

Hispanic Latino Team Blog

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Mexico's President Felipe Calderon

Mexico's President Felipe Calderon announced on February 9, 2010 that he had approved a decree establishing new incentives for the film industry in Mexico. The highlight of the new incentive program is a proposed refund of up to 7.5% of amounts spent by filmmakers in Mexico for movie productions with expenditure of at least \$70,000,000.00 Pesos in Mexico. When added to available state incentives and the refund of value added tax upon "export" of a movie, the total value of an incentive package could be approximately 28% of the amount spent in Mexico for production (Note: state incentives vary on a state by state basis.). In addition, President Calderon announced that ProMexico (the government's agency in charge of promoting foreign investment) would be charged with responsibility to provide special assistance to the movie industry to expedite the paper work involved in the production of movies in Mexico. This assistance would include expediting the import of goods and the prompt processing of the the refunds under the incentive program. Mr. Calderon made his announcement at a special ceremony held at Baja Studios in Rosarito, Mexico (www.bajastudios.com), where major motion pictures like Titanic and Master and Commander were filmed. (Readers should note that Baja Studios is a client of Sheppard Mullin.) The President stated that the new incentives should serve to put Mexico back on the map of the world of film. Mexico hopes to use its proximity to Hollywood, relatively low labor costs, and new tax incentives to lure major productions back to the country.