

year had slightly higher budgets. *Pinturas Rupestres de Baja California*, for example, had a budget of \$4.2 million Mexican pesos.

FEATURE FILM PRODUCTION

There were just over 100 feature film producers registered with *Canacine* in 1995, with 96 of them located in Mexico City. About half of these producers are affiliated with the *Asociación de Productores y Distribuidores de Películas Mexicanas (APDPM)*, the Mexican Association of Film Producers and Distributors, which is probably more representative of the feature film industry. According to the APDPM, most of these companies are very small operations. The only large feature film producer in Mexico is *Grupo Cine de Televisa*, a subsidiary of *Televisión*. This company produced or co-produced 72 films, at an estimated cost of \$82 million Mexican pesos, between 1990 and 1994. At the exchange rates prevailing in late 1996, this puts the average budget at well under C \$200,000. In 1994, the private film industry produced 37 feature films, at a cost of \$78 million Mexican pesos. In the same year, *Instituto Mexicano de Cinematografía (Imcine)*, the government-operated Mexican Film Institute, completed 9 feature films, at a cost of \$23 million Mexican pesos. Total 1994 production of 46 films compares with 101 in 1989. Production fell further to 14 in 1995.

Cámara Nacional de la Industria Cinematográfica y del Videograma (Canacine), National Chamber of the Film and Television Industry, attributes the decline of the industry to several factors. The number of weeks that Mexican movies must be screened has been drastically reduced over the past few years, because the minimum Mexican content regulations have been relaxed. Distribution of Mexican films in other Spanish markets, including the United States, has fallen drastically. Some observers

attribute this to low budgets and poor quality, resulting from under-capitalization of the industry. Others point to repetitive themes, with sex comedies and violent action stories predominating.

SHORT FILM PRODUCTION

Canacine defines a *cortometraje*, short film, as a film of less than 60 minutes recorded on film ranging from 8 millimetres to 70 millimetres. There were 84 producers of short films registered with the chamber in 1995, a reduction from 107 a year earlier. Sixty-nine of these are also members of the *Asociación Mexicana de Filmadores (Amfi)*, Mexican Association of Filmmakers, which reports that 51 produce live action films and 6 use animation. The others are engaged in advertising and promotion. Of the 51 live action producers 2 were classified by *Amfi* as large undertakings and 8 as medium-sized. Annual production of short films is estimated at about 2,000 units. According to an analysis by *Canacine*, about 95 percent of these productions are advertising commercials of 60-seconds in duration or less. These are recorded on 16 millimetre or 35 millimetre film before being transferred to videotape for broadcast. The annual revenue of this subsector is estimated by *Canacine* at about \$500 million Mexican pesos.

POST-PRODUCTION FACILITIES

There are 11 companies registered with *Canacine* which are classified as laboratories. There are also 9 dubbing facilities and 24 film workshops. In addition, the *Universidad Nacional Autónoma de México (UNAM)*, National Autonomous University of Mexico, operates *Dirección General de Actividades Cinematográficas (DGAC)*, a film archive and laboratory.

Mexican laboratories are engaged in processing exposed film and printing films from imported negatives. There is much concern in this industry

concerning competition from American and Canadian laboratories. The Mexican firms tend to use outdated technologies and are generally inefficient. There are three large film labs: *Estudios Churubusco Azteca*, *Filmolaboratorio*, and *TV Cine*. Together they employ about 300 people out of about 450 for all 11 companies.

The dubbing facilities and workshops are almost all small companies with 15 employees or less. The dubbing business benefits from the fact that Spanish versions of foreign movies made in Mexico are regarded as high quality, and are accepted throughout Latin America. Nonetheless, competition from other countries, including American facilities in the Los Angeles area, has recently reduced the domestic market share. Regulations prohibiting the public exhibition of most movies dubbed into Spanish are also a major constraint on the industry, although movies are dubbed for television. The application of Spanish subtitles for public exhibition involves less value-added than dubbing, but it is still an important activity.

FILM DISTRIBUTION

Income from films distributed in Mexico is derived from three sources. Audience-based fees are received directly from exhibitors or from subdistributors. Exhibition rights are also sold on a concession basis, by geographical zone, by time frame or by number of exhibitions over a specified period.

The distribution industry has two main components. A group of companies known as "the majors" mostly distribute films produced by the large American film producers. They account for 65 percent of the market. Four companies are considered major:

- International United Pictures (IUP) distributes productions of MGM, Paramount and Universal Pictures.