

MINISTRY OF FINANCE

March 4, 2004

Public Finances and Public Debt Report January, 2004

1. Public sector balance in January 2004

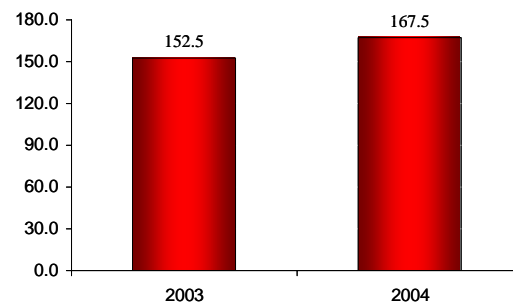
- The public sector balance registered a surplus of Ps. 25.8 billion in January, this amount exceeded the results for the same period of the previous year.
- The primary surplus was Ps. 49.3 billion, this amount surpassed the results of the first month of the previous year by 26.7 percent in real terms.

1.1 Public Sector Budgetary Revenues in January 2004

- Public sector budgetary revenues amounted to Ps. 167.5 billion, which is 9.8 percent higher than the amount registered in January 2003, in real terms.
- Non-oil related tax revenues totaled Ps. 77.1 billion, 3.5 percent higher in real terms than recorded in the same month of 2003. Within this source of revenues, it is worth highlighting the 5.0 percent real increase in income tax collection.
- Oil related revenues, defined as the sum of Pemex's own revenues, oil royalties and duties paid to the Federal Government, and excise taxes (IEPS) on gasoline and diesel totaled Ps. 50.2 billion, 21.2 percent higher in real terms than those collected in the same month of the previous year.

BUDGETARY REVENUES, JANUARY

(Billions of 2004 pesos)

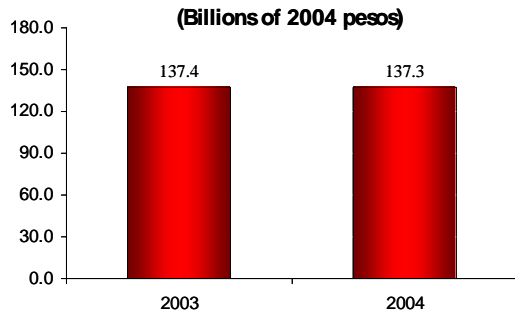


- Non-oil non tax revenues were Ps. 20.0 billion, 44.2 percent higher in real terms than the amount collected during January 2003.
- Revenues of public entities other than Pemex during the month of January were Ps. 20.1 billion, which represents an 11.2 percent decline over the same period of the previous year.

1.2. Net Public Sector Expenditures during January 2004

- Net budgetary expenditures of the public sector during January 2004 were Ps. 137.3 billion, similar in real terms to that carried out during the same month of 2003.

NET BUDGETARY EXPENDITURES, JANUARY



- Programmable expenditures carried out during the month of January totaled Ps. 90.6 billion, 2.8 percent higher than those carried out during January 2003.
- In particular, federalized expenditures which include transfers to States and Municipalities (Ramo 33), provisions for basic, traditional, technological, and adult education (Ramo 25) and resources directed towards financial strengthening of States through PAFEF (Ramo 39) increased 4.8 percent in real terms.
 - Revenue sharing to States and Municipalities amounted to Ps. 18.8 billion pesos, a 4.8 percent real increase over the previous year.
 - Federalized expenditures corresponding to Ramo 25, 33 and 39 increased 4.8 percent in real annual terms.
- Public sector financing costs totaled Ps, 18.1 billion, 24.5 percent below its cost in the same period of 2003 in real terms.

2. Public Debt Update

- At the end of January, net external public debt totaled US \$81.8 billion, US \$4.5 billion above that registered at the end of 2003. This result is explained by borrowings of US \$3.0 billion, as well as downward accounting adjustments of US \$0.1 billion. International assets abroad declined by US \$1.6 billion. It is important to point out that the increase in external indebtedness is transitory, and will gradually decline as resources are used to cover the current year's payments during the coming months. The resulting level in net external debt is consistent with the year's financing program and with the net decline of US \$500 million that was approved by Congress for the present year.
- Net domestic debt of the Federal Government amounted to Ps. 917.6 billion, amount which is Ps. 9.5 billion lower than recorded at the end of 2003. The difference between the two balances is explained by a decline in indebtedness of Ps. 13.6 billion, upward accounting adjustments to inflation indexed debt of Ps. 0.8 billion and a decline in the Federal Government's financial assets of Ps. 3.3 billion.

For more details on Public Finance and Public Debt statistics, please visit the Ministry of Finance's web page at:

<http://shcp.gob.mx/english/index.html>

Annex A. Public Finances

Public Sector Overall Balance

Millions of pesos

	January		Real % growth	Composition %	
	2003	2004 ^{p./}		2003	2004 ^{p./}
Overall Public Balance (I+II)	9,698.9	25,834.4	155.6		
I. Budgetary Balance (a-b)	14,497.5	30,129.6	99.4		
a) Revenues	146,354.3	167,459.8	9.8	100.0	100.0
Federal Government	117,261.0	133,613.3	9.4	80.1	79.8
Tax	81,107.2	83,442.4	-1.3	55.4	49.8
Non-tax	36,153.8	50,170.9	33.2	24.7	30.0
PEDBC ^{1./}	29,093.3	33,846.5	11.6	19.9	20.2
Pemex	7,335.7	13,719.5	79.5	5.0	8.2
Others	21,757.6	20,127.1	-11.2	14.9	12.0
b) Expenditures	131,856.8	137,330.2	0.0	100.0	100.0
Programmable	84,526.6	90,575.6	2.8	64.1	66.0
Non programmable	47,330.3	46,754.6	-5.2	35.9	34.0
II. PEIBC ^{2./}	-4,798.6	-4,295.2	-14.1		
Primary Balance	37,372.2	49,340.8	26.7		

Note: Figures may not add up due to rounding.

n.a. not available

1./ Public entities under direct budgetary control.

2./ Public entities under indirect budgetary control.

p./ Preliminary figures.

Source: Ministry of Finance and Public Credit.

Annex A. Public Finances (Cont.)

Public Sector Revenues

Millions of pesos

	January		Real % growth	Composition %	
	2003	2004 ^{p/}		2003	2004 ^{p/}
Total (I+II)	146,354.3	167,459.8	9.8	100.0	100.0
I. Oil related	39,794.0	50,247.6	21.2	27.2	30.0
a) PEMEX	7,335.7	13,719.5	79.5	5.0	8.2
b) Federal Government	32,458.3	36,528.1	8.0	22.2	21.8
Rights and Royalties on oil related products	22,862.0	30,198.8	26.8	15.6	18.0
Excise taxes	9,596.3	6,329.3	-36.7	6.6	3.8
II. Non oil related	106,560.3	117,212.3	5.6	72.8	70.0
c) Federal Government	84,802.7	97,085.2	9.9	57.9	58.0
Tax	71,510.9	77,113.1	3.5	48.9	46.0
Income tax	36,763.9	40,211.1	5.0	25.1	24.0
VAT	26,835.9	28,274.8	1.1	18.3	16.9
Excise taxes	3,317.8	3,547.9	2.6	2.3	2.1
Import taxes	2,151.6	1,881.8	-16.1	1.5	1.1
Others ^{1/}	2,441.7	3,197.6	25.7	1.7	1.9
Non-tax	13,291.9	19,972.1	44.2	9.1	11.9
Rights	2,470.1	2,597.5	0.9	1.7	1.6
Fees	10,274.0	16,797.1	56.9	7.0	10.0
Others	547.8	577.5	1.2	0.4	0.3
d) PEDBC ^{2/}	21,757.6	20,127.1	-11.2	14.9	12.0
Memorandum items:					
Total tax related	81,107.2	83,442.4	-1.3	55.4	49.8
Total non-tax related	65,247.1	84,017.4	23.6	44.6	50.2

Note: Figures may not add up due to rounding.

p_/ Preliminary figures.

1_/ Includes new vehicle, vehicle ownership, luxury goods and services and accessory taxes.

2_/ Public entities under direct budgetary control. Excludes Federal Government transfers to the ISSSTE.

Source: Ministry of Finance and Public Credit.

Annex A. Public Finances (Cont.)**Public Sector Expenditures** **Millions of pesos**

	January		Real % growth	Composition %	
	2003	2004 ^{p./}		2003	2004 ^{p./}
TOTAL (I+II)	131,856.8	137,330.2	0.0	100.0	100.0
I. Primary Expenditures (a+b)	108,901.6	119,267.9	5.1	82.6	86.8
a) Programmable	84,526.6	90,575.6	2.8	64.1	66.0
b) Non-programmable	24,375.0	28,692.3	13.0	18.5	20.9
II. Financing Costs ^{1./}	22,955.3	18,062.3	-24.5	17.4	13.2

Note: Figures may not add up due to rounding.

p./ Preliminary figures.

1./ Includes interest, commissions, and other public debt expenditures associated with debtor support programs. Due to methodological changes, Pemex's expenditures now include financial costs that were previously subtracted from total revenues.

Source: Ministry of Finance and Public Credit.

Annex B. Public Debt

Public Sector External Debt, January ^{*_/}

Millions of dollars

	Outstanding as of Dec-03	Indebtedness			Fx Adjustments	Outstanding as of Jan-04 ^{p_/}
		Originations	Amort.	Net		
Net external debt	77,303.4					81,776.8
Financial assets abroad ^{1_/}	-1,971.1					-403.3
Gross external debt	79,274.5	4,927.4	1,942.7	2,984.7	-79.1	82,180.1
Term structure	79,274.5	4,927.4	1,942.7	2,984.7	-79.1	82,180.1
Long term	77,586.7	1,781.2	1,437.8	343.4	-87.6	77,842.5
Short term	1,687.8	3,146.2	504.9	2,641.3	8.5	4,337.6
Structure by user	79,274.5	4,927.4	1,942.7	2,984.7	-79.1	82,180.1
Federal Government ^{2_/}	58,358.3	1,003.9	120.0	883.9	75.2	59,317.4
PEDBC ^{3_/}	12,408.7	2,554.1	306.7	2,247.4	-107.2	14,548.9
Development banks	8,507.5	1,369.4	1,516.0	-146.6	-47.1	8,313.8
Gross external debt						
By financing source	79,274.5	4,927.4	1,942.7	2,984.7	-79.1	82,180.1
Restructured 1989 – 1990	387.7	0.0	0.0	0.0	-0.1	387.6
Spanish bank bonds	76.5	0.0	0.0	0.0	0.0	76.5
New money 1990 – 1992	311.2	0.0	0.0	0.0	-0.1	311.1
Non-restructured	4,310.2	479.7	625.8	-146.1	0.0	4,164.1
Bilateral credit	5,283.6	502.6	279.1	223.5	8.9	5,516.0
Publicly placed bonds	48,806.2	1,400.0	820.0	580.0	37.5	49,423.7
IFIS	17,948.0	4.0	146.1	-142.1	-11.6	17,794.3
Supplier credits to public sector entities	2.3	0.0	0.0	0.0	0.0	2.3
Others ^{4_/}	2,536.5	2,541.1	71.7	2,469.4	-113.8	4,892.1

Note: Figures may not add up due to rounding.

*_/ Figures subject to revisions.

p_/ Preliminary figures.

1_/ Collateral is valued at market prices; includes 18 months worth of interest payments for Brady Bonds and FAFEXT availabilities.

2_/ Includes debt from item XXIV and FAFEXT.

3_/ Public entities under direct budgetary control.

4_/ Refers to PIDIREGAS debt.

Source: Ministry of Finance and Public Credit.

Annex B. Public Debt (Cont.)**Federal Government Domestic Debt, January ^{*_/}****Millions of pesos**

	Outstanding December 2003	Indebtedness			Adjustments ^{1_/}	Outstanding January 2004 ^{p_/}
		Originations	Amort.	Net		
Net domestic debt balance	927,097.1					917,612.3
Creditor accounts ^{2_/}	-84,792.1					-81,488.1
Gross domestic debt stock	1,011,889.2	83,281.7	96,898.6	-13,616.9	828.1	999,100.4
Government Securities	956,657.0	74,974.0	89,029.8	-14,055.8	423.7	943,024.9
Cetes	206,416.3	57,794.2	55,954.1	1,840.1	0.0	208,256.4
Bondes	354,720.4	4,200.0	0.0	4,200.0	0.0	358,920.4
Fixed rate bonds	311,664.1	11,300.0	14,997.1	-3,697.1	0.0	307,967.0
Udibonos	83,856.2	1,679.8	18,078.6	-16,398.8	423.7	67,881.1
<i>Udibonos udi's</i>	25,016.7	500.0	5,367.4	-4,867.4	0.0	20,149.3
S.A.R.	40,655.3	8,300.1	7,837.8	462.3	338.6	41,456.2
Siefores m/n	0.3	0.0	0.0	0.0	0.0	0.3
Siefores udi's	0.1	0.0	0.0	0.0	0.0	0.1
Others	14,576.6	7.6	31.0	-23.4	65.8	14,619.0

Note: Figures may not add up due to rounding.

*_/ Figures subject to revisions.

p_/ Preliminary figures.

1_/ Refers to adjustments for inflation.

2_/ Represents the balance, denominated in pesos, of the General Account of the Federal Treasury and deposits in the national banking system since December 2002.

Source: Ministry of Finance and Public Credit.

Annex C. Public Finance Indicators Calendar

Public Finance Publications Calendar

Coverage Period:	Release Date
February, 2004	April 1, 2004
March, 2004	May 4, 2004
April, 2004	June 1, 2004
May, 2004	June 30, 2004
June, 2004	August 4, 2004
July, 2004	September 3, 2004
August, 2004	September 30, 2004
September, 2004	November 4, 2004
October, 2004	November 30, 2004
November, 2004	December 30, 2004
December, 2004	February 4, 2005
January, 2004	March 4, 2005