



PUBLIC FINANCE AND PUBLIC DEBT REPORT, JANUARY 2011

The public finance and public debt preliminary results as of January 2011 were released today.

The main results for January are the following:

- The total Public Sector deficit and the surplus excluding investment by Pemex were Ps. 0.7 and Ps. 12.4 billion, respectively, results consistent with the approved public deficit for the year.
- Budgetary revenues were lower by 3.3% in real annual terms. This is due to the high non-oil non-tax revenues that were observed in January 2010, which implies that the annual decrease is temporary and will be reverted in the following months.
- Oil revenues and revenues of public entities under direct budgetary control other than PEMEX increased by 6.9 and 5.0% in real terms. Non-oil tax collection was similar in real terms to that observed in January 2010 due to the atypically high revenues that were registered in that month due to the tax payments that were anticipated to December 2009 as a result of the fiscal reform.
- Net expenditures were higher by 3.3% in real annual terms. Programmable expenditures increased by 6.9% in real terms and worth highlighting are the resources channeled to health, education, social security, and urbanization, housing and regional development.
- Shared revenues increased by 11.2% in real annual terms.
- The Federal Public **Sector's** net domestic debt decreased by Ps. 17.4 billion and the Federal Public **Sector's** net external debt increased by USD 2.2 billion with respect to the end of 2010.

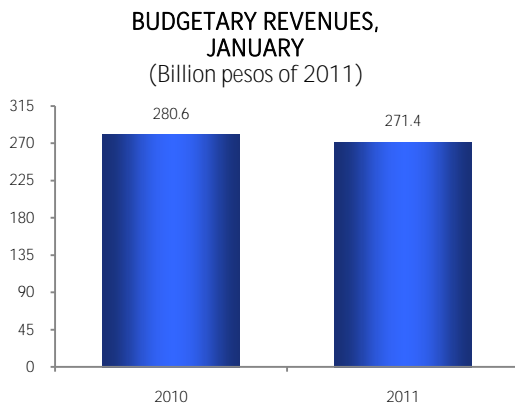
Evolution of the Public Finances during January

As of January 2011, the balance of the Public Sector posted a deficit of Ps. 0.7 billion. The primary balance posted a surplus of Ps. 9.5 billion. If investment by PEMEX is excluded, the balance of the Public Sector would register a

surplus of Ps. 12.4 billion. These results are consistent with the approved deficit for 2011, in compliance with Article 17 of the Federal Budget and Fiscal Responsibility Law.

Public Sector Budgetary Revenues during January

The Public Sector's budgetary revenues were Ps. 271.4 billion, amount 3.3% lower in real terms with respect to that observed in the same period of the previous year. This is due to the high non-oil non-tax revenues that were observed in January 2010, which implies that the annual decrease is temporary and will be reverted in the following months. The evolution of the main components of budgetary revenues was the following:



- Non-oil tax revenues were Ps. 156.2 billion, amount similar in real terms than that observed in January of the previous year. This result is due to the high revenues observed in January 2010 associated with tax payments that were anticipated to December 2009 due to the fiscal reform that started to apply in 2010, leading to an increase in non-oil tax revenues of 15.3% in real terms in January 2010. In January 2011, excise tax collection and Income tax collection (which includes the IETU and the Tax on Cash Deposits) increased by 20.6 and 4.4% in real terms, respectively; VAT

collection decreased by 8.2% in real terms due to the above mentioned effect.¹

- 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. 70.5 billion, amount that is 6.9% higher in real annual terms. This result is explained mainly by the higher price of the Mexican oil mix (82.3 dpb compared with 70.1 dpb observed in the same period of last year), that was partially offset by the real appreciation of the exchange rate by 7.0%, the higher value of imports of hydrocarbons by 45.9% in real terms and a lower oil production platform by 0.7%.
- Revenues of public entities under direct budgetary control other than PEMEX were Ps. 37.4 billion, which represented an increase of 5.0% in real annual terms. This is mainly explained by the higher quotas and social security contributions to the IMSS.
- Non-tax non-oil revenues totaled Ps. 7.2 billion, amount lower by 68.3% in real annual terms due to the high non-recurrent revenues that were observed in January 2010.

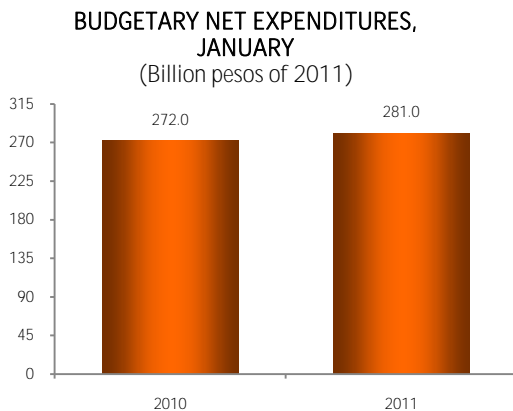
Net Budgetary Public Sector Expenditures during January

During the first month of the year, net budgetary expenditures of the Public Sector totaled Ps. 281.0 billion, amount higher by 3.3% in real annual terms.

Paid programmable expenditures totaled Ps. 207.0 billion, amount higher by 6.9% in real

¹ VAT collection increased by 21.8% in real terms in January 2010.

annual terms. Within this item, worth highlighting are the resources channeled to health, education, social security, and urbanization, housing and regional development.



Resources transferred to federal entities and municipalities through shared revenues, decentralization agreements and reallocations increased by 7.4% in real terms. Shared revenues increased by 11.2% in real terms due to higher federal shareable revenues, while the remainder of the resources distributed to federal entities and municipalities increased by 5.0% in real annual terms.

The Public Sector's financial cost was Ps. 18.2 billion, amount 3.0% higher in real terms than the one registered in the same period of last year.

Stock of Public Debt as of January

At the end of January, the Federal Government's net domestic debt was Ps. 2,749.2 billion, amount Ps. 60.3 billion lower than that observed at the end of 2010. The change in the stock is explained by net indebtedness of Ps. 24.6 billion, by upward adjustments to the inflation indexed debt by Ps. 6.1 billion and an increase in the Federal

Government's financial assets by Ps. 91.0 billion.

The stock of the Federal Government's net external debt in January was USD 55.6 billion, amount USD 3.0 billion higher than the one observed at the end of 2010. This result is explained by a net disindebtedness by USD 1.6 billion, by upward accounting adjustments by USD 0.1 billion and a decrease in financial assets in foreign currency by USD 4.5 billion.

The stock of the Federal Public Sector's net domestic debt (Federal Government, PEDBC's and development banks) at the end of January was Ps. 2,903.6 billion, which implies a decrease of Ps. 17.4 billion with respect to the stock recorded at the end of 2010. This is due to net domestic indebtedness during the period of Ps. 31.8 billion, upward accounting adjustments by Ps. 6.6 billion and an increase in the non-financial Public Sector's assets by Ps. 55.7 billion.

The stock of the Federal Public Sector's net external debt was USD 107.1 billion, amount that is higher by USD 2.2 billion than the one registered at the end of 2010. This result is explained by net external disindebtedness by USD 1.6 billion, upward accounting adjustments by USD 0.2 billion and a decrease in foreign financial assets by USD 3.5 billion.

More details on public finance and public debt statistics can be obtained in the Ministry of Finance's web page at:

<http://t.co/pmRnBb1>



ANNEX

PUBLIC SECTOR BALANCE (Million pesos)

Concept	January		Real % Growth	Composition %	
	2010 ^{p./}	2011 ^{p./}		2010 ^{p./}	2011 ^{p./}
PUBLIC BALANCE	6,369.6	-700.9	n.s.		
PUBLIC BALANCE EXCLUDING PEMEX'S INVESTMENT^{1_/}	26,855.3	12,442.1	-55.4		
Budgetary Balance	8,361.1	-9,524.7	n.s.		
Budgetary Revenues	270,421.0	271,439.9	-3.3	100.0	100.0
Oil Related	63,559.5	70,543.2	6.9	23.5	26.0
Federal Government	57,408.3	67,075.7	12.6	21.2	24.7
PEMEX	6,151.2	3,467.5	-45.7	2.3	1.3
Non-oil related	206,861.5	200,896.7	-6.4	76.5	74.0
Federal Government	172,519.4	163,471.0	-8.7	63.8	60.2
Tax	150,545.6	156,243.1	0.0	55.7	57.6
Non-tax	21,973.7	7,228.0	-68.3	8.1	2.7
PEDBC	34,342.1	37,425.7	5.0	12.7	13.8
Net Budgetary Expenditures	262,059.9	280,964.7	3.3	100.0	100.0
Programmable	186,680.4	207,029.4	6.9	71.2	73.7
Non programmable	75,379.4	73,935.3	-5.5	28.8	26.3
PEIBC	-1,991.5	8,823.9	n.s.		
Primary Balance	27,170.8	9,474.7	-66.4		

Note: Figures may not add up due to rounding.

p./ Preliminary figures.

n.s.: No significant.

1_/ PEMEX's physical investment is excluded.

Source: Ministry of Finance and Public Credit.



Press Release

Mexico City, March 2nd, 2011.

PUBLIC SECTOR REVENUES (Million pesos)

Concept	January		Real % Growth	Composition %	
	2010 ^{p./}	2011 ^{p./}		2010 ^{p./}	2011 ^{p./}
Budgetary Revenues(I+II)	270,421.0	271,439.9	-3.3	100.0	100.0
I. Oil Related (a+b)	63,559.5	70,543.2	6.9	23.5	26.0
a) PEMEX	6,151.2	3,467.5	-45.7	2.3	1.3
b) Federal Government	57,408.3	67,075.7	12.6	21.2	24.7
Rights and royalties	64,147.2	71,396.0	7.2	23.7	26.3
Excise taxes ^{1_/}	-6,928.5	-4,372.0	n.s.	-2.6	-1.6
Tax on Oil Returns	189.5	51.7	-73.7	0.1	0.0
II. Non-oil related (c+d)	206,861.5	200,896.7	-6.4	76.5	74.0
c) Federal Government	172,519.4	163,471.0	-8.7	63.8	60.2
Tax	150,545.6	156,243.1	0.0	55.7	57.6
Income Tax, IETU and IDE	75,754.5	82,096.2	4.4	28.0	30.2
Income Tax	72,041.0	77,895.6	4.2	26.6	28.7
IMPAC	-43.1	0.6	n.s.	0.0	0.0
IETU (Unique Rate Corporate Tax)	4,120.0	4,087.7	-4.4	1.5	1.5
IDE (Tax on Cash Deposits)	-363.4	112.2	n.s.	-0.1	0.0
VAT	58,816.9	56,024.9	-8.2	21.8	20.6
Excise taxes	9,556.7	11,962.6	20.6	3.5	4.4
Import taxes	1,988.9	2,014.0	-2.4	0.7	0.7
Others ^{2_/}	4,428.5	4,145.4	-9.8	1.6	1.5
Non-tax	21,973.7	7,228.0	-68.3	8.1	2.7
Rights	3,203.5	4,035.6	21.4	1.2	1.5
Fees	18,446.4	2,943.2	-84.6	6.8	1.1
Others	323.8	249.2	-25.8	0.1	0.1
d) PEDBC ^{3_/}	34,342.1	37,425.7	5.0	12.7	13.8
Memorandum items:					
Total tax related	143,806.7	151,922.8	1.8	53.2	56.0
Total non-tax related	126,614.3	119,517.1	-9.0	46.8	44.0

Note: Figures may not add up due to rounding.

p./ Preliminary figures.

n.s.: No significant.

1_/ The negative sign implies that tax 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.



Press Release

Mexico City, March 2nd, 2011.

PUBLIC SECTOR NET EXPENDITURES (Million pesos)

Concept	January		Real % Growth	Composition %	
	2010 ^{p./}	2011 ^{p./}		2010 ^{p./}	2011 ^{p./}
TOTAL (I+II)	262,059.9	280,964.7	3.3	100.0	100.0
I. Primary Expenditures (a+b)	245,058.0	262,786.6	3.3	93.5	93.5
a) Programmable	186,680.4	207,029.4	6.9	71.2	73.7
b) Non- programmable	58,377.6	55,757.1	-8.0	22.3	19.8
II. Financial Cost ^{1_}	17,001.9	18,178.1	3.0	6.5	6.5

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.



Press Release

Mexico City, March 2nd, 2011.

FEDERAL GOVERNMENT DOMESTIC DEBT, JANUARY^{*_}
(Million pesos)

Concept	Outstanding as of December 2010 ^{p_}	Indebtedness			Adjustments ^{1_}	Outstanding as of January 2011 ^{p_}
		Originations	Amort.	Net		
I. Net Debt (III-II)	2,809,532.4					2,749,199.3
II. Assets ^{2_}	78,744.8					169,730.0
III. Gross Domestic Debt	2,888,277.2	164,845.8	140,250.0	24,595.8	6,056.3	2,918,929.3
Government Securities	2,553,925.8	107,729.4	105,202.4	2,527.0	3,610.8	2,560,063.6
Cetes	393,977.2	83,093.9	80,790.7	2,303.2	0.0	396,280.4
Bondes "D"	183,056.1	2,643.7	0.0	2,643.7	0.0	185,699.8
Fixed Rate Bonds	1,446,781.0	15,255.5	0.0	15,255.5	0.0	1,462,036.5
Udibonos	530,111.5	6,736.3	24,411.7	-17,675.4	3,610.8	516,046.9
<i>Udibonos udi's</i>	117,117.9	1,483.5	5,389.4	-3,905.9	0.0	113,212.0
S.A.R.	110,308.6	16,872.7	14,289.4	2,583.3	882.6	113,774.5
Obligations from ISSSTE Law	193,033.0	0.6	20,702.9	-20,702.3	1,180.2	173,510.9
Others	31,009.8	40,243.1	55.3	40,187.8	382.7	71,580.3

Note: Figures may not add up due to rounding.

*_ / Figures subject to revisions and methodological changes.

p_ / Preliminary figures.

1_ / Refers to adjustment for inflation.

2_ / Represents the balance, denominated in pesos, of the General Account of the federal treasury.

Source: Ministry of Finance and Public Credit.



Press Release

Mexico City, March 2nd, 2011.

FEDERAL GOVERNMENT EXTERNAL DEBT, JANUARY^{*_}
(Million Dollars)

Concept	Outstanding as of December 2010 ^{p_}	Indebtedness			Adjustments	Outstanding as of January 2011 ^{p_}
		Originations	Amort.	Net		
I. Net Debt (III-II)	52,615.0					55,623.7
II. Assets ^{2/}	4,572.0					17.0
III. Gross Debt	57,187.0	0.0	1,619.1	-1,619.1	72.8	55,640.7
Public Bonds	39,563.8	0.0	1,540.5	-1,540.5	65.4	38,088.7
IFI's	16,995.2	0.0	78.5	-78.5	0.4	16,917.1
Bilateral	628.0	0.0	0.1	-0.1	7.0	634.9

Note: Figures may not add up due to rounding.

*_ / Figures subject to revisions and methodological changes.

p_ / Preliminary figures.

1_ / Considers the US Dollar denominated balance of the federal treasury's General Account.

Source: Ministry of Finance and Public Credit.



Press Release

Mexico City, March 2nd, 2011.

PUBLIC SECTOR DOMESTIC DEBT, JANUARY*^{1/}
(Million Pesos)

Concept	Outstanding as of December 2010 ^{p/}	Indebtedness			Adjustments	Outstanding as of January 2011 ^{p/}
		Originations	Amort.	Net		
I. Net Debt (III-II)	2,920,960.5					2,903,601.9
II. Assets ^{2/}	159,924.5					215,662.8
III. Gross Debt	3,080,885.0	179,600.5	147,783.3	31,817.2	6,562.5	3,119,264.7
By Term	3,080,885.0	179,600.5	147,783.3	31,817.2	6,562.5	3,119,264.7
Long-term	2,781,973.5	96,873.8	66,470.9	30,402.9	6,562.5	2,818,938.9
Short-term	298,911.5	82,726.7	81,312.4	1,414.3	0.0	300,325.8
By User	3,080,885.0	179,600.5	147,783.3	31,817.2	6,562.5	3,119,264.7
Federal Government	2,888,277.2	164,845.8	140,250.0	24,595.8	6,056.3	2,918,929.3
Long-term	2,593,865.7	88,873.5	59,434.4	29,439.1	6,056.3	2,629,361.1
Short-term	294,411.5	75,972.3	80,815.6	-4,843.3	0.0	289,568.2
PEDBC's	166,863.5	14,754.4	7,530.1	7,224.3	530.4	174,618.2
Long-term	162,363.5	8,000.0	7,033.3	966.7	530.4	163,860.6
Short-term	4,500.0	6,754.4	496.8	6,257.6	0.0	10,757.6
Development Banks	25,744.3	0.3	3.2	-2.9	-24.2	25,717.2
Long-term	25,744.3	0.3	3.2	-2.9	-24.2	25,717.2
Short-term	0.0	0.0	0.0	0.0	0.0	0.0
By Financing Source	3,080,885.0	179,600.5	147,783.3	31,817.2	6,562.5	3,119,264.7
Bonds Placed in Domestic Markets	2,693,867.6	115,729.4	105,202.4	10,527.0	3,750.1	2,708,144.7
SAR	110,308.6	16,872.7	14,289.4	2,583.3	882.6	113,774.5
Commercial Banks	46,033.1	0.3	7,036.5	-7,036.2	-38.5	38,958.4
ISSSTE's Law obligations	193,033.0	0.6	20,702.9	-20,702.3	1,180.2	173,510.9
Others	37,642.7	46,997.5	552.1	46,445.4	788.1	84,876.2

Note: Figures may not add up due to rounding.

*^{1/} Figures subject to revisions and methodological changes.

p^{2/} Preliminary figures.

1^{1/} Including the federal government, PEDBC's and Development Banks Debt.

2^{2/} 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.

PUBLIC SECTOR EXTERNAL DEBT, JANUARY*_{1/}
(Million Dollars)

Concept	Outstanding as of December 2010 ^{p_}	Indebtedness			Adjustments	Outstanding as of January 2011 ^{p_}
		Originations	Amort.	Net		
I. Net Debt (III-II)	104,955.1					107,110.8
II. Financial Assets in Foreign Currency ^{2/}	5,472.9					1,924.4
III. Gross Debt	110,428.0	1,334.9	2,920.2	-1,585.3	192.5	109,035.2
By Term	110,428.0	1,334.9	2,920.2	-1,585.3	192.5	109,035.2
Long-term	108,088.9	0.0	1,846.2	-1,846.2	192.3	106,435.0
Short-term	2,339.1	1,334.9	1,074.0	260.9	0.2	2,600.2
By User	110,428.0	1,334.9	2,920.2	-1,585.3	192.5	109,035.2
Federal Government	57,187.0	0.0	1,619.1	-1,619.1	72.8	55,640.7
Long-term	57,187.0	0.0	1,619.1	-1,619.1	72.8	55,640.7
Short-term	0.0	0.0	0.0	0.0	0.0	0.0
PEDBC's	45,577.3	333.1	242.6	90.5	123.8	45,791.6
Long-term	45,557.3	0.0	197.7	-197.7	123.8	45,483.4
Short-term	20.0	333.1	44.9	288.2	0.0	308.2
Development Banks	7,663.7	1,001.8	1,058.5	-56.7	-4.1	7,602.9
Long-term	5,344.6	0.0	29.4	-29.4	-4.3	5,310.9
Short-term	2,319.1	1,001.8	1,029.1	-27.3	0.2	2,292.0
By Financing Source	110,428.0	1,334.9	2,920.2	-1,585.3	192.5	109,035.2
Public Bonds	63,591.1	0.0	1,540.5	-1,540.5	176.9	62,227.5
IFI's	21,133.6	0.0	84.7	-84.7	10.9	21,059.8
Bilateral	15,151.0	184.5	351.7	-167.2	85.2	15,069.0
Commercial Banks	10,219.2	817.3	898.4	-81.1	-6.2	10,131.9
Pidiregas	333.1	333.1	44.9	288.2	-74.3	547.0

Note: Figures may not add up due to rounding.

*_{1/} Figures subject to revisions and methodological changes.

p_{1/} Preliminary figures.

1_{1/} Including the federal government, PEDBC's and Development Banks Debt.

2_{1/} 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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