

Telecommunications. "They're very good at launching and managing the network. We've got the product and the logo, and they've got the expertise."

Encore International, founded in 1995, has launched two channels—Encore and Showtime—in Australia and last year entered into agreements with China Central Television (CCTV) to provide general entertainment programming and movies to CCTV's cable and satellite channel.

MGM Gold Networks (Asia) has no immediate plans to launch the

MGM Gold and MGM Superstation channels in China.

"Our aim was to create a couple of channels that would be really interesting that people in India and Southeast Asia would like," says Ganesh Basawapatna, president and chief operating officer of Encore International.

The channels will be included as part of extended basic cable programming in an effort to quickly gain high penetration, Basawapatna says.

The partners see substantial potential throughout the region, particularly

India, where only about 15 million of the nation's 180 million households have cable. Basawapatna estimates that along with India, cable households in Taiwan, Thailand, Hong Kong and the Philippines should give MGM Gold and MGM Superstation well over 20 million potential viewers.

The partners also say success with the two channels in the India and Southeast Asia markets could lead to additional channels and expansion of the joint venture to other regions, possibly Latin America. ■

HBO boosts made-for slate

Says NYC Productions will be haven for films other studios might pass on

By Jim McConville

Following the trend among premium cable networks, HBO will step up production of original network films under its newly created HBO NYC Productions.

NYC Productions is supplanting HBO Showcase, which last year produced two films for the network.

The division, started in January as a New York-based movie production group, will make eight films this year. In addition to two-hour movies, it will produce one or two hour dramas each year.

HBO, like other premium cable networks Showtime and Encore Media, continues to up its original production budget as it faces increased competition from new movie networks and other exhibition outlets, including pay per view and home video.

More than 50% of HBO NYC original productions have been developed from scratch, with the majority to be fully funded by HBO, says Colin Callender, senior vice president, HBO NYC Productions.

Callender says the division will buy rights to scripts and books that HBO wouldn't have picked previously. "HBO NYC Productions will be a haven for films that would not be sought by major Hollywood studios," he says.

The group's credo, says Robert Cooper, president, HBO Pictures and HBO NYC Productions, is to be "fiscally rigorous and creatively free," with the studio functioning as an



"experiment in content and form." Each of its films will have an average \$5.5 million budget.

One of the studio's first hour-long productions will be *In the Gloaming*, a drama adapted from a *New Yorker* short story about a young man dying of AIDS that is to be directed by actor Christopher Reeve.

On the downside, HBO acknowledges that there may not be much of an aftermarket for its hour productions,

but executives say such a series will serve another operating strategy.

"It's uncharted territory; it's probably not worth that much," says Cooper. "But you can attract all kinds of talent that you might not attract with a full-length movie. For that strategy and goal we're willing to lose some money on the back end."

HBO NYC Productions has four films in post-production and four entering pre-production. HBO will debut its first HBO NYC production, *Deadly Voyage*, on June 15.

Other HBO original films now in production include *Path to Paradise*, a story about the World Trade Center bombing that is targeted for air in 1997; *Subway Stories*, an anthology of 11 short stories from different directors about people who ride the New York subway; *The Last Night*, a futuristic tale written by Norman Mailer, and *Henry and the Second Gunman*.

HBO also has plans for a series of lower-budget movies targeted to a younger demographic and intended for late-night runs on HBO. Such a series will include *Fabulous People*, a quasi documentary that examines the New York dance club scene.

HBO chose New York over Los Angeles as NYC Productions' studio location, says Cooper, to take advantage of its different creative point of view.

"It was time to get a perspective on the [HBO] network that was not Hollywood," says Cooper. "There's more willingness here to break the form and to break the formula than there is in L.A." ■