# Lausanne 2024 Abstract Submission

## Title

## I want to submit an abstract for:
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## Corresponding Author
Roberto Moreno

## E-Mail Corresponding Author
roberto.moreno@academicos.udg.mx

## Affiliation
Universidad de Guadalajara, México

## Keywords
Red wine; Valle de Guadalupe, México; tourism; economic impact

## Research Question
¿What is the economic impact of the red wine industry in Valle de Guadalupe, Mexico?

## Methods
Methodology based on initial documentary approach, subsequent bibliographic review and analysis of secondary sources using the webscrapping technique. The qualitative approach was carried out using an on-site data collection.

## Results
The economic benefit generated by the red wine industry in the Valle de Guadalupe Route amounted to more than 110 million dollars in 2023.

## Abstract

The red wine industry currently maintains growth and importance due to its large-scale marketing, innovation, and technology. The traditional nations where wine is produced, France, Italy, Spain, or Chile and other regions such as Napa and Sonoma in California, USA, have privileged climate, soil, and humidity conditions. These geographical areas have been joined by other regions with similar characteristics, identified by the strong presence of production houses, the quality of their wine products and the breadth of growing markets. This is the case of Valle de Guadalupe, Baja California, Mexico, positioned as a worldwide reference region, -The Mexican Wine Route-.

Theoretical approach
Wine production in Mexico dates the end of the 16th century. The country is considered the cradle of red wine in North America and it is defined by regions, among which the following states stand out: Baja California with 70% of the wine production, Sonora with 80% of the grape production, and Coahuila, Querétaro, Guanajuato and Zacatecas. Each region maintains special characteristics defined by its history, traditions, climate, soil, and forms...
of production (Rural, 2017).

The red wine market competes with tequila and beer as two differentiated consumer segments; The increase in red wine consumption in Mexico is due to a new oenological culture derived from various market strategies that include fine cheese, baking, and wine tourism industries. Mexican wine prices have high costs due to tax burdens (VAT & PSST) and its low production volume compared, for example, to California, USA, or other leading nations such France, Spain, or Italy, which represents disadvantages compared to these nations, that offer their products with prices 35% lower on average and similar quality. Two great challenges for the Mexican wine industry are to increase its production capacity and diversify markets.

Currently, only 35% of the wine consumed in Mexico is of national origin with one liter an average annual consumption, while in the USA consumption amounts to approximately 7.5 liters and in France to more than 50 liters per year (Vitivinícola, 2023). During the last decade in Mexico, the production houses in the northern area of Baja California (Valle de Guadalupe, Ensenada) increased from around 50 to more than 180, which offer tastings, fairs, and harvests in conjunction with various combinations of hotels, restaurants and tours. (Unkork, 2023); these wine tourism activities trigger production-distribution-consumption economic circuits of regional and national relevance.

In México national production of grapes for wine production has maintained constant increases. In 2010, the cultivated area was 7,500 hectares, with a value of more than 361 million pesos. For the year 2021, the planted area amounted to 36,000 hectares, while the amount of production exceeded 881 million pesos (México G. d., 2023), which reveals the economic importance of the added value that the wine industry maintains in México and its impact in conjunction with wine tourism activity and the increase the red wine consumption culture in Mexico. Mexican wine production estimates for 2021 stood at 4 million cases annually, which is equivalent to almost 36 million liters of wine (ICEX, 2022). Mexico produces 18 varieties of grapes and offers more than 12 thousand brands of Mexican wines that generate 500 thousand direct and indirect jobs.

Baja California Wine Route

Economic, social, and environmental transformations worldwide have shaped new ways of doing tourism. Currently, destinations have been transformed by revaluing territories, gentrifying cities, and reinventing regions with natural and cultural attractions (Santana, 1997). Alternative tourism was born as a response to the turn of the masses, energizing a previously unknown and underexploited economic sector. Their tangible and intangible products have converted regions towards more profitable activities within agribusiness and tourism, rooting their populations, strengthening cultural identity, creating jobs, and generating socioeconomic development thanks to the enjoyment of wine, gastronomy, and territories (López, T. Millan G. Caridad, J., 2008).

In Valle de Guadalupe, the creation and development of the most important wine route in Mexico has triggered the design of differentiated market products to meet the growing tourist demand, placing Mexican wine within international markets and favorably impacting the economy of that region. The Wine Route in Valle de Guadalupe extends for more than 75 km. and is made up of the Tijuana Valley, Tecate Valley, Guadalupe Valley, Tule Valley, Ojos Negros Valley, Uruapan Valley, Santo Tomás Valley, and San Vicente Valley.

The economic importance of wine production in Valle de Guadalupe has been highlighted for more than a decade. In 2008, the region produced 90% of Mexican red wine, with domestic sales of more than 12.7 million (750 ml bottles), and international sales by approximately 700 thousand, which generated an economic benefit of more than 42 million dollars. The sales contribute more than 11 million in taxes. The wines of Valle de Guadalupe have received more than 300 international recognitions for their quality and at the national level they have been awarded more than 1,500 (FONATUR, 2008). Currently, Valle de Guadalupe offers to its visitors 180 wine houses that produce more than 25 million bottles a year, nearly 100 hotels, 63 restaurants and more than 260 grape producers (México G. d., 2023).

Results

According to information provided by the Baja California Tourism Secretariat, Valle de Guadalupe was visited in 2018 by more than 600,000 tourists. During the year 2022 Valle de Guadalupe received 878,000 visitors. As of July 2023, it had received more than 512,000 thousand visitors. 65% are of national origin and 35% come from California, USA, who arrive by their own car. A modern highway connects the Tijuana-Ensenada tourist corridor that
is 150 km long.

Through the information obtained from surveys applied to more than 250 visitors during the month of November 2023 in 10 of the most important production houses in Valle de Guadalupe, it is inferred that 75% of visitors use in addition to wine consumption (tastings, bottles and related foods), tour operator services and car rental; 95% demanded hotel services for an average 5-night stay. The average expenditure per visitor on these services is 125 USD.

The economic benefit generated by the red wine industry in the Valle de Guadalupe Route amounted to more than 110 million dollars in 2023.

Video Take back Mexican wine: https://youtu.be/2l8b8TxbS2E

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