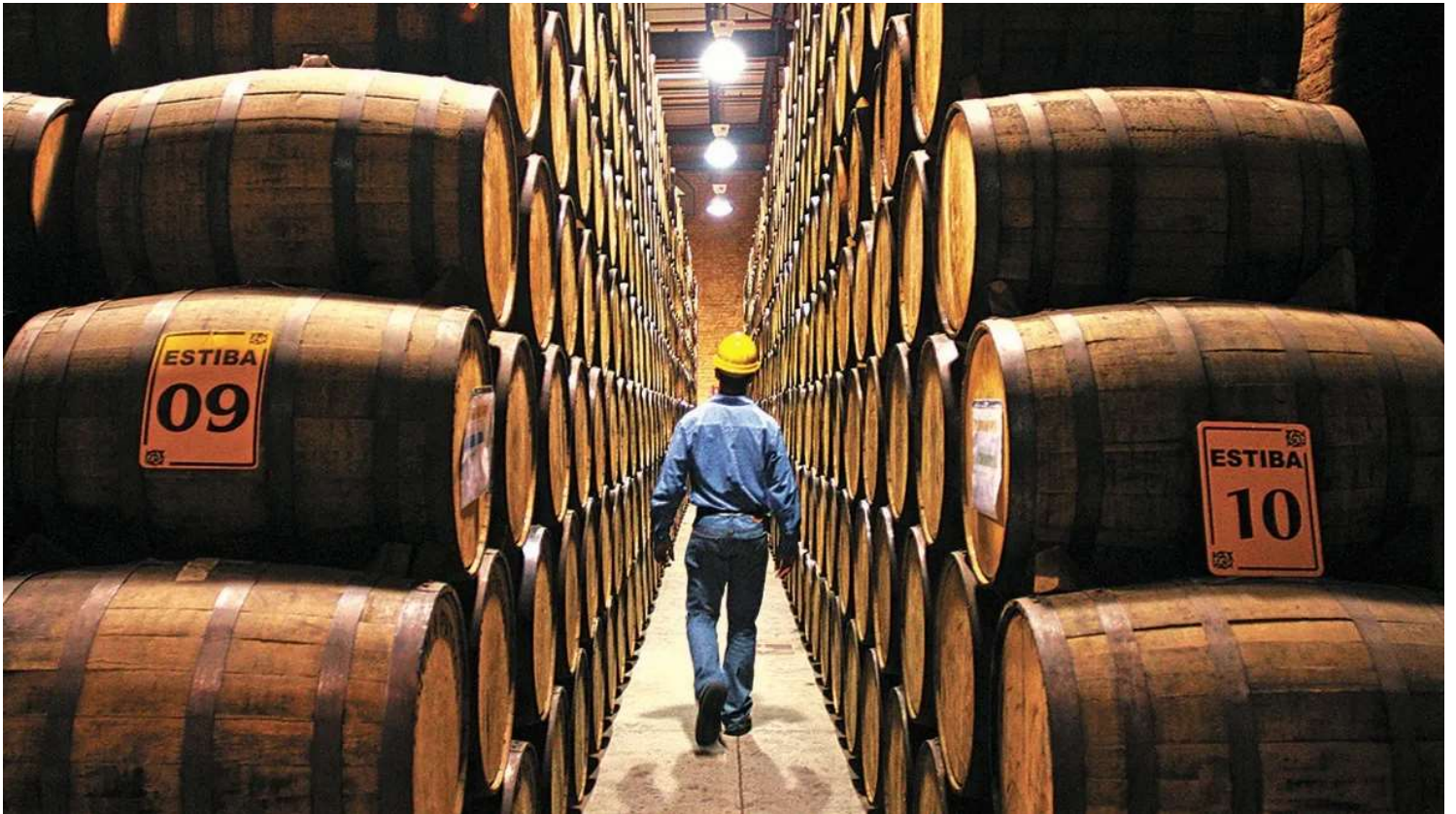




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Tequila, an economic and financial trigger





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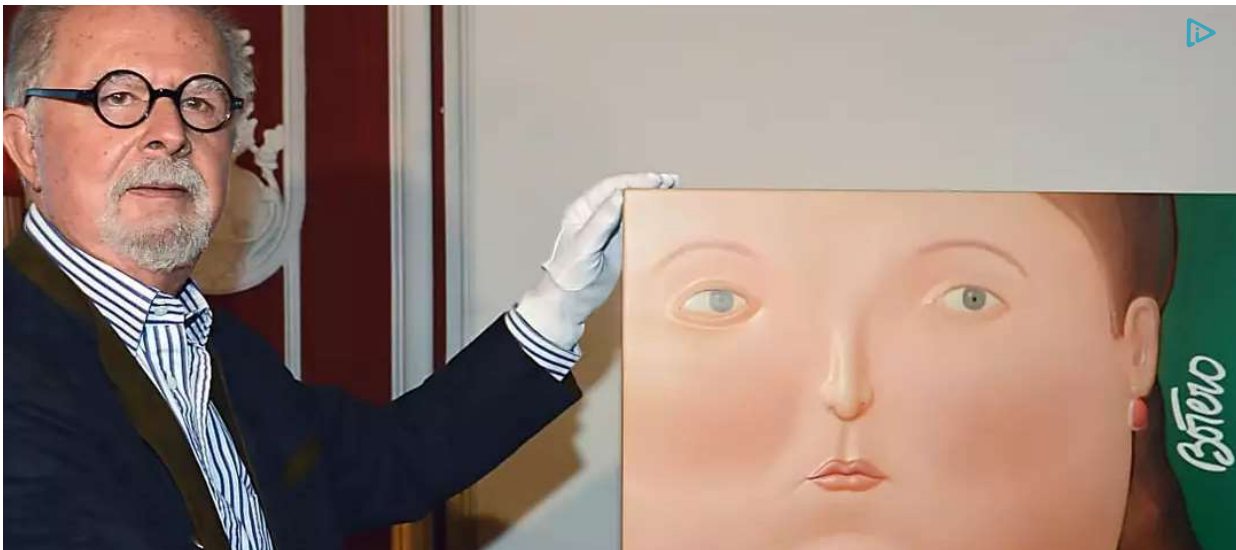
Currently, the beverage, with a presence in 120 countries, generates tax revenues of 8,000 million pesos annually from a single tax.



Guadalajara, Jal. Known and appreciated in the world, tequila, a distillate obtained from the Tequilana Weber Blue variety agave, is not only considered an emblematic drink and a cultural contribution of Mexico to the world; Historically, it has also made an important contribution to the public coffers and a driver of economic and social development for the country.

Just as the goddess Mayahuel was the symbol of fertility, and according to Aztec mythology she was turned into maguey and known as "the goddess of 400 breasts" to guarantee the survival of her children, the Aztecs, in the same way, the agave-tequila production chain is currently one of the main generators of fiscal resources. foreign exchange and tourism for the country, in addition to being a source of income and sustenance for more than 90,000 families who depend on it.

In his "Description of New Galicia" of 1621, Domingo Lázaro de Arregui describes how the first hydraulic engineering works to bring water to the inhabitants of present-day Guadalajara were paid for with taxes from tequila, by then called mezcal wine.



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According to the Secretary General of the Government of Jalisco, Enrique Ibarra Pedroza, 90% of the construction of the Government Palace in the mid-eighteenth century was also paid for with the taxes that were levied on tequila at that time.

Already in modern times, once it was recognized and protected by the Mexican State as the first Denomination of Origin (DO) in 1974, and after the creation in 1994 of the Tequila Regulatory Council (CRT) to safeguard the DOT and guarantee consumers its authenticity, the prestige of the drink spread throughout the world to the point of reaching, At the end of 2023, a production of 598.7 million liters and exports of 399.2 million liters.

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By becoming a product with a Designation of Origin and representative of Mexico, with a presence in 120 countries, tequila currently generates tax revenues of 8,000 million pesos annually from a single tax, the IEPS (Special Tax on Production and Services), said the director of the CRT, Ramon Gonzalez Figueroa.

Added to this taxation are the foreign currency that enters the country from tequila exports, which, at the end of 2023, amounted to 3,500 million dollars, shared the president of the Mexican Council of Foreign Trade (COMCE) of the West, Miguel Ángel Landeros.

“

It is an iconic product in one of the three most thriving sectors of foreign trade, which is agribusiness. Tequila has been generating an image of Mexico at an international level, but particularly of Jalisco and the states that make up the Denomination of Origin (Jalisco, Guanajuato, Michoacán, Nayarit and Tamaulipas)," he said.

The Tourist Route

Due to the cultural richness that surrounds the national drink, the attractiveness of the ancestral processes for its production, and the beauty of the Agave Landscape that was declared a World Heritage Site by UNESCO in 2006, the Tequila Route "represents one of the most important attractions in the world. not only from Jalisco but from Mexico," said the head of the Ministry of Tourism in the entity, Vanessa Pérez Lamas.



He explained that in the nine municipalities that make up the tequila tourist route (Ahuacalulco de Mercado, Amatitán, El Arenal, Etzatlán, Magdalena, San Juanito de Escobedo Tala, Tequila and Teuchitlán), there are 96 lodging establishments with about 1,483 rooms and 371 food and beverage businesses.

"In addition to the attractions that tequila companies already generate, there are visits to the agave fields (...) In Teuchitlán we have the archaeological site of the Guchimontones with an important cultural value. Etzatlán is relevant because in recent years the woven sky that has

already gone around the world has gained a lot of popularity, it was exhibited in Dubai," he said.

Influx

The Secretary of Tourism said that during 2023, 1.3 million tourists visited the Tequila Route, 28% more than in 2022.

"Between all these municipalities, they contribute a collection of five million pesos through the Lodging Tax (ISH), which has been growing significantly. That gives us an idea of how not only the number of rooms has grown, but even the rate and the average nights of lodging," he said.



According to data from the Ministry of Public Finance of Jalisco, the collection of the ISH in the Tequila Route was 5.01 million pesos in 2023, an increase of 3% annually and 115% compared to 2019, prior to the pandemic.

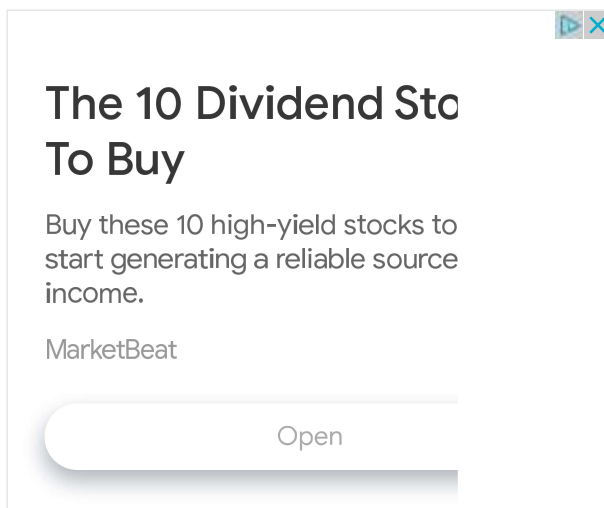
The municipalities of the tequila route as a whole have a tourism GDP of 1,453 million pesos, which represents 7% of their municipal GDP and 0.15% of the state's tourism GDP.

Fertile field

The prestige and recognition of Mexico's most emblematic drink could not be explained without such a unique and complex raw material. Unlike other vegetables whose sugars are used to make different alcoholic beverages around the world, the Blue agave is the only one that takes up to seven years to reach maturity.

As it is an exceptional raw material, and due to the exponential growth that the production and export of tequila has had, the price of agave has often attracted the interest of farmers,

even financial companies, to invest in the production of the plant.



"The vast majority of the more than 40,000 agave producers that are currently registered, have arisen due to the recent interest of having large profits in a short time," said Francisco Guzmán de la Torre, president of El Barzón Agavero, who mentioned that the price of the raw material reached 30 pesos per kilogram in December 2022.

However, the overproduction of agave has plummeted the prices of the plant, which in some cases, he said, is being bought from farmers for up to 4 or 5 pesos per kilo.

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