

co-production filmed in Colombia at a cost of \$3.5 million Mexican pesos, and *Cilantro y Perejil*, produced by *Televisine* and *Constelación Films*, with a budget of \$5.5 million Mexican pesos.

*Televisine* completed three other films during the year, including *Perdóname Todo*, *Dólares por una Ganga*, and *Papa Sin Cátsup* at a combined cost of about \$ 10 million Mexican pesos. Other private producers completing feature films in 1995 included, *Frontera Films*, *Producciones Unic*, *Dínamo Producciones*, and *Producciones México*.

In spite of the crisis, a number of Mexican theatre chains continued their expansion plans during 1995, responding to the deregulation of the theatre business two years earlier. For example, Dallas-based, *Cinemark de México*, reportedly invested US \$10 million to renovate the *Pedro Armendaríz* cinema in Mexico City. It was converted to a 12-screen complex with a total of almost 2,500 seats. *Cinemark* has several other projects underway during 1996, including a new 10-screen complex in Pedregal, which will cost US \$20 million.

*Cinemex de México*, an American-Canadian-Mexican venture, also completed major new facilities in the Mexico City region. They include *Cinemex Santa Fe*, with 14 rooms and 3,399 seats, *Cinemex Altavista*, with 6 screens and 1,225 seats, and *Cinemex Manacar* with 9 screens and 1,435 seats. During 1996, *Cinemex* had three new projects including 26 screens under development in the Federal District and the State of Mexico.

One of *Cinemex* new theatres is being described as Latin America's first "art house" cinema. The new 4-screen 700 seat *Cinemex Mazaryk* opened in the Polanco district in September 1996 with exclusive

showings of several award-winning productions, including *Antonia's Line* and *Welcome to the Dollhouse*. It will feature alternative and art films from around the world. Some observers believe the new facility may lead to a resurgence in "new Mexican cinema," which has stalled in recent years, notwithstanding the worldwide success of *Like Water for Chocolate* in 1992.

United Artists is the other major foreign company currently expanding its Mexican film theatres, with recent investments of US \$30 million. These projects include 12 new screens in the Federal District, 10 in Aguascalientes and 12 in Guadalajara.

## THE REGULATORY ENVIRONMENT

Because they reach such a wide audience, the film and broadcast industries attract special attention from the government. They are regarded as national cultural assets and are both supported and regulated. Two secretariats are involved in different aspects of these industries:

- The *Secretaría de Gobernación (SG)*, Secretariat of the Interior, is responsible for setting official standards, or *normas oficiales*, concerning the exhibition of films and television programs. Film and television regulations are administered separately by the *Dirección General de Radio, Televisión, y Cinematografía*.
- The *Secretaría de Educación Pública (SEP)*, Secretariat of Public Education, is responsible for the cultural aspects of film and television. It operates through the *Consejo Nacional para la Cultura y las Artes (Conaculta)*, National Council for the Arts, and the *Instituto Mexicano de Cinematografía (Imcine)*,

Mexican Film Institute. They conduct programs to encourage domestic production of films that promote Mexican culture, and coordinate government activity in the sector.

Copyright protection is governed by the *Dirección General del Derecho de Autor*, Directorate of Authors' Rights.

Under the *Ley de las Cámaras de Comercio y de las de Industria*, law governing the chambers of commerce and industry associations, companies in the film and television industry are required to belong to the *Cámara Nacional de la Industria Cinematográfica y del Videograma (Canacine)*, National Chamber of the Film and Television Industry.

The *Ley Federal de Cinematografía*, Law of the Film Industry, was enacted in December 1992 to replace an earlier law last amended in 1952. It is designed to promote the development of the Mexican film industry. The regulatory aspects of the new law are administered by *Imcine*. Among other things, it includes sanctions against illegal copying of films and video recordings.

Some aspects of this law have been controversial. It will phase out the requirements for minimum screen time for Mexican productions. The former law had required exhibitors to devote a minimum of 50 percent of screen time to Mexican films. Beginning in 1993, this requirement was reduced and is set at 10 percent until the end of 1997, at which time it will be eliminated.

Another controversial aspect of the law is that it empowers the *Dirección General de Radio, Televisión, y Cinematografía* to vary the limits on the number of foreign films that can be dubbed into Spanish. The agency has already authorized *Televisa* and *Televisión Azteca*, the two largest