

THE TELEVISION AND VIDEO INDUSTRY

Canadian producers are taking increasing advantage of co-production opportunities with location shooting in Mexico, and post production at home.

The television and video industry is dominated by large Mexican companies, which produce their own programs and buy the rights to foreign programs.

Television is a much more important medium than theatres for the exhibition of films, both domestic and foreign. According to estimates by the *Cámara Nacional de la Industria de Radio y Televisión (Cirt)*, National Chamber of the Radio and Television Industry, about 92 percent of Mexican households have at least one television set. In 1995, there were about 51,000 movies shown on television, including cable and pay-for-view, with foreign films accounting for 83 percent of the market.

It is estimated that about 60 percent of Mexican households have a VCR. The proportion falls from 100 percent in the highest income bracket to about 50 percent for those earning between 2 and 10 times the minimum wage. Even in the lowest bracket earning the minimum wage or less, VCR ownership stands at 20 percent of households.

According to a survey conducted in Mexico City in 1996 for the *Reforma* newspaper, 70 percent of the population has access to a videotape player and 64 percent report that they rent movies. About 78 percent said that they used their VCRs to watch rented movies, while only 14 percent said they used them for off-air recording.

In Mexico, outlets that rent videocassettes are known as *videoclubs*. There are an estimated 6,500 video club outlets in the country, which is a reduction from almost 9,000 in 1991. This excludes the "informal" sector, which consists mostly of small unregistered companies and individual street vendors, many of whom distribute illegal pirated copies.

Videovisa dominates this market through its *Videocentro* chain of video clubs. It has contracts for exclusive video rights to American films distributed by the major producers. Many independent video rental clubs have been franchised by *Videovisa*, because pirating is otherwise the only way to gain access to the chain's catalogue. *Videovisa* has a second chain of *Videovisión* outlets with the right to buy titles outside of the *Videovisa* catalogue, and thus compete more directly with the independent video clubs. According to industry analysts, *Videovisa* controls about