

Brand Jamaica rum rumble pushed back, JIPO to referee dispute

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Business Reporter

THE LEGAL fight between National Rums of Jamaica, NRJ, and the Spirits Pool Association on the limits of what can be called Jamaica rum will now see parties face off before year end in front of Jamaica's trademark office, JIPO, following the postponement of a meeting on Monday.

"We should have met on Monday, but one of the legal counsels was not present," said Martha Miller, CEO of National Rums of Jamaica Limited, in a telephone interview with the *Financial Gleaner* on Wednesday.

There's no new date set yet but it will be soon, possibly by "October", she added.

The limits of what constitutes Jamaica rum can impact sales going forward within a sector where some players are selling bulk rum and others are seeking to go up the value chain alongside high-end spirits.

"There are several matters being discussed; all are being heard by JIPO," said Miller, who declined to give specifics, citing legal considerations.

National Rums of Jamaica Limited trades in bulk rum, but it also distributes the Monymusk rum brand. The company controls about half of volume rum sales, which earns it roughly 30 per cent of the foreign exchange derived from the sector, said Miller.

"It is a significant size of the foreign exchange that we are fighting for," she said. "And we want to protect the origin of a product."

In 2016, rum producers, with guidance from the Jamaica Intellectual Property Office, decided on a set of criteria for the definition of Jamaican rum as a GI, or geographical indication. The GI designation aims to protect the sector from counterfeiting by setting rules for making Jamaican rum.

All parties in the Spirits Pool Association, including NRJ, are in favour of the GI.



Martha Miller, CEO of National Rums of Jamaica Limited.

In recent years, however, the *Financial Gleaner* understands that there were suggestions to strengthen the criteria of the GI by barring certain additives and sugars. Spirits Pool Association Limited supports the move but NRJ disagrees, according to sources. However, specifics on the matter remain largely private.

The Spirits Pool members include large rum makers such as J. Wray & Nephew Limited, producers of the Appleton Estate and Wray & Nephew brands; Hampden



Christopher Gentles, general manager of Spirits Pool Association Limited.

Estate, which bottles under the Hampden brand; Worthy Park Estate, the distillers of Worthy Park and Rum-Bar rums; and NRJ, which sells Monymusk rums.

NRJ still earns most of its income from the sales of its unbranded export rum. That's increasingly at odds with its peers who are earning from aged rums that add value based on their rarity and strict avoidance of additives.

"We all have different business models, and we all want to ensure that we can

operate in whatever environment within the definitions of the GI and that it is inclusive," said Miller.

National Rums of Jamaica is owned by three entities: the Government of Jamaica through SCJ Holdings, Demerara Distilleries of Guyana, and French company United Caribbean Rum Limited – each holding a one-third stake. United Caribbean Rum secured the stake in NRJ after it acquired the holdings of Goddard Enterprises of Barbados.

On Thursday, the head of Spirits Pool Association Limited, Christopher Gentles, acknowledged the dispute, but held back on making a comment until the matter has been discussed by the association's board of directors.

"The topic is hot," said Gentles.

No responses were forthcoming from JIPO up to press time.

The value of rum exports was estimated at US\$56 million (\$8.6 billion) in 2022, around the same as in 2021, according to data published by the Planning Institute of Jamaica. However, the figure reflects the manufactured value rather than the final sales figure, as J. Wray & Nephew alone reaped £159 million (\$25 billion) from rum sales in 2022.

The company, owned by Campari Group of Italy, is Jamaica's largest rum producer. Campari, which disclosed the ongoing fight in its latest sustainability report, said JWN stands with the Spirits Pool on the issue.

A GI is a sign used on goods that have a specific geographical origin and possess certain qualities or a reputation that are linked to that place of origin.

"Agricultural products typically have qualities that derive from their place of production and are influenced by specific local factors, such as climate and soil," JIPO says on its website. "Some examples of GIs are 'Jamaica Jerk' and 'Jamaica Rum', both made exclusively in Jamaica," it says.

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