

newspaper, 70 percent of the population has access to a videocassette recorder and 64 percent say 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 of these outlets in the country, a reduction from almost 9,000 in 1991. This excludes the "informal" sector consisting mostly of small unregistered companies and individual street vendors, many of them distributing 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 independent video clubs. According to industry analysts, *Videovisa* controls about three-quarters of the formal video rental market. The film distributor *Artecinema* is another major player through its *Videomax* outlets. Other chains include *Blockbuster*, *Multivideo* and *Cinexpress*.

The major chains distribute both Beta and VHS formats. The northern states tend to have higher proportions of VHS. According to *Videovisa*, outlets in Monterrey handle 75 percent VHS while the proportion is 50 percent in the Federal District. Outlets in the southern states generally handle only Beta.

VIDEO PRODUCTION AND DISTRIBUTION

Although *Canacine* registers companies separately as producers or

distributors, the leading video producers also distribute. Nineteen companies are members of the *Asociación Nacional de Productores y Reproductores de Video (Anprovac)*. There is a separate video distributors' association called *Asociación Nacional de Comercializadores de Video (Ancovi)*. The leading companies include *Videovisa*, *Offer Video*, *Videomax*, *Mexcinema*, *Video Azteca*, *Comunicación en Video* and *Video Universal*.

Videovisa is the leading distributor with almost 2,500 titles, followed by *Videomax* with about 2,000. These large firms benefit from the fact that they can handle distribution for film theatres and broadcast television as well as videocassette rental. This allows them to offer package deals to feature film-producers.

The smaller video production companies are available for co-productions with Canadian producers. A number of Canadian television and video productions have taken advantage of opportunities for location shooting in Mexico. Mexico offers a wide range of locations and is usually chosen for its scenery and weather. This amounts to an import of Mexican scenery into Canada, but at the same time it widens the range of production styles available to Canadian producers. Technical staff who have worked in Mexico say that the equipment and skills of the Mexican companies are adequate for production under Canadian direction, but that post-production and film-to-tape transfers are best done in Canada.

TELEVISION BROADCASTERS

Televisa is the largest communications company in Latin America, and is a major television broadcaster and cable television operator. It is the parent company of *Videovisa*, which has exclusive rights to a large number of Mexican and foreign movies. This company also runs a chain of more than 1,500 video rental outlets throughout Mexico. *Televisa* obtained

a concession for 62 television channels in 1993. It is also a part-owner of *PanAm Sat*, the first privately-owned satellite system in Latin America, and operates a direct-to-home television service in partnership with several foreign companies.

Televisión Azteca is Mexico's other major television broadcaster. It is owned by *Elektra*, which is also a major vendor of television sets. *Elektra* purchased *Televisión Azteca* from the government in 1993. The company broadcasts two network channels over 180 television stations, some of which have additional repeaters.

Mutivisión is a large cable television provider. It carries 22 channels to about 1.5 million subscribers. It has exclusive rights to several American cable television channels. The company was granted concessions for new cable services in Guadalajara and Monterrey in 1994. It also operates a direct-to-home satellite television service.

FILM

The film industry was hard hit by the economic crisis spawned by the December 1994 devaluation of the peso. The industry has also declined, since 1992, as a result of the phase-out of the requirement that half of all theatre screen time be devoted to Mexican movies. The minimum was reduced to 10 percent for 1997 and will be eliminated entirely in 1998.

In 1995, there were only 14 feature films released in Mexico, compared with 46 a year earlier, and 101 in 1989. Ten of these films were private productions, two were assisted by government, one was foreign-made and the other was produced by a cooperative. The television production company, *Televisión*, produced three films during 1995, with typical budgets in the \$3 million Mexican peso range. Government/private feature films produced during the