

## PUBLIC FINANCE AND PUBLIC DEBT REPORT AS OF APRIL 2014

In line with the commitment of maintaining sound public finances and a responsible use of public indebtedness assumed by President Enrique Peña Nieto's Administration, the Ministry of Finance releases the preliminary information on the financial situation and the debt of the public sector as of April 2014. The main results are the following:

- During January-April, total net expenditures of the public sector were timely executed and were oriented towards supporting productive activity in the economy.
- Net budgetary expenditures were 11.6% higher in real terms with respect to the same period of 2013. During the first four months of 2014, expenditures in physical investment increased 37.5% in real terms, and expenditures in subsidies, transfers and contributions increased 32.1% in real terms, both with respect to the same period of 2013. On the other hand, operational expenditures, other than personal services and pensions decreased 1.8% in real annual terms during the same period.
- Programmable expenditures increased 13.1% in real terms. In particular, expenditures by ministries from the Federal Government increased 27.6%. Expenditures increased 128.8% in Tourism, 112.3% in Transport and Communications, 93.5% in CONACyT, 69.8% in SEMARNAT and 58.2% in SEDATU.
- Non-earmarked transfers to states and municipalities increased 9.6% in real terms with respect to January-April 2013.
- During January-April, budgetary revenues of the public sector were 5.6% higher in real terms than the ones observed during the same period of 2013. Within, tax revenues increased 13% in real annual terms.

- The public deficit during January-April of 2014 was Ps. 49.4 billion. Excluding PEMEX's investment, a surplus of Ps. 73.3 billion was observed, while Public Sector Borrowing Requirements (PSBR) amounted to Ps. 89.5 billion. These results are consistent with the objectives approved by Congress for 2014.
- The stock of the federal public sector's domestic debt decreased by Ps. 77.7 billion and the stock of external debt increased by USD 11.2 billion, both with respect to December 2013.

### *Evolution of public finances during January-April*

As of April 2014, the public balance registered a deficit of Ps. 49.4 billion. The primary balance presented a surplus of Ps. 14.8 billion. Excluding PEMEX's investment, a surplus of Ps. 73.3 billion was observed in the public balance. Public Sector Borrowing Requirements amounted to Ps. 89.5 billion. These results are consistent with the 2014 objectives approved by Congress.

### *Public sector budgetary revenues during January-April*

The public sector's budgetary revenues were Ps. 1,309.5 billion, amount higher by 5.6% in real terms than the one observed in the same period of 2013. The evolution of the main elements of the budgetary revenues was the following:

- Non-oil tax revenues were Ps. 663 billion, higher by 13% in real terms than the ones observed in the same period of 2013. Within, collections from the excise tax, the value added tax, and the income tax increased 30.2, 20.6 and 17.1% in real terms, respectively, mainly due to the current tax structure enforced starting on 2014.
- Oil related revenues which include PEMEX's own revenues, excise tax collections on gasoline and diesel, royalties and fees on hydrocarbons, and tax on oil returns—amounted to Ps. 393.9 billion, decreasing 0.4% in real terms with respect to the ones observed in the same period of 2013. This result is mainly explained by a lower average price of the Mexican oil mix (92.2 dollars per barrel (dpb) compared with 101.2 dpb observed during the same period of 2013), and lower oil and gas production platforms by 2 and 1.1%, respectively. These effects were partially offset by a price of natural gas that was 35.8% higher during the reference period.

- Revenues from public entities under direct budgetary control other than PEMEX were Ps. 193.9 billion, which represented a 4.5% increase in real terms with respect to the ones observed in the same period of 2013. This was mainly due to higher electricity sales and social security contributions from IMSS.
- Non-oil non-tax revenues amounted to Ps. 58.7 billion, amount 19.3% lower in real terms than the one observed in the same period of last year, due to lower fees and duties.

### *Net public sector budgetary expenditures during January-April*

In compliance with the expenditures program, during January-April of 2014 net public sector budgetary expenditures amounted to Ps. 1,363.8 billion, which represented a 11.6% increase in real terms with respect to the previous year.

- Paid programmable expenditures amounted to Ps. 1,079.6 billion and were 13.1% higher in real terms than the figures from the same period of 2013.
- During the first four months of 2014, expenditures in physical investment increased 37.5% in real terms, while expenditures in subsidies, transfers and contributions increased 32.1% in real terms, both with respect to the same period of 2013. On the other hand, operation expenditures, other than personal services and pensions decreased 1.8% in real annual terms during the same period.
- In particular, expenditures in entities from the Federal Government increased 27.6% in January-April. Expenditures increased 128.8% in Tourism, 112.3% in Transport and Communications, 93.5% in CONACyT, 69.8% in SEMARNAT and 58.2% in SEDATU.
- Resources allocated towards states and municipalities through non-earmarked transfers, contributions and other transfers increased 10.4% in real terms. In particular, non-earmarked transfers increased 9.6% in real terms.

### *Stock of public debt as of April*

The stock of the Federal Government's net domestic debt as of April was Ps. 3,934.6 billion, amount higher by Ps. 40.7 billion than the one observed at the end of December 2013. The change in the stock is explained by a net indebtedness of Ps. 241.7 billion, upward accounting adjustments of Ps. 23.3 billion and an increase in the Federal Government's financial assets of Ps. 224.3 billion.

The stock of the Federal Government's net external debt at the end of April was USD 73.5 billion, amount USD 3.6 billion higher than the one observed at the end of 2013. This result is explained by a net indebtedness of USD 4.2 billion, by upward accounting adjustments of USD 0.4 billion and by an accumulation of the Federal Government's financial assets of USD 1 billion.

The stock of the federal public sector's net domestic debt (Federal Government, public entities under direct budgetary control and development banks) at the end of April was Ps. 4,153.3 billion, which implies a Ps. 77.7 billion decrease with respect to the stock registered at the end of 2013. This is due to a net domestic indebtedness of Ps. 259.1 billion during the period, upward accounting adjustments of Ps. 23.6 billion and an increase in domestic financial assets of the federal public sector of Ps. 360.4 billion.

The stock of the federal public sector's net external debt was USD 142.1 billion, amount USD 11.2 billion higher than the one registered at the end of 2013. This result is explained by a net indebtedness of USD 12 billion, upward accounting adjustments of USD 0.4 billion and by an increase in the federal public sector's financial assets of USD 1.3 billion.

The Historical Balance of the Public Sector Borrowing Requirements amounted to Ps. 6,627.1 billion, which represents an increase of Ps. 122.8 billion with respect to December 2013.

More details on public finance and public debt statistics can be retrieved from the Ministry of Finance's web page at: <http://bit.ly/14miwX2>.

## ANNEX I

### PUBLIC SECTOR BALANCE

(Million pesos)

Concept	January-April		Real % Growth	Composition %	
	2013	2014 <sup>p./</sup>		2013	2014 <sup>p./</sup>
<b>PUBLIC BALANCE</b>	39,823.3	-49,443.6	n.s.		
<b><i>PUBLIC BALANCE EXCLUDING PEMEX'S INVESTMENT<sup>p./</sup></i></b>	123,639.5	73,345.5	-43.0		
Budgetary Balance	17,638.3	-54,347.7	n.s.		
Budgetary Revenues	1,192,685.9	1,309,479.7	5.6	100.0	100.0
Oil Related	380,229.1	393,922.5	-0.4	31.9	30.1
Federal Government	263,456.7	265,888.9	-3.0	22.1	20.3
PEMEX	116,772.4	128,033.6	5.4	9.8	9.8
Non oil related	812,456.7	915,557.2	8.4	68.1	69.9
Federal Government	634,028.4	721,704.7	9.5	53.2	55.1
Tax	564,053.2	662,978.1	13.0	47.3	50.6
Non-tax	69,975.1	58,726.5	-19.3	5.9	4.5
PEDBC	178,428.4	193,852.5	4.5	15.0	14.8
Net Budgetary Expenditures	1,175,047.6	1,363,827.4	11.6	100.0	100.0
Programmable	918,089.9	1,079,597.8	13.1	78.1	79.2
Non programmable	256,957.7	284,229.6	6.4	21.9	20.8
PEIBC	22,185.1	4,904.1	-78.7		
Primary Balance	79,757.1	14,847.2	-82.1		

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.

## PUBLIC SECTOR REVENUES

(Million pesos)

Concept	January-Abril		Real % Growth	Composition %	
	2013	2014 P./		2013	2014 P./
<b>BUDGETARY REVENUES (I+II)</b>	<b>1,192,685.9</b>	<b>1,309,479.7</b>	<b>5.6</b>	<b>100.0</b>	<b>100.0</b>
I. Oil Related (a+b)	380,229.1	393,922.5	-0.4	31.9	30.1
a) PEMEX	116,772.4	128,033.6	5.4	9.8	9.8
b) Federal Government	263,456.7	265,888.9	-3.0	22.1	20.3
Rights and royalties	297,428.6	273,248.0	-11.7	24.9	20.9
Excise taxes <sup>1/</sup>	-36,177.6	-11,032.0	n.s.	-3.0	-0.8
Tax on Oil Returns	2,205.7	3,672.8	60.1	0.2	0.3
II. Non-oil related (c+d)	812,456.7	915,557.2	8.4	68.1	69.9
c) Federal Government	634,028.4	721,704.7	9.5	53.2	55.1
Tax	564,053.2	662,978.1	13.0	47.3	50.6
Income Tax, IETU and IDE	336,800.2	378,727.6	8.1	28.2	28.9
Income Tax	315,932.3	384,585.1	17.1	26.5	29.4
IMPAC	-326.1	-300.6	n.s.	0.0	0.0
IETU <sup>2/</sup>	22,173.0	496.4	-97.8	1.9	0.0
IDE <sup>2/</sup>	-979.0	-6,053.3	n.s.	-0.1	-0.5
VAT	180,292.6	226,134.2	20.6	15.1	17.3
Excise taxes	28,339.8	38,384.8	30.2	2.4	2.9
Import taxes	8,688.6	10,275.5	13.7	0.7	0.8
Others <sup>3/</sup>	9,932.0	9,456.1	-8.4	0.8	0.7
Non-tax	69,975.1	58,726.5	-19.3	5.9	4.5
Rights	13,848.9	20,652.3	43.4	1.2	1.6
Fees	51,795.5	36,081.7	-33.0	4.3	2.8
Others	4,330.6	1,992.5	-55.8	0.4	0.2
d) PEDBC <sup>4/</sup>	178,428.4	193,852.5	4.5	15.0	14.8
Memorandum items:					
Total tax related	530,081.3	655,618.9	18.9	44.4	50.1
Total non-tax related	662,604.5	653,860.7	-5.1	55.6	49.9

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 revenues.

2./ The Fiscal and Social Security Reform approved at the end of 2013 eliminated IETU and IDE starting on January 1<sup>st</sup>, 2014.

3./ Includes taxes on new vehicles, exports and those not included in the aforementioned and accessories.

4./ Excludes Federal Government's transfers to ISSSTE.

Source: Ministry of Finance and Public Credit.

## PUBLIC SECTOR NET EXPENDITURES

(Million pesos)

Concept	January-April		Real % Growth	Composition %	
	2013	2014 <sup>p./</sup>		2013	2014 <sup>p./</sup>
<b>TOTAL (I+II)</b>	1,175,047.6	1,363,827.4	11.6	100.0	100.0
I. Primary expenditures (a+b)	1,121,253.7	1,309,111.0	12.3	95.4	96.0
a) Programmable	918,089.9	1,079,597.8	13.1	78.1	79.2
b) Non programmable	203,163.7	229,513.2	8.6	17.3	16.8
II. Financial Cost <sup>1./</sup>	53,793.9	54,716.4	-2.2	4.6	4.0

Note: Figures may not add up due to rounding.

p./ Preliminary figures.

1./ Includes interests, commissions and other public debt expenditures, as well as expenditures for financial restructuring and to support savers and bank debtors.

Source: Ministry of Finance and Public Credit.

**FEDERAL GOVERNMENT DOMESTIC DEBT, APRIL <sup>\*\_/</sup>**  
(Million pesos)

Concept	Outstanding as of December 2013	Indebtedness			Adjustments <sup>1_/</sup>	Outstanding as of April 2014 <sup>p_/</sup>
		Originations	Amort.	Net		
<b>1. Net Debt (3-2)</b>	<b>3,893,929.4</b>					<b>3,934,577.0</b>
2. Assets <sup>2_/</sup>	169,255.0					393,589.0
<b>3. Gross Domestic Debt</b>	<b>4,063,184.4</b>	<b>975,889.3</b>	<b>734,222.9</b>	<b>241,666.4</b>	<b>23,315.2</b>	<b>4,328,166.0</b>
Government Securities	3,734,084.5	917,763.9	655,858.4	261,905.5	16,505.4	4,012,495.4
Cetes	635,638.8	646,447.0	634,858.1	11,588.9	0.0	647,227.7
Bondes "D"	216,594.6	25,911.6	21,000.3	4,911.3	0.0	221,505.9
Fixed Rate Bonds	1,989,572.8	178,120.6	0.0	178,120.6	0.0	2,167,693.4
Udibonos	888,664.5	66,389.0	0.0	66,389.0	16,431.9	971,485.4
<i>Udibonos udi's</i>	175,669.5	12,966.9	0.0	12,966.9	0.0	188,636.4
Segregated Udibonos	3,613.8	895.7	0.0	895.7	73.5	4,583.0
<i>Segregated Udibonos udi's</i>	714.4	175.5	0.0	175.5	0.0	889.9
S.A.R.	99,920.1	57,299.7	66,988.4	-9,688.7	2,756.4	92,987.8
Obligations by ISSSTE's Law	165,506.3	42.7	9,879.8	-9,837.1	2,912.7	158,581.9
Others	63,673.5	783.0	1,496.3	-713.3	1,140.7	64,100.9

Note: Figures may not add up due to rounding.

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

p\_/ Preliminary figures.

1\_/ Refers to adjustments for inflation.

2\_/ Represents the net balance, denominated in pesos, of the General Account of the Federal Treasury.

Source: Ministry of Finance and Public Credit.



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

Concept	Outstanding as of December 2013	Indebtedness			Adjustments	Outstanding as of April 2014 <sup>p_/</sup>
		Originations	Amort.	Net		
<b>1. Net Debt (3-2)</b>	<b>69,910.4</b>					<b>73,509.6</b>
2. Assets <sup>1_/</sup>	2,270.0					3,273.0
<b>3. Gross Debt</b>	<b>72,180.4</b>	<b>8,531.3</b>	<b>4,340.6</b>	<b>4,190.7</b>	<b>411.5</b>	<b>76,782.6</b>
Public Bonds	47,380.3	8,440.1	4,113.2	4,326.9	405.9	52,113.1
IFI's	22,837.2	91.2	217.5	-126.3	0.1	22,711.0
Bilateral	1,962.9	0.0	9.9	-9.9	5.5	1,958.5

Note: Figures may not add up due to rounding.

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

<sup>p\_/</sup> Preliminary figures.

<sup>1\_/</sup> Considers the net US Dollar denominated balance of the General Account of the Federal Treasury.

Source: Ministry of Finance and Public Credit.

## PUBLIC SECTOR DOMESTIC DEBT, APRIL <sup>\*/1/</sup>

(Million pesos)

Concept	Outstanding as of December 2013	Indebtedness			Adjustments	Outstanding as of April 2014 <sup>p_/</sup>
		Originations	Amort.	Net		
<b>1. Net Debt (3-2)</b>	<b>4,230,924.9</b>					<b>4,153,317.2</b>
2. Assets <sup>2_/</sup>	177,953.6					538,339.3
<b>3. Gross Debt</b>	<b>4,408,878.5</b>	<b>1,013,631.2</b>	<b>754,489.5</b>	<b>259,141.7</b>	<b>23,636.3</b>	<b>4,691,656.5</b>
<b>By Term</b>	<b>4,408,878.5</b>	<b>1,013,631.2</b>	<b>754,489.5</b>	<b>259,141.7</b>	<b>23,636.3</b>	<b>4,691,656.5</b>
Long-term	3,921,591.7	422,668.9	178,866.8	243,802.1	23,633.3	4,189,027.1
Short-term	487,286.8	590,962.3	575,622.7	15,339.6	3.0	502,629.4
<b>By User</b>	<b>4,408,878.5</b>	<b>1,013,631.2</b>	<b>754,489.5</b>	<b>259,141.7</b>	<b>23,636.3</b>	<b>4,691,656.5</b>
Federal Government	4,063,184.4	975,889.3	734,222.9	241,666.4	23,315.2	4,328,166.0
Long-term	3,582,551.4	397,907.4	171,805.3	226,102.1	23,315.2	3,831,968.7
Short-term	480,633.0	577,981.9	562,417.6	15,564.3	0.0	496,197.3
PEDBC's	267,290.2	28,881.7	10,615.0	18,266.7	302.5	285,859.4
Long-term	267,290.2	18,801.3	6,966.7	11,834.6	302.5	279,427.3
Short-term	0.0	10,080.4	3,648.3	6,432.1	0.0	6,432.1
Development Banks	78,403.9	8,860.2	9,651.6	-791.4	18.6	77,631.1
Long-term	71,750.1	5,960.2	94.8	5,865.4	15.6	77,631.1
Short-term	6,653.8	2,900.0	9,556.8	-6,656.8	3.0	0.0
<b>By Financing Source</b>	<b>4,408,878.5</b>	<b>1,013,631.2</b>	<b>754,489.5</b>	<b>259,141.7</b>	<b>23,636.3</b>	<b>4,691,656.5</b>
Bonds Placed in Domestic Markets	4,013,747.1	936,224.5	655,910.4	280,314.1	17,027.6	4,311,088.8
SAR	99,920.1	57,299.7	66,988.4	-9,688.7	2,756.4	92,987.8
Commercial Banks	50,101.8	6,300.9	7,666.3	-1,365.4	8.7	48,745.1
ISSSTE's Law obligations	165,506.3	42.7	9,879.8	-9,837.1	2,912.7	158,581.9
Others	79,603.2	13,763.4	14,044.6	-281.2	930.9	80,252.9

Note: Figures may not add up due to rounding.

<sup>\*/</sup> Figures subject to revisions and methodological changes.

<sup>p\_/</sup> Preliminary figures.

<sup>1\_/</sup> Includes Federal Government, PEDBC's and Development Banks debt.

<sup>2\_/</sup> Includes the net balance, denominated in pesos, of the General Account of the Federal Treasury and assets from PEDBC's and Development Banks.

Source: Ministry of Finance and Public Credit.

**PUBLIC SECTOR EXTERNAL DEBT, APRIL <sup>\*/1/</sup>**  
(Million dollars)

Concept	Outstanding as of December 2013	Indebtedness			Adjustments	Outstanding as of April 2014 <sup>p/</sup>
		Originations	Amort.	Net		
<b>1. Net Debt (3-2)</b>	<b>130,949.7</b>					<b>142,113.8</b>
2. Financial Assets in Foreign Currency <sup>2/</sup>	3,486.2					4,776.8
<b>3. Gross Debt</b>	<b>134,435.9</b>	<b>23,555.2</b>	<b>11,536.0</b>	<b>12,019.2</b>	<b>435.5</b>	<b>146,890.6</b>
<b>By Term</b>	<b>134,435.9</b>	<b>23,555.2</b>	<b>11,536.0</b>	<b>12,019.2</b>	<b>435.5</b>	<b>146,890.6</b>
Long-term	130,908.7	16,597.7	5,064.2	11,533.5	434.3	142,876.5
Short-term	3,527.2	6,957.5	6,471.8	485.7	1.2	4,014.1
<b>By User</b>	<b>134,435.9</b>	<b>23,555.2</b>	<b>11,536.0</b>	<b>12,019.2</b>	<b>435.5</b>	<b>146,890.6</b>
Federal Government	72,180.4	8,531.3	4,340.6	4,190.7	411.5	76,782.6
Long-term	72,180.4	8,531.3	4,340.6	4,190.7	411.5	76,782.6
Short-term	0.0	0.0	0.0	0.0	0.0	0.0
PEDBC's	53,358.1	8,312.0	719.9	7,592.1	11.8	60,962.0
Long-term	53,358.1	8,025.1	653.0	7,372.1	11.8	60,742.0
Short-term	0.0	286.9	66.9	220.0	0.0	220.0
Development Banks	8,897.4	6,711.9	6,475.5	236.4	12.2	9,146.0
Long-term	5,370.2	41.3	70.6	-29.3	11.0	5,351.9
Short-term	3,527.2	6,670.6	6,404.9	265.7	1.2	3,794.1
<b>By Financing Source</b>	<b>134,435.9</b>	<b>23,555.2</b>	<b>11,536.0</b>	<b>12,019.2</b>	<b>435.5</b>	<b>146,890.6</b>
Public Bonds	90,301.7	13,826.5	4,113.2	9,713.3	503.0	100,518.0
IFI's	27,350.1	95.7	256.2	-160.5	-2.8	27,186.8
Bilateral	10,321.3	411.4	523.3	-111.9	18.4	10,227.8
Commercial Banks	6,178.1	8,934.7	6,576.4	2,358.3	6.9	8,543.3
Pidiregas	284.7	286.9	66.9	220.0	-90.0	414.7

Note: Figures may not add up due to rounding.

<sup>\*/</sup> Figures subject to revisions and methodological changes.

<sup>p/</sup> Preliminary figures.

<sup>1/</sup> Includes the federal government, PEDBC's and Development Banks debt.

<sup>2/</sup> Considers the net US Dollar denominated balance of the federal treasury's General Account and assets held by PEDBC's and Development Banks.

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