

RUM: ANNUAL REPORT (COVERING 1984 AND 1985) 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 (CBI)); (4) apparent U.S. consumption; and (5) shipments from Puerto Rico and the U.S. Virgin Islands to the United States.

The second annual report covers 1984 and 1985. 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 1986 will be issued in May 1987.

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HIGHLIGHTS

The following are highlights of the economic data collected on rum for 1984 and 1985.

- o For 1985, U.S. production of rum amounted to 27.1 million proof gallons, nearly identical to the amount produced in 1984.
- o U.S. exports of rum rose by 2 percent during the 2 years but the value of such exports declined from \$2.0 million to \$1.6 million.
- o For 1985, imports of rum amounted to 1.5 million proof gallons, valued at \$10.9 million, compared with 5.8 million proof gallons, valued at \$34.9 million, in 1984. Imports had been unusually large in 1984 because of a transfer of major quantities of Jamaican bulk rum from Customs bond to Treasury bond.
- o Rum imports from CBI eligible countries accounted for 91 percent of the value of total rum imports during 1985, and rum imports from Jamaica made-up 76 percent of the total value of U.S. rum imports from CBI countries. During 1984, CBI countries supplied 98 percent of the total imports, and Jamaica accounted for 94 percent of the imports from CBI countries.
- o Apparent U.S. consumption of rum in 1985 amounted to 27 million proof gallons, 10 percent lower than in 1984.
- o Rum shipments from Puerto Rico to the United States rose to 23.2 million proof gallons in 1985 from 19.4 million proof gallons in 1984. During the same 2 years, rum shipments from the U.S. Virgin Islands to the United States increased from 2.3 million proof gallons to 2.9 million proof gallons.

Table 1.--Rum: U.S. production, exports of domestic merchandise, imports for consumption, and apparent consumption, 1983-85

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

Year	Production 1/	Exports	Imports	Apparent consumption 2/	Ratio (percent) of imports to consumption
Quantity					
1983.....	25,769	439	1,265	24,487	5.2
1984.....	27,189	363	3/ 5,838	29,925	19.5
1985.....	27,066	369	1,491	27,002	5.5
Value					
1983.....	154,616	1,916	6,615	4/	-
1984.....	159,869	1,998	34,881	4/	-
1985.....	165,100	1,644	10,867	4/	-
Unit value					
1983.....	\$6.00	\$4.36	\$5.23	-	-
1984.....	5.88	5.51	5.97	-	-
1985.....	6.10	4.45	7.29	-	-

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/ The majority of the increase in imports in 1984 was the result of a major distiller transferring bulk rum from Custom's bond to Treasury bond in May 1984.

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, 1984 and 1985

Source	1984	1985
	<u>Quantity (1,000 proof gallons)</u>	
CBI countries:		
Jamaica.....	5,446	1,089
Barbados.....	187	212
British Virgin Islands.....	17	23
Haiti.....	24	16
Dominican Republic.....	60	60
All other.....	8	16
Total of CBI countries.....	5,742	1,416
All other.....	96	75
Total.....	5,838	1,491
	<u>Value (1,000 dollars)</u>	
CBI countries:		
Jamaica.....	31,858	7,546
Barbados.....	983	1,119
British Virgin Islands.....	544	622
Haiti.....	295	206
Dominican Republic.....	285	282
All other.....	70	134
Total of CBI countries.....	34,036	9,909
All other.....	846	958
Total.....	34,881	10,867
	<u>Unit value (per proof gallon)</u>	
CBI countries:		
Jamaica.....	\$5.85	\$6.93
Barbados.....	5.27	5.28
British Virgin Islands.....	32.22	27.53
Haiti.....	12.55	12.58
Dominican Republic.....	4.72	4.70
All other.....	8.51	8.74
Average of CBI countries.....	5.93	7.00
All other.....	8.81	12.64
Average.....	5.97	7.29

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, 1984 and 1985

Source	1984	1985
	<u>Quantity (1,000 proof gallons)</u>	
CBI countries:		
British Virgin Islands.....	16	23
Jamaica.....	72	51
Haiti.....	18	16
Dominican Republic.....	20	16
Barbados.....	12	8
All other.....	8	10
Total of CBI countries.....	147	125
All other.....	72	57
Total.....	219	182
	<u>Value (1,000 dollars)</u>	
CBI countries:		
British Virgin Islands.....	540	622
Jamaica.....	568	318
Haiti.....	283	206
Dominican Republic.....	196	178
Barbados.....	131	115
All other.....	70	114
Total of CBI countries.....	1,789	1,552
All other.....	769	849
Total.....	2,558	2,401
	<u>Unit value (per proof gallon)</u>	
CBI countries:		
British Virgin Islands.....	\$33.64	\$27.53
Jamaica.....	7.86	6.17
Haiti.....	15.59	12.57
Dominican Republic.....	9.90	11.28
Barbados.....	10.91	13.83
All other.....	9.51	11.16
Average of CBI countries.....	12.21	12.44
All other.....	10.63	14.86
Average.....	11.68	13.20

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, 1984 and 1985

Source	1984	1985
	<u>Quantity (1,000 proof gallons)</u>	
CBI countries:		
Jamaica.....	5,374	1,038
Barbados.....	175	204
Dominican Republic.....	41	44
All other.....	6	5
Total of CBI countries.....	5,595	1,291
All other.....	24	19
Total.....	5,619	1,309
	<u>Value (1,000 dollars)</u>	
CBI countries:		
Jamaica.....	31,290	7,228
Barbados.....	852	1,004
Dominican Republic.....	89	104
All other.....	16	21
Total of CBI countries.....	32,247	8,357
All other.....	77	109
Total.....	32,324	8,466
	<u>Unit value (per proof gallon)</u>	
CBI countries:		
Jamaica.....	\$5.82	\$6.96
Barbados.....	4.88	4.93
Dominican Republic.....	2.18	2.36
All other.....	2.57	4.20
Average of CBI countries.....	5.76	6.47
All other.....	3.24	5.74
Average.....	5.75	6.47

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, 1984 and 1985

Source	1984	1985
	<u>Quantity (1,000 proof gallons)</u>	
CBI countries:		
Dominican Republic.....	7	16
All other.....	15	0
Total of CBI countries.....	22	16
All other.....	9	0
Total.....	31	16
	<u>Value (1,000 dollars)</u>	
CBI countries:		
Dominican Republic.....	8	28
All other.....	20	-
Total of CBI countries.....	28	28
All other.....	14	-
Total.....	42	28
	<u>Unit value (per proof gallon)</u>	
CBI countries:		
Dominican Republic.....	\$1.13	\$1.76
All other.....	1.38	-
Average of CBI countries.....	1.30	1.76
All other.....	1.50	-
Average.....	1.36	1.76

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

Table 6.--Rum in containers each holding over 1 gallon, valued over \$2.00 but not over \$3.50 per proof gallon: U.S. imports for consumption, by designated CBI countries and other sources, 1984 and 1985

Source	1984	1985
	<u>Quantity (1,000 proof gallons)</u>	
CBI countries:		
Jamaica.....	1,809	23
Dominican Republic.....	34	26
All other.....	5	0
Total of CBI countries.....	1,848	49
All other.....	5	6
Total.....	1,853	55
	<u>Value (1,000 dollars)</u>	
CBI countries:		
Jamaica.....	5,386	54
Dominican Republic.....	81	63
All other.....	12	-
Total of CBI countries.....	5,480	117
All other.....	14	17
Total.....	5,494	134
	<u>Unit value (per proof gallon)</u>	
CBI countries:		
Jamaica.....	\$2.98	\$2.35
Dominican Republic.....	2.39	2.37
All other.....	2.27	-
Average of CBI countries.....	2.97	2.37
All other.....	2.67	2.83
Average.....	2.96	2.42

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

Table 7.--Rum in containers each holding over 1 gallon, valued over \$3.50 per proof gallon: U.S. imports for consumption, by designated CBI countries and other sources, 1984 and 1985

Source	1984	1985
	<u>Quantity (1,000 proof gallons)</u>	
CBI countries:		
Jamaica.....	3,565	1,015
Barbados.....	160	204
All other.....	1	7
Total of CBI countries.....	3,726	1,225
All other.....	9	13
Total.....	3,735	1,238
	<u>Value (1,000 dollars)</u>	
CBI countries:		
Jamaica.....	25,904	7,174
Barbados.....	831	1,004
All other.....	4	34
Total of CBI countries.....	26,739	8,212
All other.....	49	92
Total.....	26,788	8,304
	<u>Unit value (per proof gallon)</u>	
CBI countries:		
Jamaica.....	\$7.27	\$7.07
Barbados.....	5.21	4.93
All other.....	4.50	4.82
Average of CBI countries.....	7.18	6.70
All other.....	5.44	7.12
Average.....	7.17	6.71

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

Table 8.--Rum: U.S. exports of domestic merchandise, by principal markets, 1984 and 1985

Market	1984	1985
	<u>Quantity (1,000 proof gallons)</u>	
Netherlands Antilles.....	106	55
Canada.....	70	70
Netherlands.....	17	31
Leeward and Windward Islands.....	34	28
Panama.....	8	31
Bahamas.....	29	23
All other.....	99	131
Total.....	363	369
	<u>Value (1,000 dollars)</u>	
Netherlands Antilles.....	468	247
Canada.....	549	233
Netherlands.....	84	214
Leeward and Windward Islands.....	187	160
Panama.....	45	120
Bahamas.....	156	117
All other.....	509	553
Total.....	1,998	1,644
	<u>Unit value (per proof gallon)</u>	
Netherlands Antilles.....	\$4.40	\$4.48
Canada.....	7.86	3.34
Netherlands.....	5.00	6.92
Leeward and Windward Islands.....	5.58	5.69
Panama.....	5.65	3.89
Bahamas.....	5.44	5.00
All other.....	5.14	4.22
Average.....	5.51	4.45

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, 1984 and 1985

(In thousands of proof gallons)

Source	1984	1985
Puerto Rico:		
In containers not over 1 gallon.....	6,344	8,128
In containers over 1 gallon.....	13,008	15,044
Total.....	19,352	23,172
U.S. Virgin Islands:		
In containers not over 1 gallon.....	62	6
In containers over 1 gallon.....	2,278	2,844
Total.....	2,340	2,850

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

