

## PUBLIC FINANCE AND PUBLIC DEBT REPORT, JANUARY 2012

The public finance and public debt preliminary results as of January 2012 were released today.

The main results for January are the following:

- The total Public Sector surplus and the surplus excluding investment by PEMEX were Ps. 3.6 and Ps. 18.8 billion, respectively, results consistent with the approved deficit for the year.
- Budgetary revenues were higher by 10.5% in real annual terms.
- Oil revenues, non-tax revenues and revenues of public entities under direct budgetary control other than PEMEX increased by 31.5, 56.7, and 8.4%, respectively, in real terms. Non-oil tax revenues decreased by 1.1% in real terms mainly due to the elimination of the vehicle ownership tax.
- Net expenditures were higher by 5.8% in real terms with respect to the same period of last year. Programmable expenditures increased by 5.1% in real terms, and worth highlighting are the resources allocated to energy sector activities, education, communications, national security and science and technology.
- Federal resources transferred to federal entities and municipalities increased by 4.7% in real terms. Shared revenues increased by 12.6% in real terms.
- The Federal Public **Sector's** net domestic debt increased by Ps. 10.0 billion while the **Federal Public Sector's** net external debt increased by USD 1.9 billion, both with respect to the end of 2011.

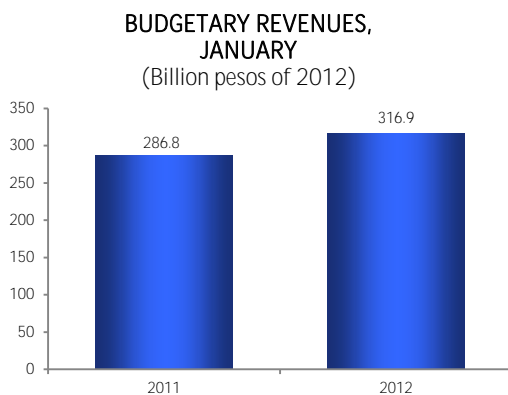
### *Evolution of the Public Finances during January*

As of January 2012, the Public Sector posted a surplus of Ps. 3.6 billion. The primary balance posted a surplus of Ps. 29.3 billion. If investment by PEMEX is excluded, the Public Sector surplus was Ps. 18.8 billion. These results are consistent with the approved deficit

for 2012, 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. 316.9 billion, amount 10.5% higher in real annual terms. The evolution of the main components of budgetary revenues was the following:



- Non-oil tax revenues were Ps. 160.8 billion, amount lower by 1.1% in real annual terms. This is explained by the elimination of the vehicle ownership tax, and when tax collection is adjusted for this effect, tax revenues decreased by 0.1%. Revenues from the income tax (including the IETU and the Tax on Cash Deposits) and taxes on imports increased by 10.1 and 15.0% in real terms, respectively, while VAT and excise tax collection decreased by 5.4% and 48.2% in real terms. The decrease in VAT collection is explained by 'el Buen Fin' which caused some of the purchases that are usually made in December to be carried out in November of last year, reducing the revenues generated in December and paid in January. This effect is temporary and should be reverted in the coming months. The decrease in excise tax collection is due to cigarette purchases that were brought forward to the end of 2010 before the

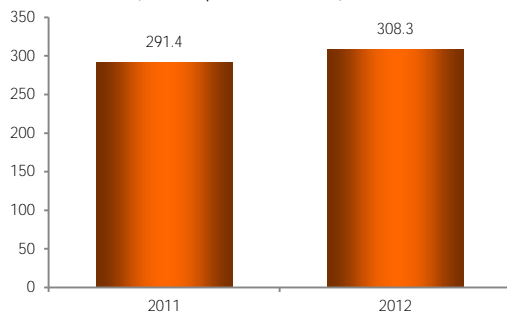
increase in the excise tax rate applicable to tobacco in January of 2011.

- Oil related revenues (which include **PEMEX's own revenues, excise tax** collection on gasoline and diesel, royalties and fees, and taxes on oil returns) totaled Ps. 102.1 billion, increasing by 31.5% in real annual terms. This result is explained mainly by the higher price of the Mexican oil mix (104.9 dpb compared with 81.5 dpb observed in the same period of last year), that was partially offset by the real appreciation of the exchange rate by 6.6% in real terms, the higher value of hydrocarbon imports by 1.6% in real terms and a lower oil production platform by 0.7%, all with respect to the same period of 2011.
- Revenues of public entities under direct budgetary control other than PEMEX were Ps. 42.4 billion, which represented an increase of 8.4% in real annual terms. This is mainly explained by higher social security contributions and higher revenues from electricity sales.
- Non-tax non-oil revenues totaled Ps. 11.8 billion, amount higher by 56.7% in real annual terms due to a higher collection in royalties and duties.

## Net Budgetary Public Sector Expenditures during January

During the first month of the year, net budgetary expenditures of the Public Sector totaled Ps. 308.3 billion, amount higher by 5.8% in real terms than the one observed in the same period of 2011.

**BUDGETARY NET EXPENDITURES,  
JANUARY**  
(Billion pesos of 2012)



Paid programmable expenditures totaled Ps. 226.1 billion, amount higher by 5.1% in real annual terms. Within this item, worth highlighting are the increases in resources allocated to the energy sector, education, communications, national security and science and technology.

Resources transferred to federal entities and municipalities through shared revenues, federal contributions, decentralization agreements and reallocations, increased by 4.7% in real terms. Shared revenues increased by 12.6% in real terms due to higher federal shareable revenues, while the remainder of the resources transferred to federal entities and municipalities decreased by 0.5% in real annual terms.

The Public Sector's financial cost was Ps. 18.1 billion, 2.9% lower in real annual terms.

**Stock of Public Debt as of January**

At the end of January, the Federal Government's net domestic debt was Ps. 3,127.6 billion, amount Ps. 1.9 billion lower than that observed at the end of 2011. The change in the stock is explained by net indebtedness of Ps. 58.2 billion, upward adjustments to the inflation indexed debt by Ps. 9.1 billion and an increase in the Federal

Government's financial assets by Ps. 69.3 billion.

The stock of the Federal Government's net external debt was USD 60.6 billion, amount USD 0.8 billion higher than the one observed at the end of 2011. This result is explained by a net indebtedness of USD 1.2 billion, upward accounting adjustments by USD 0.1 billion and an increase in financial assets in foreign currency by USD 0.5 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. 3,285.5 billion, which implies an increase of Ps. 10.0 billion with respect to the stock recorded at the end of 2011. This is due to net domestic indebtedness during the period of Ps. 64.8 billion, upward accounting adjustments by Ps. 9.4 billion and an increase in domestic financial assets by Ps. 64.2 billion.

The stock of the Federal Public Sector's net external debt was USD 115.8 billion, amount that is higher by USD 1.9 billion than the one registered at the end of 2011. This result is explained by net indebtedness of Ps. 3.4 billion, upward accounting adjustments by USD 0.3 billion and an increase in foreign financial assets by USD 1.8 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 I

### PUBLIC SECTOR BALANCE (Million pesos)

Concept	January		Real % Growth	Composition %	
	2011 <sup>p./</sup>	2012 <sup>p./</sup>		2011 <sup>p./</sup>	2012 <sup>p./</sup>
<b>PUBLIC BALANCE</b>	-700.9	3,591.6	n.s.		
<b>PUBLIC BALANCE EXCLUDING PEMEX'S INVESTMENT<sup>1/</sup></b>	12,156.8	18,793.6	48.6		
Budgetary Balance	-4,506.5	8,671.5	n.s.		
Budgetary Revenues	275,606.3	316,934.0	10.5	100.0	100.0
Oil Related	74,562.0	102,051.4	31.5	27.1	32.2
Federal Government	67,089.0	83,610.7	19.8	24.3	26.4
PEMEX	7,473.0	18,440.7	137.2	2.7	5.8
Non-oil related	201,044.4	214,882.6	2.7	72.9	67.8
Federal Government	163,489.8	172,525.0	1.4	59.3	54.4
Tax	156,270.8	160,757.8	-1.1	56.7	50.7
Non-tax	7,219.0	11,767.2	56.7	2.6	3.7
PEDBC	37,554.5	42,357.6	8.4	13.6	13.4
Net Budgetary Expenditures	280,112.9	308,262.5	5.8	100.0	100.0
Programmable	206,820.7	226,103.9	5.1	73.8	73.3
Non programmable	73,292.2	82,158.6	7.7	26.2	26.7
PEIBC	3,805.7	-5,079.9	n.s.		
Primary Balance	14,928.8	29,305.6	88.7		

Note: Figures may not add up due to rounding.

p./ Preliminary figures.

n.s.: Not significant.

1\_/ PEMEX's physical investment is excluded.

Source: Ministry of Finance and Public Credit.



Press Release

Mexico City, March 1<sup>st</sup>, 2012.

### PUBLIC SECTOR REVENUES (Million pesos)

Concept	January		Real % Growth	Composition %	
	2011 <sup>p./</sup>	2012 <sup>p./</sup>		2011 <sup>p./</sup>	2012 <sup>p./</sup>
<b>BUDGETARY REVENUES(I+II)</b>	<b>275,606.3</b>	<b>316,934.0</b>	<b>10.5</b>	<b>100.0</b>	<b>100.0</b>
I. Oil Related (a+b)	74,562.0	102,051.4	31.5	27.1	32.2
a) PEMEX	7,473.0	18,440.7	137.2	2.7	5.8
b) Federal Government	67,089.0	83,610.7	19.8	24.3	26.4
Rights and royalties	71,396.0	101,599.1	36.8	25.9	32.1
Excise taxes <sup>1_/</sup>	-4,358.7	-18,126.3	n.s.	-1.6	-5.7
Tax on Oil Returns	51.7	137.9	156.2	0.0	0.0
II. Non-oil related (c+d)	201,044.4	214,882.6	2.7	72.9	67.8
c) Federal Government	163,489.8	172,525.0	1.4	59.3	54.4
Tax	156,270.8	160,757.8	-1.1	56.7	50.7
Income Tax, IETU and IDE	81,564.7	93,420.4	10.1	29.6	29.5
Income Tax	78,436.9	91,856.9	12.6	28.5	29.0
IMPAC	-0.6	-215.9	n.s.	0.0	-0.1
IETU (Unique Rate Corporate Tax)	4,099.9	3,961.1	-7.1	1.5	1.2
IDE (Tax on Cash Deposits)	-971.5	-2,181.7	n.s.	-0.4	-0.7
VAT	56,441.9	55,549.8	-5.4	20.5	17.5
Excise taxes	12,096.9	6,513.6	-48.2	4.4	2.1
Import taxes	2,014.0	2,409.6	15.0	0.7	0.8
Others <sup>2_/</sup>	4,153.3	2,864.5	-33.7	1.5	0.9
Non-tax	7,219.0	11,767.2	56.7	2.6	3.7
Rights	4,036.5	4,532.7	7.9	1.5	1.4
Fees	2,937.5	6,819.0	123.1	1.1	2.2
Others	245.0	415.4	63.0	0.1	0.1
d) PEDBC <sup>3_/</sup>	37,554.5	42,357.6	8.4	13.6	13.4
<b>Memorandum items:</b>					
Total tax related	151,963.9	142,769.4	-9.7	55.1	45.0
Total non-tax related	123,642.5	174,164.6	35.4	44.9	55.0

Note: Figures may not add up due to rounding.

p./ Preliminary figures.

n.s.: Not significant.

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

2\_/ Includes taxes on new vehicles, on vehicle ownership, exports, those that do not belong to the aforementioned and accessories.

3\_/ Excludes federal government transfers to the ISSSTE.

Source: Ministry of Finance and Public Credit.



Press Release

Mexico City, March 1<sup>st</sup>, 2012.

### PUBLIC SECTOR NET EXPENDITURES (Million pesos)

Concept	January		Real % Growth	Composition %	
	2011 <sup>p./</sup>	2012 <sup>p./</sup>		2011 <sup>p./</sup>	2012 <sup>p./</sup>
<b>TOTAL (I+II)</b>	280,112.9	308,262.5	5.8	100.0	100.0
I. Primary Expenditures (a+b)	262,203.7	290,166.9	6.4	93.6	94.1
a) Programmable	206,820.7	226,103.9	5.1	73.8	73.3
b) Non- programmable	55,383.0	64,063.1	11.2	19.8	20.8
II. Financial Cost <sup>1/2</sup>	17,909.2	18,095.6	-2.9	6.4	5.9

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 1<sup>st</sup>, 2012.

FEDERAL GOVERNMENT DOMESTIC DEBT, JANUARY <sup>1\_</sup>/<sub>2\_</sub>  
(Million pesos)

Concept	Outstanding as of December 2011	Indebtedness			Adjustments <sup>1_</sup> / <sub>2_</sub>	Outstanding as of January 2012 <sup>p_</sup> / <sub>2_</sub>
		Originations	Amort.	Net		
<b>1. Net Debt (3-2)</b>	<b>3,129,546.2</b>					<b>3,127,605.4</b>
2. Assets <sup>2_</sup> / <sub>2_</sub>	68,157.0					137,430.0
<b>3. Gross Domestic Debt</b>	<b>3,197,703.2</b>	<b>184,137.3</b>	<b>125,891.7</b>	<b>58,245.6</b>	<b>9,086.6</b>	<b>3,265,035.4</b>
Government Securities	2,882,799.6	165,314.8	110,937.0	54,377.8	6,036.6	2,943,214.0
Cetes	456,600.8	125,804.2	110,936.8	14,867.4	0.0	471,468.2
Bonds "D"	202,473.1	3,116.4	0.0	3,116.4	0.0	205,589.5
Fixed Rate Bonds	1,581,580.5	25,822.8	0.1	25,822.7	0.0	1,607,403.2
Udibonos	642,145.2	10,571.4	0.1	10,571.3	6,036.6	658,753.1
<i>Udibonos udi's</i>	<i>136,922.7</i>	<i>2,244.4</i>	<i>0.0</i>	<i>2,244.4</i>	<i>0.0</i>	<i>139,167.1</i>
S.A.R.	81,193.5	18,301.8	14,566.8	3,735.0	884.2	85,812.7
Obligations from ISSSTE Law	171,932.8	1.1	336.3	-335.2	1,595.1	173,192.7
Others	61,777.3	519.6	51.6	468.0	570.7	62,816.0

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 1<sup>st</sup>, 2012.

FEDERAL GOVERNMENT EXTERNAL DEBT, JANUARY <sup>\*\_/\_</sup>  
(Million dollars)

Concept	Outstanding as of December 2011	Indebtedness			Adjustments	Outstanding as of January 2012 <sup>p_/_</sup>
		Originations	Amort.	Net		
<b>1. Net Debt (3-2)</b>	<b>59,878.5</b>					<b>60,645.9</b>
<b>2. Assets <sup>1_/_</sup></b>	1,473.0					2,013.0
<b>3. Gross Debt</b>	<b>61,351.5</b>	<b>2,000.0</b>	<b>817.1</b>	<b>1,182.9</b>	<b>124.5</b>	<b>62,658.9</b>
Public Bonds	40,668.5	2,000.0	743.5	1,256.5	114.9	42,039.9
IFI's	19,606.7	0.0	70.6	-70.6	0.2	19,536.3
Bilateral	1,076.3	0.0	3.0	-3.0	9.4	1,082.7

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 General Account of the Federal Treasury.

Source: Ministry of Finance and Public Credit.



**PUBLIC SECTOR DOMESTIC DEBT, JANUARY <sup>\*\_/\_</sup>1\_/\_**  
(Million pesos)

Concept	Outstanding as of December 2011	Indebtedness		Adjustments Net	Outstanding as of January 2012 <sup>p_/_</sup>	
		Originations	Amort.			
<b>1. Net Debt (3-2)</b>	<b>3,275,582.2</b>				<b>3,285,547.7</b>	
<b>2. Assets <sup>2_/_</sup></b>	<b>171,226.4</b>				<b>235,449.6</b>	
<b>3. Gross Debt</b>	<b>3,446,808.6</b>	<b>192,408.1</b>	<b>127,641.6</b>	<b>64,766.5</b>	<b>9,422.2</b>	<b>3,520,997.3</b>
<b>By Term</b>	<b>3,446,808.6</b>	<b>192,408.1</b>	<b>127,641.6</b>	<b>64,766.5</b>	<b>9,422.2</b>	<b>3,520,997.3</b>
Long-term	3,092,803.3	69,290.6	30,612.5	38,678.1	9,486.2	3,140,967.6
Short-term	354,005.3	123,117.5	97,029.1	26,088.4	-64.0	380,029.7
<b>By User</b>	<b>3,446,808.6</b>	<b>192,408.1</b>	<b>127,641.6</b>	<b>64,766.5</b>	<b>9,422.2</b>	<b>3,520,997.3</b>
Federal Government	3,197,703.2	184,137.3	125,891.7	58,245.6	9,086.6	3,265,035.4
Long-term	2,847,897.4	69,290.3	30,275.7	39,014.6	9,086.6	2,895,998.6
Short-term	349,805.8	114,847.0	95,616.0	19,231.0	0.0	369,036.8
PEDBC's	203,641.0	8,270.5	1,746.5	6,524.0	477.5	210,642.5
Long-term	200,141.0	0.0	333.4	-333.4	489.5	200,297.1
Short-term	3,500.0	8,270.5	1,413.1	6,857.4	-12.0	10,345.4
Development Banks	45,464.4	0.3	3.4	-3.1	-141.9	45,319.4
Long-term	44,764.9	0.3	3.4	-3.1	-89.9	44,671.9
Short-term	699.5	0.0	0.0	0.0	-52.0	647.5
<b>By Financing Source</b>	<b>3,446,808.6</b>	<b>192,408.1</b>	<b>127,641.6</b>	<b>64,766.5</b>	<b>9,422.2</b>	<b>3,520,997.3</b>
Bonds Placed in Domestic Markets	3,081,872.3	165,314.8	110,937.0	54,377.8	6,253.0	3,142,503.1
SAR	81,193.5	18,301.8	14,566.8	3,735.0	884.2	85,812.7
Commercial Banks	42,243.9	0.3	836.8	-836.5	-165.4	41,242.0
ISSSTE's Law obligations	171,932.8	1.1	336.3	-335.2	1,595.1	173,192.7
Others	69,566.1	8,790.1	964.7	7,825.4	855.3	78,246.8

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\_/\_ 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 PEDB's and Developments Banks.

Source: Ministry of Finance and Public Credit.

**PUBLIC SECTOR EXTERNAL DEBT, JANUARY <sup>\*\_/\_1\_/\_</sup>**  
(Million dollars)

Concept	Outstanding as of December 2011	Indebtedness			Adjustments	Outstanding as of January 2012 <sup>p_/_</sup>
		Originations	Amort.	Net		
<b>1. Net Debt (3-2)</b>	<b>113,867.6</b>					<b>115,780.8</b>
<b>2. Financial Assets in Foreign Currency <sup>2_/_</sup></b>	<b>2,552.6</b>					<b>4,305.8</b>
<b>3. Gross Debt</b>	<b>116,420.2</b>	<b>5,552.8</b>	<b>2,186.1</b>	<b>3,366.7</b>	<b>299.7</b>	<b>120,086.6</b>
<b>By Term</b>	<b>116,420.2</b>	<b>5,552.8</b>	<b>2,186.1</b>	<b>3,366.7</b>	<b>299.7</b>	<b>120,086.6</b>
Long-term	113,650.9	4,102.3	1,009.6	3,092.7	299.4	117,043.0
Short-term	2,769.3	1,450.5	1,176.5	274.0	0.3	3,043.6
<b>By User</b>	<b>116,420.2</b>	<b>5,552.8</b>	<b>2,186.1</b>	<b>3,366.7</b>	<b>299.7</b>	<b>120,086.6</b>
Federal Government	61,351.5	2,000.0	817.1	1,182.9	124.5	62,658.9
Long-term	61,351.5	2,000.0	817.1	1,182.9	124.5	62,658.9
Short-term	0.0	0.0	0.0	0.0	0.0	0.0
PEDBC's	47,439.5	2,388.4	183.9	2,204.5	136.7	49,780.7
Long-term	47,439.5	2,102.3	162.9	1,939.4	136.7	49,515.6
Short-term	0.0	286.1	21.0	265.1	0.0	265.1
Development Banks	7,629.2	1,164.4	1,185.1	-20.7	38.5	7,647.0
Long-term	4,859.9	0.0	29.6	-29.6	38.2	4,868.5
Short-term	2,769.3	1,164.4	1,155.5	8.9	0.3	2,778.5
<b>By Financing Source</b>	<b>116,420.2</b>	<b>5,552.8</b>	<b>2,186.1</b>	<b>3,366.7</b>	<b>299.7</b>	<b>120,086.6</b>
Public Bonds	68,913.6	4,100.0	743.5	3,356.5	223.2	72,493.3
IFI's	23,427.8	0.0	77.3	-77.3	29.8	23,380.3
Bilateral	14,013.9	1.1	246.0	-244.9	23.9	13,792.9
Commercial Banks	9,778.6	1,165.6	1,098.3	67.3	3.7	9,849.6
Pidiregas	286.3	286.1	21.0	265.1	19.1	570.5

Note: Figures may not add up due to rounding.

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

p\_/\_ Preliminary figures.

1\_/\_ Includes the federal government, PEDBC's and Development Banks debt.

2\_/\_ 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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