

CANADIAN COMPANIES IN MEXICO

EVEREST ENTERTAINMENT

Everest Entertainment is a Vancouver-based film production and distribution house. The three-year-old company is a subsidiary of Greenlight Films of Toronto. The company produced a 35 millimetre feature film called *Managua*, recently shot in Mexico City and Cuernavaca. Mexico was chosen as a shooting location because, except for a few exteriors, it was not practical to do this work in Managua, Nicaragua, where the story is set.

Robert Straight, Everest president and CEO, says that the Mexican line producers (individuals responsible for a particular section of the film shoot) did a good job of selling themselves and their country as the location. The cast was American, while the technical crew and equipment were Mexican. Mr. Straight says that there were several problems involving the availability of equipment, the quality of the Mexican work, as well as some contractual issues.

Some of the equipment rented in Mexico was not up to standard and, in some cases, equipment was not available at all. The problem was compounded by the fact that several foreign film projects were in progress in Mexico at the time. The telephone system also created considerable problems; for instance, sometimes it took six or seven attempts to transmit a fax.

The production required longer shooting days than usual, because the pace of work was "more Latin." But since the crew's normal working days are long, the overtime expense was reduced. Several shooting days were lost due to sickness among the cast caused by the food and the air quality in Mexico City.

The most serious problem was the poor quality of work done by the film processing lab. As a result, footage that was transferred to tape for editing was unusable. The solution was to bring the original film back to Canada for post production. Because Mr. Straight had been on location, he was able to reassure the film's financial backers that the quality of the original product was extremely high. But the situation was complicated when the Mexican film lab refused to release the footage until every Mexican contractor on the project had been paid. This was not a contractual right of the lab, but as a practical matter the producers had to pay for some work that had not actually been done in order to get possession of the film.

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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 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 *Televisión Cine*. Together they employ about 300 people out of about 450 for all 11 companies.

The language-dubbing facilities and workshops are almost all small companies with 15 employees or less. This 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 can be 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 timeframe 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 majors:

- International United Pictures (IUP) distributes productions of MGM, Paramount and Universal Pictures;
- Twentieth Century Fox distributes its own productions;