

The Sunday Gleaner BUSINESS

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SECTION C

Jamaica rum battle has a French twist

Steven Jackson
Senior Business Reporter

THE RUMBLE in the spirits market over the composition and redefinition of Jamaican rum is in part driven by a French company that co-owns National Rums of Jamaica Limited, NRI, industry sources in Jamaica and Barbados have said.

The division resulted in a face-off among local rum makers last week behind closed doors at the Jamaica Intellectual Property Office, the state-run trademark agency. The meetings occurred on September 25 and September 27.

"We await a decision from JIPO," said Martha Miller, CEO of National Rums of Jamaica Limited, following the hearings.

"JIPO gave no timeline on issuing a decision. Several matters are being discussed and all the matters being positioned are to ensure the inclusiveness of the GI and all existing players in Jamaica are able to operate," she said.

The parties at the meeting included National Rums, Spirits Pool Association Limited, which represents the industry, J. Wray & Nephew Limited, JWN, which is European-owned.

The newly named French

company said to be central to the debate is Maison Ferrand, which owns a piece of National of Rums of Jamaica through a regional subsidiary. It also owns the Plantation Rum brand.

"This action serves to safeguard the distinct attributes attributable to the spirit's origin in Jamaica, thereby

aiming to capitalise on the resultant enhanced value. This enhanced value will drive the Jamaica Rum industry to become more focused on high value rum brands aged in Jamaica, where most of the value created will accrue to the benefit of our country

and our people," said General Manager of Spirits Pool, Christopher Gentles, in a statement to the Financial Gleaner following the hearings.

How Jamaican rum is defined carries high stakes, especially for the producers of premium or branded rums.

The market is entirely made up of privately held companies, so the size of its turnover is unknown.

However, the largest player among them, J. Wray & Nephew Limited, which is said to control a majority share of the market, reported revenue of around \$25 billion last year.

Spirits Pool says there are well in excess of 50 rum brands produced in Jamaica. Industrywide, some 28.5 million litres of rum are produced annually, of which 12 million litres is in the form of bulk rum.

"That means approximately 16.5 million litres are manufactured for the branded Jamaica bottled rum business," he told the Financial Gleaner on Friday.

The limits of the Jamaican rum GI can impact sales going forward within a sector where some



Managing Director of Worthy Park Estate Limited, Gordon Clarke.

operators, such as Worthy Park, sell branded and aged rums, while others sell less expensive bulk rum used for blending or white labelling, including NRI.

Bulk rums are exported for US\$2.50 to US\$4.50 per litre; however, after ageing and bottling the value jumps to US\$12 to US\$20 per litre.

"The Spirits Pool Association recognises that our Jamaica rum industry is currently evolving to an era of the development of brands and premiumisation. Just recently within five years there has been Worthy Park Select, Worthy Park Single Estate, Hampden Great

House Limited edition, Long Pond Special Edition 15 year old rum," Gentles said.

In order to protect the Jamaican rum brand, Spirits Pool Association and local distilleries pushed for Jamaican rum to be granted GI or geographical indication status, which the country achieved in 2016.

A GI is a mark that establishes a product's specific geographical location or origin.

In recent times there has been a new push by distilleries to add more stringent criteria to the designation regarding the rules that govern the processing and ageing of the rum.

PLEASE SEE RUM, C3

BUSINESS EVENTS

OCTOBER 3

Jamaica Stock Exchange Regional Investments & Capital Markets Conference-Guyana's Capital Markets: Wealth Creation and Retention, October 3-4, at Pegasus Suites and Corporate Centre, Georgetown, Guyana.
rsvp@jamstockex.com

OCTOBER 4

Lasco Financial Services Limited 13th annual general meeting, hybrid format, streamed via www.lascojamaica.com from Jamaica Pegasus Hotel, 81 Knutsford Boulevard, New Kingston, 9 a.m.

OCTOBER 4

Lasco Manufacturing Limited 13th annual general meeting, hybrid format, streamed via www.lascojamaica.com from Jamaica Pegasus Hotel, 81 Knutsford Boulevard, New Kingston, 11 a.m.

OCTOBER 4

Lasco Distributors Limited 13th annual general meeting, hybrid format, streamed via www.lascojamaica.com from Jamaica Pegasus Hotel, 81 Knutsford Boulevard, New Kingston, 1 p.m.

OCTOBER 4

tTech Limited annual conference TechCon-Building Resilient Cyber Infrastructure Strategies for the Digital Age, hybrid

format, streamed from The Summit, 17 Ruthven Road, Kingston, 9 a.m.

OCTOBER 5

Access Financial Services Limited annual general meeting, at Courtleigh Hotel & Suites, 85 Knutsford Boulevard, New Kingston, 11 a.m.

OCTOBER 6

JMMB Group Limited annual general meeting, hybrid format, streamed via <https://jm.jmmh.com>/AGM from AC Hotel by Marriott, 38-42 Lady Musgrave Road, New Kingston, 10:30 a.m. shareholderquery@jmmh.com

OCTOBER 10

Jamaica Bankers Association/Jamaica Institute of Financial Services 12th Annual AML/CTF Conference, hybrid format, October 10-11. info@jifsjm.org

OCTOBER 10

Proven Group Limited annual general meeting, Car Flamboyant Drive & Almond Road, Rodney Bay, Gros Islet, St Lucia, 11 a.m.

OCTOBER 11

Unicomer Jamaica private launch event for the new Courts Portmore Pines store, at Lot 7, Braetown Parkway, Portmore, St Catherine, 1 p.m. vanassa@mystiquejamaica.com

Email entries to business@gleanerjm.com

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