

CANADIAN COMPANIES IN MEXICO

LES PRODUCTIONS DU VERSEAU

Les productions du Verseau of Montreal has been producing feature films, television programs and documentaries for more than 20 years. The company has also been involved in a variety of co-productions with other companies.

In 1993, a *Verseau* producer, Lyse Lafontaine, toured Mexico as part of a delegation from the Québec film industry. During the trip she was approached by an executive of *Macondo Cine Video*, a Mexican film producer, who proposed a Canada-Mexico joint production for a 35-millimetre feature film. After considerable negotiation, a deal was struck, and shooting took place in Tijuana and San Diego between August and November 1993. The finished production, *El Jardín del Edén*, (Garden of Eden) was released in 1994.

Negotiations were long and difficult. One obstacle was the fact that to obtain Canadian government co-production assistance, *Verseau* needed a share of the actual work done on the production, not just an equity share. The Mexicans were interested mainly in a source of capital. The company's bargaining position was strengthened by the generally low quality of Mexican audio facilities. Nonetheless, the negotiations took six months, which Ms. Lafontaine considers inordinately long. "We had to be very patient in negotiating," she says. "The negotiations turned out to be more difficult than the actual shoot itself." *Verseau* ended up with a 20 percent equity position in this C \$3 million production, and assumed responsibility for the location sound as well as the audio and visual post production, which was done in Montreal.

The production work itself faced the familiar problems of distance and language, but Ms. Lafontaine says that they were no worse than experienced in co-productions in other countries. Patience and perseverance were the keys to overcoming all of the important obstacles. She notes that the visiting Canadians were treated with cordiality and professionalism: "We were very warmly received by our Mexican counterparts. They are very open to alliances with companies other than American companies." Another positive factor was a similarity of production styles. Ms. Lafontaine says that both parties recognized the importance of "auteur" films. This is an area where Québécois producers have particular strengths.

continued on next page

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 Fantasio	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.

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 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 are particularly busy, and this stimulates new theatre construction. *Cinemex* plans to construct 140 multiplex rooms in Mexico over the next five years. *Cinemark*, which already has 42 screens in 4 complexes in 4 states, is building 12 new rooms at the *Centro Nacional de las Artes*, in the Federal District.

According to *Canacine* data, in 1994, Mexico's 1,435 theatres fell into four categories:

- 616 rooms showing new releases;
- 95 rooms showing cultural films;
- 402 rooms showing second-run films; and
- 321 irregular rooms.