sustainability, Productivity and Skills as a metric for productivity and optimisation.



## METRICS

- Company GVA
- GVA per worker

# Developing Skills

Global shifts in digitalisation and decarbonisation mean the Isle of Man must prioritise skills development to remain competitive. A future-ready workforce is essential for productivity, innovation, and sustainable growth. This is especially true for Engineering & Manufacturing, where talent retention and attraction are ongoing challenges.

The Skills Strategy and Sector diagnostics highlight the need for better alignment between training and industry demand, particularly in advanced manufacturing, digital, and cleantech.

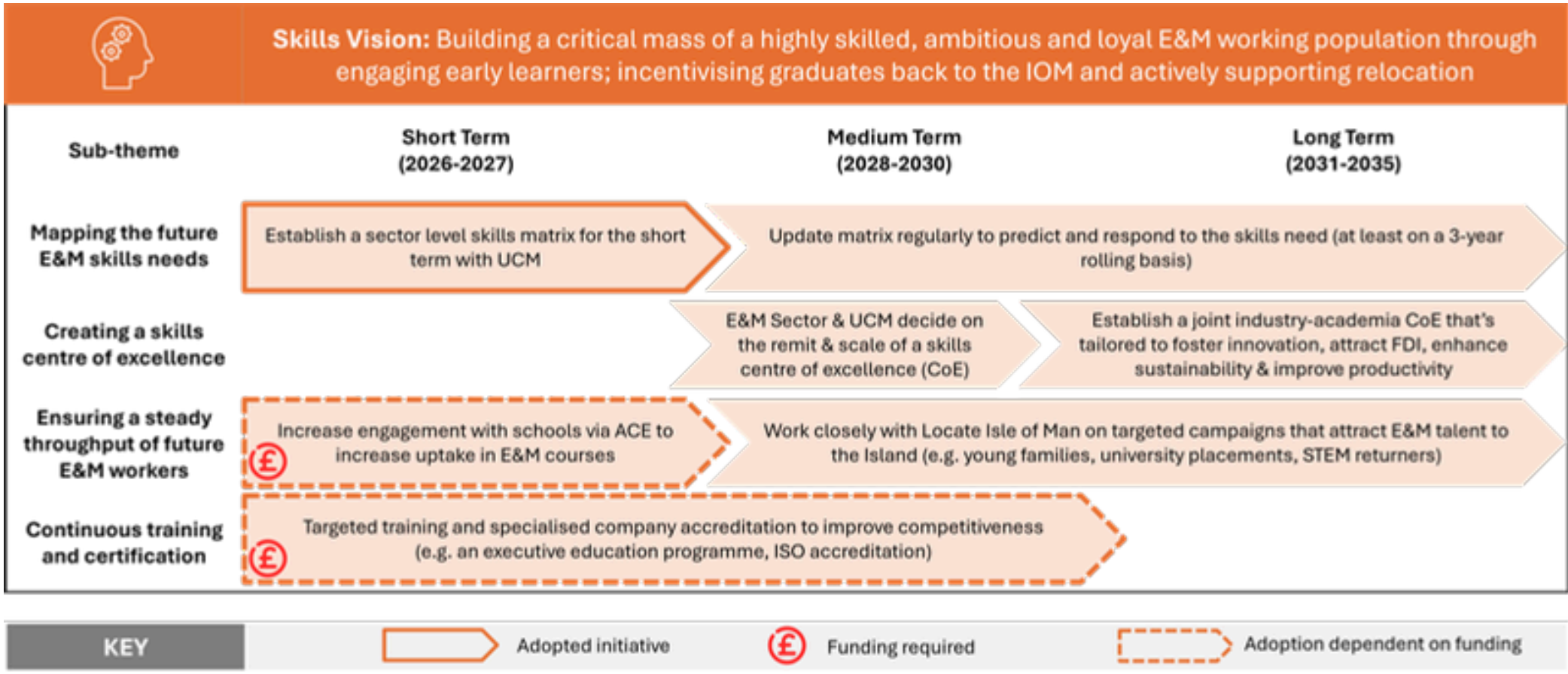
Leadership development is also key and a funding proposal for Leadership and Management is to be developed. A co-ordinated, industry-aligned approach will equip the Isle of Man with the leadership talent to drive innovation and secure its economic future.

## ONGOING SKILLS INITIATIVES

- The promotion of E&M as a career choice through outreach initiatives such as Awareness of Careers in Engineering (ACE) and STEMfest is ongoing, along with collaboration between industry and education providers.
- Apprenticeship programmes combine academic learning with practical experience, providing nationally recognised qualifications alongside hands-on industry skills. Continuous upskilling addresses immediate skills gaps and prepares the workforce for emerging technologies.
- Continue to work closely with University College Isle of Man (UCM) and Industry to facilitate open dialogue on future skills needs.
- ISO accreditation support is already offered through Business Consultancy Scheme to a level of 50% to a max of £7.5K per project.

## FUNDING REQUESTED

Funding bid to be developed by Q1 2026 to support increased engagement with schools through ACE and to develop Leadership and Management training. This will create a talent pipeline for the industry, enable firms to invest in future senior leaders, and align capabilities with the Sector’s Strategic goals.



## METRICS

- New jobs created
- Jobs safeguarded
- Annual E&M course intakes at UCM
- E&M wage averages
- Number of E&M apprenticeship/graduate placements

# Competitive Funding

Strategic government funding plays a pivotal role in accelerating innovation, attracting foreign investment, and enhancing productivity - especially in the E&M sector. In the Isle of Man, adaptable financial support has already helped businesses scale, adopt new technologies, and align with long-term economic goals.

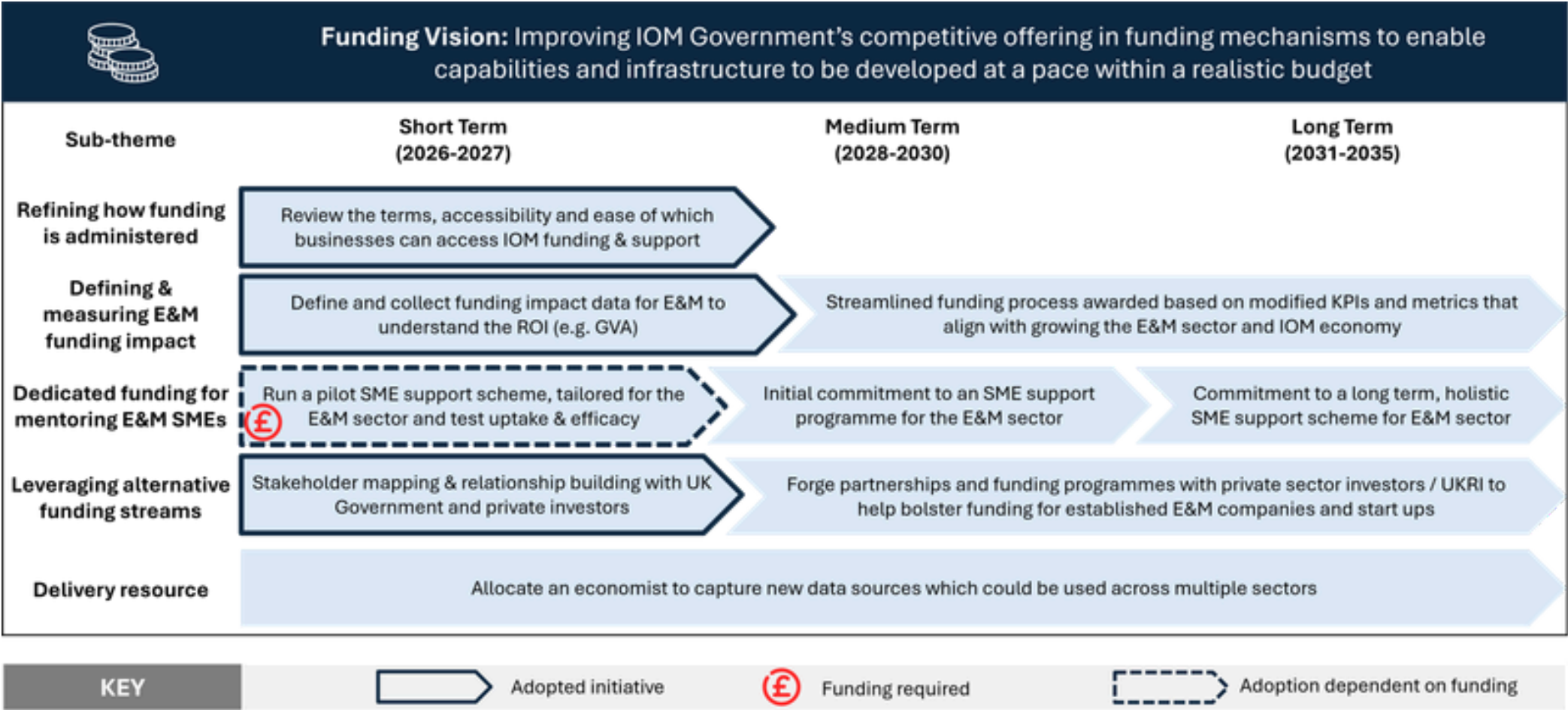
The Strategy sets out that to unlock the Sector’s full potential, funding mechanisms must become more agile, targeted, and innovation focused. This will support business growth, attract high-value investment, and enhance global competitiveness.

## ONGOING FUNDING INITIATIVES

- Enterprise Support Schemes are in place and an awareness drive is ongoing.
- Business Start Up Scheme for new businesses and Business Consultancy Scheme for businesses looking to carry out R&D that can be taken up in stages.
- Financial Assistance Scheme that can offer a generous package of support to qualifying businesses, including grants of up to 40% towards a range of capital and operating items. This scheme is open to new businesses, those looking to expand and for businesses relocating to the Isle of Man.

## FUNDING REQUESTED






























Funding bid is to be prepared and submitted in Q1 2026 to support productivity using a Balanced Scorecard metric to assess in order that decisions are not solely based on the return to the exchequer (headcount).



## METRICS

- Funding should consider all aforementioned metrics plus:
- % of total funding awarded to E&M
- % of total funding into E&M R&D

# Implementation Plan Timeline

	2026												2027												2028				
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Sept	Oct	Nov	Dec	Qtr 1	Qtr 2	Qtr 3	Qtr 4		
<div></div> <div>Fostering Innovation</div>				<div></div> IN2. Strategy launch event												<div></div> IN2. Strategy year 2 event									<div></div> IN3. Map out future innovation needs & assets				
				IN6. Host workshop with UKIPO and E&M sector						<div></div>						IN6. Host workshop with UKIPO and E&M sector			<div></div>										
<div></div> <div>Attracting FDI</div>			FD16. Launch of Proposed Government Property Management Forum	<div></div>			FD13. Attend Farnborough Airshow											FDI 13. Attend Paris Airshow											
<div></div> <div>Enhancing Sustainability</div>										<div></div> SUS7. Energy & Cleantech Forum								SUS7. Energy & Cleantech Forum		<div></div>						SUS7. Energy & Cleantech Forum	<div></div>		
																			SUS5. Implementation of Wider Sustainability Improvements	<div></div>									
<div></div> <div>Driving Productivity</div>				<div></div> PRO7. Introduction of balanced scorecard metrics for FAS applications*																									
						<div></div> PRO5. Innovation Challenge Finale																							
									<div></div> PRO7. First round of funding applications close																				
<div></div> <div>Developing Skills</div>			<div></div> SKI5. STEMFest 2026												<div></div> SKI5. STEMFest 2027										<div></div> SKI5. STEMFest 2028				
					SKI7. Launch of Level 7 Leadership Development Scheme*					<div></div>						<div></div> SKI6. Locate Young Adult & Grad Fair									<div></div> SKI6. Locate Young Adult & Grad Fair				
			<div></div> SKI6. Locate Young Adult & Grad Fair							<div></div> SKI5. STEM Event for Secondary Schools																SKI5. STEM Event for Secondary Schools	<div></div>		
<div></div> <div>Competitive Funding</div>				<div></div> Funding bids to be to be submitted																									

\*subject to funding



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Business Isle of Man would like to thank [Gemserv](#) and [IfM Engage](#) for their continued guidance throughout the development of this Strategy and Action Plan. We also appreciate the support of the Engineering and Manufacturing Steering Group, Business Isle of Man Board, and the many business leaders and Government departments who shared their expertise through interviews, company diagnostics, workshops, and presentations.

Scan the code below to view  
The Advanced Engineering &  
Manufacturing Strategic Review

### PHASE 1 REPORT



### PHASE 2 REPORT

