# WIRSPA West Indies Rum & Spirits Producers' Association Inc.

## Dear Colleagues and Stakeholders



It is my pleasure to once again look back at our activities and successes over the past year. I continue to be grateful for the confidence entrusted in me by my colleague producers to provide stewardship to the group in 2022.

As purveyors of premium and super premium products that

are growing fast in the major export markets, as well as within our domestic markets, provenance and authenticity are critical elements of our value proposition. In this regard WIRSPA has long advocated for strong rules for what defines rum, and transparency and truthfulness around origin – where the rum is actually made. In this we are happy to report that we have received the full support of our Cariforum governments over many decades.

#### Advocating for Strong Rules for Rum

Key workstreams in 2022 adapted to respond to work by Cariforum to review the rules of origin in our Economic Partnership Agreement with the European Union, as well as activity to progress the implementation of our Economic Partnership Agreement with the United Kingdom, which later came into place following Brexit. Within CARICOM there has also been a process underway to review the Caricom Rules of Origin and the Common External Tariff, both of which intensified in 2022.

In each of these trade negotiating fora, WIRSPA has been able to present informed and detailed proposals that seek to protect our industry, and to support our premiumisation efforts. I am pleased to report that our submissions have received broad support from our member state governments. These outcomes bode well for the rules that underpin our industry and support the growth of this premium industry.

In addition, we have played a proactive role in reviewing the regional Caricom standard for rum products, rules which govern any rum products, and not just ours, that are presented for sale to consumers within Caricom. As in previous years we have continued to promote a greater understanding of the potential for increasing our intellectual property through the use of Geographical Indications (GIs). In 2022 we co-sponsored an international virtual conference on spirit GIs that brought together over 130 practitioners in the field from 40 countries.

### **Challenging Monopolistic Action**

On a related issue, the industry galvanised, and worked in collaboration with other manufacturers, to oppose efforts to increase taxes on imported glass packaging to the advantage of the sole regional glass supplier. Such a proposal has the potential to

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increase costs and impact on our ability to produce first class products.

Thankfully, our governments have seen the need to consider this proposal more carefully and has agreed a more transparent and open consultative approach which includes all stakeholders.

### **Reducing Alcohol Harm**

WIRSPA Rum producers have continued to lead the global alcoholic beverage sector by implementing new labels that provide additional information to consumers on serving sizes and calories for products. This information is accompanied by pictorial logos advising against underage drinking, drinking in pregnancy, and drinking while driving. Importantly our new label standards require this information to be fully legible and meet minimum size requirements.

With a revised Global Alcohol Policy agreed by the World Health Organisation in early 2022, we are continuing to move as a group to implement actions that support the overall objective of the policy, which is to reduce the harmful use of alcohol. Individually and as a group we have taken action to more effectively restrict marketing to underage persons and other vulnerable persons, to reduce drinking and driving, and to support education initiatives that promote responsible drinking.

We firmly believe that we have a role to play in this important challenge and call on health advocates and ministries to engage with us in a whole-of-society approach to achieve the best results.

As part of our proactive approach, we have committed to better monitor the implementation of our marketing codes to ensure that they are being fully adhered to by producers.

### **Promoting a Sustainable Industry**

We have continued to drive processes to reduce the carbon footprint of our industry through improved efficiencies, introduction of renewable energies, and a greater emphasis on economic and social sustainability in our own supply chains. The effects of the pandemic, as well as the continuing war in the Ukraine have continued to wreak havoc with supply chains, in particular with our main raw material - molasses, both in terms of price and availability.

## **Telling Our Stories**

As we seek to build Caribbean rum as a premium global spirits category, we continued in 2022 to celebrate our Icons of Caribbean rum through our social media channels. We will continue in 2023 with a new series to celebrate the many men and women throughout our region who work to produce first class products every day – The Rum Makers.

Telling our stories, and the stories of those who make our products, is key to building our reputation as the home of quality rum. In 2023 we will also launch our online Caribbean Rum Trail to showcase our many producers and their stories.



## **Fighting for Fair Treatment**

Internationally, a growing demand for premium high-quality rums continue to draw in opportunists who seek to take advantage of this growth by presenting ersatz products, or who take advantage of loopholes to present sub-standard products to the unsuspecting consumer. In addition, a growing hemispheric trade in cheap alcohol, and the prevalence of subsidies, including those granted by the US to multinationals brands in the USVI and Puerto Rico, skew the playing field against our authentic premium products. In this we have collaborated with other authentic producers such as those in the French islands of Martinique and Guadeloupe, to advocate for protection against such products.

Despite our many challenges, I remain convinced that the Caribbean rum industry has excellent growth prospects, and the ability to improve its already considerable contribution to our individual economies. This success will be built on our vigilance and advocacy, and also on the continued support of our regional governments.

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Komal Samaroo – Chairman, WIRSPA February 2023