



REPORT ON PUBLIC FINANCES AND PUBLIC DEBT

Actions and Results as of the Fourth Quarter of 2009

- *The recovery of the Mexican economy continued during the fourth quarter of 2009.*
- *By the end of 2009, the public deficit was 0.2% of GDP, consistent with a balanced budget without considering PEMEX's investment. Including PEMEX's investment, the public deficit was 2.3% of GDP. This is consistent with the applicable provisions for 2009.*
- *Non-recurrent revenues, derived primarily from the stabilization funds and the oil hedge compensated lower oil and non-oil tax revenues.*
- *Programmable expenditures increased by 4.7% in real terms. There was a significant increase in public investment and in spending for economic development, order, security and justice, and social development.*
- *By the end of 2009, the net debt of the Federal Public Sector and the Historical Balance of the Public Sector Borrowing Requirements were equivalent to 23.3 and 37.7% of GDP, respectively.*

The Report on Public Finances and Public Debt for the fourth quarter of 2009 was published today. The following results are worth highlighting:

- **It is estimated that during the fourth quarter of 2009, the real value of GDP fell at an annual rate close to 3.0%. In seasonally adjusted data, it is estimated that in this period GDP recorded quarterly growth of approximately 1.2%.**
- **The forecast for this quarter is consistent with an annual reduction of GDP of 6.8% during 2009. In addition, the growth forecast of 3.0% for 2010 is maintained. The recent evolution of activity suggests that the probability that growth will be higher than these forecasts is significant, the IMF and several private analysts have revised their growth forecasts to levels close to 4.0% for 2010. The Ministry of Finance and Public Credit (SHCP) agrees with this appreciation, but considers it prudent to maintain its growth forecast at current levels and review it to the extent that more information on economic activity is available.**
- **Seasonally adjusted data indicate that in the last quarter of 2009, 189 thousand 200 formal jobs were created. With this, the number of workers registered at the IMSS stood at 13 million 881 thousand 281 at the end of 2009, which implies an annual decrease of 181 thousand 271 jobs.**
- **At the end of 2009, a deficit of Ps. 274.5 billion (2.3% of GDP) was recorded, amount that exceeds by Ps. 47.0 billion the approved budgetary deficit due to: i) higher PEMEX's**



physical investment by Ps. 23.6 billion as a result of the depreciation of the exchange rate, and ii) a public deficit without considering PEMEX's physical investment by Ps. 23.4 billion (0.2 percent of GDP), in line with a balanced budget. It is worth highlighting that the public deficit observed in 2009 is consistent with the applicable provisions for 2009.

- The Public Sector's Borrowing Requirements were Ps. 375.0 billion, amount equivalent to 3.2 percent of the estimated GDP for 2009.
- During 2009, Public Sector revenues were higher by Ps. 24.3 billion with respect to the amount approved in the Federal Revenue Law for 2009, as a result of higher non-tax revenues of the Federal Government by Ps. 328.2 billion explained, mainly, by non-recurrent revenues derived from the remnant of operation of Banco de México, the oil hedge and the use of resources from the Oil Stabilization Fund of the Federal Government. These revenues compensated for the decline in oil revenues (Ps. 143.1 billion), in non-oil tax revenues (Ps. 136.2 billion) and in the own revenue of entities under direct budgetary control different from PEMEX (Ps. 24.5 billion).
- With respect to 2008 budgetary revenues decreased by 6.5 percent in real terms due to lower oil revenues (-21.4 percent) and lower non-oil tax revenues (-11.5 percent), which was partially offset by higher non-recurrent revenues.
- As a result of the lower collection of oil and non-oil revenues, associated with the global financial, economic and confidence crisis, the application of complementary budgetary measures to face the decrease in revenues was announced on July 23rd of 2009. Among these was an adjustment of programmable expenditures for 2009 by Ps. 84.8 billion, of which 78.0 percent would correspond to current spending (equivalent to Ps. 65.8 billion) and 22.0 percent to investment expenditures (Ps. 19.0 billion).
- Total budgetary expenditures by the Public Sector were 2.2 percent higher in real terms than those registered in the previous year. Programmable expenditures increased by 4.7 percent in real terms. Within, budgetary physical investment and expenditures for economic and social development grew by 40.0, 24.2 and 1.9 percent in real terms, respectively.
- Federal resources transferred to States and Municipalities, including those derived from the Revenue Stabilization Fund of the State Governments (FEIEF) fell by 5.6 percent in real terms with respect to 2008. The operation to enhance the resources of the FEIEF that allowed States and Municipalities to obtain additional resources from this fund for Ps. 45.0 billion is worth highlighting.



- **The Public Sector's financial costs amounted to Ps. 263.5 billion, amount 10.0 percent higher in real terms compared to 2008 due, in part, to the depreciation of the exchange rate.**
- **At the end of December 2009, the Public Sector's net debt and the Historical Balance of the Public Sector Borrowing Requirements were 23.3 and 37.7 percent of GDP, higher by 1.9 and 2.0 percentage points with respect to those observed at the end of 2008.**

Economic Outlook

During the fourth quarter of 2009, the evolution of the main indicators of economic activity indicates that the recovery of the Mexican economy that began in the third quarter of 2009 continued.

The external environment also showed signs of improvement, despite continuing uncertainty about the pace of recovery. International financial markets had positive results throughout this period and the industrial activity in the most important economies registered sequential growth.

Consequently, the demand for Mexican products had a significant quarterly increase associated with the onset of an expansionary phase in global manufacturing production. On the other hand, formal employment growth, improvements in economic prospects and the impulse associated with the public sector's investment were reflected in positive consumption and investment growth with respect to the previous quarter.

It is estimated that during the fourth quarter of 2009 the real value of GDP increased by 1.2% in quarterly seasonally adjusted terms. Nevertheless, the annual rate was negative and of approximately 3.0%.

Seasonally adjusted figures indicate that in the October-December period of 2009 formal employment had an expansion of 189 thousand 200 people. This implied that as of the 31st of December 2009, the number of workers registered at the IMSS was 13 million 881 thousand 281, which implied an annual decrease of 181 thousand 271 jobs.

In December 2009, general annual inflation was 3.57%, 132 basis points below the level registered at the end of the third quarter of 2009 (4.89%).

At the end of the fourth quarter, the stock market index (IPyC) of the Mexican Stock Exchange (BMV) closed at 32,120.47 units, which implied an accumulated nominal gain of 9.9% with respect to the end of September 2009. At the closing day of December 31st, the exchange rate was 13.08 pesos per dollar, which implied an appreciation of 3.1% with respect to the end of September 2009, and an appreciation of 15.5% respect to the maximum level observed on March 9, 2009 (15.49 pesos per dollar).



As of December 2009, preliminary information on credit by commercial and development banks to the non-financial private sector indicates that this registered a reduction of 3.7% in real annual terms. Within, credit to firms – including to infrastructure and the primary sector – and to housing grew by 7.0 and 2.5% in real annual terms, respectively, while credit to consumption fell by 19.9% as of December 2009.

Public Finances

At the end of 2009, a deficit of Ps. 274.5 billion (2.3 percent of GDP) was observed, amount that exceeds the approved budgetary deficit by Ps. 47.0 billion due to: i) higher PEMEX's physical investment by Ps. 23.6 billion as a result of the depreciation of the exchange rate, and ii) a public deficit without considering PEMEX's physical investment by Ps. 23.4 billion (0.2 percent of GDP). It is worth highlighting that the public deficit obtained in 2009 is consistent with the applicable provisions for the fiscal year 2009.¹

Public sector budgetary revenues stood at Ps. 2,816.3 billion, amount 6.5 percent lower in real terms than those observed in 2008 due mainly to decreases in oil and non-oil tax revenues by 21.4 and 11.5% in real terms, respectively, which was partially offset by higher non-recurrent revenues such as those from the remnant of operation of Banco de México, the oil hedge and the use of resources from the Oil Revenues Stabilization Fund.

Oil revenues decreased by 21.4% in real annual terms as a result of the following factors: a lower price of crude oil exports by 38.3%, a decrease in the oil production and oil export platforms by 7.0 and 13.3%, respectively, which was partially offset by a reduction in the real value of imports of hydrocarbons by 34.7%.

Additionally, non-oil tax revenues decreased by 11.5% in real terms with respect to 2008. Collection of the value added tax decreased by 15.3% in real terms, while the joint collection of the Income Tax-Unique Rate Corporate Tax and the Tax on Cash Deposits decreased by 9.9% in real terms. Revenues of Public Entities under Direct Budgetary Control different from PEMEX fell 7.8% in real terms. The Federal Government's non-tax revenues increased by 142.3% in real terms due to different sources including the remnant of operation of Banco de México, revenues from the oil hedge, the recovery of resources from the Oil Revenues Stabilization Fund (FEIEP) and from the Fund to Support Pension Restructuring (FARP).

¹ In compliance with the Transitory Article Four of the Decree to addition and reform various provisions of the Federal Budget and Fiscal Responsibility Law and the Article 1 of the Federation's Revenue Law for 2009, the liabilities associated with long term productive infrastructure projects (PIDIREGAS) were converted, in an exceptional manner, into PEMEX's direct public debt with flows by Ps. 896.0 billion. In addition, PEMEX's payable accounts with several financial vehicles were registered and settled by Ps. 51.0 billion and a portion of the liabilities were amortized by Ps. 350.5 billion. These numbers are different from the ones presented on the First Quarter Press Release because those were preliminary. The information presented in this report excludes the effect of this conversion because their inclusion would complicate the evaluation of the results of public finances throughout the year.



It is worth highlighting that the balances of the stabilization funds as of December 31st, 2009 amounted to Ps. 120.2 billion.

Stabilization Funds Balance As of December 31, 2009 (Million pesos)	
Total	120,149.7
FEIP	25,177.5
FEIEF	6,172.3
FPEMEX	30,590.2
FARP	58,209.7

During 2009, the expenditure policy was aimed at creating conditions to contribute to the economic recovery, to address the basic needs of the population, increase programs and projects of infrastructure investment and to strengthen public security, in accordance with the availability of resources and being fully consistent with the target of a balanced budget approved by Congress.

Lower oil and non-oil revenue collection in 2009 due to the financial, economic and confidence crisis that was experienced at the international level, forced the Federal Executive to implement diverse budgetary measures to cope with the reduction in income, complementary to those established in the Federal Budget and Fiscal Responsibility Law (LFPRH) and the budget decree for 2009.

The required adjustment in programmable expenditures for 2009 was Ps. 84.8 billion. Within, 78.0% corresponds to a reduction of current expenditures (equivalent to Ps. 65.8 billion) and 22.0% to investment spending (Ps. 19.0 billion). At the end of 2009, the ministries and entities of the Federal Public Administration realized expenditure adjustments by Ps. 90.7 billion, amount higher than the total goal by 7.0%.

It is worth mentioning that the expenditure adjustments mentioned did not affect those social programs focused on the most vulnerable population, and those investment projects which were most likely to increase potential growth were protected.

As part of the actions in favor of infrastructure, the Federal Government proposed amendments to diverse laws and regulations related to investment: the initiative relative to Public-Private Partnerships; incorporate adjustments to the AFORES' investment regime to support investment; and promote continuity in the coordination between Banobras and the National Infrastructure Fund (FONADIN).

A decree to liquidate the decentralized organism Luz y Fuerza del Centro was issued, in response to the economic difficulties which resulted from the international crisis. This led to savings for public



finances as a result of lower transfers.

To mitigate the impact on public finances generated by the effect of earthquakes and hurricanes which are catastrophic in nature and that might affect the resources of the Natural Disaster Fund (FONDEN), the Federal Government completed the acquisition of a financial protection scheme by an amount of USD 290 million that consists of the transfer of risks due to these events to the capital markets by issuing catastrophe bonds. Resources generated by these bonds were deposited in a trust and are available to be transferred to FONDEN if necessary; if they are not used, capital will be paid back to investors, who will also receive a market yield over these resources.

In this context, during 2009 total public expenditures amounted to Ps. 3,091.6 billion, amount 2.2% higher in real terms than the one registered in the previous year. Programmable expenditures stood at Ps. 2, 437.6 billion, registering real growth of 4.7% with respect to those observed in 2008. In terms of the evolution of public expenditures during 2009, the following annual variations are worth noting:

- Expenditures for social development increased by 1.9% in real terms; within, there were significant real increases for water and sewerage access, and for social security (25.3 and 7.5%, respectively).
- Expenditures for economic development increased by 24.2% in real terms.
- Physical investment increased by 40.0% in real terms and physical investment fostered by the Public Sector increased by 3.0% in real terms.
- Resources transferred to the States and Municipalities through federal contributions, shared revenues, wage and economic provisions, agreements of decentralization, reallocations and the Revenue Stabilization Fund of the State Governments (FEIEF), decreased by 6.5% in real terms. Shared revenues received by the States and Municipalities, including those obtained from the FEIEF, decreased by 5.6% in real terms with respect those registered in 2008. It is worth noting that the operation to potentiate resources from the FEIEF allowed federative entities and municipalities to obtain resources from this fund for Ps. 45.0 billion.
- Total expenditures on personnel services increased by 2.4%, with a real increase of 6.2% in other government branches and in Autonomous Entities, while a real increase of 2.2% was observed for the Executive. Within the latter, expenditures for the functions of Sovereignty, Order, Security and Justice increased by 12.0% in real terms, and for the rest of the activities they increased by 1.4% in real terms.
- Pensions and retirement expenditures recorded a real increase of 8.0% with respect to those observed in 2008.
- The public sector's financial costs registered a real increase of 10.0% compared to 2008 due in part to the depreciation of the exchange rate.



Public Debt

During 2009, the actions undertaken regarding public debt management were oriented to meet the financing needs of the Federal Government at the lowest possible cost while maintaining, at the same time, a solid structure of liabilities. In addition, the implementation of a flexible and proactive public credit policy helped to maintain the liquidity and the adequate operation of the local markets, in addition to the fact that in the external front the country's presence was maintained in the international financial markets.

Despite the magnitude of the external and internal shocks that the economy faced during 2009, the soundness and strength of the structure of public debt was a factor that played an important role in favor of maintaining financial stability. This strength, built over several years of implementing a policy of responsible and cautious liability management, allowed us to avoid abrupt changes in debt service while also ensuring the timely payment of all public sector financial obligations, contributing to preserve the certainty in the country's financial markets.

During 2009, at the domestic level, a flexible program of security auctions was implemented consistent with the demand of debt instruments by market participants, helping to maintain their liquidity and adequate operation. At the external level, an active presence in the capital markets was maintained, expanding the investor's base and taking advantage of the opportunities to obtain financing under competitive cost conditions. At the same time, financing from International Financial Institutions was used to take advantage of the added value that they bring in the planning and instrumentation of projects with high impact on economic development.

Therefore, within the main actions that took place during the year is the issuance of a USD 1.5 billion fixed-rate 5 year bond in international capital markets in February, the issuances made in September for a total of USD 1.8 billion through the reopening of the Global Bonds that mature in 2019 and 2040, as well as the issuance in December in the Japanese financial market, in which emissions were not carried out since 2000. This issuance was by JPY 150 billion in Samurai Bonds that mature in 2019.

The stock of the Federal Government's net domestic debt at the end of the fourth quarter of 2009 was Ps. 2,451.8 billion, amount higher by Ps. 119.0 billion than the one observed at the end of 2008. This variation is the result of: a) a net indebtedness by Ps. 276.1 billion, b) an increase in the financial assets of the Federal Government by Ps. 182.5 billion, and c) upwards accounting adjustments by Ps. 25.4 billion, derived mainly from the inflation adjustment of indexed internal debt.

The share of long term fixed-rate Government securities decreased from 57.5 percent at the end of 2008 to 55.3 percent at the end of the fourth quarter of 2009. The average maturity of domestic debt decreased by 0.02 years (7 days), from 6.36 to 6.34 years in the same period. This as a result of the strategy implemented in the last quarter of 2008, which modified the program of auctions of



government securities reducing the issuance of long-term securities and increasing that of short-term securities.

At the end of the fourth quarter of 2009, the Federal Public Sector's net external debt stood at USD 46.2 billion amount, USD 8.5 billion higher than the one observed at the end of 2008. This amount represents 4.9 percent of GDP.

At the end of the fourth quarter of 2009, the Public Sector's net debt, which includes the net debt of the Federal Government, PEDBC's and the development banks, was 23.3 percent of GDP, a level 1.9 percentage points above that observed at the end of 2008. Domestic debt as a percentage of GDP was 19.5 percent, an amount 0.8 percentage points above the one observed at the end of 2008. Net external debt to GDP was 3.8 percent, which implies an increase of 1.1 percentage points with respect to the level observed at the end of 2008.

At the end of the fourth quarter of 2009, the Historical Balance of the Public Sector Borrowing Requirements, which includes the Public Sector's liabilities in their broadest version, amounted to Ps. 4,621.7 billion, equivalent to 37.7 percent of GDP, an amount that is above the level observed at the end of 2008 by 2.0 percentage points of GDP.



ANNEX

**PUBLIC SECTOR OVERALL BALANCE
(Million pesos)**

Concept	January - December		Real % Growth	Composition %	
	2008	2009 ^{p./}		2008	2009 ^{p./}
PUBLIC BALANCE^{1/}	-7,945.6	-274,511.2	-o-		
PUBLIC BALANCE EXCLUDING PEMEX'S INVESTMENT	62,056.3	-23,411.3	n.s.		
I. Budgetary Balance (a-b)	-11,682.0	-275,291.7	-o-		
a) Budgetary Revenues	2,860,926.4	2,816,285.1	-6.5	100.0	100.0
Oil related	1,054,626.1	872,738.0	-21.4	36.9	31.0
Federal Government	692,095.5	492,208.0	-32.5	24.2	17.5
PEMEX	362,530.6	380,530.0	-0.3	12.7	13.5
Non-oil related	1,806,300.3	1,943,547.2	2.2	63.1	69.0
Federal Government	1,357,840.8	1,508,185.4	5.5	47.5	53.6
Tax	1,207,720.6	1,125,145.6	-11.5	42.2	40.0
Non-tax	150,120.2	383,039.8	142.3	5.2	13.6
PEDBC	448,459.5	435,361.8	-7.8	15.7	15.5
b) Net Budgetary Expenditures	2,872,608.4	3,091,576.8	2.2	174.5	170.7
Programmable	2,210,197.0	2,437,550.9	4.7	76.9	78.8
Programmable excluding PEMEX's investment	2,140,195.1	2,186,451.1	-3.0	74.5	70.7
Non programmable	662,411.4	654,025.8	-6.2	23.1	21.2
II. PEIBC	3,736.5	780.5	-80.2		
Primary Balance	216,500.6	-10,617.8	n.s.		

Note: Figures may not add up due to rounding.

p./ Preliminary figures.

n.s.: Not significant.

^{1/} In compliance with the Transitory Article Four of the Decree to addition and reform various provisions of the Federal Budget and Fiscal Responsibility Law and the Article 1 of the Federation's Revenues Law for 2009, the liabilities of long term productive infrastructure projects (PIDIREGAS) were converted, in an exceptional manner, into PEMEX's direct public debt with flows by Ps. 896 billion. In addition, PEMEX's payable accounts with financial vehicles were registered and settled by Ps. 51.0 billion and a portion of the liabilities were amortized by Ps. 350.5 billion. These numbers are different from the ones presented on the First Quarter Press Release because there were preliminary. The information presented in this report excludes the effect of this conversion because their inclusion would complicate the evaluation of public finance results throughout the year.

Source: Ministry of Finance and Public Credit.



Press Release

Mexico City, January 29th 2010.

PUBLIC SECTOR REVENUES (Million pesos)

Concept	January - December		Real % Growth	Composition %	
	2008	2009 ^{p./}		2008	2009 ^{p./}
BUDGETARY REVENUES (I+II)	2,860,926.5	2,816,285.1	-6.5	100.0	100.0
I. Oil related (a+b)	1,054,626.2	872,738.0	-21.4	36.9	31.0
a) PEMEX	362,530.7	380,530.0	-0.3	12.7	13.5
b) Federal Government	692,095.5	492,208.0	-32.5	24.2	17.5
Rights and royalties on oil products	905,263.8	488,087.0	-48.8	31.6	17.3
Excise taxes ^{1./}	-217,609.1	3,200.4	n.s.	-7.6	0.1
Tax on Downstream Returns	4,440.8	920.6	-80.3	0.2	0.0
II. Non-oil related (c+d)	1,806,300.3	1,943,547.2	2.2	63.1	69.0
c) Federal Government	1,357,840.8	1,508,185.4	5.5	47.5	53.6
Tax	1,207,720.6	1,125,145.6	-11.5	42.2	40.0
Income Tax, IETU and IDE	626,508.6	594,669.8	-9.9	21.9	21.1
Income tax	561,088.5	536,668.8	-9.2	19.6	19.1
IMPAC	1,133.8	-2,532.4	n.s.	0.0	-0.1
IETU (Unique Rate Corporate Tax)	46,586.0	44,633.9	-9.0	1.6	1.6
IDE (Tax on cash deposits) ^{2./}	17,700.3	15,899.5	-14.7	0.6	0.6
VAT	457,248.3	407,789.6	-15.3	16.0	14.5
Excise taxes	49,283.9	47,167.0	-9.1	1.7	1.7
Import taxes	35,783.1	30,165.4	-19.9	1.3	1.1
Others ^{3./}	38,896.7	45,353.8	10.7	1.4	1.6
Non-tax	150,120.2	383,039.8	142.3	5.2	13.6
Rights	29,261.1	30,381.3	-1.4	1.0	1.1
Fees	113,958.1	345,969.8	188.3	4.0	12.3
Others	6,901.0	6,688.7	-8.0	0.2	0.2
d) PEDBC ^{4./}	448,459.5	435,361.8	-7.8	15.7	15.5
Memorandum items:					
Total tax related	994,552.3	1,129,266.6	7.8	34.8	40.1
Total non-tax related	1,866,374.1	1,687,018.5	-14.2	65.2	59.9

Note: Figures may not add up due to rounding.

p./ Preliminary figures.

n.s: Not significant.

1./ The negative sign is due to refunds and / or compensation were higher than the tax revenue received.

2./ It does not discounts the accreditation who made the taxpayers that financial institutions held this tax, which were primarily against income tax.

3./ Includes new vehicle, vehicle ownership, luxury goods and services and accessory taxes.

4./ Excludes Federal Government transfers to ISSSTE.

Source: Ministry of Finance and Public Credit.



BUDGETARY REVENUES, JANUARY-DECEMBER OF 2009 (Million Pesos)

Concept	Programmed	Observed ^{p/}	Difference
BUDGETARY REVENUES (I+II)	2,791,980.9	2,816,285.1	24,304.2
I. Oil related (a+b)	1,015,866.9	872,738.0	-143,128.9
a) PEMEX	415,683.4	380,530.0	-35,153.4
b) Federal Government	600,183.5	492,208.0	-107,975.5
Rights and royalties on oil products	700,260.4	488,087.0	-212,173.4
Excise taxes ^{1/}	-105,871.9	3,200.4	109,072.3
Tax on Downstream Returns	5,795.0	920.6	-4,874.4
II. Non-oil related (c+d)	1,776,114.0	1,943,547.2	167,433.2
c) Federal Government	1,316,212.1	1,508,185.4	191,973.3
Tax	1,261,347.2	1,125,145.6	-136,201.6
Income Tax, IETU and IDE	658,973.8	594,669.8	-64,304.0
Income tax	596,053.9	536,668.8	-59,385.1
IMPAC	0.0	-2,532.4	-2,532.4
IETU (Unique Rate Corporate Tax)	55,408.4	44,633.9	-10,774.5
IDE (Tax on cash deposits) ^{2/}	7,511.5	15,899.5	8,388.0
VAT	490,513.7	407,789.6	-82,724.1
Excise taxes	46,244.4	47,167.0	922.6
Import taxes	27,612.2	30,165.4	2,553.2
Others ^{3/}	38,003.1	45,353.8	7,350.7
Non-tax	54,864.7	383,039.8	328,174.9
Rights	13,847.3	30,381.3	16,534.0
Fees	34,350.7	345,969.8	311,619.0
Others	6,666.7	6,688.7	21.9
d) PEDBC ^{4/}	459,901.9	435,361.8	-24,540.1
Memorandum items:			
Total tax related	1,161,270.3	1,129,266.6	-32,003.7
Total non-tax related	1,630,710.6	1,687,018.5	56,307.9

Note: Figures may not add up due to rounding.

p/ Preliminary figures.

1/ The negative sign is due to refunds and / or compensation were higher than the tax revenue received.

2/ It does not discounts the accreditation who made the taxpayers that financial institutions held this tax, which were primarily against income tax.

3/ Includes new vehicle, vehicle ownership, luxury goods and services and accessory taxes.

4/ Excludes Federal Government transfers to ISSSTE.

Source: Ministry of Finance and Public Credit.



Press Release

Mexico City, January 29th 2010.

PUBLIC SECTOR BUDGETARY NET EXPENDITURES (Million pesos)

Concept	January-December		Real % Growth	Composition %	
	2008	2009 ^{p/}		2008	2009 ^{p/}
TOTAL (I + II)	2,872,608.4	3,091,576.8	2.2	100.0	100.0
I. Primary expenditures (a + b)	2,645,495.8	2,828,531.4	1.5	92.1	91.5
a) Programmable	2,210,197.0	2,437,550.9	4.7	76.9	78.8
b) Non-programmable	435,298.8	390,980.4	-14.7	15.2	12.6
II. Financing Cost ^{1/}	227,112.6	263,045.4	10.0	7.9	8.5

Note: Figures may not add up due to rounding.

p/ Preliminary figures.

1/ Includes interests, commissions and other public debt expenditures associated to debt support programs.

Source: Ministry of Finance and Public Credit.

FEDERAL GOVERNMENT DEBT, DECEMBER ^{*/}

CONCEPT	Outstanding as of			% of GDP			Structure (%)		
	Dec. 07	Dec. 08	Dec. 09 ^{p/}	Dec. 07	Dec. 08	Dec. 09	Dec. 07	Dec. 08	Dec. 09
DOMESTIC DEBT:									
NET (Mill. pesos)	1,788,339.0	2,332,748.5	2,451,750.7	15.2	19.2	20.0	79.9	82.0	80.2
GROSS (Mill. pesos)	1,896,260.8	2,401,328.2	2,702,779.7	16.1	19.8	22.1	80.5	81.0	80.9
EXTERNAL DEBT:									
NET (Mill. USD)	41,281.4	37,705.6	46,208.8	3.8	4.2	4.9	20.1	18.0	19.8
GROSS (Mill. USD)	42,251.4	41,733.6	48,707.8	3.9	4.7	5.2	19.5	19.0	19.1
TOTAL DEBT:									
NET (Million pesos)	2,236,911.0	2,843,218.2	3,055,177.5	19.0	23.4	24.9	100.0	100.0	100.0
(Million USD)	205,859.5	210,012.9	233,957.3						
GROSS (Million pesos)	2,355,373.0	2,966,330.2	3,338,840.2	20.0	24.5	27.3	100.0	100.0	100.0
(Million USD)	216,761.4	219,106.5	255,679.4						

Note: Figures may not add-up due to rounding.

The Net Debt results from subtracting the Federal Government's financial assets from the Gross Debt, public entities and Development Banks assets.

*/ Figures subject to revisions due to changes and methodological modifications.

p/ Preliminary figures.

Source: Ministry of Finance and Public Credit.



Press Release

Mexico City, January 29th 2010.

FEDERAL GOVERNMENT DOMESTIC DEBT, JANUARY-DECEMBER ^{*/}
(Million pesos)

Concept	Outstanding December 2008	Indebtedness			Adjustments _{1/}	Outstanding December 2009 _{p/}
		Disp.	Amort.	Net		
1. Net Debt (3-2)	2,332,748.5					2,451,750.7
2. Assets ^{2/}	68,579.7					251,029.0
3. Gross Debt	2,401,328.2	2,067,046.3	1,790,942.3	276,104.0	25,347.5	2,702,779.7
Government Securities	2,021,214.9	1,910,400.4	1,566,232.6	344,167.8	13,967.0	2,379,349.7
Cetes	357,064.7	1,496,082.6	1,354,387.5	141,695.1	0.0	498,759.8
Bondes	58,000.0	0.0	37,400.0	-37,400.0	0.0	20,600.0
Bondes "D"	185,576.1	60,337.3	23,024.1	37,313.2	0.0	222,889.3
Fixed rate development bonds	1,085,645.0	247,009.3	125,812.0	121,197.3	-326.1	1,206,516.2
Udibonos	334,929.1	106,971.2	25,609.0	81,362.2	14,293.1	430,584.4
Udibonos <i>udi's</i>	80,043.9	25,137.3	5,972.0	19,165.3	0.0	99,209.2
S.A.R. Saving Funds	79,050.4	131,663.9	122,596.1	9,067.8	4,104.1	92,222.3
Siefores (pesos)	148.4	1.2	151.8	-150.6	2.2	0.0
Siefores <i>udi's</i>	35.5	0.3	35.8	-35.5	0.0	0.0
ISSSTE's Law obligations ^{3/}	270,534.0	7,863.9	90,929.2	-83,065.3	6,390.5	193,859.2
Others	30,380.5	17,116.9	11,032.6	6,084.3	883.7	37,348.5

Note: Figures may not add-up due to rounding.

^{*/} Figures subject to revisions due to changes and methodological modifications.

_{p/} Preliminary figures.

_{1/} Adjustment for inflation. The concept fixed rate development Bonds refers to the adjustment for debt exchange.

_{2/} Includes the balance, denominated in pesos, of the General Account of the Federal Treasury and deposits in the national banking system.

_{3/} New ISSSTE's Law obligations of the Federal Government.

Source: Ministry of Finance and Public Credit.



Press Release

Mexico City, January 29th 2010.

FEDERAL GOVERNMENT EXTERNAL DEBT, JANUARY-DECEMBER * /
(Million USD)

Concept	Outstanding December 2008	Indebtedness			Adjustments	Outstanding December 2009 ^{p/}
		Disp.	Amort.	Net		
1. Net Debt (3-2)	37,705.6					46,208.8
2. Assets ^{1/}	4,028.0					2,499.0
3. Gross Debt	41,733.6	10,610.7	3,702.5	6,908.2	66.0	48,707.8
Capital Markets	33,248.6	4,862.5	3,212.0	1,650.5	62.6	34,961.7
IFI'S	8,216.7	5,748.2	472.4	5,275.8	4.0	13,496.5
Commercial Banks	191.8	0.0	18.1	-18.1	-0.6	173.1
Restructured	76.5	0.0	0.0	0.0	0.0	76.5

Note: Figures may not add-up due to rounding.

* / Figures subject to revisions due to changes and methodological modifications.

p / Preliminary figures.

1 / Includes the balance, denominated in USD, of the General Account of the Federal Treasury and other assets denominated in foreign currency.

Source: Ministry of Finance and Public Credit.



Press Release

Mexico City, January 29th 2010.

FEDERAL PUBLIC SECTOR DEBT, DECEMBER ^{* /}									
CONCEPT	Outstanding as of			% of GDP			Structure (%)		Dec. 09 p /
	Dec. 07	Dec. 08	Dec. 09 ^{p /}	Dec. 07	Dec. 08	Dec. 09	Dec. 07	Dec. 08	
DOMESTIC DEBT:									
NET (Mill. pesos) Without PIDIREGAS recognition	1,686,787.0	2,268,498.4	2,391,952.0	14.3	18.7	19.5	81.8	87.3	83.7
NET (Mill. pesos) With PIDIREGAS recognition	1,686,787.0	2,268,498.4	2,510,589.0	14.3	18.7	20.5	81.8	87.3	67.7
GROSS (Mill. pesos)	1,957,992.3	2,498,688.9	2,887,880.1	16.6	20.6	23.6	76.5	76.4	69.7
EXTERNAL DEBT:									
NET (Mill. USD) Without PIDIREGAS recognition	34,532.5	24,319.4	35,674.8	3.2	2.7	3.8	18.2	12.7	16.3
NET (Mill. USD) With PIDIREGAS recognition	34,532.5	24,319.4	91,722.9	3.2	2.7	9.8	18.2	12.7	32.3
GROSS (Mill. USD)	55,354.9	56,939.2	96,353.7	5.1	6.4	10.3	23.5	23.6	30.3
TOTAL DEBT: ^{1 /}									
NET (Mill. pesos) Without PIDIREGAS recognition	2,062,023.8	2,597,742.3	2,857,818.5	17.5	21.4	23.3	100.0	100.0	100.0
NET (Mill. pesos) With PIDIREGAS recognition	2,062,023.8	2,597,742.3	3,708,370.4	17.5	21.4	30.3	100.0	100.0	100.0
(Million USD)	189,765.0	191,880.9	283,977.0						
GROSS (Million pesos)	2,559,489.7	3,269,548.9	4,146,134.2	21.7	27.0	33.9	100.0	100.0	100.0
(Million USD)	235,546.0	241,503.7	317,499.8						

Note: Figures may not add-up due to rounding.

The Net Debt results from subtracting the Federal Government's financial assets from the Gross Debt, public entities and Development Banks assets.

* / Figures subject to revisions due to changes and methodological modifications.

p / Preliminary figures.

1 / Includes liabilities from the Federal Government, PEDBC's and Development Banks.

Source: Ministry of Finance and Public Credit.



Press Release

Mexico City, January 29th 2010.

FEDERAL PUBLIC SECTOR DOMESTIC DEBT, JANUARY-DECEMBER ^{*_/}
(Million pesos)

Concept	Outstanding December 2008	Indebtedness			Adjustments	Outstanding December 2009 ^{p_/}
		Disp.	Amort.	Net		
1. Net Debt Without PIDIREGAS recognition	2,268,498.4					2,391,952.0
1. Net Debt (3-2) With PIDIREGAS recognition	2,268,498.4					2,510,589.0
2. Assets ^{1_/}	230,190.5					377,291.1
3. Gross Debt	2,498,688.9	2,264,962.2	1,880,491.5	384,470.7	4,720.5	2,887,880.1
Structure by Term	2,498,688.9	2,264,962.2	1,880,491.5	384,470.7	4,720.5	2,887,880.1
Long-term	2,202,554.8	854,779.4	578,862.1	275,917.3	-3,615.5	2,474,856.6
Short-term	296,134.1	1,410,182.8	1,301,629.4	108,553.4	8,336.0	413,023.5
Structure by User	2,498,688.9	2,264,962.2	1,880,491.5	384,470.7	4,720.5	2,887,880.1
Federal Government	2,401,328.2	2,067,046.3	1,790,942.3	276,104.0	25,347.5	2,702,779.7
Long-term	2,120,051.0	681,066.3	512,243.4	168,822.9	25,347.5	2,314,221.4
Short-term	281,277.2	1,385,980.0	1,278,698.9	107,281.1	0.0	388,558.3
PEDBC's	19,481.0	182,779.8	46,760.2	136,019.6	-13,847.1	141,653.5
Long-term	19,481.0	164,087.0	42,235.4	121,851.6	-7,097.1	134,235.5
Short-term	0.0	18,692.8	4,524.8	14,168.0	-6,750.0	7,418.0
Development Banks	77,879.7	15,136.1	42,789.0	-27,652.9	-6,779.9	43,446.9
Long-term	63,022.8	9,626.1	24,383.3	-14,757.2	-21,865.9	26,399.7
Short-term	14,856.9	5,510.0	18,405.7	-12,895.7	15,086.0	17,047.2
Structure by Source	2,498,688.9	2,264,962.2	1,880,491.5	384,470.7	4,720.5	2,887,880.1
Bonds placed in the local market	2,090,329.6	2,041,103.0	1,646,046.0	395,057.0	8,408.6	2,493,795.2
SAR	79,050.4	131,663.9	122,596.1	9,067.8	4,104.1	92,222.3
Commercial Banks	8,947.1	62,688.5	5,211.0	57,477.5	-7,527.6	58,897.0
ISSSTE's Law obligations ^{2_/}	270,534.0	7,863.9	90,929.2	-83,065.3	6,390.5	193,859.2
Others	49,827.8	21,642.9	15,709.2	5,933.7	-6,655.1	49,106.4

Note: Figures may not add-up due to rounding.

*_/ Figures subject to revisions due to changes and methodological modifications.

p_/ Preliminary figures.

1_/ Includes the balance, denominated in pesos, of the General Account of the Federal Treasury and deposits in the national banking system as well as assets from PEDBC's and Development Banks.

2_/ New ISSSTE's Law obligations of the Federal Government.

Source: Ministry of Finance and Public Credit.



Press Release

Mexico City, January 29th 2010.

FEDERAL PUBLIC SECTOR EXTERNAL DEBT, JANUARY-DECEMBER ^{*_/}

(Million pesos)

Concept	Outstanding December 2008	Disp.	Indebtedness Amort.	Net	Adjustments	Outstanding December 2009 ^{p_/_}
1. Net Debt Without PIDIREGAS recognition	24,319.4					35,674.8
1. Net Debt (3-2) With PIDIREGAS recognition	24,319.4					91,722.9
2. Financial Assets Denominated in Foreign Currency ^{1_/_}	32,619.8					4,630.8
3. Gross Debt	56,939.2	85,386.2	41,341.1	44,045.1	-4,630.6	96,353.7
Structure by Term	56,939.2	85,386.2	41,341.1	44,045.1	-4,630.6	96,353.7
Long-term	55,663.9	77,715.6	34,142.8	43,572.8	-4,637.1	94,599.6
Short-term	1,275.3	7,670.6	7,198.3	472.3	6.5	1,754.1
Structure by User	56,939.2	85,386.2	41,341.1	44,045.1	-4,630.6	96,353.7
Federal Government	41,733.6	10,610.7	3,702.5	6,908.2	66.0	48,707.8
Long-term	41,733.6	10,610.7	3,702.5	6,908.2	66.0	48,707.8
Short-term	0.0	0.0	0.0	0.0	0.0	0.0
PEDBC's	9,868.1	65,976.1	30,048.2	35,927.9	-4,694.8	41,101.2
Long-term	9,868.1	65,265.9	29,338.0	35,927.9	-4,694.8	41,101.2
Short-term	0.0	710.2	710.2	0.0	0.0	0.0
Development Banks	5,337.5	8,799.4	7,590.4	1,209.0	-1.8	6,544.7
Long-term	4,062.2	1,839.0	1,102.3	736.7	-8.3	4,790.6
Short-term	1,275.3	6,960.4	6,488.1	472.3	6.5	1,754.1
Structure by Source	56,939.2	85,386.2	41,341.1	44,045.1	-4,630.6	96,353.7
Publicly Placed Bonds	34,687.5	51,476.1	27,935.7	23,540.4	503.3	58,731.2
IFI's	10,672.6	7,577.5	1,119.9	6,457.6	13.6	17,143.8
Bilateral	3,064.8	12,330.2	3,071.1	9,259.1	-36.3	12,287.6
Commercial Banks	2,754.4	13,292.2	8,504.2	4,788.0	249.0	7,791.4
Restructured	76.5	0.0	0.0	0.0	0.0	76.5
PIDIREGAS	5,683.4	710.2	710.2	0.0	-5,360.2	323.2

Note: Figures may not add-up due to rounding.

*_/_ Figures subject to revisions due to changes and methodological modifications.

p_/_ Preliminary figures.

1_/_ Includes the balance, denominated in pesos, of the General Account of the Federal Treasury and deposits in the national banking system as well as assets from PEDBC's and Development Banks.

Source: Ministry of Finance and Public Credit.