



# Strategic Economic Directions for the Isle of Man Offshore Media Hub

isle of media

CREATIVITY · CONNECTIVITY · PROXIMITY  
КРЕАТИВНОСТ · КОНЕКТИВНОСТ · ПРОКСИМНОСТ

# Government commits to the Digital Media sector growth



Minister for Enterprise Laurence Skelly on Manx Radio Sept 2017

*“Media and the Creative Industries is quite an interesting proposition going forward because we think we are very well positioned not just in TT but great legacy in film for example. We think we can create a new industry here with post production and animation and the various other indigenous media jobs.*

*And you know the Film Festival which was just the other weekend. Great to see young Manxmen when they shoot film. That’s someone who’s been dedicated and we want to have that creative, sustainable industry right here on the Isle of Man.”*



Treasury Minister Alfred Cannan in ‘The Budget Speech Feb 2018’

*“There is also far more to digital business than the booming eGaming sector.*

*We are beginning to see exciting opportunities in the digital media, and unlike much of the film industry that we previously enjoyed, the employment opportunities could be year-round and sustained on-island.*

*I will today signal our commitment to the potential in this sector and look forward to discussing with the Department for Enterprise”*

# Executive Summary



## Disruption in TV and exponential growth in video

Media is a highly profitable, cash-generative, mature industry. The rise of 'streaming' content (OTT, VOD) is driven by changing viewing habits, massive investments into 'original content', leveraging global reach, advances into broadband infrastructures and regulatory enforced opening of previously geo-blocked markets. New forms of content and end user devices have entered the markets. The ultra-fast changing value chain is creating numerous opportunities, new jobs and new companies in content production, distribution, tech, monetisation, consulting and advertisement. Neither is the creative industry threatened by automation, nor is the US-investment fueled UK media sector be impacted much by Brexit. The Isle of Man has already started to attract new media ventures growing the Island's job base.

## Financing & Taxation

'Film-Tax-Relief', offered for certain genres, is a model the Isle of Man as a low tax jurisdiction cannot compete with. Still HQ and holding functions for those businesses are attractive to be located on the Island, as it can participate in co-productions. Other genres are nowhere subsidised like production of commercials as well as the entire rest of the media value chain in distribution, content management & delivery, video tech and platforms. The Isle of Man can play to its strengths as an offshore hub.

## Growth Opportunities for the Isle of Man

- Media offers synergy with eGaming (animation, gaming, VFX), ICT
- Media offers growing with neighbor hubs in North-West & Ireland
- Media (film & animation) & Tech are two of the Top-8 career options to motivate Isle of Man graduates to return to the Island
- Unique offshore value proposition without competition in Europe
- Isle of Man offers alternative lifestyle than UK-Irish media city hubs
- Recent investments and emerging players in the Isle of Man offer superb global content delivery
- Isle of Media top executive and advisory boards are door openers

## Recommendations

- Embrace current disruptive opportunities of a Digital Media boom
- Grow the entire media supply chain as a comprehensive offering
- Focus production on "non-tax-relief" area, e.g. commercials & sports
- Continue to attract all productions for HQ and 20/80 co-productions
- Cluster content around motorsports, animation, environment
- Assess opportunities in studio investments and trade conferences
- Assess opportunities in safe regulation of firearms for productions
- Increase efforts on high growth areas of video tech, eSports
- Attract creative creative nomads such as scriptwriters, vloggers
- Make long term commitment to grow to critical cluster size
- Create private investments partners for Isle of Man ventures

# Our Value Proposition

1

## Low Taxation

- 0% Corporate Tax → Ideal for high-profit ventures, holdings and HQs of broadcasters, co-prods, distributors & tech
- No Capital Gains Tax → Ideal for the exit of media startups
- No Withholding Tax → Ideal for media distribution and holdings of IPR in content and formats

2

## Country Lifestyle & Media City Proximity

- Central location in Irish Sea → Ideal spot between film hubs of Belfast, Dublin, Liverpool & broadcast hubs Manchester, Leeds
- Flights to major UK Cities → Ideal for alternative lifestyle but staying connected to London and Northern media hubs
- Local Studios & Post-Prods → Ideal for co-pros; offering spillover capacity

3

## Connectivity

- 7 Submarine Cables → Ideal for content delivery
- Teleport & Fibre Playout → Ideal for broadcasts
- 6 Data Centres → Ideal for content management

4

## Comprehensive Supply Chain

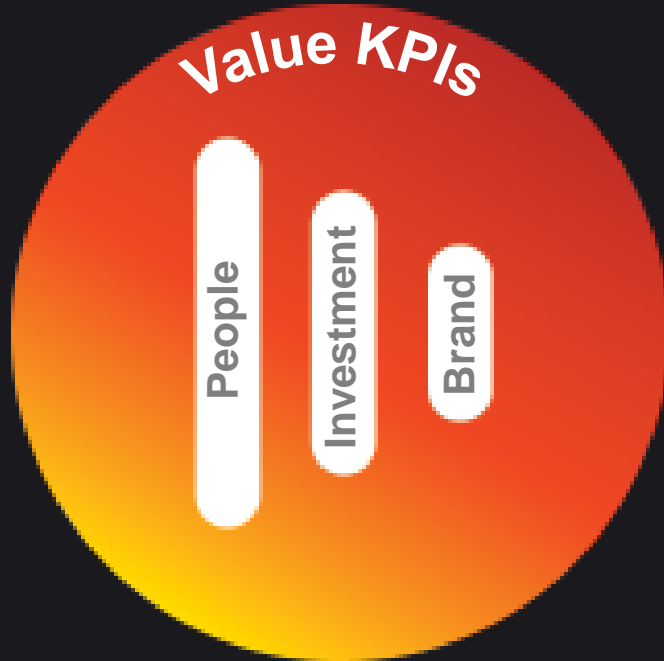
- Delivery, Tech and Platforms → Ideal for media monetization
- Distribution → Ideal for content delivery
- Production & Post-Prod. → Ideal for content creators sharing resources

5

## Talent

- English speaking → Ideal for UK, Irish and international media markets
- Indigenous Talent → Ideal for local support
- Recruitment Incentives → Ideal for new employees (national insurance holiday) and employers (1<sup>st</sup> year salary subvention)

# Objective: Expanding Europe's unique Offshore Media Cluster



## **KPI People: Increase of the economically active population**

- Jobs in the sector
- Sector related entrepreneurs, creative nomads, living in the IOM
- Graduates with media degrees
- New media companies

## **KPI Investment: Media business**

- Sector GDP/GNP
- Investment into infrastructure like studios, teleport
- Private investments into media ventures

## **KPI Brand: From awareness to interest**

- Marketing reach
- Deal flow: Active leads, prospect visits, pitchdecks/BPs
- Cluster coverage in press and social media
- Isle of Man featuring in media products

# Contents

## 1 Markets

- a. Trends
- b. Global TV and Video Markets
- c. Global Film Markets
- d. Global eSports Markets
- e. Competition of Jurisdictions & Clusters
- f. Brexit

## 2 Isle of Man Ecosystem

- a. The Isle of Man Cluster
- b. Financial Assistance & Taxation
- c. SWOT Analysis

## 3 Strategic Recommendations

- a. Embrace Media Change & Boom: 1001 Opportunities
- b. How to organise: Isle of Media as Public Private Partnership
- c. Where to concentrate on: Three Areas
- d. Marketing Plan



# 1. Markets

## a. Trends: Disruptive new players in boom sector

### Social Shift

**#TheNewBlack** 'TV is the New Film' for actors and producers in high end drama; binge watching; 'TV Oscars' coming

**#Millenials** User generated content; short formats; mobile viewing; vertical formats

**#eSports** going big and TV

**#SocialMedia** platforms like Youtube, Facebook, Twitter offering live events

**#Blockbuster** Decline of indie and low budget film. Going big. Sequels & prequels

**#GigabitSociety** (FTTH) overcoming bandwidth bottleneck, enabling VOD for everybody and 4k/HDR

**#DigitalNomads** Remote digital workers roaming the world for best work-live-balance

### New Business Models

**#Convergence** of telcos with media

**#Hybrid** e.g. bundles with PayTV and broadband

**#PeakContent** flooding the screens fueled by VC and equity

**#OrginalContent** as USP for platforms and broadcasters

**#ShortformContent** viral videos and memes

**#BrandedContent** Retailer: live events or personal shopping

**#Middleman** (distributors, studios) taken out by platforms

### Tech

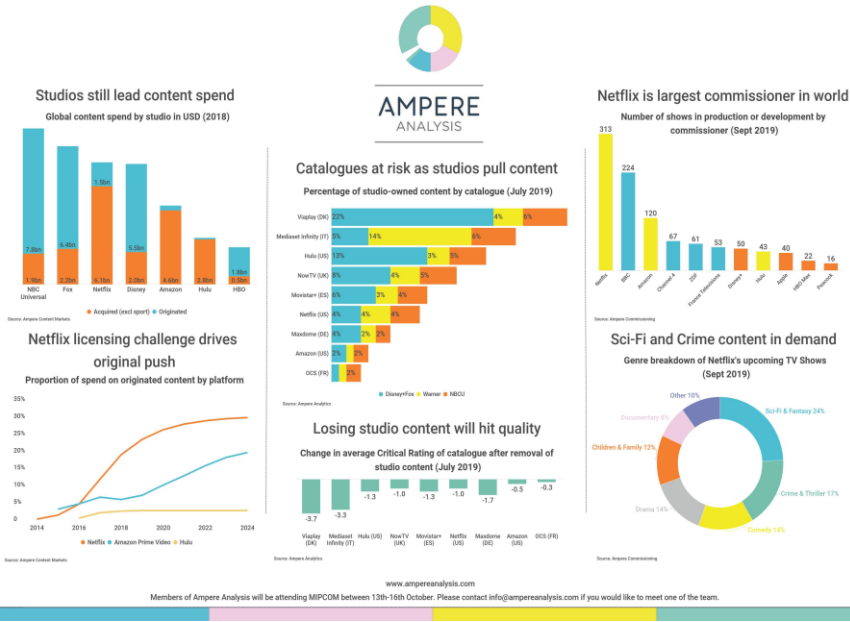
**#UHD #4k #HDR** becoming mainstream in sport, shopping, fashion, high-end-documentary... **#8k** looms

**#Amazonization** Scale, Scale, Scale

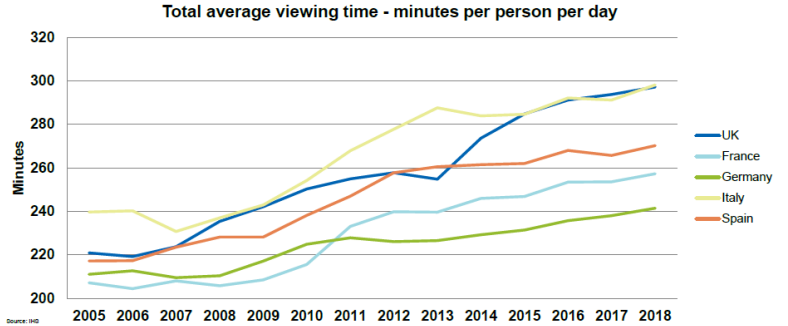
**#Cloudification** for content management and video delivery

# b. Global TV and Video Markets

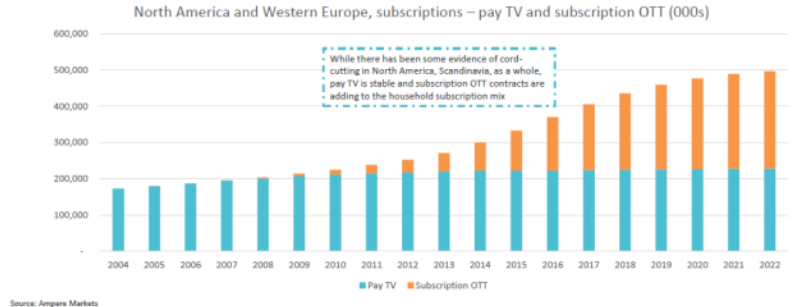
## Content Commissioning Changes



## Longer TV viewing



## Rise of OTT



## c. Global Film Markets

### Box Office Ticket Sales flat / declining

- Long-term stagnation in the number of global tickets sold. Admissions totaled 1.32 billion last year, flat compared with 2015, and down from 1.4 billion a decade ago
- Challenge to lure younger audiences who have more entertainment options in the home

### Box Office Revenues flat, China disappointing

- Leveling off at the global box office underscored sluggish movie ticket sales in countries outside the United States and Canada. Foreign box office totaled \$27.2 billion in 2016, down from \$27.3 billion in 2015
- China fell 1% to \$6.6 billion in 2016, in U.S. dollars

### Monetisation by linear and non-linear TV

- The importance of box office revenues is diminishing for film (down to ca. 10%). Some films directly start online

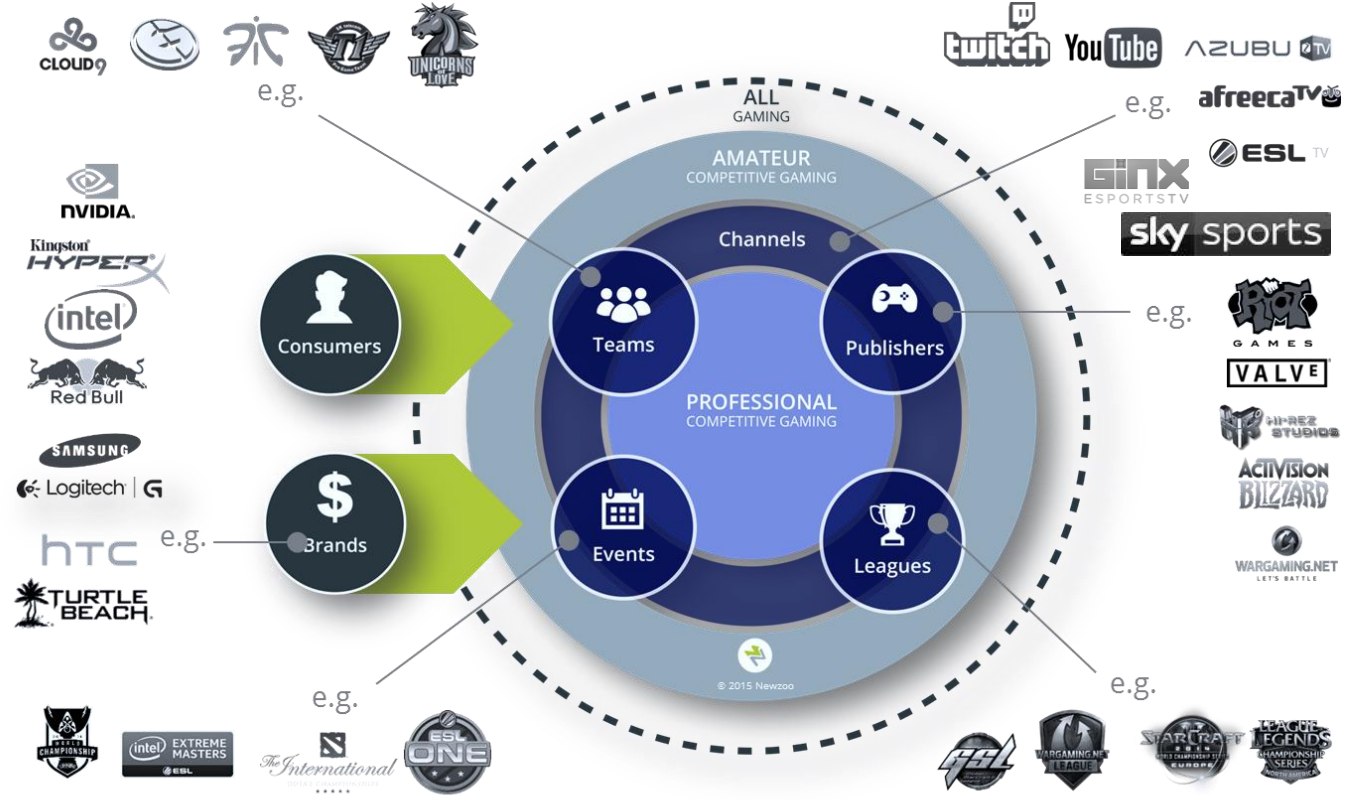
→ **But more important for an Isle of Man Digital Media strategy than the global block buster driven cinema business is the small-medium budget and UK (Indie Film) situation**

### UK Indie Film Crisis (from [Screendaily](#))

- ‘The State Of The UK Independent Film Sector’ study recently completed for UK producers’ association PACT was that 78% of the UK producers contacted for the report have had to defer some or all of their fees since 2007. Given they were unlikely to have had much of a share of the ‘backend’ from the profits of their films, this means that, in certain circumstances, they are working for virtually nothing
- The international market value for independent UK films has suffered a decline of an estimated 50% since 2007. The report puts this down to digital disruption, increased competition for audiences and the squeeze caused by the global financial crisis of 2007. It concludes the present financial model is “broken”
- With 25% UK tax relief the sector struggles to compete with other English-speaking countries like Canada and Australia
- Most UK sales agents acknowledge the international market value for UK films has dropped and point out they too are suffering as a result. “The answer to falling international revenues isn’t simply to replace them with something else, it is to address those international markets and get better at selling to them,” suggests Charlie Bloye, chief executive of Film Export UK

→ **Still Indie Film fuels the skill pipeline and has avantgarde value**

# d. Global eSports Markets



- Other businesses :**
- Event Infrastructure Operators
  - Event Connectivity
  - Training Centre Operators
  - Virtual Merchandising
  - eGambling, e.g. lootboxes

## d. Global eSports Markets

**60-40-40 CAGR 2015 - 2017**

**1bn revenue**

150 million audience (Deloitte '15)

2017 viewers: YouTube Gaming +343%, Twitch +197%

**Twitch > CNN viewers**

League of Legends as many viewers as Olympic Opening in '15  
 German coalition contracts awards 'Sports' status  
**eSports bigger than Sports in Future?**

→ Massively booming and equity hungry industry with a few, very effectively addressable top decision makers. The UK, which eSports sector is lagging behind Germany and Poland in Europe, is said to become the next big European market

Figure 1: E-sports revenue and yearly growth, 2013-22

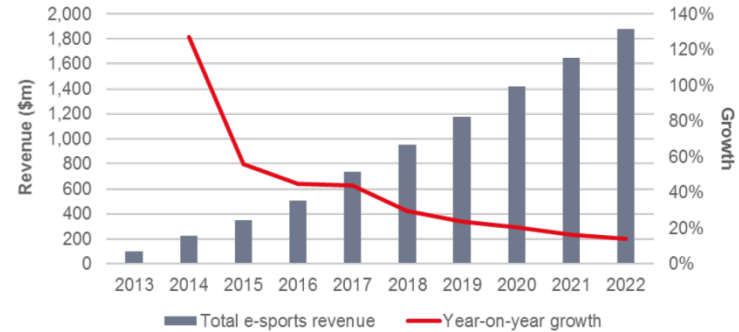
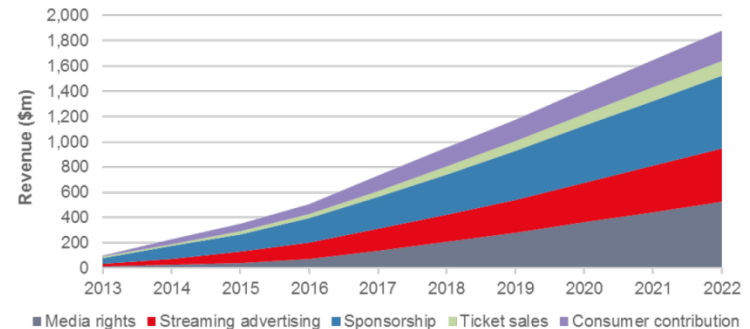


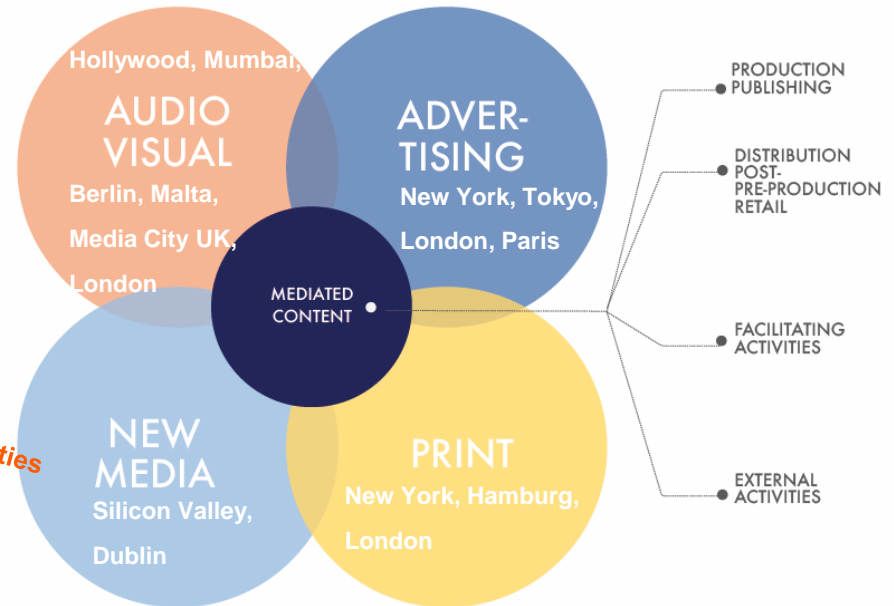
Figure 2: E-sports revenue by segment, 2013-22



# e. Competition by other Jurisdictions & Clusters

## Drivers for Cluster Development, examples

- Real Estate:
  - Media City UK, Dubai Media City, Media Park Hilversum
- Giant anchor:
  - Cologne (60% of TV market, eSports: ESL, Gamescom), Hilversum
- Attracting Enabler:
  - Belfast Studios, Berlin Babelsberg, Pinewood Studios, Malta
- Pooling Initiative:
  - RockCity Sweden, @22 Barcelona, Screen.brussels
- Creative Region (Urbanisation Economics) or area:
  - Paris, Amsterdam, Singapore, London Soho, Hamburg St. Pauli
- Outdoor Location:
  - Isle of Skye, Budapest, Malta
- Tax Incentives:
  - Vancouver, Qingdao, Fiji, Sydney
- Low Cost Wages:
  - Budapest, South Africa, Croatia
- Low Tax ← **No cluster competition in Europe for IOM**
  - Dubai



## e. Competition by other Jurisdictions & Clusters

### The New Studio arms race, a random overview:

- Manchester/Salford: £1bn to double size for more TV studios as well as shops, offices, a 330-bed hotel and 1,400 new homes
- Pinewood: £250m expansion by adding 100,000 sq m of new facilities, including twelve large stages with supporting workshops, production offices and infrastructure
- Edinburgh/Straiton: New 'Pentland Studios', £250m for 1,600 jobs by purpose-built studio complex, six sound stages up to 70ft tall at the 106-acre site, 2 Hollywood-style backlots, a 180-room hotel, a 50,000sq ft creative industries hub, 50,000 sq ft of workshop space and a film academy
- London: Plans to build London's largest studio in Dagenham
- Liverpool: New 'Pinewood of the North' £35m for 350 jobs
- Belfast: Adding 'New Harbour Studios' with £20m for 120,000 sq ft of studios, workshops and offices on 8 acres
- Dublin: €20m for 'New Bay Studios' on 20 acres
- Chongqing: £1.6bn plans for China's largest studio

→ **Create #NorthernPowerhouse cooperation with studios in Liverpool, Yorkshire + Belfast, Dublin, and for broadcasting with Manchester and Leeds**

### Tax Rebates & Offshore Competition

- UK Film production (theatrical release): max cash credit 20/16 percent of UK expenses (depending if budget above/below £20m)
- UK TV producers, broadcasters, distributors: No tax credits
- UK S/EIS tax reliefs for investors supporting film companies
- Ireland: Capped tax reliefs for film investors plus 32% cash credit on the lower of eligible expenses, 80% total costs, €70m
- Canada: foreign producers tax credits from 32% to 70% of eligible labour, plus tax incentives on local spend from 20% to 30%. Extra regional tax incentives for visual effects and animation
- Channel Islands: Rather inactive 'Creative Industries Guernsey', failure to create something similar in Jersey. No Media Fund
- Malta: Film shooting location strategy plus attracting Media Funds. Up to 27% cash rebate, for co-productions up to 32%. Newly launched fund for feature films up to 120,000€. Studios, film and TV industry existing. Some smaller funds for creative industry. 35% corp.tax but tax refunds to non-resident-shareholders result in <5%
- Abu Dhabi Freeport: 30% cash-back rebates, no tax, but censorship
- US Virgin Islands: Up to 17% transferable tax rebate, 29% cash refunds. Up to 90% tax relief for relocating companies
- South Africa: Foreign productions receive up 20% cash rebate and up 25% if including local post production

## f. Brexit

### Background Information

- The EU Audio Visual Media Services Directive (AVMSD) regulates mass media whether television broadcasting or on-demand
- The AVMSD applies the 'Country of Origin\* Principle' which means that broadcasters just need one regulatory approval of the most relevant EU member state ('Passporting')
- The Isle of Man as being outside the EU cannot provide the necessary EU member state regulatory approval for an EU satellite channel operated from the Island. This is different for an Isle of Man based web TV channel, streaming into EU territory
- Regulatory restrictions e.g. for advertising result largely from national regulation than the less specific AVMSD, creating a regulatory competition of jurisdictions
- EU funding is currently provided for UK content and ventures
- EU broadcasting and film talent can work currently in the UK

### Scenarios

- EU funds for content and ventures might not/only partially be replaced in the UK but are negligible (£40m in 14/15) compared to billions of commercial funding. Impact is on small indie artists only
  - Unlike the current UK situation with the EU's AVMSD applied or the similar EEA arrangement (e.g. Norway), the other role models for a post Brexit Britain are: the Customs Union model (e.g. Turkey), the Free Trade Agreement (e.g. Canada) and the WTO model, all applying the 'Country of Destination Principle'. Without the EU 'Passporting Rights' from the AVMSD the UK might lose several channels currently operating from the UK. Especially Ireland and the Netherlands might benefit. But also the Isle of Man would have no regulatory disadvantage any more compared to UK
  - As a positive Brexit outcome the UK, being lifted from EU state-aid restrictions to subsidise content with local connection only, could further boost its content industry already fuelled by US investments
- **The outcome of state level Brexit negotiations as well as the market reactions are not known, but a loss of EU passporting for UK broadcasters have no impact for the Isle of Man**



## 2. Isle of Man Ecosystem

## a. The Isle of Man Cluster – History & Starting Point

### Location used / featured by externals (no financial support by Government)

- Isle of Man featured in TV, films, video
- Good for marketing the Island
- Examples from TV:
  - Isle of Man in Mare TV, NDR (G)
  - The Queen's Isles, Arte (G, F)
  - Cyclefest, Bikechannel (UK)
  - Julia Walks, BBC
  - BBC Crimewatch
  - British Cycling Championships, Eurosport (UK)

### Paid Marketing by DfE

- TT and Classic TT
- Ads on TV and Social Media
- **Too small stimulus alone to maintain sector, with less events and lower marketing budgets than CIs or Scotland**

### Former Media Fund for externals (Government funds financing shootings)

- Investments into films for theatrical release at the box office are **speculative**
- Markets the Island directly by photo-shooting or by bringing over film stars
- **Not jobs creation related**
- **Fund could not compete with 'cash-back film jurisdictions' like UK, Ireland**
- **Industry, via Isle of Media, requested U-turn of former strategy in 2016 first**

### Cultural Support & Education

- Arts Council, Culture Vannin
- UCM, Film Festival, ManninShorts
- **Creates indigenous skill base**
- **Creates entry ticket into industry**
- **Links with the artist community**

### Local Media Value Chain (production, distribution, tech, broadcasting...)

- Real Business:  
Sustainable jobs & revenues
- Growing full value chain: creation to tech
- Up to 100% spend on Island
- Isle of Man USP with zero corporate tax, no capital gains tax, no withholding tax, alternative living style to surrounding city media hubs, superb off-island connectivity
- Available financial support by DfE grants and emerging private equity partners
- Sector promoted by Isle of Media
- Island promoted by locate.im
- **Jobs creation & investment focussed**
- **Sustainable companies**
- **Large marketing effect**
- **Offers local career perspectives for off-island graduates and workers**

## a. The Isle of Man Cluster – A Growing Value Chain

### When Isle of Media was founded in 2017...

- The old economic strategy was still place, offering the Isle of Man as ‘shooting location’ for external film companies
- The management of the Isle of Man Media Fund itself was costly
- The last three loss making films were initiated under Pinewood: Robot Overlords (flopped), Mindhorn, Where Hands Touch (flopped)
- No visible marketing for the ‘film sector’ though
- Old-fashioned ‘brick-and-mortar’ DVD distributors were in decline
- The flagship event, TT, was produced for television by an off-island company, losing money
- No broadcast / video delivery infrastructure was in place. SNG vans had to be hired for events
- No ‘Blue Chip’ company was engaged (other than Pinewood)
- No integrating network was in place to give the sector a voice and strategy from an industry point of view

### What has been achieved to today, end of 2019



- Strategic U-turn of national media strategy enforced by Isle of Media to attract sustainable, job generating Isle of Man businesses
- Industry contributes resources to marketing and strategy consulting
- Film financing was stopped
- New visible brand presence at major trade shows
- Video libraries went streaming platforms
- TT is produced locally. Hollywood and Bollywood engaging with private investment
- Multi-million investment in teleport, satellite uplink and live playout facility. HQ of company which delivers content to 2,500 cinemas
- Engagement of Blue Chips: SES, Motorsport Network, NTT, Pilgrim ...
- Isle of Media integrates the film, video/TV and the video relevant tech sector in one community with local networking and one industry strategy. The newly founded Royal Television Society Centre Isle of Man offers local representation and events for media industry professionals

# a. The Isle of Man Cluster – when we started 2017...

<b>Broadcasting, Platforms, Channels</b>	<b>Radio Broadcast &amp; News</b> 3FM, BBC Isle of Man, Energy FM, ITV Isle of Man, Manx Radio, MTTV, <a href="#">Radio TT</a>	<b>Social - Youtube</b> <a href="#">Culture Vannin</a> , <a href="#">Lovely Greens</a>	<b>Platforms</b> Pokerstars TV		
<b>Video Delivery &amp; Tech</b>					
<b>Distribution, Advertising</b>	Ayngaran International, Beckmann Visual Publishing, <a href="#">Duke Video</a> , Eros International, <a href="#">Greenlight International</a> , Friends and Heroes, Jellyfish, MediaTech Advertising, <a href="#">Motorsport Mundial</a>				
<b>Production &amp; Post-Production</b>	<b>Animation VFX &amp; VR Mannimation</b>	<b>Commercial Videos</b> Bloom Creative, Blue Olive Productions, Brook Wassal, Cool Edit, Your Movie Crew	<b>Film &amp; TV</b> <a href="#">Beaumanx Productions</a> , DAM Productions, <a href="#">Duke Marketing</a> , <a href="#">GreenlightTV</a> , Parker and Snell		
<b>Production Infrastructure, Training &amp; Services Creation</b>	<b>Studios</b> Ballagroove Studio (Sound) DAM Productions (Sound) Manx Radio (Sound) Mark Cleator (Sound) Isle of Man Media Studios	<b>Training &amp; Education</b> ManninShorts Parker & Snell University College	<b>Services</b> Event Lighting Systems, ExIsle, Lynda's Prop Shop, Ultimate Productions	<b>Drone Operators</b> Duke Aerial Productions Ltd., Greenlight TV, Greybox Media, Your Movie Crew	<b>Creative / Digital Nomads</b> Actors, Consultants, Exec. Producers, Scriptwriters

Motorsports  
 Animation  
 Environment

# a. The Isle of Man Cluster – in 2019



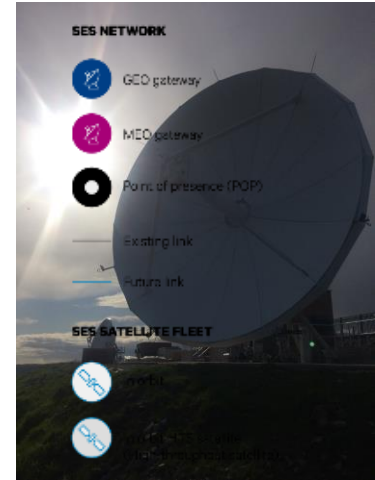
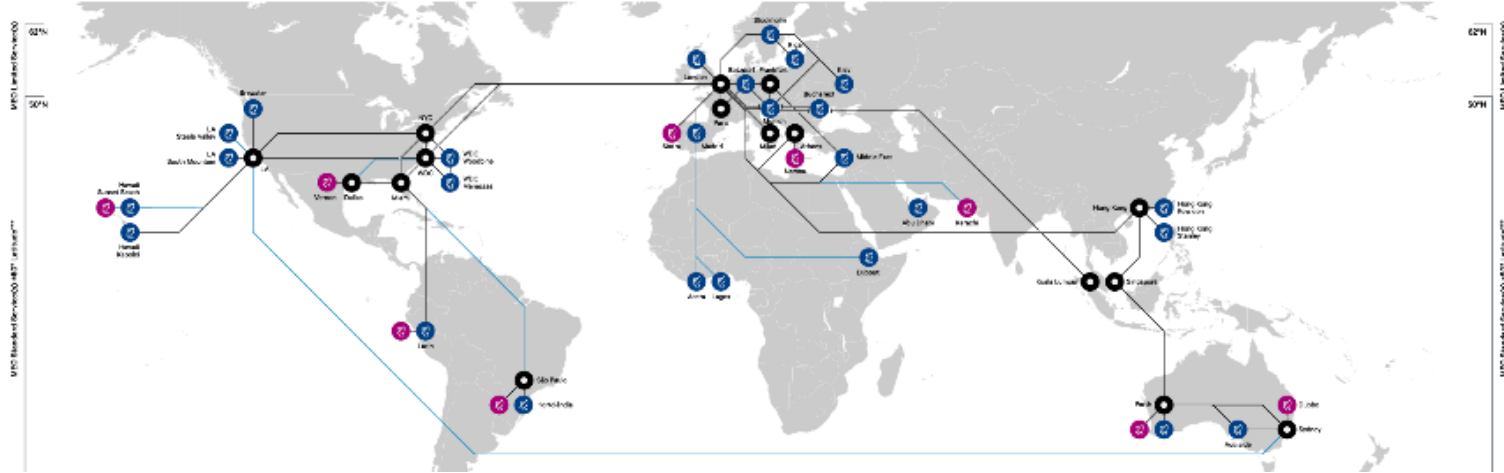
<b>Broadcasting, Platforms, Channels</b>	<b>Radio Broadcast &amp; News</b> 3FM, BBC Isle of Man, Energy FM, ITV Isle of Man, Manx Radio, MTTV, <a href="#">Radio TT</a>	<b>Social - Youtube</b> Big Clive, <a href="#">Culture Vannin</a> , <a href="#">Lovely Greens</a> , <a href="#">RalfyDotCom</a>	<b>Platforms</b> Immortalize TV, <a href="#">Motorsport Network</a> , Pokerstars TV, <a href="#">Waterbear Network</a>		
<b>Video Delivery &amp; Tech</b>	CG Aerial Films (UUV), ISIS Digital, grq-consulting, LaunchTV (Broadcast Services), MK-V (Camera Platforms), SES Video (Contribution/SNG, Content Management, Playout & Distribution DTH, DTT, DTC, OTT), Sohonet (on request), UniqueX (Cinema Content Delivery)				
<b>Distribution, Advertising</b>	Ayngaran International, Beckmann Visual Publishing, Cooil Creative, <a href="#">Duke Video</a> , Eros International, <a href="#">Greenlight International</a> , Immortalize TV, FormatZone, Friends and Heroes, <a href="#">Global Motorsport Ventures</a> , Jellyfish, MediaTech Advertising, <a href="#">Motorsport Mundial</a>				
<b>Production &amp; Post-Production</b>	<b>Animation VFX &amp; VR</b> <a href="#">Actiphons</a> , <a href="#">Animation Explainers</a> , <a href="#">Cooil Creative</a> , <a href="#">Flix Facilities</a> , <a href="#">Halcyone Studios</a> , <a href="#">Live Immersion</a> , <a href="#">Mannimation</a> , <a href="#">Pomenia World</a> , <a href="#">The Studio @ The Nunnery</a>	<b>Commercial Videos</b> <a href="#">A Creative Designer</a> , Bloom Creative, Blue Olive Productions, Brook Wassal, Coast Productions, Cool Edit, Dark Avenue Film, Editiom, Glassline Media, Open Water Films, Talon Media, Your Movie Crew	<b>Film &amp; TV</b> Ballaskeig Films, <a href="#">Beaumanx Productions</a> , Cooil Creative, DAM Productions, Dark Avenue Film, <a href="#">Duke Marketing</a> , Formatzone, <a href="#">Global Motorsport Ventures</a> , <a href="#">GreenlightTV</a> , Heavy Entertainment, Parker and Snell, Silfra Creations, <a href="#">Visual Picnic</a>		
<b>Production Infrastructure, Training &amp; Services Creation</b>	<b>Studios</b> Ballagroove Studio (Sound) DAM Productions (Sound) Manx Radio (Sound) Mark Cleator (Sound) Isle of Man Media Studios	<b>Training &amp; Education</b> ManninShorts Parker & Snell Royal Television Society University College	<b>Services</b> Armourer Hearts & Minds, Event Lighting Systems, ExIsle, Lynda's Prop Shop, Ultimate Productions	<b>Drone Operators</b> CG Aerial Films, Duke Aerial Productions Ltd., Greenlight TV, Greybox Media, Hawkeye Logic, Isle of Man by Drone, Your Movie Crew	<b>Creative / Digital Nomads</b> Actors, Consultants, Exec. Producers, Scriptwriters

Motorsports  
 Animation  
 Environment

# a. The Isle of Man Cluster – in 2019



## 1. Globally connected to Broadcasters and VOD Platforms via SES Fibre & Satellite Uplink and Live Playback

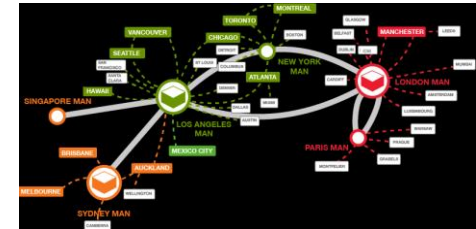


## 2. Connected to over 2500 connected cinemas with UniqueX

Cinema delivery network deployed in UK, Ireland, Germany, Spain, Norway, Sweden, Denmark, Finland, Lithuania, Latvia and Estonia and ongoing deployments in Netherlands and South Africa. Through Movie Transit™ we deliver content on behalf of major Hollywood studios, independent distributors and advertising sales companies.

## 3. Connection on request with Sohonet

to global fibre network for studios, production, post & VFX, w/ Cloud solutions for collaboration, transfer & more.



## b. Financial Assistance & Taxation

Taxation	Grants	Tax Rebates / Cash Backs	Sovereign Fund	Private Equity
Corporate Tax 0% No Capital Gains Tax No Withholding Tax  No Inheritance Tax No Insurance Tax No Stamp Duty	Up to 40% grant managed by Department for Enterprise	Instead of cash-backs (Film Tax Relief) for one-off productions, the Island offers financial support only on company level.	Digital Creation Scheme (loans) for Content Creation companies (likely to be abandoned)	Angel Networks: <ul style="list-style-type: none"> <li>• Ellanstone</li> <li>• Icarus Media</li> <li>• NorthInvest</li> <li>• Manninvest</li> </ul>
Income tax: 0-20% with a 5-year election of a £175k cap 'Key Employee Concession': 3-year tax concession for non-Manx income	Funding for: <ul style="list-style-type: none"> <li>• Global Marketing</li> <li>• Infrastructure</li> <li>• Equipment</li> <li>• First year expenses</li> <li>• Training</li> </ul>	<i>Isle of Man</i> can support companies financially with grants.	Multi-million support scheme in equity financing and loans for non-content related companies (likely to be abandoned)	<ul style="list-style-type: none"> <li>• Family Offices</li> <li>• HNWI's</li> <li>• Funds</li> <li>• Corp. Investors</li> <li>• S/EIS</li> <li>• Int. Stock Exchange</li> </ul>

## c. SWOT Analysis Isle of Man Cluster

### Strengths

- Low Taxation: 0% Corporate Tax, No Capital Gains Tax, No Withholding Tax
- Proximity to film hubs of Belfast, Dublin, Liverpool & broadcast hubs in Manchester, Leeds
- Alternative country lifestyle compared to city media clusters
- Superb off-island connectivity for content delivery: Global and resilient
- Quite comprehensive supply chain for small cluster
- Some indigenous talent. Synergies with eGaming skillsets and education
- Positive momentum of new ventures setting up and increase of deal flow
- Senior executives with industry contributing pro-bono, backed by SES

### Opportunities

- Participate in global and British-Irish growth industry
- Become Europe's only Offshore Digital Media hub, driven by industry
- Hollywood and Bollywood engagement. Interest of major prod-cos
- eSports as new, motorsports, nature and animation as existing growth areas
- Liaise with #NorthernPowerhouse, Belfast & Dublin. Create co-pro treaties
- IOM graduates motivated to return for career options. Film/Animation in Top-8
- Attract private fund / establish public co-investment in regulated private fund
- Attract private studio investment
- Attract mobile, free-lancing creatives by Island lifestyle, e.g. scriptwriters

### Weaknesses

- Limitation: No 'tax credits' for film/TV production or game design
- Access to equity (> 500k ) difficult, missing VCs, angels not used to media
- Regulators tending to overregulation; banks reluctant on new clients
- No major broadcaster, studio, or digital company as catalyst like in Salford
- Small size of Isle of Man media sector; lack of studio infrastructure
- Extreme low unemployment (< 1%); recruitment from outside necessary
- Exit taxation on off-shoring assets; lack of tax treaties
- Higher costs of living, travel, communication
- Understaffed and only part time teams split between Isle of Media and DfE

### Threats

- No long term commitment to the media sector in Island's politics and society due to 'Pinewood Hangover'. Misconception of media as film/production only
- No continuity in government staff & funding for media sector; little expertise
- No continuity in government media sector strategy: Film → Cluster → Nomads
- New Communication Bill with overregulation e.g. of VOD/OTT
- Potential Brexit impact: on immigration rules, UK-EU-Co-Production Treaties
- EU Single Digital Market legislation potentially threatening leading UK creative industries by abandoning national licensing
- Eventual future studio overcapacities in UK & Ireland



# 3. Recommendations

# a. Embrace Media Change & Boom: 1001 Opportunities

## Long-term Commitment to Media Sector

Rome wasn't build in a day, neither was the Island's eGaming sector. Agree long term plan of 3-5 years for the media sector with annual review, and commit resources. Re-visit the Isle of Man education for the entire value chain.

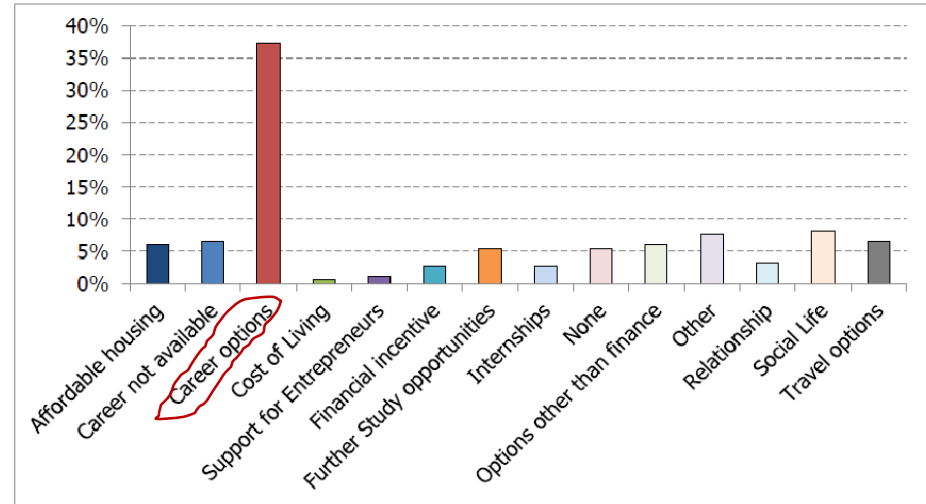
## Continue and re-focus marketing to address entire cluster

Establish additional in-routes into media technology, platforms and services ventures to complement production & distribution.

## New Initiatives

- Assess eSports as new growth areas
- Asses potential Live TT production
- Attract private studio investment
- Attract mobile, free-lancing creatives by Island lifestyle, e.g. scriptwriters, executive producers, actors, vloggers
- Explore USP for firearms import & usage for production
- Liaise with #NorthernPowerhouse, Belfast & Dublin. Create co-pro treaties
- Attract private fund / establish PPP with regulated fund
- Develop commercial trade conference e.g. in motorsports (on the back of TT) and/or for nature related media Biosphere)
- Bring back the Celtic Media Festival between 2022 and 2024

What could be improved to encourage graduates to return to the Island



As shown, career related issues account for over 40% of the responses from the Graduates group. The detail behind this reason provides some further information into the types of career that graduates are looking to move into.

- Law
- Film/Animation
- Construction
- Sports Events
- Environmental Science
- Architecture
- Biomedicine/Technology
- Civil Engineering

## b. How to organise: Public Private Partnership

### Consolidation of Marketing and Business Development

Especially when the Digital Agency does not offer financial support or senior expertise to media companies, there is no need for the Digital Agency to be involved with prospects and the media sector. For grants, Isle of Media can work directly with the DfE grant manager.

The triple marketing by the Digital Agency, Isle of Man Film and Isle of Media needs to be consolidated under the single roof of Isle of Media. Isle of Man Film, a brand damaged by the Pinewood Media fund losses, needs to be abolished.

Sole responsibility for marketing, business development rests on Isle of Media, which also provides strategy consulting, cluster promotion and location services.

### DfE Agencies

Isle of Media represents the creatives, which are part of the Business Agency, as it represents the digital site of the media sector. Hence it sits cross-agency as do the unrepresented 'radio broadcasters' and web design and marketing businesses. DfE needs to adapt to this.

### Financing

Only private investment can de-risk public investment. Hence a PPP model needs to be found to engage VC funds with the Island.

### Legal Support

Extending the UK co-production treaties or creating a firearms import and usage regulation for productions, also leveraging on the Isle of Man Freeport, are supporting legal actions which rest with the Isle of Man Government.

### Studio Space

The DfE should consider incentives to attract a studio investor and operator for instance by issuing an 'Expression of Interest' call and provide land and/or subvention for conversion of existing properties.

### Governance of Isle of Media

Directors of the Board are from the Island's sector largest media and broadcast companies. An advisory board provides:

- Independence: largely based off-Island with international expertise
- Strategic guidance
- Tactical reach to enlarge client network
- Seniority reference

### Governance of PPP

- Oversight by the DfE as Isle of Media is an arms length partner
- DfE representative invited to Isle of Media board meeting
- Quarterly sector reports to the DfE on agreed KPIs

## b. How to organise: Public Private Partnership

### Isle of Media Roles & Responsibilities

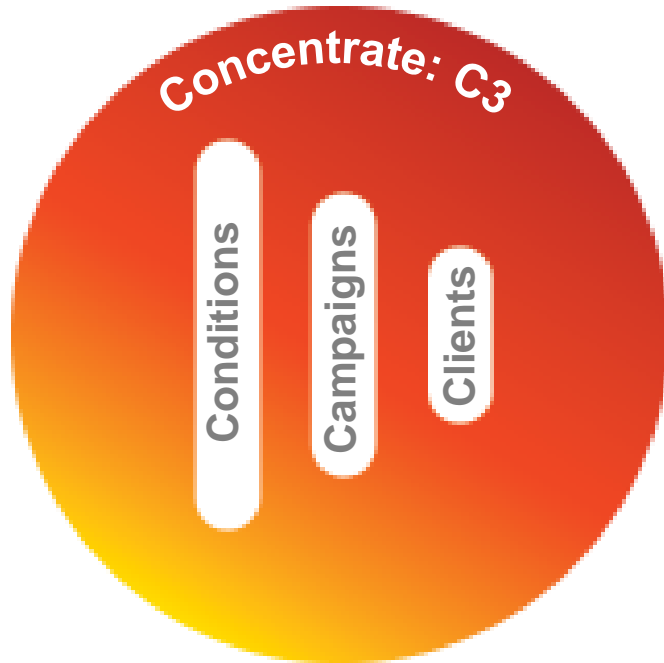
- 1. Industry Strategy development & maintenance**
  - Based on available market intelligence
  - Reviewed by Isle of Media Directors and Advisory Board
  - Feedback from Isle of Man industry incorporating
- 2. External marketing to attract new ventures & investment**
  - Road shows and general marketing
  - Prospect briefings and meetings
  - Down-selecting prospects
- 3. New: External marketing to attract 'Creative / Digital Nomads'**
  - Define marketing channels and target groups
  - Run campaigns and deal with prospects
  - Provide 'success stories' to locate.im
- 4. New: Cluster management and promotion**
  - Facilitate cluster internal & external business for incumbent ventures
  - Promote cluster products and services off-island
  - Run the on-island network
- 5. New: Location services for external productions**
  - Facilitate cluster internal & external business for incumbent ventures
  - Promote cluster products and services
  - Run the on-island network

### DfE Roles & Responsibilities

- 1. Industry Strategy**
  - Scrutinise industry's view and fit to overall IOM strategy
  - Issue government version of strategy & agree KPIs
  - Execute legal support actions e.g. on co-pro treaties, firearms use
- 2. External marketing to attract new ventures & investment**
  - Provide funding for Isle of Media marketing
  - Process prospects grant applications
  - Amplify messages and news on-island
- 3. New: External marketing to attract 'Creative Nomads'**
  - Provide funding for Isle of Media marketing
  - Create marketing material by locate.im as suggested
  - Locate.im to support campaigns and direct prospects to Isle of Media
- 4. New: Cluster Management and Promotion**
  - Provide funding for Isle of Media cluster management
  - Provide funding for 'Country Stand' at trade shows
  - Amplify messages and news on-island
- 5. New: Location services for external productions**
  - Provide funding for Isle of Media on case-by-case basis (retainer)

Generally: Oversight, monitoring and adjusting KPIs

## c. Where to concentrate on: Three Areas



### Conditions:

- Private equity and public financial support schemes
- Regulatory framework and jurisdictional competition
- Infrastructure in telecommunication & studios
- Education & training
- Position Isle of Media as incumbent cluster manager & promoter

### Campaigns:

- New: Address Creative / Digital Nomads. Support from locate.im
- New: Country booth at Trade Show(s)
- Geographically: From the NorthWest of UK plus Belfast & Dublin, to EU to global – no limits.
- Int. conferences & hot spots: Cannes, London, Amsterdam...
- Home turf: Celtic Media Festival, Isle of Man Film Festival
- Social Media & Press: Focus on Twitter and interplay with press

### Clients:

- Level: Owners, board and C-level
- Genres: Motorsports, Nature, Animation/VFX/games and eSports
- Sector: Address all levels of the supply chain to build a cluster, with lesser emphasis on 'film-tax-relief' relevant productions

## d. Marketing Plan: Events 2020

### Scouting, Research & Strategy



### Ludicious – Zürich Game Festival



### IBC Amsterdam or Angacom or TV Connect



### Off-Island Events

#### MipTV Cannes

#### NorthWest

#### Celtic Media Festival IOM



#### MIPCOM Cannes



#### London Business Club



### Other

#### IOM AfterWork Network



#### Isle of Man Film Festival



#### TT Media guests

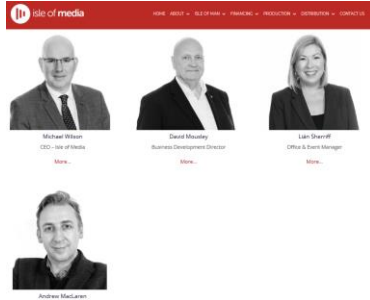


#### RTS Centre

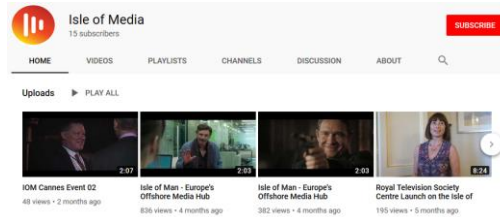
# d. Marketing Plan: Print, Social Media, Web, Press



## Webpage: Information



## Youtube-Channel: Videos & Promo



## Press Coverage of: Investments, New Ventures



## TWITTER: Industry Facts, Events & News



## LinkedIn & Facebook: Events & News



## Brochures: Information



## **Invitation for discussion:**

This strategy document is intended to stay 'in working progress'.  
Isle of Media invites all stakeholders to comment, correct, criticise and contribute!

We are looking forward to hear from you!

[info@isleofmedia.org](mailto:info@isleofmedia.org)

## **Annex: Isle of Media Limited**

## Board of Directors



Comprising the largest Broadcast Media related IOM companies the appointed Directors and CEO are:

- Dr. Richard K. Arning, Chairman (Director Satellite Leasing)
- Dave Beynon (Director Green Light)
- Peter Duke (Managing Director Duke Marketing)
- Michael Wilson, CEO

## Advisory Board

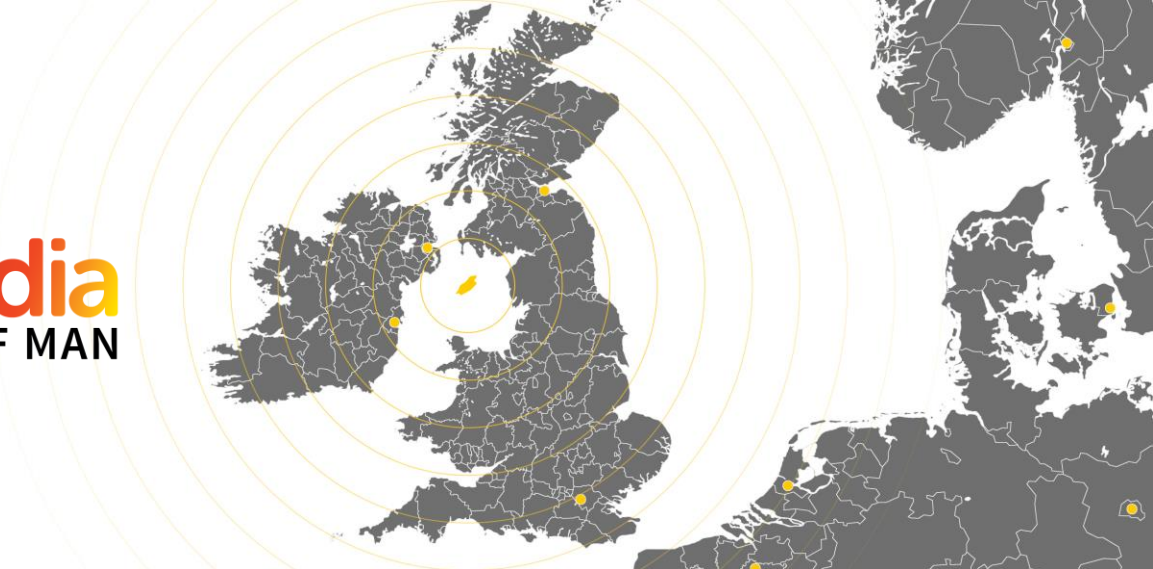
- Dr. Bettina Brinkmann (Consultant, Lausanne)
- Clark Bunting (CEO Digital Media Circus, Mount Clemens)
- Joan Burney Keatings MBE (CEO Cinemagic Film)
- Catriona Logan (Director of Celtic Media Festival, Glasgow)
- Dr. Frank Hoffmann (SVP Experience & Strategy Video, SES, Munich)
- Mark Rowland (Chairman C21, CEO Formatzone, London)
- Simon Kelly (Director Dixcart Management, Isle of Man)
- Simon Nicholas (Director, KPMG LLC, Isle of Man)

## Objectives

- 1 To act as a 'Business Development Agency' to support the development and growth of the Isle of Man's 'Digital Media Sector' involved in the television and video value chain:
  - 1.1 from content and format production for all types of television and video formats including also film, games, animation, virtual and augmented reality,
  - 1.2 content aggregation,
  - 1.3 content management,
  - 1.4 commercial, electronic and physical distribution in all forms like for instance licensing, broadcasting, streaming, Video On Demand, DVD sales,
  - 1.5 display, financing, incubating, consulting and promotion of video and television,
  - 1.6 and related activities,  
by the means of for instance but not limited to:
  - 1.7 on- and off-Island marketing,
  - 1.8 education,
  - 1.9 consulting,
  - 1.10 participation in definition of public sector policy and
  - 1.11 general participative and advisory activities which support the development of the sector and its revenue, taxation and employment capabilities;
- 2. to act as an 'Association' for the representation and benefit of the Company's membership and the wider Isle of Man economy and society.



isle of media  
ISLE OF MAN



**Isle of Man Head Office:**

Mountain View Innovation Centre  
Jurby Road  
Ramsey, IM7 2DZ  
Isle of Man

**For general inquiries:**

Email	<a href="mailto:info@isleofmedia.org">info@isleofmedia.org</a>
Web	<a href="http://www.IsleofMedia.org">www.IsleofMedia.org</a>
Twitter	<a href="https://twitter.com/IsleofMedia">@IsleofMedia</a>

**France Office:**

Villa Rose Blanches  
9 Rue des Vosges  
06400 Cannes  
France

**Languages:**

English	+ 44 7711 97 67 20
Deutsch	+ 44 7624 29 29 93
Français	+ 33 6 76 42 46 26

ISLE OF MEDIA LIMITED, incorporated in the Isle of Man  
Company Number 131277C. Registered Office: Greenlight House, Tromode, IM4 4QJ, Isle of Man