



From Crisis to Crucible: Forging the Isle of Man's Next Economy on a Foundation of Trust

## **Introduction: An Obsolete Blueprint for a Bygone Era**

In late 2022, the Isle of Man's government formally adopted '*Our Island, Our Future*,' a comprehensive economic strategy designed to secure the jurisdiction's prosperity for the next 15 years. It was an ambitious blueprint, articulating a vision of a £10 billion economy, a thriving population of 100,000, and a sustainable, diversified future. However, the strategy is not merely outdated but has been fundamentally invalidated. Its core premise, that the established engines of the Manx economy could be incrementally grown, was rendered obsolete by a single operational glitch that exposed the profound risks of economic over-concentration and a critical failure in joined-up, data-driven governance.

The strategy was conceived in a different economic and regulatory era, predicated on a market reality that ceased to exist in 2024. This analysis will trace the chain of events that rendered the island's economic vision obsolete, beginning with the systemic weaknesses revealed by the King Gaming glitch. This single event did not expose widespread corruption, but rather the fragility of an oversight model that relied too heavily on localism, informal knowledge of key players, instead of a tightly integrated, digital perspective of operational risk. The lack of joined-up thinking, in a jurisdiction small enough to make such integration a readily available and beneficial strategic objective, proved to be a fatal flaw.

However, the strategy's obsolescence goes beyond internal crises. Developed in 2021, it was conceived within a traditional model of long-term planning that has been rendered inadequate by the exponentially increasing pace of global change. It could not have envisaged the seismic shifts brought forward by generative Artificial Intelligence (AI) because the very nature of such static, multi-year strategies is to be blind to disruptive, non-linear change. AI presents a new, more profound challenge. In a low-tax jurisdiction, the displacement of human workers by AI threatens to erode the income tax base, while the financial gains shift to corporate profits, which are often untaxed. This creates a structural tax deficit and a profound need for workforce reskilling. With AI being globally portable and dominated by capital-intensive platforms, small jurisdictions like the Isle of Man cannot compete without a clear, niche-focused national strategy. The complete absence of such a strategy at this critical juncture must now be the island's most urgent priority.

The crisis in e-gaming, now in what appears to be an irreversible decline, is a symptom of these deeper structural fragilities. The foundational assumptions of the island's economic plan have been shattered, exposing significant challenges that extend far beyond a single industry. An examination of the island's public finances, its capacity for digital transformation, and its faltering progress on economic diversification reveals a pattern of systemic weaknesses. Without its primary economic engine, and with no clear alternative to replace it, the Isle of Man faces a profound policy vacuum, leaving its economic planning fundamentally disconnected from its new economic reality.

## **1. A Strategy Built on an Unstable Foundation**

### **The 'Our Island, Our Future' Ambition**

Approved by Tynwald in November 2022, 'Our Island, Our Future' presented a holistic and interconnected plan for the Isle of Man's future. The headline ambitions were both specific and far-reaching, establishing the promises upon which the government's credibility would rest. The

core economic objectives, targeted for 2032, included elevating the island's Gross Domestic Product (GDP) to £10 billion, creating and successfully filling 5,000 new jobs, and generating over £200 million in additional annual government income to reinvest in public services.

While the strategy set a clear target of 5,000 new jobs, it did not provide a detailed breakdown of the specific sectors or income levels for these roles. The growth was expected to be driven by nurturing existing key sectors, Financial Services, Digital, Production, and the Visitor Economy, and developing new pillars in the knowledge, data, and green economies. A significant portion of this ambition was implicitly reliant on the continued expansion of high-value roles like those in the e-gaming sector, which was the island's highest-paying industry with average weekly earnings of £1,180 per week in 2022. The strategy's success, therefore, depended on attracting skilled professionals into well-compensated careers, a goal now significantly challenged by the collapse of its primary high-wage sector.

These economic metrics were intrinsically linked to ambitious demographic and environmental goals. The strategy set a target to grow the island's population to 100,000 residents by 2037, a significant increase intended to be driven by the inward migration of economically active individuals. This growth was deemed essential to rebalance the island's age profile, reduce the dependency ratio, and secure the long-term health of public finances. To support this expansion, the plan called for commensurate development in infrastructure and public services, including housing, healthcare, and education. Furthermore, it incorporated a commitment to sustainability, aiming to substantially decarbonise the services sector by 2030 as part of an overall 35% reduction in the island's greenhouse gas emissions. The strategy, therefore, was presented as a cohesive vision where economic prosperity, population growth, and environmental responsibility were mutually reinforcing pillars of a secure and vibrant future.

### **The Foundational Premise of Continuity**

The intellectual architecture of 'Our Island, Our Future' was constructed in partnership with the global consultancy firm KPMG, whose 'Our Big Picture' analysis served as the primary evidence base and blueprint. A critical examination of this framework reveals the strategy's core vulnerability, its foundational premise was centred on continuity and incremental growth rather than radical transformation. The path to the £10 billion GDP target was explicitly built upon a three-pronged approach: modernising enabling sectors, developing new sectors, and, most crucially, the directive to **Protect, nurture and grow the current key sectors**.

This formulation was the central load-bearing pillar of the entire economic vision. The document explicitly identified these incumbent key sectors as Financial Services, Digital (a category dominated by e-gaming), Production, and the Visitor Economy. The strategy was, in essence, a backward-looking projection of past successes. It presupposed that the established engines of the Manx economy were not only stable but possessed significant latent potential for further expansion. The government's role was defined as that of a steward and facilitator for these proven sectors, providing the support necessary to help them innovate and grow. The underlying assumption was that the path to a £10 billion economy was simply an extension of the path that had brought the island its recent prosperity.

This approach represented a critical failure of interpretation. The strategy's core flaw was not a lack of information about the risks, but a decision to build a 15-year plan directly on top of a known geological fault line. The very KPMG report that formed the strategy's evidence base explicitly noted that the island's recent economic performance had been disproportionately

driven by "a small number of companies in two sectors" (Life Insurance and e-Gaming). It even pointed to a specific event in 2015 when a corporate restructure at just one company caused dramatic fluctuations in the island's GDP. Despite this clear warning signal of extreme volatility and concentration risk, the chosen strategic directive was to double down on these same sectors. Instead of interpreting the data as a mandate for urgent and radical diversification to mitigate an obvious vulnerability, policymakers built their entire long-term vision upon it. Consequently, the crisis that unfolded was not an unforeseeable "black swan" event, it was the materialisation of a known, documented, and ultimately ignored, structural weakness. The strategy was flawed from its inception.

## **2. The System Shock: Anatomy of the King Gaming Glitch**

### **The 'Gold Standard' Proposition**

Prior to the crisis that began in 2024, the e-gaming sector was the primary engine of the Isle of Man's economy. Its dominance was the result of a deliberate and highly successful strategy to create a uniquely attractive proposition for global operators, a proposition that rested on a powerful trinity of factors.

First, the fiscal environment was exceptionally competitive, offering a 0% rate of corporation tax, 0% capital gains tax, and a low rate of betting and gaming duty calculated on gross gaming yield (profit), which ranged from just 0.1% to 1.5%. Second, this was supported by world-class technological infrastructure, including leading-edge telecoms networks and multiple Tier 3+ data centres, ensuring the operational stability essential for online platforms. The keystone of this proposition, however, was its regulator, the Gambling Supervision Commission (GSC). The GSC had cultivated a global reputation for being robust, agile, and business-friendly, priding itself on applying rigorous anti-money laundering (AML) standards on par with the financial services sector. This combination of financial incentives, technological excellence, and regulatory prestige created a powerful "gold standard" brand that attracted industry giants like PokerStars and Microgaming.

At its zenith, the sector's contribution was immense. The e-gaming and ICT cluster accounted for an estimated 28% of GDP, with standalone figures for e-gaming cited as a remarkable 21% of GDP, or around £1.1 billion in 2021. It was a major employer, directly supporting over 1,000 high-value jobs, with some estimates closer to 2,000 by 2023. As the highest-paying sector on the island, with average weekly earnings of £1,180 in 2022, it was a powerful magnet for skilled professionals and a vital contributor to the island's tax base. However, this very success fostered a profound complacency, masking a critical vulnerability in its oversight model: an overreliance on reputation and relationships rather than integrated data analysis, a weakness that would be starkly revealed by the King Gaming glitch.

### **The Watershed Moment: The King Gaming Glitch**

The unravelling of the island's e-gaming dominance was not a gradual decline but a swift and decisive implosion following a single corporate failure. The timeline of the King Gaming affair reveals the rapid collapse that sent shockwaves through the jurisdiction.

- **April 24, 2024:** The crisis became public when the GSC suspended the licenses of King Gaming Limited and its affiliate, Dalmine Ltd., citing an ongoing criminal investigation.

Concurrently, the Isle of Man Constabulary raided the company's Douglas premises, making seven arrests as part of a major investigation into fraud and money laundering.

- **July 24, 2024:** Three months later, the GSC delivered its final verdict, permanently cancelling the licenses for both entities. The commission's statement declared the decision was necessary to prevent gambling from being a "source of crime or disorder".
- **August 7, 2024:** The company's operational existence ended when the Isle of Man's High Court ordered King Gaming and a network of eight allied companies into receivership, placing their assets under the control of Grant Thornton.

The scale of the affair was staggering, with police investigating "international fraud and money laundering" and the company holding £64.2 million in cash at its collapse. The glitch's impact was magnified by the company's high-profile status and its £70 million headquarters project, hailed by politicians as the "largest single private investment" in the island's history.<sup>1</sup> This event highlighted the disproportionate impact a single corporate failure can have in a small, concentrated economy. The issue was not necessarily a failure of initial due diligence, but a failure to maintain a dynamic, data-driven picture of the entity's operations, a weakness stemming from an overreliance on "localism" and siloed information. The glitch suggested that despite the island's small size and the theoretical ease of 'joining things up, critical data sets held by different government and regulatory bodies were not being integrated to form a real-time, holistic view of risk.

### **The Institutional Response**

The institutional response to the glitch was driven as much by political necessity as by regulatory principle. The severity of the subsequent clampdown was a direct consequence of the high-level political endorsement King Gaming had received. This public embrace created a form of political co-investment in the company's reputation. When the firm imploded, it was not just a regulatory failure but a profound political embarrassment that directly implicated the government's own judgment.

To recover credibility, particularly with the critical 2026 MONEYVAL evaluation looming, the political response had to be as demonstrative and severe as the initial endorsement had been enthusiastic. In the wake of the affair, the GSC's historical approach of balancing robust supervision with a business-friendly attitude was decisively replaced by a new doctrine of "aggressive, proactive enforcement," institutionalized through an expanded headcount and a new enforcement unit.

This new doctrine was formally codified in May 2025 with the publication of the government's National Risk Appetite Statement (NRAS). This document represented a pivotal policy change, moving from case-by-case enforcement to a broad, strategic redefinition of acceptable risk for the entire sector. Developed as a direct response to the criminal typologies associated with the King Gaming investigation, the NRAS declared that the Isle of Man now has a "limited appetite" for any e-gaming business with ownership or control from East or Southeast Asia. Most critically, its designation as a "trigger event" was not merely guidance for new applicants; it was a directive requiring all currently licensed businesses to immediately re-evaluate their entire client portfolios against this new, more stringent standard. Operators were forced to unwind long-standing commercial relationships or risk falling foul of the regulator. The NRAS was not just a regulatory tool; it was a political instrument of damage control. In this urgent exercise of

reputational recovery, the rest of the Isle of Man's legitimate e-gaming industry became the necessary collateral damage.

### 3. The Unravelling: A Sector in Quantifiable Retreat

#### The Exodus in Numbers

The cumulative impact of the King Gaming glitch and the subsequent regulatory clampdown has not been anecdotal, it is reflected in a quantifiable and precipitous decline in the Isle of Man's e-gaming sector. Official statistics paint a stark picture of an industry in retreat, reversing more than a decade of sustained growth. The data, consolidated from multiple official reports, provides irrefutable evidence of a sector contracting at an accelerating rate.

The following table synthesises the most critical data points, illustrating the scale of the decline from the optimistic forecasts of 2020 to the harsh reality of mid-2025.

Year/Period	Forecasted/Target Licenses (Online)	Actual Active Online Gambling Licenses	License Attrition Rate (%)	GSC Revenue Shortfall (£)	Notable Company Departures/License Surrenders
2020	148 (Forecast)	N/A	N/A	N/A	N/A
2022-23	102 (Target)	89	8%	N/A	N/A
2023-24	127 (Target)	99	17%	N/A	N/A
Mid-2025	109 (Target for 2025-26)	80	N/A	£778,000 (Projected for 2025-26)	Celton Manx (SBOBet), Annexio (LottoGo.com), PokerStars (B2B)

#### Analysis of the Decline

The data reveals a multi-faceted crisis. The most dramatic indicator is the collapse in the number of active online gambling licenses. A 2020 forecast anticipated 148 active licenses; by mid-2025, the actual number had plummeted to just 80. This decline was fuelled by a failure to attract new business and an exodus of existing operators. The GSC consistently missed its new application targets, approving only 22 of a targeted 39 new licenses in 2022-23, and 26 of a targeted 39 in 2023-24.

Simultaneously, the license attrition rate more than doubled, jumping from 8% in 2022-23 to a startling 17% in 2023-24, far exceeding the 15% annual loss rate the GSC had budgeted for. This exodus included not just smaller operators but major, long-standing pillars of the island's e-gaming community. In May 2025, Celton Manx, operator of SBOBet and a licensee since 2008, voluntarily surrendered its license. This was followed in August 2025 by Annexio, the company

behind LottoGo.com. The statement from Annexio's CEO was particularly telling, as he explicitly cited the "rising costs of compliance and customer acquisition" as a primary driver for the decision. Earlier in 2025, industry giant PokerStars also surrendered its B2B license as part of a move to "streamline its operating model," a decision indicative of a broader industry trend toward consolidation away from jurisdictions with escalating regulatory complexity.

This sharp contraction has created a perilous feedback loop for the regulator itself. The GSC, which funds its operations primarily through license fees, is now facing a projected revenue shortfall of £778,000 for the 2025-26 fiscal year. This financial strain has caught the GSC's operational model in a vicious cycle. The exodus of licensees, driven by the rising cost and complexity of compliance, directly reduces the GSC's revenue base. This creates immense pressure on the regulator to justify its expanding budget, which has grown to accommodate increased enforcement staff. To cover its rising costs with a shrinking revenue base, the GSC's only options are to increase license fees on the remaining operators or to more aggressively pursue fines as a source of revenue. Either course of action would further amplify the "cost of compliance" that operators like Annexio have already identified as a critical reason for their departure. This dynamic risks incentivising even more licensees to exit, perpetuating a self-reinforcing cycle of decline for both the regulator and the sector it is mandated to oversee.

#### **4. The MONEYVAL Imperative: When Compliance Eclipses Strategy**

##### **The New Overriding Priority**

The regulatory clampdown and the subsequent decline of the e-gaming sector cannot be understood in isolation. They are symptoms of a much larger strategic shift in which the Isle of Man Government's single most critical priority is now the successful navigation of the upcoming 2026 MONEYVAL mutual evaluation. This independent assessment of the island's effectiveness in combating financial crime is considered "crucial to the Island's continued economic success and its reputation as a well-regulated international finance centre". The stakes are existential. A negative outcome has the potential to trigger severe and widespread economic consequences, and as a result, passing this evaluation has become the non-negotiable priority that is now shaping all adjacent economic and regulatory policy.

##### **The Grey Listing Gamble**

The primary danger is a negative "grey listing" by the Financial Action Task Force (FATF), the global standard-setter for AML/CFT. While not a formal sanction, a grey listing is a significant reputational blow that can trigger a cascade of negative economic effects. Studies by the International Monetary Fund have found that grey listing can reduce capital inflows by an average of 7.6% of GDP, with foreign direct investment falling by 3%. It increases the cost of doing business as international counterparties apply enhanced due diligence, and in the worst-case scenario, can lead to "de-risking," where global banks sever correspondent relationships, a move that would be devastating for a small international finance centre.

The King Gaming glitch, with its allegations of large-scale money laundering occurring within a GSC-licensed entity, exposed a potential vulnerability that MONEYVAL evaluators would undoubtedly scrutinise with extreme prejudice. The aggressive enforcement actions and the publication of the NRAS are therefore best understood as pre-emptive and defensive measures

designed to demonstrate to international assessors that the Isle of Man is taking radical steps to address these identified weaknesses ahead of the evaluation.

### **A Decoupling of State Objectives**

This dynamic has created a fundamental and damaging conflict between two arms of the state apparatus. On one hand, the Department for Enterprise, through the 'Our Island, Our Future' strategy, is pursuing an explicit economic goal to "Protect, nurture and grow" the e-gaming sector. On the other hand, the Treasury and the GSC, driven by the geopolitical and compliance imperative to secure a positive MONEYVAL outcome, are pursuing a conflicting objective: to demonstrate unimpeachable, zero-tolerance compliance with international AML/CFT standards. The NRAS is the primary instrument for achieving this compliance goal. However, its broad-brush restrictions and disruptive "trigger event" status create massive operational uncertainty and escalating costs for the industry, directly contradicting the economic goal of "nurturing" growth. In effect, two arms of the Isle of Man's government are now working at cross-purposes, with the urgent need to satisfy external examiners taking precedence over the domestic economic plan.

The government's extreme risk aversion is further amplified by a scenario of compounded reputational threat. The timing of the 2026 MONEYVAL assessment coincides with the island's first ten-year periodic review of its UNESCO Biosphere status. These are the two primary pillars of the Isle of Man's modern international brand: a "well-regulated finance centre" and a "sustainable Biosphere nation." A failure in one would be damaging; a simultaneous failure in both would be catastrophic. A MONEYVAL grey listing would signal deficiencies in financial and anti-crime governance, while the loss of Biosphere status would signal a failure in environmental and sustainable governance. This dual failure would create a powerful international narrative of a jurisdiction failing to meet global standards on two critical fronts, crippling its ability to attract the "good quality, reputable business" the government is targeting.

## **5. Beyond the Crisis: Deeper Structural Flaws**

### **The Fiscal Squeeze**

The challenges facing the Isle of Man extend beyond the e-gaming crisis, revealing deeper structural flaws in its public finances and institutional capabilities. A central pillar of the 'Our Island, Our Future' strategy is the ambition to generate over £200 million in additional annual government income by 2032. However, the real-world impact of this target is questionable when set against the government's historical spending patterns and significant unfunded liabilities.

Between the 2015-16 and 2023-24 fiscal years, nominal government expenditure grew by 36%, from approximately £933 million to £1,270 million. This trend has consistently outpaced general inflation, with analysis showing real-terms increases in spending, including a nearly 6% rise in the last year alone. This sustained growth in the cost of government operations suggests that a significant portion of any new revenue will be absorbed by baseline increases in departmental budgets rather than funding new initiatives. The £200 million target may therefore not create the significant fiscal headroom envisioned, but may instead be largely consumed by the compounding effect of existing spending trajectories.

This pressure is compounded by the public sector pension liability. The island's schemes are predominantly 'defined benefit' and operate on an unfunded, 'pay-as-you-go' basis. The latest



actuarial valuation reveals that past service liabilities have increased to £2.62 billion. This creates a substantial annual drain on public finances, with the government now contributing over £80 million each year to support these pensions, compared to just £20 million from scheme members. This non-discretionary claim on revenue will continue to grow, further eroding the capacity of the targeted £200 million additional income to deliver tangible improvements in public services.

### **A Fragmented Regulatory Landscape**

The lack of joined-up thinking is also evident in the island's regulatory architecture. The fundamental institutions responsible for oversight, the Financial Services Authority (FSA), the Gambling Supervision Commission (GSC), the Information Commissioner's Office (ICO), and the Financial Intelligence Unit (FIU), operate as distinct entities. While collaboration exists, they function with different mandates, resources, and regulatory cultures. This fragmentation creates a significant vulnerability, a weakness exposed in one regulator, as the GSC was by the King Gaming glitch, reflects on the perceived integrity of the entire jurisdiction. However, there appears to be no formal 'adjusting pilot' mechanism to ensure that the hard-won lessons from one failure are systematically analysed and applied to strengthen the risk frameworks across the entire national regulatory landscape. This siloed approach means that a critical failure in one area does not automatically trigger a coordinated, cross-sectoral reinforcement of the island's defences, leaving the system vulnerable to repeat failures in different domains.

### **A Legacy of Digital Underperformance**

The ambition to digitise public services is a recurring theme in government strategy, yet the track record of delivery raises significant questions about its structural and cultural capacity for change. A comprehensive 2021 review by KPMG, which formed the basis of the current economic strategy, found "low levels of digital adoption by government," concluding that it was "not perceived to be digitally enabled and is suboptimal in its use of data".

This pattern of underperformance has persisted. In a December 2024 Tynwald debate concerning the successor Digital Strategy (2022-2027), one member claimed that "practically nothing" of the strategy had been achieved. This systemic failure to 'join up' internal data and processes is the practical manifestation of the vulnerability exposed by the King Gaming glitch. The aspiration to be a digitally-enabled jurisdiction was not matched by the capability to use that technology for sophisticated, cross-departmental risk management, leaving it reliant on older, less effective models of oversight. The government's current focus on "digitising public services to drive efficiencies" risks creating "new legacy systems", updated internal platforms that fail to fundamentally improve the public's experience. Despite the rhetoric about efficiency, the public service workforce grew consistently until the second quarter of 2025, when the first reduction in two years was recorded, a marginal decrease of just 0.41%. This reluctance to address the overall size of the public service indicates that digitisation is not being pursued as a tool for radical reform.

### **The 'New Economy' Pillars: A Gap Between Ambition and Reality**

The strategy's plan for diversification rests on developing the "knowledge, data & green economies," but progress has been starkly uneven. The struggles in these areas are not isolated problems; they form a pattern that suggests a systemic weakness in the Isle of Man Government's ability to translate strategic ambition into tangible, large-scale project delivery. Long-term strategies, to be successful, require a range of connected structural execution plans

that encompass policy, financing, and legislation, underpinned by genuine cultural will. The gap between ambition and reality in these new sectors suggests this detailed execution framework is missing.

The ambition to build a Green Economy, leveraging the island's UNESCO Biosphere status, has been stalled by inertia. The Crogga gas extraction project was abandoned by its proponents in February 2025, who cited the government's failure to provide a workable legislative framework in a timely manner. Similarly, the major Ørsted offshore wind farm project has faced a protracted decision-making process. This inertia appears to stem from a culture of risk aversion within key state bodies, which prioritises stability over progress.

The third pillar, the Knowledge Economy, is fundamentally undermined by a persistent skills deficit. The foundational KPMG report identified "growing skills gaps" as a primary obstacle to growth, a problem that remains unsolved. In July 2024, the Chamber of Commerce described the skills shortage on the island as having reached a "crisis point." Without a robust strategy to resolve this deficit, the ambition to build a thriving knowledge economy remains an abstraction.

In stark contrast, the development of the Data Economy is showing genuine, world-leading progress. The cornerstone of this pillar is the Data Asset Foundations (DAF) initiative, a landmark project that is creating a new type of legal structure to allow data to be formally treated as a capital asset. The project is well-advanced, with a pilot programme set to launch in October 2025. This initiative represents a clear, innovative, and well-executed strategy that has the potential to create a genuine niche for the Isle of Man. However, its success appears to be the exception that proves a broader rule of execution failure across other complex, forward-looking government plans.

## **Conclusion: A Call for a Strategic Reset**

The foundational premise of the 'Our Island, Our Future' economic strategy is unequivocally invalidated. Conceived in 2021, it was rendered obsolete not only by the King Gaming glitch that shattered its core assumption of sectoral stability, but more profoundly by a technological revolution it could not have foreseen: the seismic emergence of Artificial Intelligence. The 2022 strategy is a document from a bygone economic era.

This is not a simple criticism of Government foresight; the pace of change in the world around us is increasing exponentially, making any static long-term plan vulnerable. The core, correctable weaknesses exposed by this crisis lie in coordinated execution, the assessment of risk/reward ratios, and, most critically, adaptability. Long-term strategies need to have a range of connected structural execution plans behind them that include policy, financing, and legislation, as well as the cultural will to see them through.

The rise of AI has created profound differences in every part of society and the economy and shows no sign of relenting. It poses a direct and existential threat to the Isle of Man's established economic model, creating a perilous fiscal challenge in a low/zero corporate tax regime as automation displaces workers and shifts gains to untaxed corporate profits.

This new reality demands a new approach to strategy itself. Part of any future strategy needs to be a commitment to constant review and adaptation to the major changes occurring both inside and outside the island's economy. The Isle of Man cannot be a generalist in the age of AI, its only viable path is to identify and cultivate specific, high-value niches. This requires clear, decisive

national leadership and a robust policy framework to guide investment, manage risk, and build trust. This is compounded by deeper institutional flaws, including a fragmented regulatory landscape where key institutions operate in silos, preventing the lessons from a failure in one area from strengthening the resilience of the whole.

At present, all of these critical elements are absent. The government's current 'Activate AI' programme is a promotional initiative focused on adoption, not a comprehensive national strategy. There is no Tynwald-approved policy, no regulatory framework, and no clear vision for the island's niche in the global AI ecosystem. This strategic vacuum is the single greatest threat to the island's future prosperity. A fundamental reset is essential. The government must move beyond the invalidated 2022 plan and make the development of an adaptive, responsive, and well-executed national strategy its most urgent and immediate priority. Failure to do so will ensure the island's economic planning remains dangerously disconnected from the realities of the new global economy.