

RUM: ANNUAL REPORT (Covering 1988 and 1989) 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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Washington, DC 20436**

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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) 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 sixth annual report covers 1988 and 1989. Subsequent reports will be issued on a calendar-year basis as long as rum is accorded duty-free treatment pursuant to the Caribbean Basin Economic Recovery Act; the next report covering calendar year 1990 will be issued in May 1991.

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HIGHLIGHTS

The following are highlights of the economic data collected on rum for 1988 and 1989.

- For 1989, U.S. production of rum increased to 96.8 million proof liters, 7 percent higher than the amount produced in 1988.
- U.S. exports of rum in 1989 were 16 percent above the quantity exported in 1987, although 1989 exports were 25 percent below the quantity exported in 1988. The value of such exports decreased from \$3.0 million in 1987 to \$2.7 million in 1989.
- For 1989, imports of rum amounted to 3.9 million proof liters, valued at \$10.8 million, compared with 3.1 million proof liters, valued at \$7.0 million, in 1988.
- Rum imports from CBI eligible countries accounted for 90 percent of the value of total rum imports during 1989, and rum imports from Jamaica made up 61 percent of the total value of U.S. rum imports from CBI countries. During 1988, the share of total import value supplied by CBI countries was 90 percent and Jamaica accounted for 52 percent of the imports from CBI countries.
- Apparent U.S. consumption of rum in 1989 amounted to 97.8 million proof liters, 3 percent higher than in 1988. The import-to-consumption ratio was 4.0 percent in 1989, compared with 3.3 percent in 1988.
- Rum shipments from Puerto Rico to the United States declined from 79.3 million proof liters in 1988 to 76.6 million proof liters in 1989. During the same 2 years, rum shipments from the U.S. Virgin Islands to the United States decreased from 7.9 million proof liters to 6.9 million proof liters.

Table 1.

Rum: U.S. production, exports of domestic merchandise, imports for consumption, and apparent consumption, 1987-89

(Quantity in thousands of proof liters; value in thousands of dollars; unit value per proof liter)

Year	Production ¹	Exports	Imports	Apparent consumption ²	Ratio (percent of imports to consumption)
Quantity					
1987....	89,182	2,006	3,641	91,790	4.0
1988....	90,518	3,081	3,114	94,765	3.3
1989....	96,821	2,324	3,936	97,767	4.0
Value					
1987....	141,125	3,037	7,176	(³)	-
1988....	135,587	3,413	6,967	(³)	-
1989....	107,833	2,692	10,814	(³)	-
Unit value					
1987....	\$1.58	\$1.51	\$1.97	-	-
1988....	1.50	1.11	2.24	-	-
1989....	1.11	1.16	2.75	-	-

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 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, 1988 and 1989

Source	1988	1989
	<u>Quantity (1,000 proof liters)</u>	
CBI countries:		
Jamaica.....	1,605	1,571
Barbados.....	818	1,633
Dominican Republic.....	314	270
Haiti.....	53	67
British Virgin Islands.....	18	32
All other.....	107	98
Total of CBI countries.....	2,915	3,671
All other.....	199	265
Total.....	3,114	3,936
	<u>Value (1,000 dollars)</u>	
CBI countries:		
Jamaica.....	3,283	5,973
Barbados.....	1,131	1,875
Dominican Republic.....	1,188	1,070
Haiti.....	222	245
British Virgin Islands.....	121	181
All other.....	337	364
Total of CBI countries.....	6,282	9,708
All other.....	685	1,106
Total.....	6,967	10,814
	<u>Unit value (per proof liter)</u>	
CBI countries:		
Jamaica.....	\$2.04	\$3.80
Barbados.....	1.38	1.15
Dominican Republic.....	3.78	3.96
Haiti.....	4.19	3.66
British Virgin Islands.....	6.72	5.66
All other.....	3.15	3.71
Total of CBI countries.....	2.15	2.64
All other.....	3.44	4.17
Total.....	2.24	2.75

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

Table 3.

Rum in containers each holding not over 4 liters: U.S. imports for consumption, by designated CBI countries and other sources, 1988 and 1989

Source	1988	1989
	<u>Quantity (1,000 proof liters)</u>	
CBI countries:		
Jamaica.....	338	1,496
Dominican Republic.....	173	161
Barbados.....	42	35
Haiti.....	54	67
British Virgin Islands.....	18	23
All other.....	95	98
Total of CBI countries.....	720	1,880
All other.....	184	258
Total.....	904	2,138
	<u>Value (1,000 dollars)</u>	
CBI countries:		
Jamaica.....	1,078	5,654
Dominican Republic.....	942	797
Barbados.....	123	401
Haiti.....	222	245
British Virgin Islands.....	121	176
All other.....	332	364
Total of CBI countries.....	2,818	7,637
All other.....	661	1,082
Total.....	3,479	8,719
	<u>Unit value (per proof liter)</u>	
CBI countries:		
Jamaica.....	\$3.19	\$3.78
Dominican Republic.....	5.45	4.95
Barbados.....	2.93	11.46
Haiti.....	4.11	3.66
British Virgin Islands.....	6.72	7.65
All other.....	3.49	3.71
Average of CBI countries....	3.91	4.06
All other.....	3.59	4.19
Average.....	3.85	4.08

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

Table 4.

Rum in containers each holding over 4 liters: U.S. imports for consumption, by designated CBI countries and other sources, 1988 and 1989

Source	1988	1989
	<u>Quantity (1,000 proof liters)</u>	
CBI countries:		
Barbados.....	773	1,597
Jamaica.....	1,266	75
Dominican Republic.....	141	109
All other.....	3	8
Total of CBI countries....	2,179	1,789
All other.....	10	7
Total.....	2,189	1,796
	<u>Value (1,000 dollars)</u>	
CBI countries:		
Barbados.....	1,008	1,480
Jamaica.....	2,205	319
Dominican Republic.....	246	272
All other.....	4	5
Total of CBI countries....	3,463	2,076
All other.....	24	23
Total.....	3,487	2,099
	<u>Unit value (per proof liter)</u>	
CBI countries:		
Barbados.....	\$1.30	\$0.93
Jamaica.....	1.74	4.25
Dominican Republic.....	1.76	2.50
All other.....	1.33	.63
Average of CBI countries..	1.59	1.16
All other.....	2.40	3.29
Average.....	1.59	1.17

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

Table 5.

Rum in containers each holding over 4 liters, valued at not over 53 cents per proof liter: U.S. imports for consumption, by designated CBI countries and other sources, 1988 and 1989

Source	1988	1989
	<u>Quantity (1,000 proof liters)</u>	
CBI countries:		
Barbados.....	0	762
All other.....	0	0
Total of CBI countries.....	0	762
All other.....	0	0
Total.....	0	762
	<u>Value (1,000 dollars)</u>	
CBI countries:		
Barbados.....	0	315
All other.....	0	0
Total of CBI countries.....	0	315
All other.....	0	0
Total.....	0	315
	<u>Unit value (per proof liter)</u>	
CBI countries:		
Barbados.....	0	\$0.41
All other.....	0	0
Total of CBI countries.....	0	.41
All other.....	0	0
Total.....	0	0.41

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

Table 6.

Rum in containers each holding over 4 liters, valued at over 53 cents but not over 92 cents per proof liter: U.S. imports for consumption, by designated CBI countries and other sources, 1988 and 1989

Source	1988	1989
	<u>Quantity (1,000 proof liters)</u>	
CBI countries:		
Dominican Republic.....	61	43
Barbados.....	64	43
Jamaica.....	57	28
All other.....	0	8
Total of CBI countries.....	182	122
All other.....	0	0
Total.....	182	122
	<u>Value (1,000 dollars)</u>	
CBI countries:		
Dominican Republic.....	42	27
Barbados.....	30	26
Jamaica.....	31	16
All other.....	0	5
Total of CBI countries.....	103	74
All other.....	0	0
Total.....	103	74
	<u>Unit value (per proof liter)</u>	
CBI countries:		
Dominican Republic.....	\$0.69	\$0.63
Barbados.....	.47	.60
Jamaica.....	.54	.57
All other.....	-	.63
Average of CBI countries....	.57	.61
All other.....	-	-
Average.....	.57	.61

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

Table 7.

Rum in containers each holding over 4 liters, valued over 92 cents per proof liter: U.S. imports for consumption, by designated CBI countries and other sources, 1988 and 1989

Source	1988	1989
	<u>Quantity (1,000 proof liters)</u>	
CBI countries:		
Barbados.....	709	792
Jamaica.....	1,209	47
Dominican Republic.....	80	66
All other.....	3	0
Total of CBI countries....	2,001	905
All other.....	10	8
Total.....	2,011	913
	<u>Value (1,000 dollars)</u>	
CBI countries:		
Barbados.....	978	1,139
Jamaica.....	2,174	303
Dominican Republic.....	204	245
All other.....	4	0
Total of CBI countries....	3,360	1,687
All other.....	24	23
Total.....	3,384	1,710
	<u>Unit value (per proof liter)</u>	
CBI countries:		
Barbados.....	\$1.38	\$1.44
Jamaica.....	1.80	6.45
Dominican Republic.....	2.55	3.71
All other.....	1.33	-
Total of CBI countries....	1.68	1.86
All other.....	2.40	3.10
Total.....	1.68	1.87

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

Table 8.

Rum: U.S. exports of domestic merchandise, by principal markets, 1988 and 1989

Market	1988	1989
	<u>Quantity (1,000 proof liters)</u>	
Netherlands Antilles.....	384	758
Canada.....	108	273
Cayman Islands.....	7	204
Sweden.....	34	115
Netherlands.....	342	123
Belgium.....	82	67
Chile.....	47	90
Aruba.....	55	87
British Virgin Islands.....	51	54
All other.....	1,971	553
Total.....	3,081	2,324
	<u>Value (1,000 dollars)</u>	
Netherlands Antilles.....	556	913
Canada.....	115	292
Cayman Islands.....	12	220
Sweden.....	43	123
Netherlands.....	418	120
Belgium.....	140	113
Chile.....	74	109
Aruba.....	50	94
British Virgin Islands.....	90	83
All other.....	1,915	625
Total.....	3,413	2,692
	<u>Unit value (per proof liter)</u>	
Netherlands Antilles.....	\$1.45	\$1.20
Canada.....	1.06	1.07
Cayman Islands.....	1.71	1.08
Sweden.....	1.26	1.07
Netherlands.....	1.22	.98
Belgium.....	1.71	1.69
Chile.....	1.57	1.21
Aruba.....	.91	1.08
British Virgin Islands.....	1.76	1.54
All other.....	.97	1.13
Total.....	1.11	1.16

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, 1988 and 1989

(In thousands of proof liters)

Source	1988	1989
Puerto Rico:		
In containers not over		
4 liters.....	17,056	24,747
In containers over 4 liters..	62,249	51,842
Total.....	79,305	76,589
U.S. Virgin Islands:		
In containers not over		
4 liters.....	7	12
In containers over 4 liters..	7,870	6,850
Total.....	7,877	6,862

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

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