

**COUNTRY PROFILE:****ISLE OF MAN**

IES/02: ATTACHMENT A

**DATED:****MARCH 2007****CREDIT GUARANTEE:**

	<i>Country Rating</i>	<i>U/W Method</i>
<i>Short-term</i>	1A	No Restrictions

*Recent Political Highlights*

- ❑ The Isle of Man was part of the Norwegian Kingdom of the Hebrides until it was ceded to Scotland during the thirteenth century. It is now a British crown dependency but is not part of the UK. It has its own laws, courts and Government which is a parliament called Tynwald. The UK Government is constitutionally responsible for its defence and international representation;
- ❑ Chief of state since February 1952 has been Lord of Mann Queen Elizabeth II, who since October 2005 has been represented by Lieutenant Governor Sir Paul K. Haddacks;
- ❑ The monarch is hereditary and the lieutenant governor is appointed by the monarch for a five-year term;
- ❑ The next election is scheduled for December 2008.

*Recent Economic Highlights*

- ❑ The Isle of Man has a population of 75,500 that grew at an estimated rate of 0.5% in 2006;
- ❑ The Isle of Man's economy started out with Celtic settlers, simple people with small farms and basic livestock and fished in nearby streams and rivers. This gave rise to small fishing companies which expanded into fishing trade including exports of herring;
- ❑ Tourism later overtook the fishing industry and together with shipping, became the driving forces of the island. As foreign places became more attractive destinations, the Isle of Man changed its tax rates and laws for businesses and developed itself as a finance centre. Today the economy is based around financial services;
- ❑ Added to its successes were e-commerce ventures. The island saw itself competing in the race for third generation telephones (3G) against world leaders like Japan;
- ❑ The island forms part of the EU single market and VAT area but is otherwise not part of the EU fiscal area;
- ❑ In 2005, Standard & Poors renewed its 'AAA' international credit rating, reflecting the island's robust economy and strong fiscal position. This was largely supported by its strong banking, investment fund and captive insurance sectors, with a well-developed advisory and financial infrastructure;
- ❑ GDP growth increased by 5.2% in 2004/05.

*Latest Trade Developments*

- ❑ Main exports: tweeds, herring, processed shellfish, beef and lamb;
- ❑ Main imports: timber, fertilizers and fish;
- ❑ Main industries: financial services, light manufacturing and tourism;
- ❑ Agricultural products: cereals, vegetables, cattle, sheep, pigs and poultry;
- ❑ Major trading partners: UK.

*Lily Moodley – Economic Services*