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SECRETARÍA DE HACIENDA Y CRÉDITO PÚBLICO

Mexico City, July 30th, 2019

Reports on Economic Activity, Public Finances, and Public Debt as of the Second Quarter of 2019

- During the second quarter of 2019, the global economy continued to show signs of a slowdown in a context of trade tensions and geopolitical conflicts. In this context, the Mexican economy presented mixed economic results. On the one hand, industrial activity and investment have shown a greater weakness. On the other hand, non-oil exports continued to show a positive trend and the labor market a stable performance with increases in the real wage.
- As of the first semester of 2019, the main public finances balances were better than expected. The primary balance recorded a Ps. 228.1 billion surplus, higher than the Ps. 135.4 billion surplus in the program. Likewise, the public balance registered a deficit of Ps. 258.9 billion.
- During the first six months of 2019, the Federal Government budgetary revenues were Ps. 12.1 billion higher than programmed and 1.7% higher in real terms with respect to the same period of last year. On the other hand, Public Sector budgetary revenues, that is to say the Federal Government, Pemex, CFE and the direct budgetary controlled organisms, were 0.6% higher in real terms than those registered in the same period of 2018 and Ps. 68.4 billion lower with respect to the program, mainly as a result of lower oil revenues registered.
- In January-June 2019, net paid expenditure was less than the programmed in Ps. 174.5 billion, due to a lower programmable expenditure of Ps. 123.8 billion and a lower non-programmable expenditure of Ps. 50.7 billion compared to the program.
- The programmable expenditure of the administrative branches, a component over which the Federal Government has direct control, shows a 95 percent progress with respect to programmed, greater than the 91 percent registered during the previous quarter. Therefore, it is expected that by the end of the year, budget targets will be met.
- In the first semester of 2019, the Public Sector Borrowing Requirements (PSBRs), which is the broadest measure of balance, registered a Ps. 60.9 billion deficit, lower than the Ps. 236.3 billion deficit registered in the same period of 2018.
- The Historical Balance of the Public Sector Borrowing Requirements (HBPSBR) for the first semester of 2019 was 42.5% of GDP.

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Today, the Ministry of Finance delivered to the Congress the Reports on the Economic Activity, Public Finances, and Public Debt as of the second quarter of 2019, in compliance with the provisions of Article 107 of the Federal Budget and Fiscal Responsibility Law (LFPRH). The reports have also been made available to the public through the website of the Ministry. The main aspects of these reports are presented below.

The current government's economic program has as a general target to contribute to achieving a stable, equitable and inclusive development. For this end, it is important to preserve sound public finances, stabilize the level of public debt as a proportion of GDP and promote sustainable trajectories of the main economic variables, in order to achieve social protection schemes and sustainable improvements in income distribution. The trajectory of public finances, subject of this report, is consistent with the fiscal goals.

Economic Outlook

In the second quarter of 2019, the global economy continued to show signs of a slowdown. The International Monetary Fund (IMF), in its July update of the World Economic Outlook report, revised downward its growth projections for the world economy for 2019. While the outlook improved marginally in advanced economies, in emerging markets, particularly in Latin America and the Caribbean, the outlook deteriorated with respect to the estimates of the previous quarter.

Trade tensions and their adverse effects, both in world trade and in financial markets, continued in the second quarter of the year. Also, considering the signs of a global economic deceleration, a greater uncertainty environment, and lower inflationary pressures, the main central banks have taken a more accommodative monetary policy stance. This stance increased expectations of lower interest rates with respect to the previous quarter. As a consequence, the stock markets reacted favorably to the announcements and showed a greater appetite for risk.

Concerning Mexico's economic activity, the indicators available up to the second quarter of 2019 show a mixed performance. The most dynamic sector of the economy has been agriculture, while the contraction in the industrial sector, mainly due to a deceleration in construction and mining activities, and the slowdown in the services sector, suggest more moderate growth in the country's economic activity for the second quarter of the year.

The foresight of lower global economic activity and the prevalence of trade disputes between some of the world's major economies, which are also reflected in foresight of lower economic growth in our country, have exacerbated a greater uncertainty climate. This, in turn, translates into more cautious behavior in the spending patterns of economic agents nationwide, mainly containing the implementation of

new investment projects. Thus, the decreasing trend in investment spending observed in recent years continued in the first semester of the year.

In contrast, within the operations registered abroad, non-oil exports, mainly those directed to manufacturing and agricultural sectors in the United States, increased significantly, which generated a greater trade balance surplus in the second quarter of 2019.

Although there has been a smaller expansion in the economic activity of the country, the information available at the end of the second quarter of the year shows that the labor market behavior has stabilized, which is confirmed by the unemployment rates recorded during the first semester, which are similar to those registered at the end of 2018. The stability in the labor market, together with the increases in the minimum wage materialized at the beginning of the year and the downward trajectory of inflation, have allowed real wages to grow during the second quarter of the year.

With respect to prices, at the end of the second quarter of 2019, inflation rate in the country return to its downward trend, being within Banco de Mexico's target range. This is despite the fact that in April and May inflation registered a slight rebound compared to the levels registered at the end of the first quarter of the year.

Public Finances

Notwithstanding the economic environment described, at the end of the first semester of 2019, the main public finances balances were better than expected in the program. The public sector primary balance, defined as the difference between total income and expenses other than the financial cost, amounted to Ps. 228.1 billion higher than the programmed surplus of Ps. 135.4 billion and last year's Ps. 126.9 billion surplus. This result is in line with the primary surplus estimated in the General Economic Policy Guidelines of 1.0% of GDP for 2019. In the same period, the public sector deficit was Ps. 119.9 billion, lower than the deficit expected in the program of Ps. 258.9 billion and the deficit of Ps. 206.7 billion registered in the same period of 2018.

In the first semester of 2019, the Public Sector Borrowing Requirements (PSBRs), the broadest measure of public sector balance, registered a Ps. 60.9 billion deficit, lower than the Ps. 236.3 billion deficit registered in the same period of 2018.

During the January-June period of 2019, the public sector budgetary revenues were Ps. 2.6 trillion, lower by Ps. 68.4 billion than expected in the program and 0.6% higher in real terms with respect to the first semester of 2018. Difference between observed and programmed revenues is due to lower oil-revenues, from both the Federal Government and Pemex.

The Federal Government total revenues increased at a real annual rate of 1.7% in real terms with respect to the last year and these were above the program by Ps. 12.1 billion. Within, tax revenues amounted to Ps. 1.7 trillion, increasing 4.4% in a real annual rate and Ps. 11.1 billion below the program. The difference with the program is explained, mainly by higher VAT refund payments from 2018, which implied a lower VAT collection. It stands out that income tax increased by 1.5% with respect to the same period of 2018.

In January-June 2019, net paid expenditure was Ps. 2.8 trillion lower than the amount expected in the program by Ps. 174.5 billion, and 4.5% in real terms lower than observed in the same period of the last year. The lower expenditure than what was scheduled is explained by a lower programmable expenditure by Ps. 123.8 billion and a lower non-programmable expenditure by Ps. 50.7 billion. The lower programmable expenditure was the result of lower expenditures from the Public Central Administration, the direct budgetary controlled organisms (IMSS and ISSSTE), Pemex, and autonomous entities. These lower expenditures respond to a reconfiguration of social programs and changes in procurement policy in order to improve the effectiveness and efficiency of public expenditure. It stands out that administrative branches programmable expenditure, a component over which the Federal Government has direct control, shows a 95 percent progress with respect to the program, greater than the 91 percent observed during the previous quarter. Therefore, it is expected that by the end of the year, budget targets will be met.

On the other hand, non-programmable expenditure was lower than expected in the program due to lower payment of commitments acquired by the Federal Government in previous fiscal years (Adefas by its Spanish acronym) and others, a lower financial cost and lower non-earmarked transfers to federal entities, which is in line with the federal tax collection.

The Administration ratifies its commitment to sound public finances. In 2019 it is expected to reach a primary surplus of 1.0% of GDP, as presented in the 2019 Economic Program, as well as PSBRs of 2.5% of GDP. The year-end estimate for these variables allows us to anticipate that the Historical Balance of the Public Sector Financial Requirements (HBPSBR) will be at 45.1% of GDP, consistent with the foresight in the 2020 Preliminary General Economic Policy Guidelines. Given the lower Federal Government revenues estimated for year-end with respect to the ones approved in the 2019 Federal Revenue Law, the Federal Budget and Fiscal Responsibility Law in the article 21 foresees the use of the Budgetary Revenues Stabilization Fund (FEIP by its Spanish acronym) to compensate the lower-than-approved revenues in order to give stability to public finances.

Public Debt

The public debt management policy aims to cover the Federal Government financing needs at the lowest possible cost, maintaining an adequate level of risk given the characteristics of the country's public finances. This objective seeks to maintain a solid structure of public liabilities that contributes to the strength of public finances in a volatile global financial environment. The management of public liabilities is carried out under the principle of transparency, communicating in a regular, detailed and transparent manner about the debt policy, actions, and evolution of public liabilities.

At the end of the second quarter of 2019, the main risk indicators of the Federal Government's debt were as follows: regarding the composition of debt, 77.6% of the Federal Government's net debt is denominated in pesos and 22.4% in foreign currency. Within the internal debt, the average maturity of government debt is 7.85 years, of these, 81.8% is at a fixed rate and long maturity. Within the external debt, the average maturity term of the external market debt is 18.44 years and 100% is at a fixed rate.

During the second quarter of the year, important actions were taken both in the management of internal and external debt that allowed strengthening the composition of public liabilities.

Regarding external debt, in April the Federal Government conducted a debt issue in the international capital markets, with the placement of 1,500 million euros at a term of 7 years with maturity in 2026, as well as 1 billion euros to 20 years with maturity in 2039. With these transactions, the Federal Government captured resources for a total amount of 2,500 million euros, approximately USD 2.8 billion. The new 7-year benchmark was placed at a yield rate of 1.669% and will pay a coupon rate of 1.625%. Also, the new 20-year benchmark was placed at a yield rate of 2.969% and will pay a coupon rate of 2.875%.

In June, the Federal Government concluded a debt issue in the Japanese market of 165 billion yen (approximately USD 1.5 billion). The operation consisted on the issuance of four new reference bonds in the Japanese market at 3, 5, 7 and 10 years for amounts of 65.5, 41.2, 27.3 and 31.0 billion yen, respectively. The interest rates achieved for the bonds with maturities in 2022, 2024, 2026 and 2029 were 0.62, 0.83, 1.05 and 1.30%, respectively. There were 107 investors from different sectors of the Japanese market and other countries, reaching a total demand of 225 billion yen (equivalent to 1.36 times the amount placed). In this regard, it is worth mentioning that both the amount placed and the demand reached in this transaction meant historical highs for a debt issue made by the Federal Government in the Japanese market.

Finally, in July[1] a liability management operation was carried out in the international markets for an approximate amount of USD 3.6 billion dollars. It is important to highlight that this operation was carried out without incurring in additional indebtedness, since the resources collected were used to early repay debt with maturities in the coming years, noting that the payment commitments scheduled for 2021 were reduced by around 37%.

Regarding the management of the internal debt, in June, an exchange operation of M Bonds was carried out in the domestic market. In this operation, M Bonds were received with maturities in 2019, 2020 and 2021, and M Bonds were delivered with maturities in 2024, 2027, 2029, 2031, 2038, 2042 and 2047. In total, Ps. 28.2 billion were allocated, decreasing amortizations in Ps. 2.1 billion for 2019, in Ps. 16.7 billion for 2020, and in Ps. 9.4 billion for 2020. This swap operation is part of the Federal Government's liability management strategy, which seeks to soften the maturity profile, exchanging short-term for long-term instruments.

The evolution of debt balances during the second quarter of 2019 is in line with the objectives of this year's fiscal policy. At the end of the second quarter of 2019, the HBPSBR amounted to Ps. 10.6 trillion. The internal component amounted to Ps. 6.8 trillion and the external component to USD 197.6 billion dollars. As a proportion of GDP, HBPSBR stood at 42.5% of GDP, 2.4 percentage points lower than the level observed at the end of 2018.

Regarding the Public Sector net debt, which includes the net debt of the Federal Government, the State-Owned Enterprises and the Development Banks, at the end of the second quarter of 2019, it stood at Ps. 11.0 trillion pesos. The internal component of this net debt stood at Ps. 7.1 trillion and the external component amounted to USD 202.9 billion.

Finally, at the end of the second quarter of 2019, the Federal Government net debt balance stood at Ps. 8.2 trillion. The structure of the Federal Government's debt current portfolio maintains most of its liabilities denominated in national currency, representing, as of June 30, 2019, 77.6% of the total balance of this debt, which is equivalent to Ps. 6.4 trillion. On the other hand, the balance of the Federal Government net external debt amounted to USD 96.3 billion.

[1] Although these operations are outside the period of this quarterly report, it is considered relevant to detail them in order to maintain constant communication about the management of public debt.

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Annexes

Public Sector Financial Situation
(Million pesos)

Concept	January-June			Nominal Difference	Real Growth %
	2018 P-/	2019			
		Program	Observed P-/		
	(1)	(2)	(3)	(3-2)	(3/1)
Public balance	**-206,731.3**	**-258,872.6**	**-119,921.5**	**138,951.1**	**n.s.**
Public balance excluding investment 1-/	***107,136.6***	***61,003.8***	***152,067.2***	***91,063.4***	***36.3***
Budgetary balance	-287,172.9	-259,172.6	-153,118.6	106,054.0	n.s.
Budgetary revenues	2,501,989.2	2,691,038.2	2,622,608.2	-68,430.0	0.6
Net budgetary expenditure	2,789,162.1	2,950,210.8	2,775,726.8	-174,484.0	-4.5
Entities under indirect budgetary control	80,441.6	300.0	33,197.0	32,897.0	-60.4
Primary balance	126,877.9	135,434.3	228,088.1	92,653.8	72.6
Public balance by entities	**-206,731.3**	**-258,872.6**	**-119,921.5**	**138,951.1**	**n.s.**
Budgetary balance	-287,172.9	-259,172.6	-153,118.6	106,054.0	n.s.
Federal Government balance	-273,432.3	-297,013.3	-157,536.0	139,477.3	n.s.
State productive enterprises	-103,924.2	-22,205.5	-94,000.1	-71,794.5	n.s.
PEMEX	-48,138.5	-38,926.1	-70,491.3	-31,565.2	n.s.
CFE	-55,785.8	16,720.5	-23,508.8	-40,229.3	n.s.
Entities under direct budgetary control	90,183.6	60,046.2	98,417.5	38,371.3	4.8
IMSS	77,270.8	60,358.0	93,336.9	32,978.9	16.0
ISSSTE	12,912.8	-311.8	5,080.6	5,392.4	-62.2
Entities under indirect budgetary control	80,441.6	300.0	33,197.0	32,897.0	-60.4
Memorandum items					
PSBR	-236,322.2		-60,941.1		n.s.
Primary PSBR	208,643.2		415,110.1		91.0

Note: Figures may not add up due to rounding.
P-/ Preliminary figures.
n.s.: Not significant.
1-/ Excludes up to 2.0% of the GDP of both State productive enterprises and Federal Government's physical investment as per the Article 1 of the 2018 Federal Income Law.
Source: Ministry of Finance.

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Public Sector Budgetary Revenues
(Million pesos)

Concept	January-June			Nominal Difference	Real Growth %
	2018 P/	2019			
		Program	Observed P/		
	(1)	(2)	(3)	(3-2)	(3/1)
Total	**2,501,989.2**	**2,691,038.2**	**2,622,608.2**	**-68,430.0**	**0.6**
Oil	**475,676.4**	**520,255.3**	**412,626.6**	**-107,628.7**	**-16.7**
State productive enterprises (Pemex)	210,251.0	258,702.5	179,182.4	-79,520.1	-18.2
Federal Government	265,425.4	261,552.8	233,444.2	-28,108.6	-15.6
Mexican Oil Fund	265,425.5	261,552.8	233,401.7	-28,151.1	-15.6
Income Tax from contractors and assignees	-0.1	0.0	42.5	42.5	n.s.
Non-oil	**2,026,312.8**	**2,170,782.9**	**2,209,981.6**	**39,198.7**	**4.7**
Federal Government	1,661,671.6	1,768,102.1	1,808,321.3	40,219.2	4.5
Tax	1,558,076.7	1,705,119.1	1,694,056.8	-11,062.3	4.4
Income Tax	876,836.5	927,905.6	926,722.9	-1,182.7	1.5
Value Added Tax1/	460,854.3	494,373.1	477,932.7	-16,440.4	-0.4
Excise Tax	165,359.0	221,812.8	228,458.8	6,646.0	32.6
Imports	27,612.9	32,954.0	31,959.8	-994.2	11.1
Tax on hydrocarbon exploration and extraction activities	2,451.6	2,240.1	3,183.8	943.7	24.7
Others	24,962.4	25,833.5	25,798.7	-34.8	-0.8
Non tax	103,594.9	62,983.0	114,264.5	51,281.5	5.9
Entities under direct budgetary control	193,338.0	192,791.6	206,476.8	13,685.2	2.5
IMSS	167,482.6	175,836.5	184,252.8	8,416.3	5.6
ISSSTE	25,855.4	16,955.1	22,224.1	5,268.9	-17.5
State productive enterprises (CFE)	171,303.3	209,889.2	195,183.5	-14,705.7	9.4
Memorandum items					
Tax revenues excluding fuels Excise Tax	1,474,296.5	1,567,090.2	1,546,183.2	-20,907.0	0.7

Note: Partial sums and variation may not add up due to rounding.
P/ Preliminary figures.
1/ Corresponds to the Income System collection (ISR + IETU + IDE).
Source: Ministry of Finance.

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Public Sector Total Budgetary Expenditure
(Million pesos)

Concept	January-June			Nominal Difference	Real Growth %
	2018 P/	2019			
		Program	Observed P/		
	(1)	(2)	(3)	(3-2)	(3/1)
Total	**2,789,162.1**	**2,950,210.8**	**2,775,726.8**	**-174,484.0**	**-4.5**
Primary expenditure	**2,457,389.9**	**2,555,853.5**	**2,413,777.2**	**-142,076.3**	**-5.7**
Programmable	1,956,689.0	2,047,797.9	1,924,047.5	-123,750.5	-5.6
Federal Government	1,447,791.1	1,504,185.3	1,416,860.7	-87,324.5	-6.0
Autonomous branches	50,442.7	57,340.1	43,550.0	-13,790.1	-17.1
Administrative branches	569,021.4	559,840.3	529,375.3	-30,465.1	-10.7
General branches	828,327.1	887,004.8	843,935.4	-43,069.4	-2.2
Entities under direct budgetary control	445,152.2	526,991.1	490,817.0	-36,174.1	5.9
IMSS	285,294.1	339,790.9	312,240.9	-27,550.0	5.1
ISSSTE	159,858.1	187,200.2	178,576.0	-8,624.1	7.2
State productive enterprises	428,552.2	436,910.1	425,170.3	-11,739.9	-4.8
Pemex	190,881.6	230,899.8	192,600.6	-38,299.2	-3.1
CFE	237,670.5	206,010.4	232,569.7	26,559.3	-6.1
(-) Compensated operations	364,806.5	420,288.6	408,800.5	-11,488.0	7.6
Non-programmable	500,700.8	508,055.6	489,729.7	-18,325.9	-6.1
Non-earmarked transfers	436,335.3	486,310.5	476,719.4	-9,591.1	4.9
Adefas and others	64,365.5	21,745.1	13,010.3	-8,734.8	-80.6
Financial cost	**331,772.3**	**394,357.3**	**361,949.6**	**-32,407.7**	**4.7**
Memorandum items					
Total net expenditure without outlays on financial investments, pension payments, non-earmarked transfers and financial cost 1/	1,620,266.1	1,605,371.4	1,466,749.0	-138,622.4	-13.1
Total net expenditure without outlays on financial investments, pension payments and non-earmarked transfers	1,952,038.4	1,999,728.7	1,828,698.7	-171,030.0	-10.1
Total net expenditure without outlays on financial investments	2,778,759.6	2,929,417.3	2,732,752.6	-196,664.7	-5.6
Current structural expenditure	1,118,877.3	1,151,657.3	1,050,186.6	-101,470.7	-9.9

Note: Partial sums and variation may not add up due to rounding.
1/ If Adefas for contributions to Stabilization Funds are excluded, total net expenditure decreased by 11.0% in real terms.
P/ Preliminary figures.
Source: Ministry of Finance.

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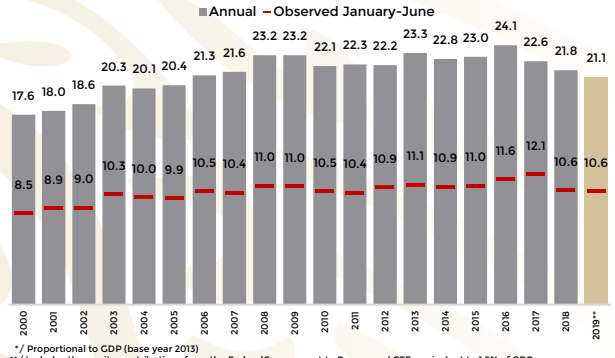
Summary of the main indicators on Public finances
(Billion pesos)

Concept	January-June		Growth % real (2/1)	Annual			% advance with respect to:		
					2019			2019	
	2018 P/ (1)	2019 P/ (2)		2018 P/ (3)	Program 1/ (4)	Estimated 2/ (5)	2018 (1/3)	Program 1/ (2/4)	Estimated 2/ (2/5)
1. Budgetary revenues	2,502.0	2,622.6	0.6	5,115.1	5,298.2	5,250.8	48.9	49.5	49.9
2. Tax revenues	1,558.1	1,694.1	4.4	3,062.3	3,311.4	3,238.6	50.9	51.2	52.3
3. Tax revenues without fuels excise tax (IEPS)	1,474.3	1,546.2	0.7	2,874.7	3,042.1	2,954.7	51.3	50.8	52.3
4. Total net expenditure without outlays on financial investments, pension payments, non-earmarked transfers and financial cost	1,620.3	1,466.7	-13.1	3,232.0	3,209.7	3,197.1	50.1	45.7	45.9
5. Total net expenditure without outlays on financial investments pension payments and non-earmarked transfers	1,952.0	1,828.7	-10.1	3,847.1	3,958.8	3,922.7	50.7	46.2	46.6
6. Total net expenditure without outlays on financial investments	2,778.8	2,732.8	-5.6	5,483.8	5,756.1	5,690.7	50.7	47.5	48.0
7. Total net expenditure	2,789.2	2,775.7	-4.5	5,589.4	5,802.0	5,736.6	49.9	47.8	48.4
8. Current structural expenditure	1,118.9	1,050.2	-9.9	2,304.1	2,314.2	2,314.2	48.6	45.4	45.4
9. Primary balance	126.9	228.1	72.6	141.4	245.7	240.2	89.7	92.8	94.9
10. PSBR	-236.3	-60.9	n.a.	-517.0	-629.0	-621.9	45.7	9.7	9.8
11. HBPSBR	10,379.6	10,559.7	-2.3	10,551.7	11,288.3	11,208.2	98.4	93.5	94.2
12. Public debt	10,532.8	10,965.2	-0.1	10,829.9	11,363.9	11,538.8	97.3	96.5	95.0

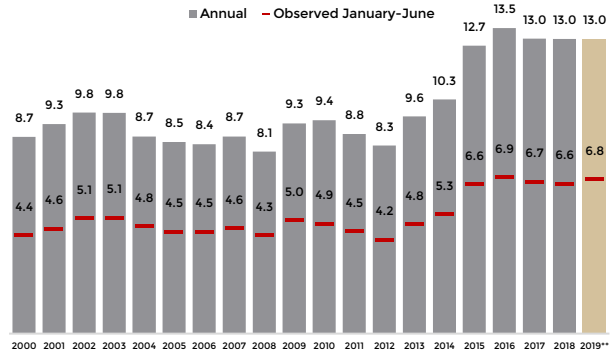
Note: Partial sums may not add up due to rounding.
P/ Preliminary figures.
n.a.: Does not apply.
1/ Corresponds to the Federal Income Law and the Federal Budget for the fiscal year 2019 approved by the Congress.
2/ Corresponds to the revision of public finances estimates of 2019.
3/ In accordance with article 21st of the Federal Budget and Fiscal Responsibility Law, 2019 estimated figures include Ps. 121 billion from resources of the Budgetary Revenues Stabilization Fund in order to compensate the oil and tax revenues decrease of the Federal Government.
Source: Ministry of Finance.

Budgetary revenues
Percentage of GDP*



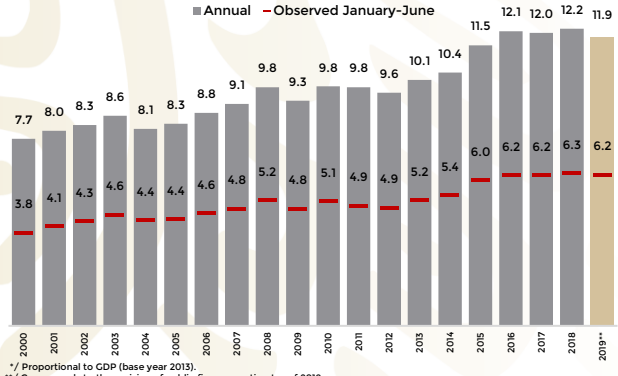
*/ Proportional to GDP (base year 2013)
**/ Includes the equity contributions from the FederalGovernment to Pemex and CFE equivalent to 1.5% of GDP.
***/ Corresponds to the revision of public finances estimates of 2019.
Source: Ministry of Finance.

Tax revenues
Percentage of GDP*



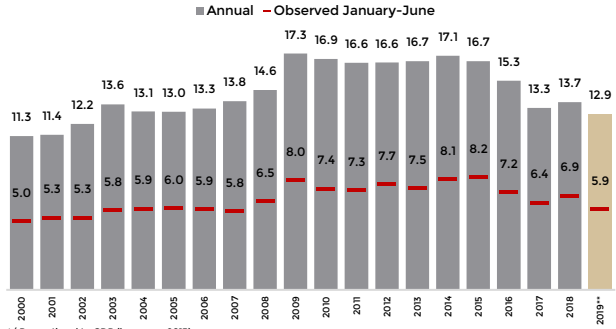
*/ Proportional to GDP (base year 2013).
**/ Corresponds to the revision of public finances estimates of 2019.
Source: Ministry of Finance.

Tax revenues excluding fuel excise tax (IEPS)
Percentage of GDP*



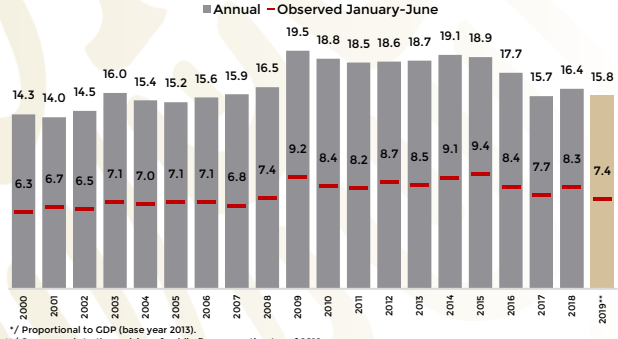
*/ Proportional to GDP (base year 2013).
**/ Corresponds to the revision of public finances estimates of 2019.
Source: Ministry of Finance.

Total net expenditure without outlays on financial investments, pension payments, non-earmarked transfers and financial cost
Percentage of GDP*



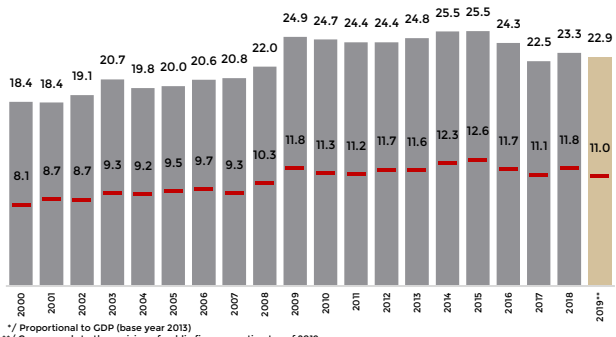
*/ Proportional to GDP (base year 2013).
**/ Corresponds to the revision of public finances estimates of 2019.
Source: Ministry of Finance.

Total net expenditure without outlays on financial investments, pension payments and non-earmarked transfers
Percentage of GDP*



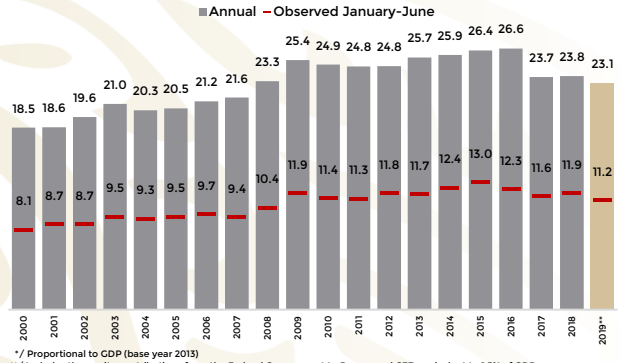
*/ Proportional to GDP (base year 2013).
**/ Corresponds to the revision of public finances estimates of 2019.
Source: Ministry of Finance.

Total net expenditure without outlays on financial investments
Percentage of GDP*



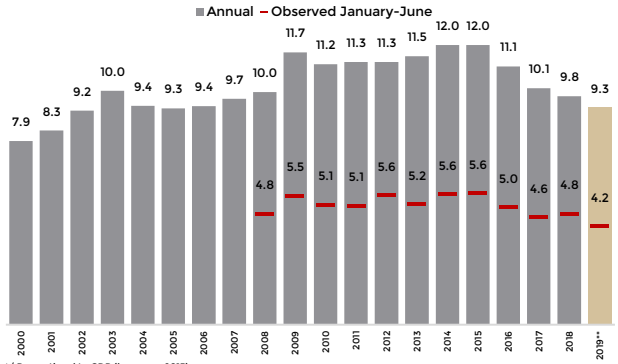
*/ Proportional to GDP (base year 2013)
**/ Corresponds to the revision of public finances estimates of 2019.
Source: Ministry of Finance.

Net total expenditure
Percentage of GDP*



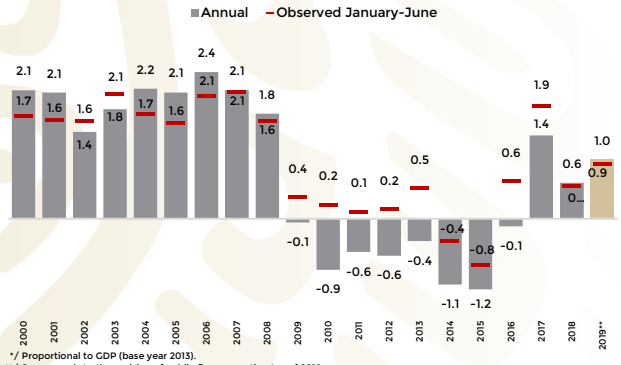
*/ Proportional to GDP (base year 2013)
**/ Includes the equity contributions from the Federal Government to Pemex and CFE equivalent to 1.5% of GDP.
***/ Corresponds to the revision of public finances estimates of 2019.
Source: Ministry of Finance.

Current structural expenditure
Percentage of GDP*



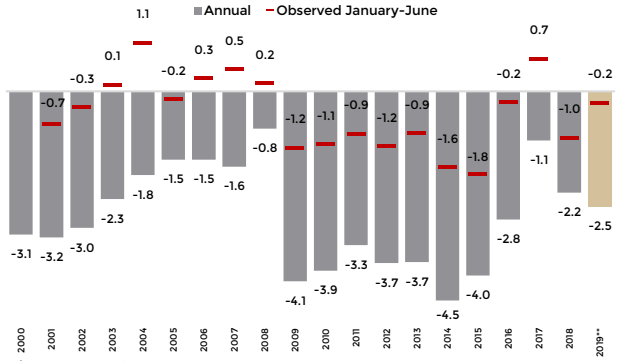
*/ Proportional to GDP (base year 2013).
**/ Corresponds to the revision of public finances estimates of 2019.
Source: Ministry of Finance.

Primary balance
Percentage of GDP*



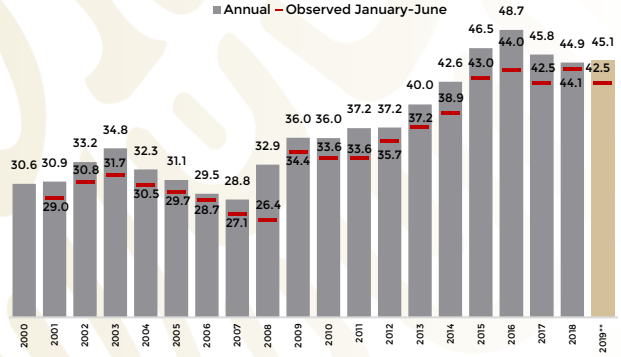
*/ Proportional to GDP (base year 2013).
**/ Corresponds to the revision of public finances estimates of 2019.
Source: Ministry of Finance.

PSBR
*Percentage of GDP**



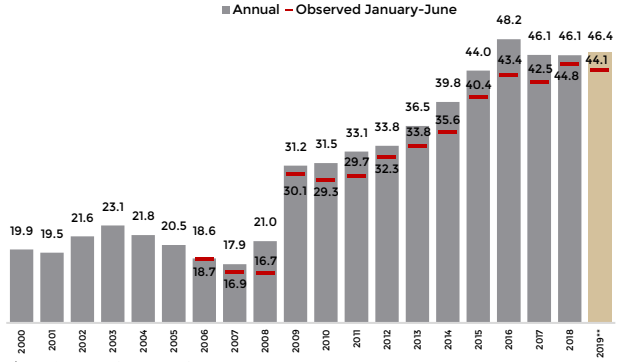
*/ Proportional to GDP (base year 2013).
**/ Corresponds to the revision of public finances estimates of 2019.
Source: Ministry of Finance.

HBPSBR
*Percentage of GDP**



*/ Proportional to GDP (base year 2013).
**/ Corresponds to the revision of public finances estimates of 2019.
Source: Ministry of Finance.

Public debt
*Percentage of GDP**



*/ Proportional to GDP (base year 2013).
**/ Corresponds to the revision of public finances estimates of 2019.
Source: Ministry of Finance.

SHCP
SECRETARÍA DE HACIENDA Y CRÉDITO PÚBLICO

Balance of Stabilization funds, 2018-2019
(Million pesos)

	Dec-18	Jun-19	Difference
Total	**387,363**	**409,710**	**22,346**
Budgetary Revenues Stabilization Fund (FEIP)	279,771	296,314	16,543
Federal Entities Revenues Stabilization Fund (FEIEF)	88,722	93,501	4,778
Mexican Oil Fund for Stabilization and Development (FMP)	18,871	19,895	1,025

Source: Ministry of Finance.

SHCP
SECRETARÍA DE HACIENDA Y CRÉDITO PÚBLICO

Federal Public Sector Debt Balances,
June 2019 *_/
(Million pesos)

Concept	Balance			% of annual GDP [2]_/			% of GDP QoQ Annualized [3]_/			Percentage Structure		
	Dec-17	Dec-18 P_/	Jun-19 P_/	Dec-17	Dec-18	Jun-19	Dec-17	Dec-18	Jun-19	Dec-17	Dec-18	Jun-19
Domestic debt:												
Net (Million pesos)	6,284,707.0	6,867,594.7	7,080,514.3	28.7	29.2	28.5	27.5	28.1	28.9	62.3	63.4	64.6
Gross (Million pesos)	6,448,500.8	7,036,273.2	7,169,576.3	29.5	29.9	28.8	28.2	28.7	29.3	62.7	63.9	64.2
External debt:												
Net (Million dollars)	192,344.0	201,307.3	202,919.5	17.4	16.9	15.6	16.7	16.2	15.9	37.7	36.6	35.4
Gross (Million dollars)	193,981.2	202,355.3	208,710.0	17.5	17.0	16.1	16.8	16.3	16.4	37.3	36.1	35.8
Total Debt: [1]_/												
Net (Million pesos)	10,090,560.1	10,829,906.6	10,965,246.3	46.1	46.1	44.1	44.2	44.3	44.8	100.0	100.0	100.0
(Million dollars)	509,966.8	550,219.1	572,771.2									
Gross (Million pesos)	10,286,748.6	11,019,212.3	11,165,162.3	47.0	46.9	44.9	45.0	45.0	45.7	100.0	100.0	100.0
(Million dollars)	519,882.0	559,836.8	583,213.8									

Note: Partial sums and variations may not add up due to rounding.
The concept of Net Debt is obtained by subtracting from the Gross Debt Balance the financial assets of the Federal Government, and the availabilities of both State Productive Enterprises and Development Banks.
*_/ Figures subject to revisions and methodological changes.
P_/ Preliminary figures.
1_/ Includes liabilities from the Federal Government, State Productive Enterprises and Development Banks.
2_/ For the year 2019, the annual GDP published in the General Economic Policy Preliminary Guidelines 2020 (PCGPE 2020) was used.
3_/ For the year 2019, the GDP of the second quarter was used, according to estimates from the Ministry of Finance.
Source: Ministry of Finance.

SHCP
SECRETARÍA DE HACIENDA Y CRÉDITO PÚBLICO

Federal Government Domestic Debt, January-June *_/
(Million pesos)

Concept	Balance as of December 2018 P_/	Indebtedness			Adjustments	Balance as of June 2019 P_/
		Origin.	Amort.	Net		
1. Net Debt (3-2)	**6,867,594.7**					**7,080,514.3**
2. Assets 1_/	168,678.5					89,062.0
3. Gross Debt	**7,036,273.2**	**1,910,303.2**	**1,796,143.9**	**114,159.3**	**19,143.8**	**7,169,576.3**
Structure by Term	**7,036,273.2**	**1,910,303.2**	**1,796,143.9**	**114,159.3**	**19,143.8**	**7,169,576.3**
Long-term	6,463,924.9	749,565.9	602,875.9	146,690.0	33,199.0	6,643,813.9
Short-term	572,348.3	1,160,737.3	1,193,268.0	-32,530.7	-14,055.2	525,762.4
Structure by User	**7,036,273.2**	**1,910,303.2**	**1,796,143.9**	**114,159.3**	**19,143.8**	**7,169,576.3**
Federal Government	6,429,344.4	1,456,771.5	1,340,562.3	116,209.2	11,535.6	6,557,089.2
Long-term	5,911,049.2	731,862.6	581,322.9	150,539.7	11,535.6	6,073,124.5
Short-term	518,295.2	724,908.9	759,239.4	-34,330.5	0.0	483,964.7
State Productive Enterprises 2_/	378,073.9	164,774.2	163,890.2	884.0	-359.5	378,598.4
Long-term	366,773.9	0.0	18,614.8	-18,614.8	-359.5	347,799.6
Short-term	11,300.0	164,774.2	145,275.4	19,498.8	0.0	30,798.8
Development Banks	228,854.9	288,757.5	291,691.4	-2,933.9	7,967.7	233,888.7
Long-term	186,101.8	17,703.3	2,938.2	14,765.1	22,022.9	222,889.8
Short-term	42,753.1	271,054.2	288,753.2	-17,699.0	-14,055.2	10,998.9
Structure by Source of Financing	**7,036,273.2**	**1,910,303.2**	**1,796,143.9**	**114,159.3**	**19,143.8**	**7,169,576.3**
Issuance of Securities	6,321,902.1	1,337,505.2	1,172,631.5	164,873.7	16,515.8	6,503,291.6
Savings Fund	135,951.0	134,411.4	140,316.6	-5,905.2	2,771.5	132,817.3
Commercial Banks	99,700.5	316,042.2	313,856.5	2,185.7	-176.9	101,709.3
ISSSTE's Law obligations 3_/	141,843.5	54.2	10,464.2	-10,410.0	696.4	132,129.9
PEMEX Pension bonds 4_/	133,774.4	0.0	32,272.8	-32,272.8	0.0	101,501.6
CFE Pension bonds 5_/	160,187.5	0.0	0.0	0.0	0.0	160,187.5
Others	42,914.2	122,290.2	126,602.3	-4,312.1	-663.0	37,939.1

Note: Figures may not add up due to rounding.
*_/ Figures subject to revisions and methodological changes.
p_/ Preliminary figures.
1_/ Includes the net balance denominated in Mexican pesos, of the Federal Treasury's General Account, as well as assets from State Productive Enterprises and Development Banks.
2_/ Includes only PEMEX and CFE.
3_/ Obligations associated with the new ISSSTE law.
4_/ Obligations associated with the financial support from the Federal Government to PEMEX given the savings in their pension obligations, according to the "Agreement on the general provisions concerning the Federal Government's assumption of PEMEX and its Subsidiary Productive Enterprises' pensions and retirement obligations", published in the Federal Official Gazette on December 24th, 2015.
5_/ Obligations associated with the financial support from the Federal Government to CFE given the savings in their pension obligations, according to the "Agreement on the general provisions concerning the Federal Government's assumption of the Federal Electricity Commission's pension and retirement obligations" published in the Federal Official Gazette on February 14th, 2016.
Source: Ministry of Finance.

SHCP
SECRETARÍA DE HACIENDA Y CRÉDITO PÚBLICO

Federal Government External Debt, January-June *_/
(Million dollars)

Concept	Balance as of December 2018 P_/	Indebtedness			Adjustments	Balance as of June 2019 P_/
		Obligations	Amort.	Net		
1. Net Debt (3-2)	**201,307.3**					**202,919.5**
2. Financial assets in foreign currencies 1_/	1,048.0					5,790.5
3. Gross debt	**202,355.3**	**19,233.7**	**12,967.4**	**6,266.3**	**88.4**	**208,710.0**
Structure by term	**202,355.3**	**19,233.7**	**12,967.4**	**6,266.3**	**88.4**	**208,710.0**
Long-term	198,204.6	6,537.0	4,541.9	1,995.1	215.5	200,415.2
Short-term	4,150.7	12,696.7	8,425.5	4,271.2	-127.1	8,294.8
Structure by user	**202,355.3**	**19,233.7**	**12,967.4**	**6,266.3**	**88.4**	**208,710.0**
Federal Government	95,845.6	6,029.5	867.5	5,162.0	86.7	101,094.3
Long-term	95,845.6	6,029.5	867.5	5,162.0	86.7	101,094.3
Short-term	0.0	0.0	0.0	0.0	0.0	0.0
State Productive Enterprises 2_/	94,691.2	7,178.9	5,281.4	1,897.5	-101.9	96,486.8
Long-term	94,391.2	342.9	3,531.7	-3,188.8	-101.9	91,100.5
Short-term	300.0	6,836.0	1,749.7	5,086.3	0.0	5,386.3
Development Banks	11,818.5	6,025.3	6,818.5	-793.2	103.6	11,128.9
Long-term	7,967.8	164.6	142.7	-21.9	230.7	8,220.4
Short-term	3,850.7	5,860.7	6,675.8	-815.1	-127.1	2,908.5
Structure by Source of Financing	**202,355.3**	**19,233.7**	**12,967.4**	**6,266.3**	**88.4**	**208,710.0**
Capital markets	155,907.5	4,802.1	3,405.1	1,397.0	23.6	157,328.1
International Financing Institutions (IFI's)	30,214.6	1,227.4	456.4	771.0	69.9	31,055.5
International Trade	5,894.3	164.6	552.6	-388.0	-5.5	5,500.8
Commercial Banks	10,063.8	12,763.6	8,423.6	4,340.0	20.5	14,424.3
Pidiregas	275.1	276.0	129.7	146.3	-20.1	401.3

Note: Figures may not add up due to rounding.
*_/ Figures subject to revisions and methodological changes.
P_/ Preliminary figures.
1_/ Considers the net US dollar denominated balance of the General Account of the Federal Treasury as well as the availabilities of State Productive Enterprises.
2_/ Includes only PEMEX and CFE.
Source: Ministry of Finance.