

- Twentieth Century Fox distributes its own productions.
- *Columbia-Tri Star y Buena Vista* distributes productions of Touchstone Pictures, Hollywood Pictures and Walt Disney Pictures, as well as its own.
- *Videocine* distributes films by Warner Brothers as well as some by other producers. This company is also a major distributor of Mexican films.

Since the bankruptcy of *Películas Nacionales* in 1991, some of the majors also handle some Mexican films. IUP, for example, handled six Mexican movies between 1992 and 1994.

Independent distributors handle the remainder of the market. Mexican films account for 22 percent of the market and films from other countries 13 percent. According to *Canacine* estimates, the majors receive 86 percent of revenue from theatres and 95 percent of screen time.

Films must be authorized for public exhibition in Mexico by the *Dirección General de Radio, Televisión y Cinematografía*, General Directorate of Radio, Television and Cinematography of the *Secretaría de Gobernación*, Secretariat of the Interior. The number of films approved fell from 446 in 1992 to 343 in 1994. *Videocine* had the largest market share in 1994, with 49 new releases, followed closely by Columbia with 47.

EXHIBITION

Movie theatres are not as popular in Mexico as they are in Canada. This is partly because about 30 percent of Mexican households earn no more than the minimum wage of about \$7,000 Mexican pesos per year, which was less than C \$1,000 in late 1996. The number of theatre screens in Mexico fell from about 1,900 in 1989 to just under 1,500 in 1995. These screens serve a population of some

90 million. This is not sufficient to exhibit all of the films that are approved for showing by the government.

According to *Canacine* data, there are 16 film rooms for each million Mexican inhabitants which they compare with more than 90 in the United States. The density is higher in Jalisco and Nuevo León with 31 and 23 screens per million respectively. This is partly because multi-screen theatres are more common in those locations. In the Federal District, a number of old theatres have been remodeled into multi-screen facilities. This added 28 screens in 1994, raising the region's density to 20 per million. Mexican theatres seat an average of 833 people per screen.

The low number of screens relative to the population means that theatres in the large cities are very busy. In Mexico City, the demand for tickets has remained steady in the face of substantial price increases. Ticket prices have traditionally been regulated by the government, and have risen sharply since they were deregulated in 1993. Prices rose by two-thirds relative to the minimum wage in 1994 alone, but they still average only about two Canadian dollars. The city's 211 theatres handled 28.2 million patrons in 1995, for a total revenue of \$335 million Mexican pesos. *Cinemex* has estimated that Mexico City could support 500 screens and 60 million annual patrons. The modern theatres were particularly busy, which is driving new theatre construction. *Cinemex* plans to construct 140 multiplex rooms in Mexico over the next five years. *Cinemark*, which already has 42 screens in four complexes in four states, is building 12 new rooms at the *Centro Nacional de las Artes* (CNA), National Arts Centre, in the Federal District.

MAJOR MEXICAN FILM THEATRE CHAINS

Chain	Screens
Organización Ramírez	321
Compañía Operadora de Teatros	135
Cinematografía Estrellas de Oro	69
Intecine	40
Cadena Real	36
Guillermo Quezada	31
Temo Espectáculos	27
Empresa Fantasía	19
Grupo Empresas Casa	17
Other Chains	346
Independents	393
Total	1,434

Source: *Cámara Nacional de la Industria Cinematográfica y del Videograma (Canacine)*, National Chamber of the Film and Television Industry, 1995.

TRENDS AND OPPORTUNITIES

The film industry was badly hurt by the economic crisis that followed the abrupt devaluation of the peso in late December 1994. By mid-January 1995, the peso had lost half of its value relative to the US dollar. Consumer spending fell sharply in the face of a 7 percent drop in GDP and a surge in unemployment. Government subsidies for cultural activities were sharply curtailed. Production of feature films fell from 46 in 1994 to 14 in 1995, although this was partly offset by increased location shooting in Mexico by foreign producers.

According to industry experts, the most important film made in 1995 was *Pinturas Rupestres de Baja California*, directed by Carlos Bolado, and produced by the government film agency *Instituto Mexicano de Cinematografía (Imcine)*, Mexican Film Institute. The budget was \$4.2 million Mexican pesos, roughly C \$700,000. Other notable releases included *Édipo*, *el Alcalde*, a Mexico-Colombia-Spain