

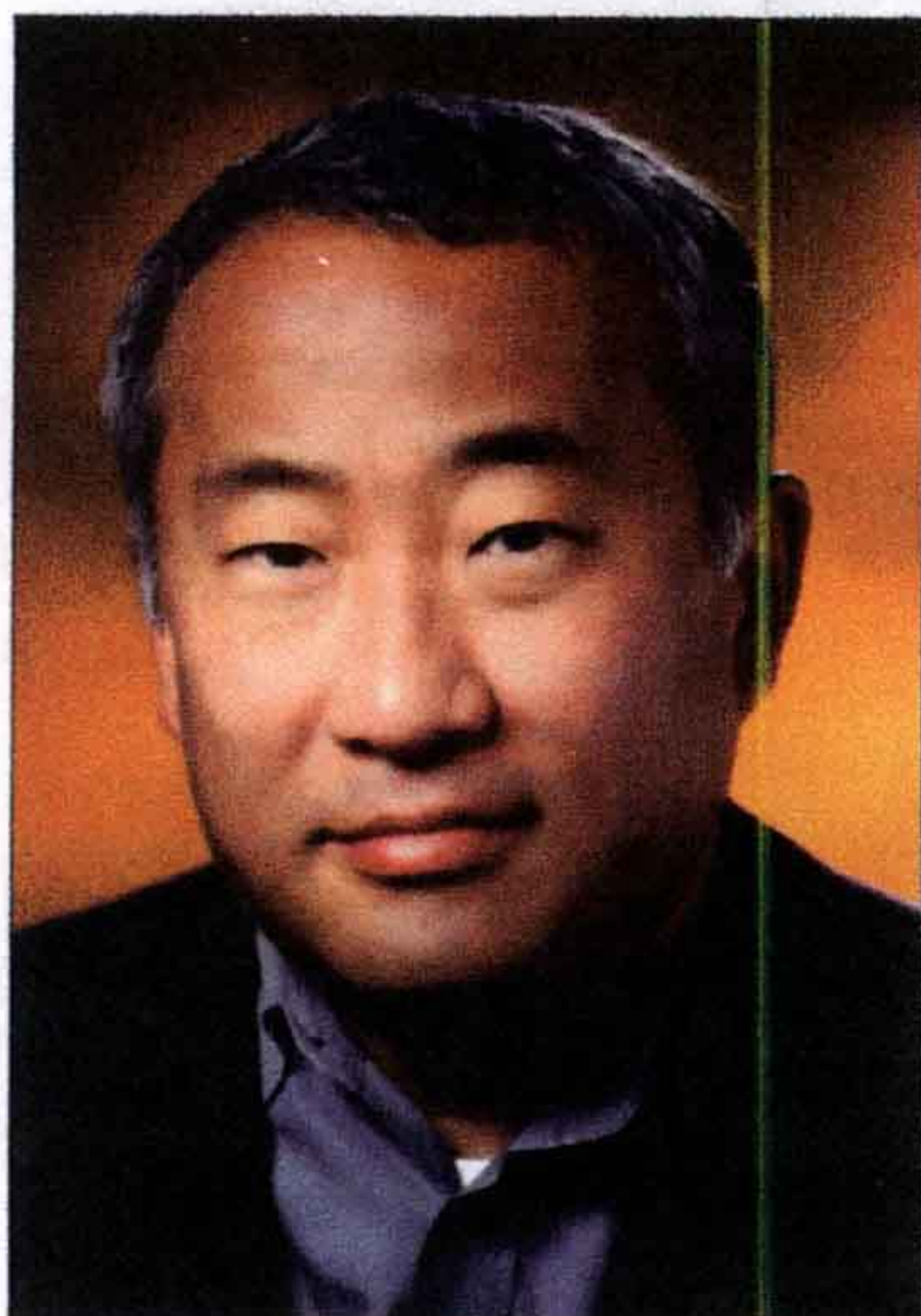


THE SOUTH AMERICAN PIE

FUTURE OPPORTUNITIES OUTWEIGH CHALLENGES

South America may have its economic and political problems. But, **GARY SMITH** writes, as a televisual territory, the future is brighter than might be expected.

THE TWO countries that have historically dominated South America's audiovisual landscape, Brazil and Mexico, are still the territory's two most robust markets - and they are also the two with the most consistent export record in programming. The countries that form South America's second-tier markets - Argentina, Uruguay and Venezuela - are currently too concerned with stabilising their domestic situation to be in a position to move forward. Broadly speaking, the South American TV landscape has a similar geography to the European market. Free-to-air broadcasters are still the clear market leaders and, with the bigger regional channels, dominate ratings. Cable connections have been growing steadily and are now standing at around the 12 million-household mark across the continent.



Bill Lee: "Success in South America partly depends on the cost structure of a channel."

Five million of those connections are in Argentina, where 60% of the total audience is now on cable. But the current economic problems in that country have, of course, had a destabilising effect on cable throughout the continent. "Channels on cable have been hit by the fact that nearly half of their audience is in the grip of economic crisis," says Marcel Vinay Jr, president of the Mexican production house Comarex. "In Mexico, there is growth in the cable and satellite markets - most notably, some sporting events have migrated to cable. But free-to-air remains dominant."

MEXICO, with its 20 million TV households, of which around 10% or 2 million are connected to cable, has a television culture that is very similar to the US. Take away the sitcoms and replace them with telenovelas and you have a fairly accurate model of mainstream Mexican TV. Ironically, the unique characteristic of Mexican telenovelas is their fast pace - not, in fact, dissimilar to US primetime sitcoms.

Bill Lee, president and CEO of the Soundtrack Channel, which is currently being broadcast through DirecTV Galaxy into Brazil, sees a continent full of opportunity. "There is still revenue coming out of South America and that will only grow as more countries return to some measure of economic stability," he says. "Success in South America partly depends on the cost structure of a channel, which in our case is relatively low."

The Soundtrack channel is currently in discussion with cable and satellite operations with a view to expanding its South American distribution. The company is also set to launch a proprietary series of videos custom-

made for existing soundtracks by the end of this year.

ON the face of it, selling pure music programming into South America would seem, given the markedly different musical tastes across the territory, to be something of an uphill task. However, Charlotte Parton, director of sales at 3DD Entertainment, has successfully sold programming that features some unexpected artists.

"MVS Mexico and Globosat Brazil buy music regularly, and are often more adventurous than other broadcasters," Parton says. "They have taken a few of the less mainstream UK bands, like Muse, Fatboy Slim and The Chemical Brothers. In gen-

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ANYONE FOR TENNIS?

COVERAGE of the Wimbledon tennis tournament has proved to be a top seller for TWI. The sport is currently growing an audience in South America, partly thanks to the emergence of several world-class players from the region. There were three South American players in the quarter-finals of the 2002 Wimbledon competition: David Sa, Nicolas Lapentti and David Nalbandian (who went through to the finals). There was also one guaranteed South American semi-finalist, owing to the fact that Lapentti and Nalbandian were contesting one of those quarter-final matches.

"It's a bit like Spain six or seven years ago," says Felix Alvarez-Garmon, international vice-president of TWI Latin America and Caribbean. "There are a lot of very good male and female players in South America all coming up at the same time."