

**RUM: INITIAL REPORT (COVERING
JANUARY-JUNE OF 1983 AND 1984)
ON SELECTED ECONOMIC
INDICATORS**

**Report to the Senate Committee
on Finance, on Investigation
No. 332-175 Under Section
332 of the Tariff Act of
1930**



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UNITED STATES INTERNATIONAL TRADE COMMISSION

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PREFACE

On January 13, 1984, at the request of the Chairman of the Committee on Finance, U.S. Senate, and in accordance with the provisions of section 332(b) of the Tariff Act of 1930 (19 U.S.C. 1332(b)), the United States International Trade Commission instituted investigation No. 332-175, Rum: Annual Report on Selected Economic Indicators. The purpose of the report is to gather and compile data on the rum industry from public sources and report such data to the Committee on an annual basis.

The report, as requested by the Finance Committee, contains the following statistical information on rum: (1) U.S. production; (2) U.S. exports; (3) U.S. imports for consumption (total and by countries designated as eligible for the Caribbean Basin Initiative); (4) apparent U.S. consumption; and (5) shipments from Puerto Rico and the U.S. Virgin Islands to the United States. Further, the report shows imports under new statistical categories as provided for in the Tariff Schedules of the United States under item 169.14 (i.e., new categories for rum valued at not over \$2 per proof gallon, at between \$2.00 and \$3.50 per proof gallon, and at \$3.50 or more per proof gallon) as requested by the Committee.

This initial report covers the period January-June of 1983 and 1984. Subsequent reports will be issued on a calendar basis as long as rum is accorded duty-free treatment pursuant to the Caribbean Basin Economic Recovery Act; the next report covering calendar year 1984 will be issued in May 1985.

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HIGHLIGHTS

The following are highlights of the economic data collected on rum for January-June of 1983 and 1984.

- o For the first half of 1984, U.S. production of rum amounted to 13.1 million proof gallons, up 3.5 percent from the level of the comparable period of 1983.
- o U.S. exports of rum remained stable at 197,000 proof gallons during the two periods but the value of such exports rose from \$831,000 to \$1.2 million.
- o For the first half of 1984, imports of rum amounted to 5 million proof gallons, valued at \$28.9 million, compared with 485,000 proof gallons, valued at \$2.6 million, in the same period of 1983.
- o Rum imports from CBI eligible countries accounted for 99 percent of the value of total rum imports during January-June 1984, and rum imports from Jamaica made-up 97 percent of the total value of U.S. rum imports from CBI countries. During the comparable period of 1983, CBI countries supplied 86 percent of the total imports, and Jamaica accounted for 60 percent of the imports from CBI countries.
- o Apparent U.S. consumption of rum in the first half of 1984 amounted to 12.2 million proof gallons, 15 percent higher than in the comparable period of 1983.
- o Rum shipments from Puerto Rico to the United States declined from 12.2 million proof gallons in the first half of 1983 to 10.8 million proof gallons in the comparable period in 1984. During the same two periods, rum shipments from the U.S. Virgin Islands to the United States declined from 1.6 million proof gallons to 1.2 million proof gallons.

Table 1.—Rum: U.S. production, exports of domestic merchandise, imports for consumption, and apparent consumption, January–June of 1983 and 1984

(Quantity in thousands of proof gallons; value in thousands of dollars; unit value per proof gallon)

Period	Production <u>1/</u>	Exports	Imports	Apparent consumption <u>2/</u>	Ratio (percent) of imports to consumption
Quantity					
January–June:					
1983	12,674	197	485	10,650	4.6
1984	13,118	197	3/ 5,023	12,196	3/ 41.2
Value					
January–June:					
1983	76,042	831	2,569	4/	—
1984	75,550	1,212	28,858	4/	—
Unit value					
January–June:					
1983	\$6.00	\$4.22	\$5.30	—	—
1984	5.76	6.14	5.75	—	—

1/ Represents rum bottled in the United States, as reported by the Bureau of Alcohol, Tobacco, and Firearms of the U.S. Department of the Treasury, and shipments of bottled rum into the United States from Puerto Rico and the Virgin Islands, reported by the Bureau of the Census of the U.S. Department of Commerce. Value is estimated from the average value of bottled rum shipped to the United States from Puerto Rico and the Virgin Islands.

2/ Adjusted for stock changes as reported by the U.S. Department of the Treasury.

3/ Officials of the Bureau of Alcohol, Tobacco, and Firearms report that the majority of the increase in imports which took place during January–June 1984 was bulk rum transferred from Customs bond to Treasury bond. These officials also indicate the majority of this rum was held as stocks (under Treasury bond) and consequently, the ratio of imports to consumption is not meaningful.

4/ Not available.

Source: Production data compiled from official statistics of the U.S. Department of the Treasury and the U.S. Department of Commerce, with conversions by the staff of the U.S. International Trade Commission; imports and exports compiled from official statistics of the U.S. Department of Commerce.

Table 2.—Rum: U.S. imports for consumption, by designated CBI countries and other sources, January–June of 1983 and 1984

Source	January–June—	
	1983	1984
	Quantity (1,000 proof gallons)	
CBI countries:		
Jamaica	295	4,883
British Virgin Islands	8	12
Barbados	95	55
Dominican Republic	34	317
Haiti	12	8
All other	2	3
Total of CBI countries	446	4,992
All other	40	31
Total	486	5,023
	Value (1,000 dollars)	
CBI countries:		
Jamaica	1,315	27,755
British Virgin Islands	289	292
Barbados	385	230
Dominican Republic	47	137
Haiti	145	129
All other	16	26
Total of CBI countries	2,197	28,569
All other	372	289
Total	2,569	28,858
	Unit value (per proof gallon)	
CBI countries:		
Jamaica	\$4.46	\$5.68
British Virgin Islands	37.05	24.33
Barbados	4.04	4.18
Dominican Republic	1.38	4.42
Haiti	11.87	16.13
All other	8.00	8.67
Average of CBI countries	4.93	5.72
All other	9.54	9.32
Average	5.29	5.75

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 3.—Rum in containers each holding not over 1 gallon: U.S. imports for consumption, by designated CBI countries and other sources, January–June of 1983 and 1984

Source	January–June—	
	1983	1984
	Quantity (1,000 proof gallons)	
CBI countries:		
Jamaica	14	38
British Virgin Islands	8	11
Haiti	12	8
Dominican Republic	0	9
All other	3	7
Total of CBI countries	37	73
All other	29	26
Total	66	99
	Value (1,000 dollars)	
CBI countries:		
Jamaica	146	330
British Virgin Islands	289	287
Haiti	145	129
Dominican Republic	—	93
All other	40	65
Total of CBI countries	620	904
All other	334	273
Total	954	1,177
	Unit value (per proof gallon)	
CBI countries:		
Jamaica	\$10.43	\$8.68
British Virgin Islands	36.13	26.09
Haiti	12.08	16.13
Dominican Republic	—	10.33
All other	13.33	9.29
Average of CBI countries	16.76	12.38
All other	11.51	10.50
Average	14.46	11.89

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 4.—Rum in containers each holding over 1 gallon: U.S. imports for consumption, by designated CBI countries and other sources, January–June of 1983 and 1984

Source	January–June—	
	1983	1984
	Quantity (1,000 proof gallons)	
CBI countries:		
Jamaica	282	4,844
Barbados	94	51
Dominican Republic	34	22
British Virgin Islands	0	1
Total of CBI countries	410	4,918
All other	10	6
Total	420	4,924
	Value (1,000 dollars)	
CBI countries:		
Jamaica	1,170	27,425
Barbados	360	190
Dominican Republic	47	44
British Virgin Islands	—	4
Total of CBI countries	1,577	27,663
All other	38	18
Total	1,615	27,681
	Unit value (per proof gallon)	
CBI countries:		
Jamaica	\$4.15	\$5.66
Barbados	3.83	3.73
Dominican Republic	1.38	2.00
British Virgin Islands	—	4.00
Average of CBI countries	3.85	5.63
All other	3.80	3.00
Average	3.85	5.62

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 5.—Rum in containers each holding over 1 gallon, valued at not over \$2 per proof gallon: U.S. imports for consumption, by designated CBI countries and other sources, January–June of 1983 and 1984 ^{1/}

Source	January–June—	
	1983	1984
	Quantity (1,000 proof gallons)	
CBI countries:		
Dominican Republic	—	7
Barbados	—	7
Total of CBI countries	—	14
All other	—	0
Total	—	14
	Value (1,000 dollars)	
CBI countries:		
Dominican Republic	—	8
Barbados	—	8
Total of CBI countries	—	16
All other	—	—
Total	—	16
	Unit value (per proof gallon)	
CBI countries:		
Dominican Republic	—	\$1.13
Barbados	—	1.10
Average of CBI countries	—	1.12
All other	—	—
Average	—	1.12

^{1/} Data for 1983 are not available. Imports for consumption of rum valued at not over \$2 per proof gallon were not reported prior to Jan. 1, 1984.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 6.—Rum in containers each holding over 1 gallon, valued between \$2.00 and \$3.50 per proof gallon: U.S. imports for consumption, by designated CBI countries and other sources, January–June of 1983 and 1984 ^{1/}

Source	January–June—	
	1983	1984
	Quantity (1,000 proof gallons)	
CBI countries:		
Jamaica	—	1,793
Dominican Republic	—	16
Total of CBI countries	—	1,809
All other	—	5
Total	—	1,814
	Value (1,000 dollars)	
CBI countries:		
Jamaica	—	5,336
Dominican Republic	—	37
Total of CBI countries	—	5,373
All other	—	13
Total	—	5,386
	Unit value (per proof gallon)	
CBI countries:		
Jamaica	—	\$2.98
Dominican Republic	—	2.31
Average of CBI countries	—	2.97
All other	—	2.60
Average	—	2.97

^{1/} Data for 1983 are not available. Imports for consumption of rum valued between \$2.00 and \$3.50 per proof gallon were not reported prior to Jan. 1, 1984.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 7.—Rum in containers each holding over 1 gallon, valued at \$3.50 or more per proof gallon: U.S. imports for consumption, by designated CBI countries and other sources, January–June of 1983 and 1984 ^{1/}

Source	January–June—	
	1983	1984
	Quantity (1,000 proof gallons)	
CBI countries:		
Jamaica	—	3,051
Barbados	—	43
British Virgin Islands	—	1
Total of CBI countries	—	3,095
All other	—	1
Total	—	3,096
	Value (1,000 dollars)	
CBI countries:		
Jamaica	—	22,088
Barbados	—	182
British Virgin Islands	—	4
Total of CBI countries	—	22,274
All other	—	6
Total	—	22,280
	Unit value (per proof gallon)	
CBI countries:		
Jamaica	—	\$7.24
Barbados	—	4.23
British Virgin Islands	—	4.50
Average of CBI countries	—	7.20
All other	—	7.78
Average	—	7.20

^{1/} Data for 1983 are not available. Imports for consumption of rum valued at not over \$3.50 or more per proof gallon were not reported prior to Jan. 1, 1984.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 8.—Rum: U.S. exports of domestic merchandise, by principal markets,
January–June of 1983 and 1984

Market	January–June—	
	1983	1984
	Quantity (1,000 proof gallons)	
Netherlands Antilles	75	40
Bahamas	34	17
British Virgin Islands	33	15
Netherlands	13	12
Italy	10	2
All other	42	111
Total	197	197
	Value (1,000 dollars)	
Netherlands Antilles	218	173
Bahamas	173	100
British Virgin Islands	161	85
Netherlands	73	73
Italy	—	7
All other	206	773
Total	831	1,212
	Unit value (per proof gallon)	
Netherlands Antilles	\$2.92	\$4.29
Bahamas	5.10	5.76
British Virgin Islands	4.88	5.84
Netherlands	5.73	6.03
Italy	—	3.79
All other	4.84	6.96
Average	4.22	6.14

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 9.—Rum: Shipments from Puerto Rico and the U.S. Virgin Islands to the United States, January–June of 1983 and 1984

(In thousands of proof gallons)

Source	January–June—	
	1983	1984
Puerto Rico:		
In containers less than 1 gallon—	3,499	3,413
In containers 1 gallon or more—	8,657	7,436
Total—	12,156	10,849
U.S. Virgin Islands:		
In containers less than 1 gallon—	59	33
In containers 1 gallon or more—	1,533	1,149
Total—	1,592	1,182

Source: Compiled from official statistics of the U.S. Department of Commerce.

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