

## **PUBLIC FINANCE AND PUBLIC DEBT REPORT, FEBRUARY 2010**

The public finance and public debt preliminary results as of February 2010 were released today.

**The main results during the January-February period are the following:**

- **The public sector posted a Ps. 22.9 billion surplus and if PEMEX's investment is excluded the public balance would register a surplus of Ps. 63.9 billion, results consistent with the approved public deficit for the year.**
- **Budgetary revenues were higher by 8.1 percent in real annual terms with respect to the same period of last year, due mainly to higher oil and non-oil tax revenues that increased by 20.7 and 12.7 percent in real annual terms, respectively.**
- **Net expenditures increased by 1.4 percent in real annual terms with respect to the same period of the previous year. Within programmable expenditures, higher resources were channeled to education, social security, social assistance and energy.**
- **Federalized expenditures increased by 0.9 percent in real annual terms with respect to the January-February period of 2009. Shared revenues increased by 21.8 percent.**
- **The Federal Public Sector's net domestic debt decreased by Ps. 25.0 billion and the Federal Public Sector's net external debt increased by US\$ 2.5 billion with respect to the end of 2009.**

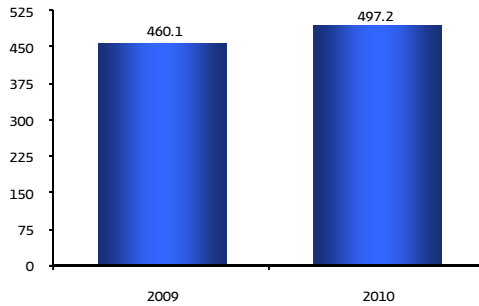
### ***Evolution of the Public Finances during January-February***

As of February 2010, the Public Sector's balance posted a surplus of Ps. 22.9 billion. The primary balance posted a Ps. 49.6 billion surplus. If PEMEX's investment is excluded, the public sector's balance would register a Ps. 63.9 billion surplus. These results are consistent with the approved deficit for 2010, in compliance with Article 17 of the Federal Budget and Fiscal Responsibility Law.

### ***Public Sector Budgetary Revenues during January-February***

The public sector's budgetary revenues were Ps. 497.2 billion, amount 8.1 percent higher in real terms than the one registered during the same period of the previous year. The evolution of the main components of budgetary revenues was the following:

**BUDGETARY REVENUES,  
JANUARY-FEBRUARY  
(Billion pesos of 2010)**



- Non-oil tax revenues were Ps. 253.5 billion, amount 12.7 percent higher in real terms than that observed during the January-February period of the previous year. VAT and Income tax collection (which includes the IETU and the Tax on Cash Deposits) increased by 20.0 and 8.4 percent in real terms, respectively.
- Oil related revenues (which include PEMEX's own revenues, royalties and fees, excise tax collection on gasoline and diesel, and the tax on oil returns) totaled Ps. 146.5 billion, amount that is 20.7 percent higher in real terms than that registered in the same period of 2009. This result is explained mainly by the increase in the price of the Mexican oil mix (71.1 dpb compared with 35.5 dpb observed in the same period of last year), which was partially offset by the appreciation of the exchange rate by 9.9 percent with respect to the same period of the previous year, a higher price of gasoline imports by 69.4 percent and the declines in the oil production and export platforms of 3.6 and 10.0 percent, respectively.
- Revenues of public entities under direct budgetary control other than PEMEX were Ps. 67.5 billion, which represented a decrease of 7.9 percent in real terms with

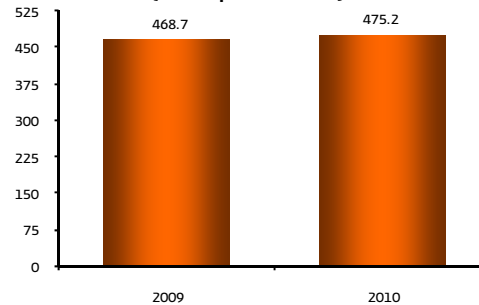
respect to those registered in the same period of the previous year. This is mainly explained by a lower average price of electricity.

- Non-tax non-oil revenues totaled Ps. 29.6 billion, amount lower by 26.7 percent in real terms with respect to the same period of the previous year.

**Net Budgetary Public Sector Expenditures during January-February**

During the first two months of the year, the net budgetary expenditures of the public sector totaled Ps. 475.2 billion, amount 1.4 percent higher in real terms than the one observed in the same period of 2009.

**BUDGETARY NET EXPENDITURES,  
JANUARY-FEBRUARY  
(Billion pesos of 2010)**



Paid programmable expenditures totaled Ps. 344.5 billion, amount 2.0 percent lower in real terms than the one observed in the same period of the previous year, partly due to the effort to anticipate expenditures as part of the countercyclical measures adopted during 2009. Within this item, worth highlighting are the resources channeled to education, social security, social assistance, science and technology, as well as investment in the energy sector.

Shared revenues allocated to Federal Entities and Municipalities through shared revenues, decentralization agreements and reallocations increased by 0.9 percent in real terms. Shared revenues increased by 21.8 percent in real terms due to higher Federal shareable revenues, while the remainder of the resources distributed to Federal Entities and Municipalities decreased by 11.8 percent in real annual terms.

The Public Sector's financial cost was Ps. 24.6 billion, amount 26.0 percent lower in real terms than the one registered in the same period of last year, due to lower interest rates and the appreciation of the exchange rate.

### ***Stock of Public Debt as of February***

At the end of February, the Federal Government's net domestic debt was Ps. 2,470.9 billion, amount that is Ps. 0.5 billion lower than that observed at the end of 2009. The change in the stock is explained by net indebtedness of Ps. 56.5 billion, upward adjustments to the inflation indexed debt by Ps. 11.0 billion and an increase in the Federal Government's financial assets by Ps. 68.0 billion.

The stock of the Federal Government's net external debt in February was US\$ 46.8 billion, amount US\$ 0.6 billion higher than the one observed at the end of 2009. This result is explained by a net amortization of US\$ 0.2 billion, by downward accounting adjustments by US\$ 0.2 billion and a decrease in financial assets in foreign currency by US\$ 1.0 billion.

The stock of the Federal Public Sector's net domestic debt (Federal Government, PEDBC's and development banks) at the end of February was Ps. 2,569.1 billion, which implies a decrease of Ps. 25.0 billion with respect to the stock recorded at the end of 2009. This is due to net domestic indebtedness during the period

of Ps. 50.5 billion, upward accounting adjustments by Ps. 11.5 billion and an increase in the non-financial Public Sector's assets by Ps. 86.9 billion.

The stock of the Federal Public Sector's net external debt was US\$ 94.2 billion, amount that is higher by US\$ 2.5 billion than the one registered at the end of 2009. This result is explained by a net external borrowing of US\$ 1.2 billion, as well as downward accounting adjustments by US\$ 0.5 billion and a decrease in foreign financial assets by US\$ 1.8 billion.

More details on Public Finance and Public Debt statistics can be obtained in the Ministry of Finance's web page at:

[www.apartados.hacienda.gob.mx/estadisticas\\_oportunas/ing/index.html](http://www.apartados.hacienda.gob.mx/estadisticas_oportunas/ing/index.html)

## ANNEX

<b>PUBLIC SECTOR BALANCE</b>					
<b>(Million pesos)</b>					
Concept	January - February		Real % Growth	Composition %	
	2009 <sup>p./</sup>	2010 <sup>p./</sup>		2009 <sup>p./</sup>	2010 <sup>p./</sup>
<b>PUBLIC BALANCE<sup>1./</sup></b>	<b>-8,065.0</b>	<b>22,906.2</b>	<b>n.s.</b>		
<b>PUBLIC BALANCE EXCLUDING PEMEX'S INVESTMENT<sup>2./</sup></b>	<b>15,566.7</b>	<b>63,943.3</b>	<b>292.5</b>		
Budgetary Balance	-8,265.2	21,933.3	n.s.		
Budgetary Revenues	439,648.9	497,165.4	8.1	100.0	100.0
Oil Related	115,983.7	146,504.7	20.7	26.4	29.5
Federal Government	58,384.3	105,985.4	73.5	13.3	21.3
PEMEX	57,599.4	40,519.3	-32.8	13.1	8.2
Non-oil related	323,665.2	350,660.7	3.5	73.6	70.5
Federal Government	253,577.6	283,140.2	6.7	57.7	57.0
Tax	214,929.0	253,494.3	12.7	48.9	51.0
Non-tax	38,648.6	29,645.9	-26.7	8.8	6.0
PEDBC	70,087.6	67,520.5	-7.9	15.9	13.6
Net Budgetary Expenditures	447,914.1	475,232.0	1.4	100.0	100.0
Programmable	335,799.9	344,531.2	-2.0	75.0	72.5
Non programmable	112,114.2	130,700.8	11.4	25.0	27.5
PEIBC	200.2	972.9	364.4		
Primary Balance	24,524.9	49,578.2	93.2		

Note: Figures may not add up due to rounding.

p./ Preliminary figures.

n.s.: No significant.

1./ In 2009, the liabilities of long term productive infrastructure projects (PIDIREGAS) were converted, in an exceptional manner, into PEMEX's direct public debt with liabilities. The information presented excludes the effect of this conversion because their inclusion would complicate the evaluation of public finance results throughout the year.

2./ In 2009 and 2010, PEMEX's physical investment is excluded.

Source: Ministry of Finance and Public Credit.

**PUBLIC SECTOR REVENUES**  
**(Million pesos)**

Concept	January-February		Real % Growth	Composition %	
	2009 <sup>p/</sup>	2010 <sup>p/</sup>		2009 <sup>p/</sup>	2010 <sup>p/</sup>
<b>Budgetary Revenues (I+II)</b>	<b>439,648.9</b>	<b>497,165.4</b>	<b>8.1</b>	<b>100.0</b>	<b>100.0</b>
I. Oil Related (a+b)	115,983.7	146,504.7	20.7	26.4	29.5
a) PEMEX	57,599.4	40,519.3	-32.8	13.1	8.2
b) Federal Government	58,384.3	105,985.4	73.5	13.3	21.3
Rights and royalties	52,311.2	116,832.1	113.4	11.9	23.5
Excise taxes <sup>1/</sup>	5,167.0	-11,109.8	n.s.	1.2	-2.2
Tax on Oil Returns	906.2	263.1	-72.3	0.2	0.1
II. Non-oil related (c+d)	323,665.2	350,660.7	3.5	73.6	70.5
c) Federal Government	253,577.6	283,140.2	6.7	57.7	57.0
Tax	214,929.0	253,494.3	12.7	48.9	51.0
Income Tax, IETU and IDE	116,671.8	132,340.6	8.4	26.5	26.6
Income Tax	99,484.0	118,205.3	13.5	22.6	23.8
IMPAC	-1,133.4	-157.6	n.s.	-0.3	0.0
IETU (Unique Rate Corporate Tax)	11,587.1	11,311.0	-6.7	2.6	2.3
IDE (Tax on Cash Deposits)	6,734.1	2,982.0	-57.7	1.5	0.6
VAT	75,640.7	95,019.5	20.0	17.2	19.1
Excise taxes	7,310.1	12,399.2	62.1	1.7	2.5
Import taxes	4,986.5	3,806.6	-27.0	1.1	0.8
Others <sup>2/</sup>	10,320.0	9,928.3	-8.1	2.3	2.0
Non-tax	38,648.6	29,645.9	-26.7	8.8	6.0
Rights	6,293.4	6,647.2	0.9	1.4	1.3
Fees	31,109.3	21,957.5	-32.6	7.1	4.4
Others	1,245.9	1,041.2	-20.1	0.3	0.2
d) PEDBC <sup>3/</sup>	70,087.6	67,520.5	-7.9	15.9	13.6
<b>Memorandum items:</b>					
Total tax related	221,002.2	242,647.6	4.9	50.3	48.8
Total non-tax related	218,646.7	254,517.8	11.2	49.7	51.2

Note: Figures may not add up due to rounding.

p/ Preliminary figures.

n.s.: No significant.

1/ The negative sign implies that compensations were greater than receipts.

2/ Includes new vehicle, vehicle ownership, exports, those which do not belong to these concepts and accessory taxes.

3/ Excludes Federal Government transfers to the ISSSTE.

Source: Ministry of Finance and Public Credit.

**PUBLIC SECTOR NET EXPENDITURES  
(Million pesos)**

Concept	January-February		Real % Growth	Composition %	
	2009 <sup>p./</sup>	2010 <sup>p./</sup>		2009 <sup>p./</sup>	2010 <sup>p./</sup>
<b>TOTAL (I+II)</b>	447,914.1	475,232.0	1.4	100.0	100.0
I. Primary Expenditures (a+b)	416,142.9	450,626.2	3.5	92.9	94.8
a) Programmable	335,799.9	344,531.2	-2.0	75.0	72.5
b) Non- programmable	80,343.0	106,095.0	26.2	17.9	22.3
II. Financial Cost <sup>1/</sup>	31,771.3	24,605.8	-26.0	7.1	5.2

Note: Figures may not add up due to rounding.

p./ Preliminary Figures.

1/ Includes interests, commissions and other public debt expenditures associated to debtor support programs, as well as expenditures to support savers and bank debtors.

Source: Ministry of Finance and Public Credit.

**FEDERAL GOVERNMENT DOMESTIC DEBT, FEBRUARY<sup>\* /</sup>**

**(Million pesos)**

Concept	Outstanding as of December 2009 <sup>p/ 1/</sup>	Indebtedness			Adjustments <sup>2/</sup>	Outstanding as of February 2010 <sup>p/</sup>
		Originations	Amort.	Net		
<b>I. Net Debt (III-II)</b>	<b>2,471,343.7</b>					<b>2,470,889.3</b>
II. Assets <sup>3/</sup>	231,436.0					299,449.2
<b>III. Gross Domestic Debt</b>	<b>2,702,779.7</b>	<b>345,031.7</b>	<b>288,514.6</b>	<b>56,517.1</b>	<b>11,041.7</b>	<b>2,770,338.5</b>
Government Securities	2,379,349.7	325,100.0	261,659.8	63,440.2	7,023.4	2,449,813.3
Cetes	498,759.8	244,076.0	246,459.8	-2,383.8	0.0	496,376.0
Bondes	20,600.0	0.0	9,600.0	-9,600.0	0.0	11,000.0
Bondes D	222,889.3	10,066.8	5,600.0	4,466.8	0.0	227,356.1
Fixed Rate Bonds	1,206,516.2	58,886.9	0.0	58,886.9	0.0	1,265,403.1
Udibonos	430,584.4	12,070.3	0.0	12,070.3	7,023.4	449,678.1
Udibonos <i>udi's</i>	99,209.2	2,765.1	0.0	2,765.1	0.0	101,974.3
S.A.R.	92,222.3	19,639.4	19,609.3	30.1	882.3	93,134.7
Obligations from ISSSTE Law	193,859.2	11.3	7,101.1	-7,089.8	2,762.8	189,532.2
Others	37,348.5	281.0	144.4	136.6	373.2	37,858.3

Note: Figures may not add up due to rounding.

\* / Figures subject to revisions and methodological changes.

p / Preliminary figures.

1 / The net debt balances differ from those published in the "Report on Public Finances and Public Debt Fourth Quarter of 2009", due to the modifications of the balances of bank accounts of December 2009 made by the Federal Treasury in February 2010.

2 / Refers to adjustment for inflation.

3 / Represents the balance, denominated in pesos, of the General Account of the Federal Treasury.

Source: Ministry of Finance and Public Credit.

**FEDERAL GOVERNMENT EXTERNAL DEBT, FEBRUARY<sup>1/</sup>**  
**(Million Dollars)**

Concept	Outstanding as of December 2009 <sup>p_1/</sup>	Indebtedness			Adjustments	Outstanding as of February 2010 <sup>p_1/</sup>
		Originations	Amort.	Net		
<b>I. Net Debt (III-II)</b>	<b>46,207.8</b>					<b>46,845.9</b>
II. Assets <sup>2/</sup>	2,500.0					1,517.0
<b>III. Gross Debt</b>	<b>48,707.8</b>	<b>1,298.7</b>	<b>1,450.6</b>	<b>-151.9</b>	<b>-193.0</b>	<b>48,362.9</b>
Public Bonds	34,961.7	1,000.0	1,357.0	-357.0	-189.6	34,415.1
IFI's	13,496.5	298.7	93.5	205.2	-0.8	13,700.9
Bilateral	173.1	0.0	0.1	-0.1	-2.6	170.4
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 and methodological changes.

p\_/ Preliminary figures.

1\_/ The net debt balances differ from those published in the "Report on Public Finances and Public Debt Fourth Quarter of 2009", due to the modifications of the balances of bank accounts of December 2009 made by the Federal Treasury in February 2010.

2\_/ Considers the US Dollar denominated balance of the Federal Treasury's General Account.

Source: Ministry of Finance and Public Credit.



**PUBLIC SECTOR DOMESTIC DEBT, FEBRUARY<sup>1/</sup>**  
**(Million Pesos)**

Concept	Outstanding as of December 2009 <sup>2/</sup>	Indebtedness			Adjustments	Outstanding as of February 2010 <sup>3/</sup>
		Originations	Amort.	Net		
<b>I. Net Debt (III-II)</b>	<b>2,594,133.2</b>					<b>2,569,140.5</b>
II. Assets <sup>3/</sup>	293,746.9					380,691.0
<b>III. Gross Debt</b>	<b>2,887,880.1</b>	<b>387,168.9</b>	<b>336,678.0</b>	<b>50,490.9</b>	<b>11,460.5</b>	<b>2,949,831.5</b>
<b>By Term</b>	<b>2,887,880.1</b>	<b>387,168.9</b>	<b>336,678.0</b>	<b>50,490.9</b>	<b>11,460.5</b>	<b>2,949,831.5</b>
Long-term	2,474,856.6	136,214.8	69,063.7	67,151.1	11,538.0	2,553,545.7
Short-term	413,023.5	250,954.1	267,614.3	-16,660.2	-77.5	396,285.8
<b>By User</b>	<b>2,887,880.1</b>	<b>387,168.9</b>	<b>336,678.0</b>	<b>50,490.9</b>	<b>11,460.5</b>	<b>2,949,831.5</b>
Federal Government	2,702,779.7	345,031.7	288,514.6	56,517.1	11,041.7	2,770,338.5
Long-term	2,314,221.4	117,452.3	56,540.4	60,911.9	11,041.7	2,386,175.0
Short-term	388,558.3	227,579.4	231,974.2	-4,394.8	0.0	384,163.5
PEDBC's	141,653.5	24,076.9	13,130.6	10,946.3	489.5	153,089.3
Long-term	134,235.5	18,761.9	12,519.9	6,242.0	489.5	140,967.0
Short-term	7,418.0	5,315.0	610.7	4,704.3	0.0	12,122.3
Development Banks	43,446.9	18,060.3	35,032.8	-16,972.5	-70.7	26,403.7
Long-term	26,399.7	0.6	3.4	-2.8	6.8	26,403.7
Short-term	17,047.2	18,059.7	35,029.4	-16,969.7	-77.5	0.0
<b>By Financing Source</b>	<b>2,887,880.1</b>	<b>387,168.9</b>	<b>336,678.0</b>	<b>50,490.9</b>	<b>11,460.5</b>	<b>2,949,831.5</b>
Bonds Placed in Domestic Markets	2,493,795.2	340,111.9	274,172.4	65,939.5	7,275.6	2,567,010.3
SAR	92,222.3	19,639.4	19,609.3	30.1	882.3	93,134.7
Commercial Banks	58,897.0	3,750.6	10,268.4	-6,517.8	-102.5	52,276.7
ISSSTE's Law obligations	193,859.2	11.3	7,101.1	-7,089.8	2,762.8	189,532.2
Others	49,106.4	23,655.7	25,526.8	-1,871.1	642.3	47,877.6

Note: Figures may not add up due to rounding.

\*\_/ Figures subject to revisions and methodological changes.

p\_/ Preliminary figures.

1\_/ Including the Federal Government, PEDBC's and Development Banks Debt.

2\_/ The net debt balances differ from those published in the "Report on Public Finances and Public Debt Fourth Quarter of 2009", due to the modifications reported by the development banks on their financial assets of December 2009 made by the Federal Treasury in February 2010.

3\_/ Considers the domestic currency denominated balance of the Federal Treasury's General Account and other held by PEDBC's and Development Banks.

Source: Ministry of Finance and Public Credit.

**PUBLIC SECTOR EXTERNAL DEBT, FEBRUARY<sup>1/</sup>**  
**(Million Dollars)**

Concept	Outstanding as of December 2009 <sup>p/ 2/</sup>	Indebtedness			Adjustments	Outstanding as of February 2010 <sup>p/ 1/</sup>
		Originations	Amort.	Net		
<b>I. Net Debt (III-II)</b>	<b>91,721.9</b>					<b>94,240.8</b>
II. Financial Assets in Foreign Currency <sup>3/</sup>	4,631.8					2,827.6
<b>III. Gross Debt</b>	<b>96,353.7</b>	<b>4,767.5</b>	<b>3,582.9</b>	<b>1,184.6</b>	<b>-469.9</b>	<b>97,068.4</b>
<b>By Term</b>	<b>96,353.7</b>	<b>4,767.5</b>	<b>3,582.9</b>	<b>1,184.6</b>	<b>-469.9</b>	<b>97,068.4</b>
Long-term	94,599.6	2,980.1	1,912.8	1,067.3	-466.5	95,200.4
Short-term	1,754.1	1,787.4	1,670.1	117.3	-3.4	1,868.0
<b>By User</b>	<b>96,353.7</b>	<b>4,767.5</b>	<b>3,582.9</b>	<b>1,184.6</b>	<b>-469.9</b>	<b>97,068.4</b>
Federal Government	48,707.8	1,298.7	1,450.6	-151.9	-193.0	48,362.9
Long-term	48,707.8	1,298.7	1,450.6	-151.9	-193.0	48,362.9
Short-term	0.0	0.0	0.0	0.0	0.0	0.0
PEDBC's	41,101.2	2,004.6	444.7	1,559.9	-304.8	42,356.3
Long-term	41,101.2	1,681.4	372.9	1,308.5	-304.8	42,104.9
Short-term	0.0	323.2	71.8	251.4	0.0	251.4
Development Banks	6,544.7	1,464.2	1,687.6	-223.4	27.9	6,349.2
Long-term	4,790.6	0.0	89.3	-89.3	31.3	4,732.6
Short-term	1,754.1	1,464.2	1,598.3	-134.1	-3.4	1,616.6
<b>By Financing Source</b>	<b>96,353.7</b>	<b>4,767.5</b>	<b>3,582.9</b>	<b>1,184.6</b>	<b>-469.9</b>	<b>97,068.4</b>
Public Bonds	58,731.2	2,139.8	1,357.0	782.8	-507.5	59,006.5
IFI's	17,143.8	298.7	167.0	131.7	4.9	17,280.4
Bilateral	12,287.6	541.6	494.1	47.5	32.6	12,367.7
Commercial Banks	7,791.4	1,464.2	1,493.0	-28.8	17.5	7,780.1
Restructured	76.5	0.0	0.0	0.0	0.0	76.5
Pidiregas	323.2	323.2	71.8	251.4	-17.4	557.2

Note: Figures may not add up due to rounding.

\*\_/ Figures subject to revisions and methodological changes.

p\_/ Preliminary figures.

1\_/ Including the Federal Government, PEDBC's and Development Banks Debt.

2\_/ The net debt balances differ from those published in the "Report on Public Finances and Public Debt Fourth Quarter of 2009", due to the modifications of the balances of bank accounts of December 2009 made by the Federal Treasury in February 2010.

3\_/ Considers the US Dollar denominated balance of the Federal Treasury's General Account and other federal government assets in foreign currency, as well as other held by PEDBC's and Development Banks.

Source: Ministry of Finance and Public Credit.

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