

Public Finances and Public Debt as of May 2017

The main results of the Public Sector financial situation as of May are the following:

- During the January-May period of 2017, budgetary revenues increased by 7.9% in real terms compared to the same period of 2016, and were higher than the expected in the program by Ps. 463.0 billion if Banco de México's operating surplus of Ps. 321.7 billion is included.
- Net budgetary expenditures were lower than the expected in the program by Ps. 48.5 billion and it was lower by 6.4% in real terms compared to the amount registered in the same period of 2016.
- Primary balance showed a surplus of Ps. 518.5 billion, which implied a real growth of 177.5% with respect to the same period of 2016, this result is in line with our forecast and represents the first primary surplus in 9 years.
- At the end of May 2017, the evolution of public debt is consistent with the objective of decreasing the Historical Balance of the Public Sector Borrowing Requirements (HBPSBR), from 50.2% of GDP in 2016 to 48.0% of GDP at the end of 2017, including Banco de México's operating surplus of approximately 1.5% of GDP.

Today, the Ministry of Finance delivered to the Congress the Information of Public Finances and Public Debt for the January-May period of 2017, in compliance with the provisions of Article 107 of the Federal Fiscal Responsibility Law which is available to the public on the Ministry of Finance's website. The main results are presented below:

Recent developments in public finances

In line with the fiscal consolidation process, as of May of 2017 the PSBRs registered a surplus of Ps. 317.2 billion, which were higher by Ps. 182.4 billion than the ones in the same period of 2016, and showed an increase of 123.2% in real terms compared to the same period during the previous year. These results are due to the effort needed to achieve the fiscal consolidation expected in the 2017 Economic Program, the evolution of the tax revenues and the effect of Banco de México's operating surplus of Ps. 321.7 billion, as indicated in Article 55 of the Law of Banco de México. It is worth noting that if we exclude Banco de México's operating surplus for the last two years, the PSBRs registered a deficit of Ps. 4.4 billion, which implies an improvement of Ps. 99.8 billion compared to 2016.

The balance of the public sector as of May registered a surplus of Ps. 381.7 billion, which is higher in Ps. 309.0 billion to the surplus of the same period in 2016 of Ps. 72.8 billion, and represents an improvement with respect to the expected deficit for the period of Ps. 147.7 billion. Also, excluding Banco de México's operating surplus in both years, the balance recorded a surplus of Ps. 60.1 billion, which represents an improvement of Ps. 226.4 billion compared to the same period in 2016.

The primary balance went from a surplus of Ps 177.3 billion in 2016 to a surplus of Ps. 518.5 billion during this year. This compares favorably with the expected deficit of Ps. 1.5 billion and is consistent with the objective of achieving the first primary surplus since 2008.

The public balance that excludes investments of high economic and social impact, registered a surplus of Ps. 524.4 billion during the January-May period of 2017. This surplus is higher in Ps. 497.9 billion to the one forecasted for the same period.

Public sector budgetary revenues

During the January-May period of 2017, the Public Sector's budgetary revenues stood at Ps. 2.288 trillion, which are higher in Ps. 463.0 billion to those expected in the program.¹ Within, oil revenues were higher in Ps. 39.3 billion, tax revenues in Ps. 48.8 billion and non-tax revenues were higher in Ps. 357.3 billion.

Compared with the January-May 2016 period, budgetary revenues were higher by 7.9% in real terms, and by 5.2 % if excluding Banco de México's operating surplus in both years. The evolution of the main components of these revenues was as follows:

- Oil revenues stood at Ps. 359.8 billion and they were higher by 22.9% in real terms compared to the ones during the same period in the last year. This gain is mainly explained by an increase of 58.6% in the average export price of the Mexican oil mix (27.6 dollars per barrel -dpb- in 2016 versus 43.7 dbp in 2017), by a higher price of natural gas which increased by 48.8%, and by a 7.5% depreciation of the exchange rate (the average exchange rate was 17.7 pesos per dollar in January-May of 2016 while the average in the same period of 2017 was of 20.1 pesos per dollar). The last effect was partially offset by a decrease in oil production of 9.3% (2,228 thousand barrels daily -kbd- in 2016 versus 2,020 kbd in 2017).
- The revenues of CFE amounted to Ps. 139.4 billion and they were higher by 17.3% in real terms compared to those in the previous year. This is mainly explained by the economic performance and the evolution of electricity rates.
- Non-oil tax revenues amounted to Ps. 1.24 trillion and they were 0.2% higher in real terms with respect to the ones of the January-May period in 2016. Excluding the fuel excise tax (IEPS), tax collection increased by 3.5% in real terms. It is worth noting the growth of the income tax system by 3.8%, and of the import tax revenues by 2.4%, while the value-added tax (VAT) registered an increase of 1.3%. The excise tax (IEPS) decreased by 16.1% in real terms, and if excluding the fuel excise tax, it increased by 10.2%.
- Revenues from IMSS and ISSSTE added to Ps. 142.8 billion. This amount was higher by 2.3% in real terms with respect to 2016 due to both, higher contributions to IMSS and financial products.
- Federal Government non-tax revenues amounted to Ps. 411.1 billion. These revenues were higher than the ones in the previous year by 21.6% in real terms, due to both, higher contributions of duties and exploitation rights. Excluding the operating surplus of Banco de México, a growth of 3.8% in real terms is observed compared to the ones in the previous year.

Net public sector budgetary expenditures

In the January-May period of 2017, the net paid expenditures stood at Ps. 1.925 trillion and they were lower than the ones expected in the program² by Ps. 48.5 billion. Programmable expenditure was lower

¹ Corresponds to the Agreement that displays the monthly calendar of revenue forecast contained in Article 1 of the 2017 Federal Revenues Law and based on the methodology used to make such forecast, published on December, 7 of 2016 in the Federal Official Gazette (DOF).

² Corresponds to the Authorized Budget Calendar for 2017 Fiscal Year, published on December 14, 2016 in the Federal Official Gazette (DOF).

by Ps. 78.8 billion, of which Ps. 38.9 billion corresponds to Pemex, Ps. 33.7 billion to the Central Public Administration and Ps. 11.5 billion to IMSS and ISSSTE. Meanwhile, non-programmable expenditures increased by Ps. 30.3 billion due to higher payment of Ps. 34.1 billion in non-earmarked transfers, explained by the good dynamics of the federal tax collection.

With respect to the January-May period of 2016, the net paid expenditures were lower by 6.4% in real terms, while the primary expenditure was lower by 8.6%. During the January-May period of 2017 the following was registered:

- The total net expenditures excluding financial investments, pensions, non-earmarked transfers and financial costs decreased by 8.4% in real terms and also the current structural expenditure was lower by 8.9% in real terms. Both indicators reveal the efforts regarding the public expenditure containment.
- Subsidies, transfers and current contributions were 18.5% lower in real terms.
- Pensions and retirement payments increased by 3.1% in real terms.
- Operating expenditures increased by 2.6% in real terms, mainly due to higher operating costs of CFE due to the increase in the price of fuels for power generation.
- Non-earmarked transfers to states increased by 10.9% in real terms, mainly due to a favorable evolution of tax collection.

Public Debt Balance

At the end of May 2017, the Federal Government's net debt balance stood at Ps. 6.770 trillion, compared to the balance of Ps. 7.193 trillion at the end of 2016. The Federal Government net domestic debt was Ps. 5.112 trillion, while the external debt stood at USD 89.6 billion (equivalent to Ps. 1.658 trillion).

At the end of May 2017, the Federal Public Sector net debt balance (Federal Government, State Productive Enterprises, and development banks) stood at Ps. 9.118 trillion, compared to the balance registered at the end of 2016 of Ps. 9.693 trillion. The Federal Public Sector's net domestic debt balance stood at Ps. 5.685 trillion, while the Federal Public Sector's external debt was of USD 185.5 billion (equivalent to Ps. 3.433 trillion).

Finally, the Historical Balance of the Public Sector Borrowing Requirements (HBPSBR) the broadest measure of public debt, amounted to Ps. 9.197 trillion, while the balance observed at the close of 2016 amounted Ps. 9.797 trillion. The domestic component of the HBPSBR stood at Ps 5.847 trillion, while the external one amounted to USD 180.9 billion (equivalent to Ps. 3.349 trillion).

These levels are consistent with the borrowing ceilings approved by the Congress for 2017 and with the objectives of fiscal consolidation announced in the 2018 General Economic Policy Preliminary Guidelines. It is estimated that the HBPSBR to GDP ratio would decrease from 50.2% at the end of 2016 to 48.0% of GDP at the end of 2017 when considering the operating surplus of Banco de México.

Relevant Debt Management Operations

In line with the debt strategy and liability management defined in the 2017 Annual Borrowing Plan, the Federal Government has performed the following debt operations. Although some of the operations are outside the reported period, it is important to provide their details in order to keep updated information regarding public debt management.

Swap operations in the domestic debt market

- a) With the objective to improve the price discovery process in the middle part of the yield curve, on May 4 the Federal Government performed a swap operation for Ps. 30.352 billion, in which M Bonds with maturities in 2021, 2023 and 2024 were exchanged for M Bonds with maturity in March 2026.

		Bonds Settlement	
		March-26	
Target bonds	Jun-21	11,712	
	Dec-23	4,550	
	Dec-24	14,090	
Total		30,352	

- b) On June 7, a swap operation for Ps. 40.623 billion was performed in order to smooth the Federal Government's maturity profile. Bonds with a maturities in the next 3 years (between 2017 and 2019) were received as Target Bonds, and those with maturities between 2020 and 2042 were delivered as Settlement bonds.

In this way, Ps. 6.448 billion with maturity in 2017, Ps. 23.375 billion with maturity in 2018 and Ps. 10.800 billion with maturity in 2019 were all refinanced. As for the distribution of Settlement Bonds, 81% of the total was allocated in bonds with maturity in 2020, followed by 7% in bonds maturing in 2024. The distribution of Target and Settlement bonds is shown in the table below. It is worth noting that the positions received amounted to Ps. 63.515 billion.

		Settlement Bonds								Total
		Jun-20	Dec-24	March-26	Jun-27	May-29	May-31	Nov-38	Nov-42	
Target Bonds	Jun-17	5,700				300	270		100	6,370
	Dec-17								78	78
	Jun-18			400	995			400	1,400	3,195
	Dec-18	16,650	2,800		200				530	20,180
	Dec-19	10,400			400					10,800
Total		32,750	2,800	400	1,595	300	270	400	2,108	40,623

Recent developments regarding the use of Banco de Mexico's Operating Surplus

On March 28, 2017, Banco de Mexico delivered Ps. 321.653 billion to the Federal Government corresponding to its operating surplus for 2016. According to the provisions of the Federal Fiscal Responsibility Law, the Federal Government may use at least 70% of these resources, equivalent to Ps. 225.157 billion, for public debt amortization or to reduce the financing needs for the current year.

As mentioned in the 2017 March press release³ published by the Ministry of Finance and Public Credit, the strategy for the use of Banco de Mexico's operating surplus in 2017 has the objectives to increase the efficiency of the debt portfolio, continuing the improvement of the maturities profile, and strengthening the financial position of the Federal Government.

As of now, the following actions have been performed with the 70% of Banco de Mexico operating surplus. Although some of the actions are outside the reporting period, it is considered relevant to detail them in order to promote transparency in the use of these resources.

³ Press Release number 058. <https://www.gob.mx/shcp/prensa/comunicado-no-058-la-secretaria-de-hacienda-y-credito-publico-anuncia-la-recepcion-del-remanente-de-operacion-2016-del-banco-de-mexico> (only available in Spanish).

Banco de México's operating surplus used to reduce the Federal Government indebtedness	Amount (Ps. million)
Total Resources (70% of the Operating Surplus)	225,157
Buy-back operation of May 25	-40,000
Reduction in Placement Program as of the 3Q 2017	-5,620
No External Indebtedness in 2017	-74,480
Remaining resources to reduce Federal Government indebtedness in 2017	105,057

a) *Buy back of government securities in the domestic market*

On May 25, the Ministry of Finance bought back government securities in the domestic market for an amount of Ps. 40 billion, in order to smooth the depreciation profile of the Federal Government and to reduce the gross public debt.

The operation considered the buy-back of Fixed Rate Bonds with maturities between 2018 and 2019. Several investors attended to the operation, which allowed the Federal Government to buyback only those positions that properly reflected the financial markets conditions.

Instrument	Bought-back Amount (Ps. million)	Distribution (%)
M 180614	23,500	59%
M 181213	8,500	21%
M 191211	8,000	20%
Total	40,000	100%

b) *Lower indebtedness in the domestic market.*

In the revision for the allocation calendar of government securities for the third quarter, the Federal Government announced on June 29 a downward adjustment in the total amount for Ps. 5.662 billion with respect to the originally expected indebtedness amount.⁴

c) *Lower external indebtedness*

According to the 2017 Annual Borrowing Plan, the Federal Government debt strategy for this year considered the possibility of borrowing in international debt markets only if there were favorable conditions. The former takes into account the following:

- During the second half of 2016, liabilities management operations were performed in international markets, which allowed the Federal Government to refinance all of its foreign currency amortizations for 2017.
- In case that external markets conditions were not favorable, adjustments will be made in the local market allocations calendar to increase the domestic indebtedness and to cover all of the federal government's borrowing needs in 2017.

⁴ Press Release number 115. <https://www.gob.mx/shcp/prensa/comunicado-no-115-la-secretaria-de-hacienda-y-credito-publico-da-a-conocer-el-avance-en-el-uso-del-setenta-por-ciento-del-remanente> (only available in Spanish).

Although the borrowing conditions in international financial markets are currently favorable for Mexico, and would allow the Federal Government to access these markets under competitive conditions, the Ministry of Finance considered convenient not to increase the net external debt of the Federal Government.

Taking into consideration that it was planned to allocate USD 4 billion in foreign markets (equivalent to Ps.74.480 billion⁵) in case of favorable conditions, the Ministry of Finance announced that a share of the Banco de México's Operating Surplus will be used to cover the financing needs of the Federal Government in 2017 without borrowing in external markets and without increasing domestic indebtedness

The Ministry of Finance announced on June 29 that no allocations in foreign currency will be made to increase net indebtedness for the Federal Government in 2017. Nonetheless, we will continue monitoring the conditions in international markets in order to be able to perform liability management operations when permitted without incurring additional external net market indebtedness, strengthen the structure of the debt portfolio and/or reduce refinancing risk in recent years.

The Ministry of Finance will continue analyzing the conditions in the financial markets to use the remaining resources corresponding to 70% share of the Banco de México's Operating Surplus, equivalent to Ps. 105.057 billion, in order to reduce Federal Government indebtedness in 2017.

More detail on the statistics of public finances and public debt is available on the Ministry of Finance's website: <http://bit.ly/1MJmqgZ>.

⁵ The exchange rate used is the one approved in the 2017 Federal Revenues Law of 18.62 pesos per dollar.

ANNEX 1

SUMMARY OF INDICATORS ON THE DEVELOPMENTS IN PUBLIC FINANCES (Billion pesos)

Concept	January-May		Growth % real	Annual			Progress % with respect to:		
	2016 ^{p./}	2017 ^{p./}		2016	2017		2016	2017	
					Program ^{1./}	Estimated ^{2./}		Progress ^{1./}	Estimated ^{2./}
1. Budgetary revenues ^{3./}	2,013.5	2,288.6	7.9	4,845.5	4,360.9	4,769.0	41.6	52.5	48.0
2. Tax revenues	1,169.6	1,235.6	0.2	2,716.0	2,739.4	2,769.5	43.1	45.1	44.6
3. Tax revenues excluding fuels excise tax (IEPS)	1,053.2	1,148.6	3.5	2,438.7	2,454.9	2,524.4	43.2	46.8	45.5
4. Total net expenditure without outlays on financial investments, pension payments, transfers and financial cost	1,187.1	1,146.2	-8.4	3,078.6	2,803.2	2,879.6	38.6	40.9	39.8
5. Total net expenditure without outlays on financial investments, pension payments and transfers	1,288.1	1,289.3	-5.0	3,551.6	3,375.7	3,452.2	36.3	38.2	37.3
6. Total net expenditure without outlays on financial	1,837.4	1,910.0	-1.4	4,893.9	4,838.4	4,924.9	37.5	39.5	38.8
7. Net total expenditure ^{3./}	1,951.0	1,925.0	-6.4	5,347.8	4,855.8	5,038.7	36.5	39.6	38.2
8. Current structural expenditure	854.9	820.6	-8.9	2,227.4	2,061.3	2,373.2	38.4	39.8	34.6
9. Primary balance	177.3	518.5	177.5	-25.0	78.2	328.1	-709.7	663.2	158.1
10. PSBR	134.9	317.2	123.2	-556.6	-596.7	-291.1	-24.2	-53.2	-109.0
11. HBPSBR	8,716.5	9,197.4	0.1	9,797.4	10,197.7	9,997.0	89.0	90.2	92.0
12. Public debt	8,475.4	9,118.5	2.1	9,693.2	9,828.9	10,010.1	87.4	92.8	91.1

Note: Partial sums and variations may not add up due to rounding.

p./ Preliminary figures.

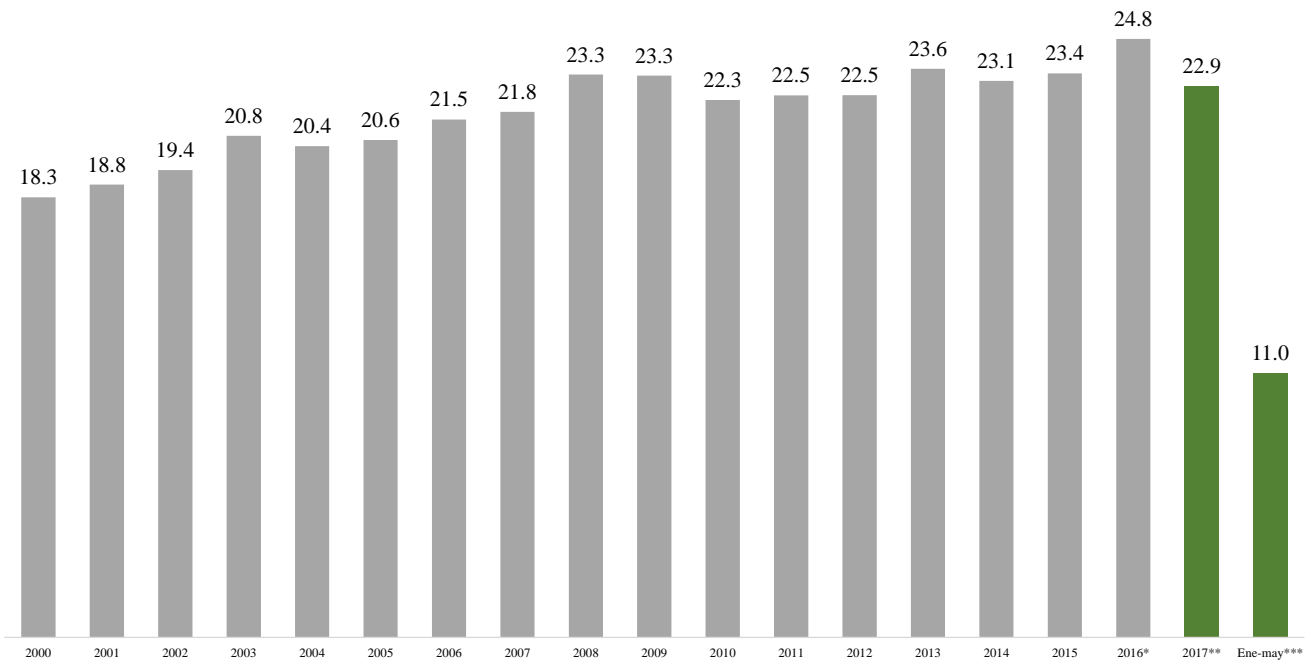
1./ Corresponds to the Federal Law on Income and Budget of Expenditures for the fiscal year 2017 approved by Congress.

2./ Corresponds to the review presented in Report on Economic Situation, Public Finances and Public Debt in the First Quarter of 2017.

3./ The 2016 annual data includes resources for the support of the Federal Government for pension payments of Pemex and CFE via non-earmarked transfers' contribution of 134,230.6 and 161,080.2 million pesos, respectively.

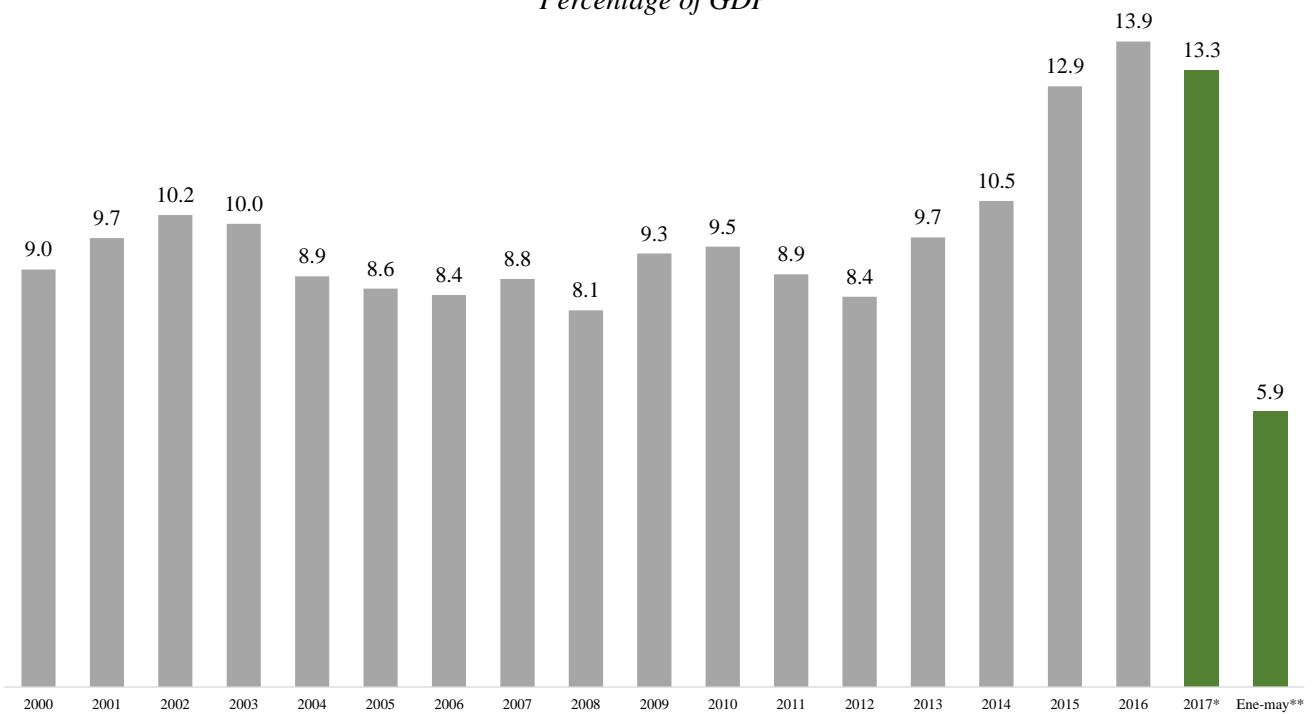
Source: Ministry of Finance.

Budgetary Revenues
Percentage of GDP



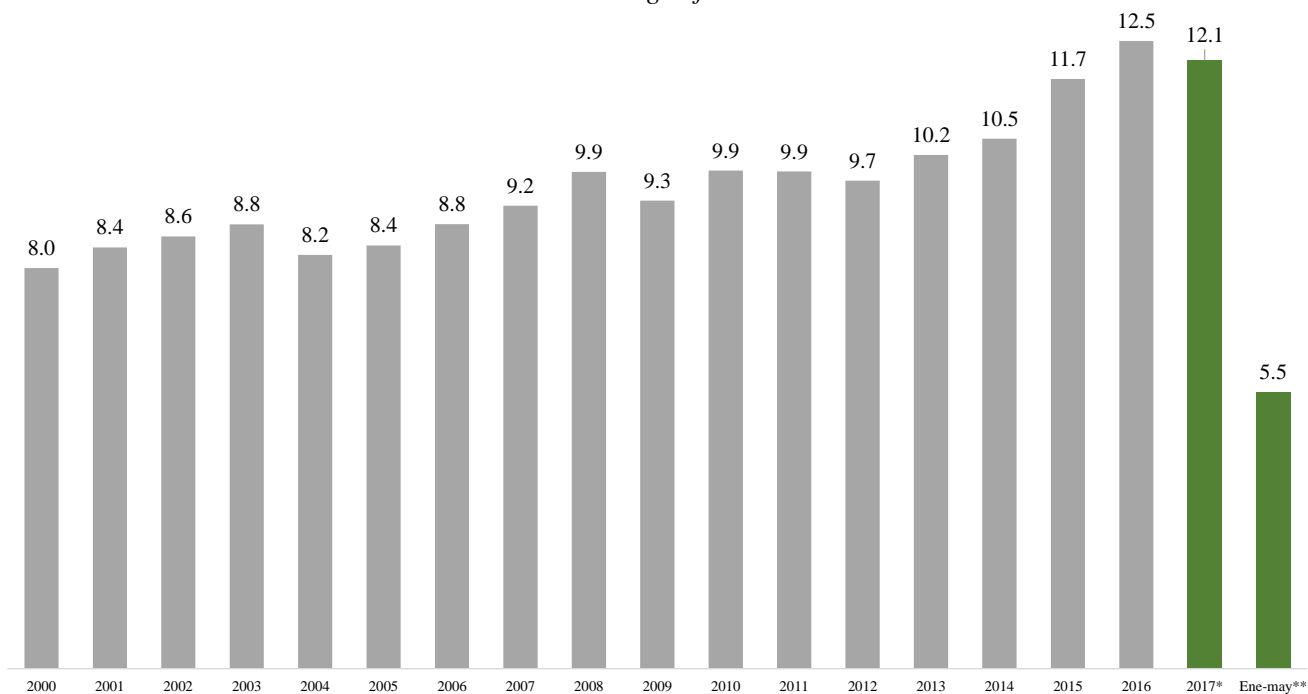
*/ Including the resources from the Federation given to Pemex and CFE equivalent to 1.5% of GDP.
 **/ Estimate.
 ***/Proportional to annual GDP.
 Source: Ministry of Finance.

Tax revenues
Percentage of GDP



*/ Estimate.
 **/ Proportional to annual GDP.
 Source: Ministry of Finance.

Tax revenues excluding fuel excise tax (IEPS)
Percentage of GDP

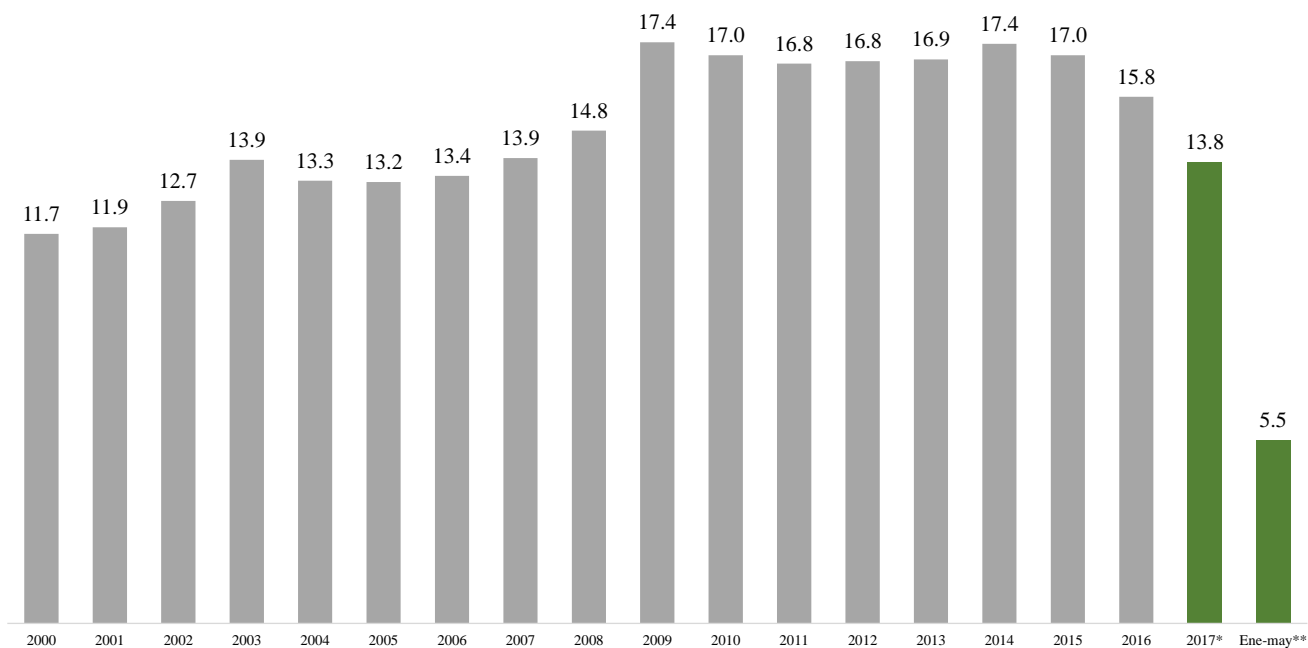


*/ Estimate.

**/ Proportional to annual GDP.

Source: Ministry of Finance.

Total net expenditure without outlays on financial investments, pension payments, non-earmarked transfers and financial cost
Percentage of GDP



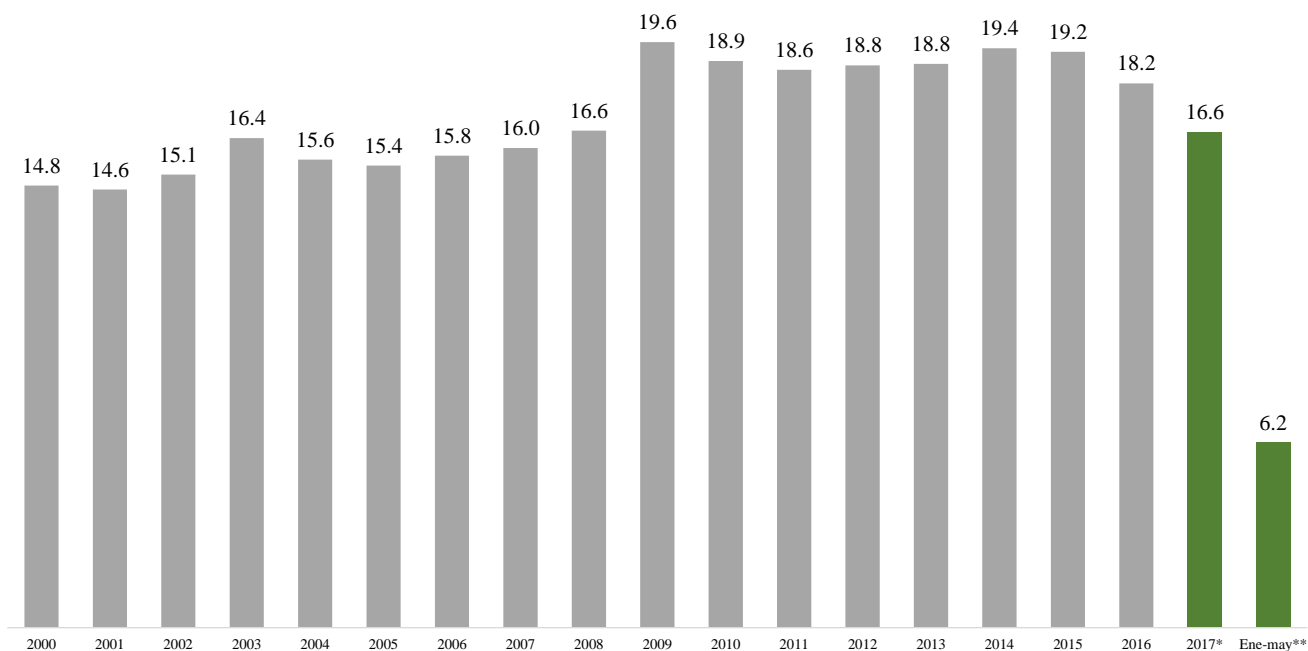
*/ Estimate.

**/ Proportional to annual GDP.

Source: Ministry of Finance.

Total net expenditure without outlays on financial investments, pension payments and non-earmarked transfers

Percentage of GDP



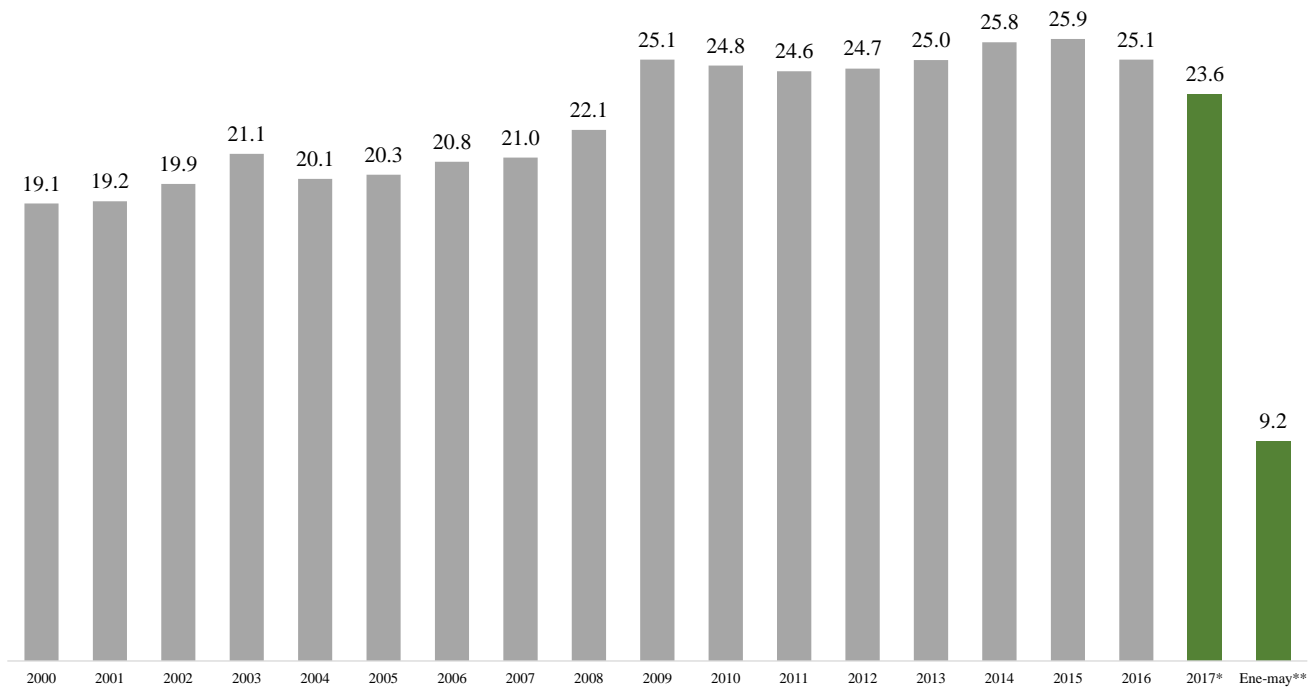
*/ Estimate.

**/ Proportional to annual GDP.

Source: Ministry of Finance.

Total net expenditure without outlays on financial investments

Percentage of GDP

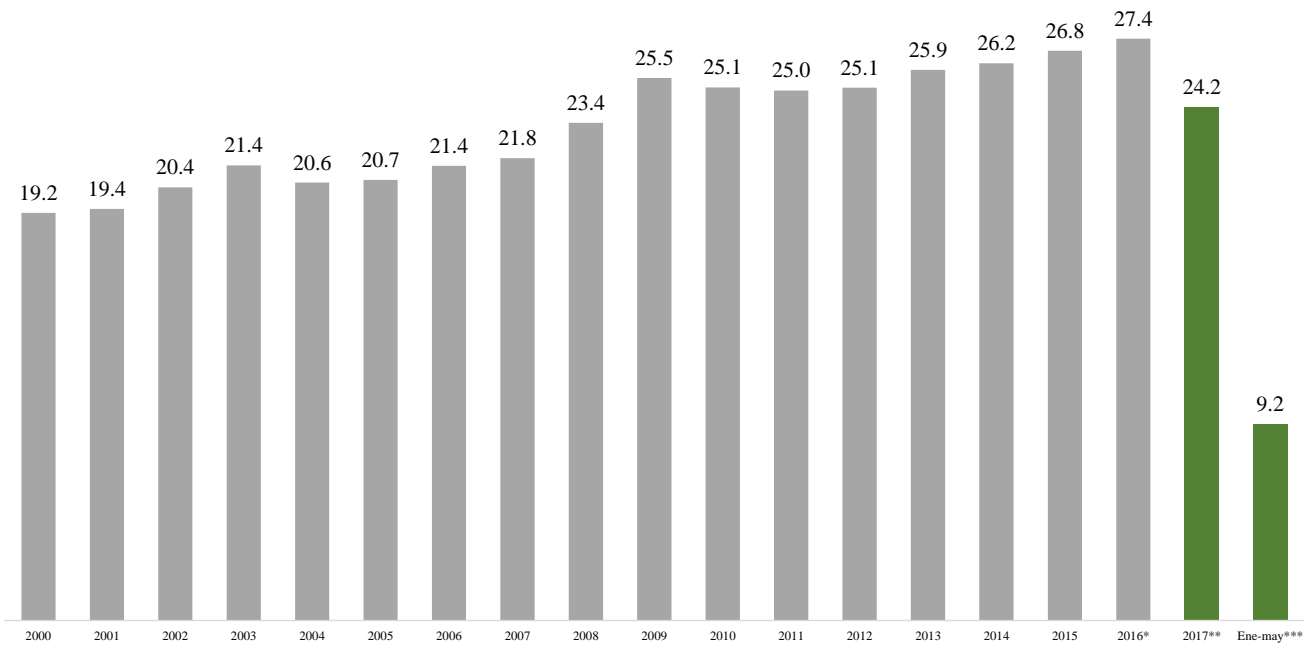


*/ Estimate.

**/ Proportional to annual GDP.

Source: Ministry of Finance.

Net total expenditure
Percentage of GDP



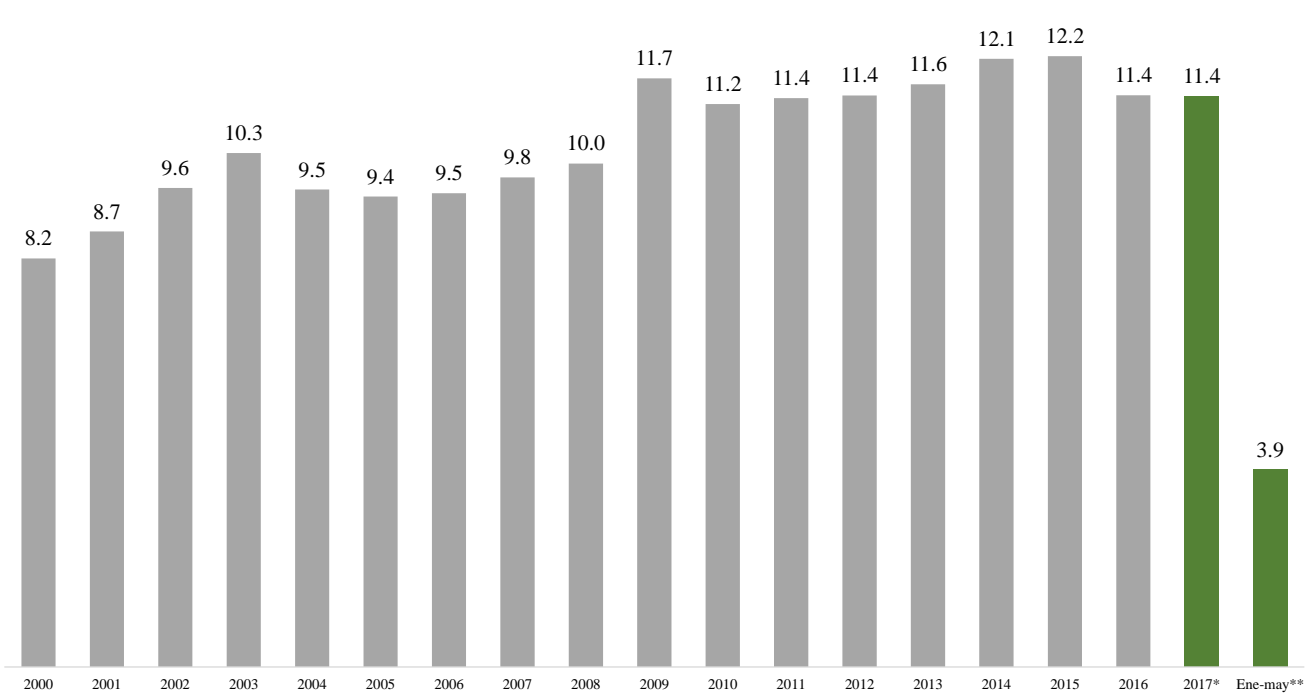
*/ Including Federal resources given to Pemex and CFE equivalent to 1.5% of GDP.

**/ Including 30% of Banco de Mexico's operating surplus, which is recorded as an expense, but represents a saving and an improvement in the financial position of the Federal Government.

***/ Proportional to annual GDP.

Source: Ministry of Finance.

Current structural expenditure
Percentage of GDP

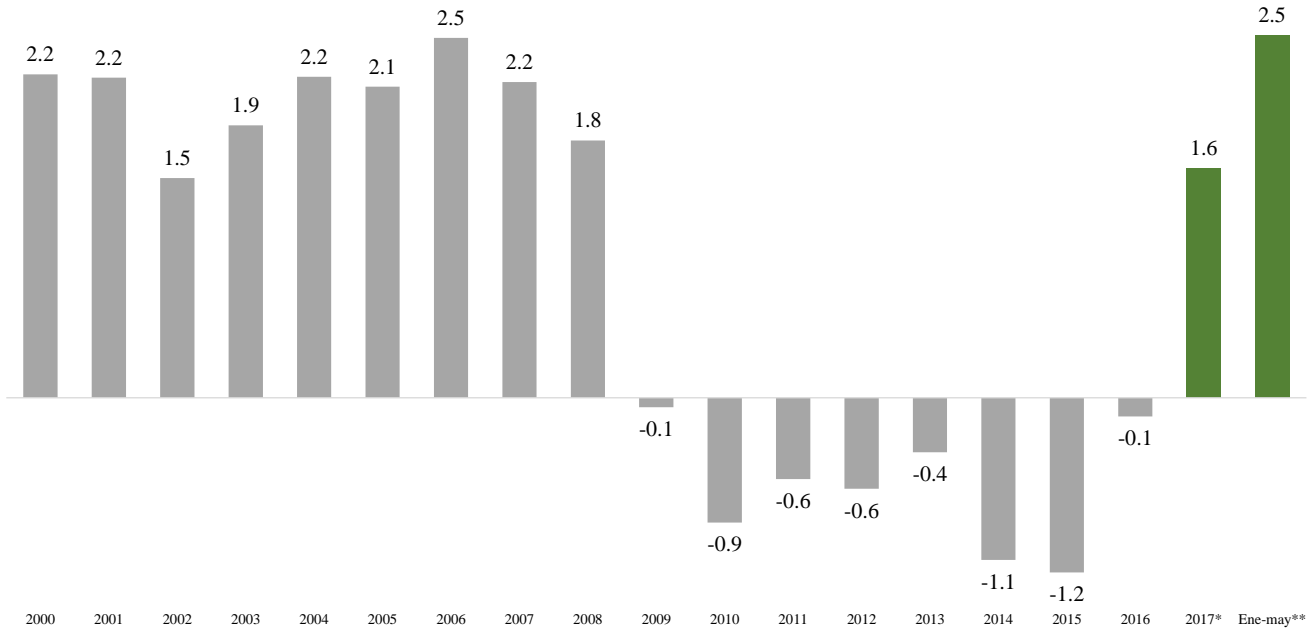


*/ Estimate.

**/ Proportional to annual GDP.

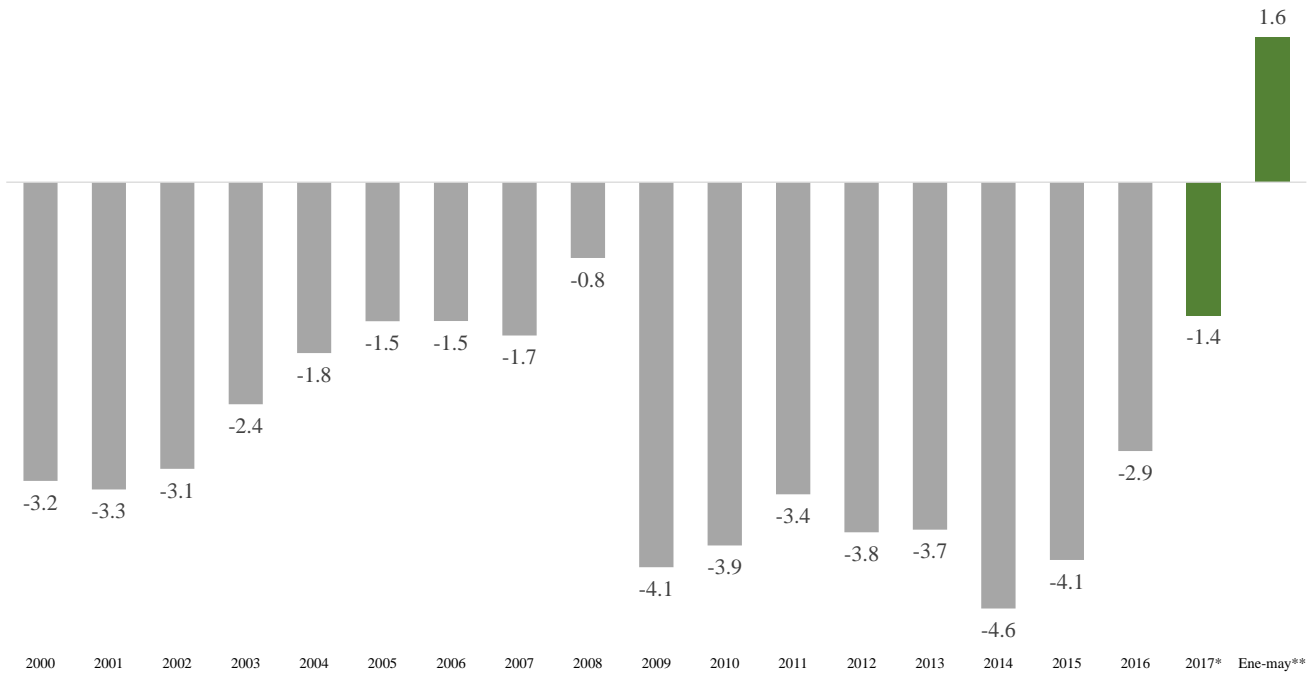
Source: Ministry of Finance.

Primary balance
Percentage of GDP



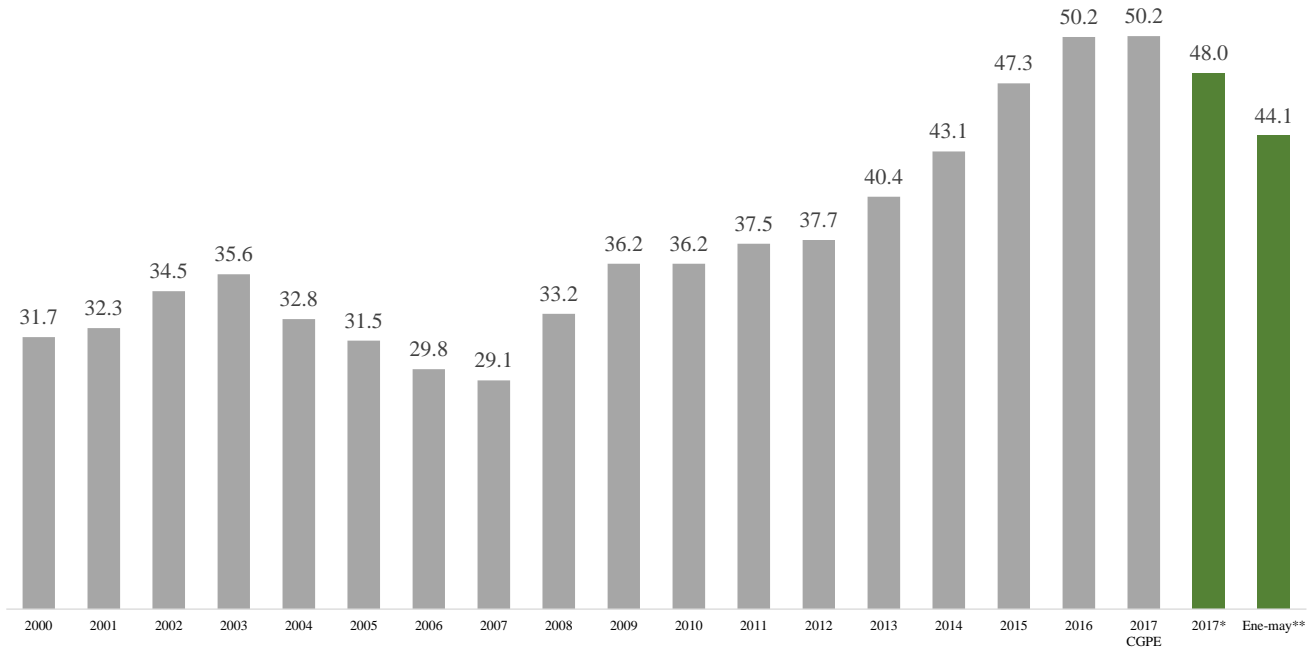
*/ Estimate.
 **/ Proportional to annual GDP.
 Source: Ministry of Finance.

PSBR
Percentage of GDP



*/ Estimate.
 **/ Proportional to annual GDP.
 Source: Ministry of Finance.

HBPSBR
Percentage of GDP

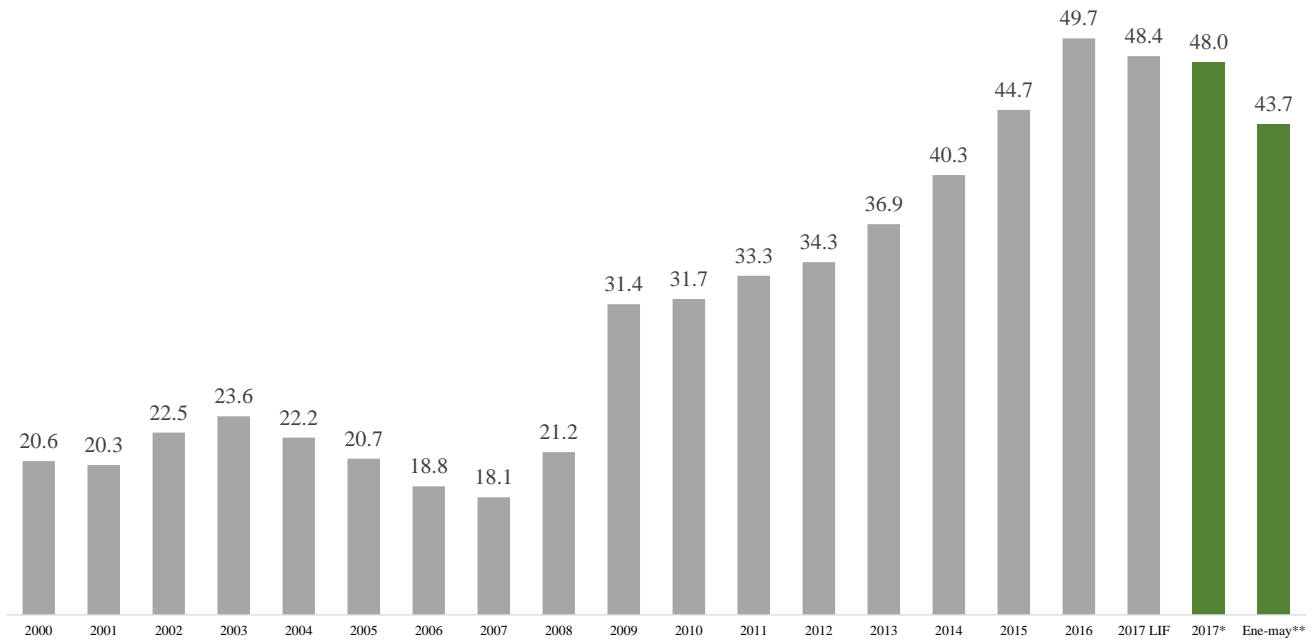


*/ Estimate.

**/ Debt of May as a proportion of annual GDP.

Source: Ministry of Finance.

Public Debt
Percentage of GDP



*/ Estimate.

**/ Debt of May as a proportion of annual GDP.

Source: Ministry of Finance.

PUBLIC SECTOR BALANCE

(Million pesos)

Concept	January-May			Nominal Difference (3-2)	Growth% real (3/1)
	2016 ^{p_/} (1)	2017			
		Program ^{1_/} (2)	Observed ^{p_/} (3)		
PUBLIC BALANCE	72,757.7	-147,659.4	381,747.3	529,406.7	397.9
<i>PUBLIC BALANCE EXCLUDING PRODUCTIVE INVESTMENT^{2_/}</i>	266,048.4	26,455.8	524,381.7	497,925.9	87.0
I. Budgetary Balance	62,508.3	-147,909.4	363,600.0	511,509.4	452.0
a) Budgetary Revenue	2,013,536.9	1,825,624.2	2,288,619.2	462,995.0	7.9
Oil ^{3_/}	277,889.0	320,472.2	359,765.4	39,293.2	22.9
PEMEX	165,525.0	158,848.9	163,791.3	4,942.4	-6.1
Federal Government	112,364.0	161,623.3	195,974.1	34,350.8	65.5
Non-oil	1,735,647.9	1,505,152.0	1,928,853.8	423,701.9	5.5
Federal Government	1,490,449.8	1,240,560.4	1,646,694.9	406,134.5	4.8
Tax	1,169,619.8	1,186,773.6	1,235,609.7	48,836.1	0.2
Non-tax	320,829.9	53,786.8	411,085.2	357,298.4	21.6
PEDBC	245,198.1	264,591.6	282,159.0	17,567.4	9.2
b) Net Budgetary Expenditures	1,951,028.6	1,973,533.6	1,925,019.2	-48,514.4	-6.4
Programmable	1,535,655.9	1,499,941.7	1,421,168.0	-78,773.8	-12.2
Non- programmable	415,372.7	473,591.8	503,851.3	30,259.4	15.1
II. PEIBC	10,249.5	250.0	18,147.3	17,897.3	68.0
PRIMARY BALANCE	177,341.5	-1,534.7	518,544.7	520,079.4	177.5

Note: Partial sums and variations may not add up due to rounding.

p_/ Preliminary figures.

1_/ Corresponds to the calendars of the Law on Income and Expenditure Budget for fiscal year 2017 approved by the Congress on December 7 and December 14 of 2016 respectively.

2_/ Excludes the physical investment of PEMEX, CFE and high impact investments of the Federal Government.

3_/ Includes revenues from PEMEX, transfers from the Mexican Oil Fund for Stabilization and Development, the income tax on contractors and assignees for the extraction of hydrocarbons and duties on hydrocarbons until 2014, paid in 2015.

PEDBC_/ Public Entities under Direct Budgetary Control.

PEIBC_/ Public Entities under Indirect Budgetary Control.

Source: Ministry of Finance.

PUBLIC SECTOR BUDGETARY REVENUES

(Million pesos)

Concept	January-May			Nominal Difference (3-2)	Growth% real (3/1)
	2016 ^{p_/}	2017			
		Program ^{1_/}	Observed ^{p_/}		
	(1)	(2)	(3)		
BUDGETARY REVENUES (I+II)	2,013,536.9	1,825,624.2	2,288,619.2	462,995.0	7.9
I. Oil (a+b) ^{2_/}	277,889.0	320,472.2	359,765.4	39,293.2	22.9
a) PEMEX	165,525.0	158,848.9	163,791.3	4,942.4	-6.1
b) Federal Government	112,364.0	161,623.3	195,974.1	34,350.8	65.5
Mexican Oil Fund	112,335.4	161,623.3	195,971.6	34,348.3	65.5
Income tax from contractors and assignees	28.7	0.0	2.5	2.5	-91.7
Existing rights until 2014	0.0	0.0	0.0	0.0	n.s.
II. Non-oil (c+d+e)	1,735,647.9	1,505,152.0	1,928,853.8	423,701.9	5.5
c) Federal Government	1,490,449.8	1,240,560.4	1,646,694.9	406,134.5	4.8
Tax	1,169,619.8	1,186,773.6	1,235,609.7	48,836.1	0.2
Income Tax	649,152.3	652,436.6	709,984.2	57,547.6	3.8
Value Added Tax	310,549.2	322,636.1	331,413.6	8,777.5	1.3
Excise Tax	173,940.4	177,251.2	153,811.1	-23,440.1	-16.1
Import Tax	19,269.1	18,213.0	20,794.4	2,581.4	2.4
IAEEH ^{3_/}	1,647.5	1,714.5	1,727.6	13.1	-0.5
Other ^{4_/}	15,061.3	14,522.2	17,878.8	3,356.6	12.6
Non-tax	320,829.9	53,786.8	411,085.2	357,298.4	21.6
Duties	30,524.0	23,205.3	36,789.9	13,584.6	14.4
Fees	286,085.8	27,950.4	370,732.4	342,782.0	23.0
Other	4,220.1	2,631.1	3,562.9	931.8	-19.9
d) PEDBC ^{5_/}	132,483.3	138,499.0	142,807.7	4,308.8	2.3
IMSS	114,186.3	119,118.5	123,580.2	4,461.7	2.7
ISSSTE	18,297.1	19,380.5	19,227.6	-152.9	-0.3
e) State Productive Enterprise (CFE)	112,714.8	126,092.6	139,351.2	13,258.6	17.3
Memorandum items					
Total tax-related	1,169,648.5	1,186,773.6	1,235,612.2	48,838.6	0.2
Total non-tax related	843,888.3	638,850.6	1,053,007.0	414,156.5	18.4

Note: Partial sums and variations may not add up due to rounding.

p_/ Preliminary figures.

n.s.: non-significant.

1_/ Corresponds to the calendars of the Law on Revenue for fiscal year 2017 approved by the Congress and published in the Federal Official Gazette on December 7, 2016.

2_/ Includes revenues from PEMEX, transfers from the Mexican Oil Fund for Stabilization and Development, the income tax of contractors and assignees for the extraction of hydrocarbons.

3_/ Tax on hydrocarbon exploration and extraction activities.

4_/ Includes taxes on new vehicles, exports, petroleum spread, not included in the aforementioned sections and accessories.

5_/ Excludes Federal Government's transfers to ISSSTE.

Source: Ministry of Finance..

PUBLIC SECTOR NET EXPENDITURES

(Million pesos)

Concept	January-May			Nominal Difference (3-2)	Growth% real (3/1)
	2016 ^{p_/} (1)	2017			
		Program ^{1_/} (2)	Observed ^{p_/} (3)		
TOTAL (I+II)	1,951,028.6	1,973,533.6	1,925,019.2	-48,514.4	-6.4
I. Primary expenditures	1,850,032.7	1,827,366.9	1,781,845.1	-45,521.8	-8.6
Programmable	1,535,655.9	1,499,941.7	1,421,168.0	-78,773.8	-12.2
Autonomous Branches	33,614.5	49,046.3	34,942.0	-14,104.3	-1.4
Administrative Branches	498,285.1	419,392.2	411,228.9	-8,163.3	-21.7
General Branches	657,454.7	641,754.9	616,234.4	-25,520.6	-11.1
PEDBC	296,150.8	339,310.5	327,846.4	-11,464.1	5.0
IMSS	190,795.6	219,163.9	211,610.5	-7,553.4	5.2
ISSSTE	105,355.1	120,146.6	116,235.8	-3,910.7	4.7
State Productive Enterprises	295,256.0	330,643.2	303,509.8	-27,133.4	-2.5
PEMEX	182,118.4	206,055.2	167,116.9	-38,938.3	-12.9
CFE	113,137.6	124,588.0	136,392.9	11,804.9	14.4
(-) Compensated operations ^{2_/}	245,105.2	280,205.3	272,593.4	-7,611.9	5.5
Non-programmable	314,376.8	327,425.2	360,677.1	33,251.9	8.9
Non-earmarked transfers	289,376.2	304,049.5	338,186.0	34,136.4	10.9
Adefas and other	25,000.6	23,375.7	22,491.2	-884.5	-14.6
II. Financial cost ^{3_/}	100,995.9	146,166.6	143,174.1	-2,992.5	34.5

Note: Partial sums and variations may not add up due to rounding.

p_/ Preliminary figures.

1_/ Corresponds to the calendars of the Law on Revenue for fiscal year 2017 approved by the Congress and published in the Federal Official Gazette on December 14, 2016.

2_/ Refers to transactions that represent a revenue for social security institutions and an expenditure for the Federal Government, which are eliminated to avoid double accounting of revenues and expenditure.

3_/ Includes interests, commissions and other public expenditures, as well as expenditures for financial restructuring and to support bank savers and debtors.

Source: Ministry of Finance.

FEDERAL GOVERNMENT DOMESTIC DEBT, MAY ^{*/}

(Million pesos)

Concept	Outstanding as of December 2016	Indebtedness			Adjustments ^{1/}	Outstanding As of May 2017 ^{p/}
		Originations	Amort.	Net		
1. Net Debt (3-2)	5,396,301.4					5,112,098.0
2. Assets ^{2/}	224,044.0					694,645.0
3. Gross Debt	5,620,345.4	1,257,570.6	1,126,929.5	130,641.1	55,756.5	5,806,743.0
Government Securities	4,915,318.3	1,149,393.2	893,877.6	255,515.6	44,850.8	5,215,684.7
Cetes	634,660.9	751,061.4	752,450.8	-1,389.4	0.0	633,271.5
Bondes "D"	397,881.9	53,146.1	12,001.0	41,145.1	0.0	439,027.0
Fixed Rate Bonds	2,652,075.1	263,161.6	129,425.8	133,735.8	2,078.4	2,787,889.3
Udibonos	1,223,498.0	82,024.1	0.0	82,024.1	42,526.7	1,348,048.8
<i>Udibonos udi's</i>	219,996.6	14,398.2	0.0	14,398.2	0.0	234,394.8
Segregated Udibonos	7,202.4	0.0	0.0	0.0	245.7	7,448.1
<i>Segregated Udibonos udi's</i>	1,295.1	0.0	0.0	0.0	0.0	1,295.1
Savings Fund S.A.R.	115,163.3	105,976.9	108,488.3	-2,511.4	4,754.5	117,406.4
Obligations by ISSSTE's Law ^{3/}	147,532.8	61.9	11,152.9	-11,091.0	4,926.4	141,368.2
PEMEX Pension Bonds ^{4/}	137,639.7	0.0	1,512.3	-1,512.3	0.0	136,127.4
CFE Pension Bonds ^{5/}	161,080.2	0.0	0.0	0.0	0.0	161,080.2
Others	143,611.1	2,138.6	111,898.4	-109,759.8	1,224.8	35,076.1

Note: Figures may not add up due to rounding.

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

^{p/} Preliminary figures.

^{1/} Corresponds mainly to the inflation adjustment. For Fixed Rate Development Bonds (Bondes "D"), includes adjustments for debt swap transactions.

^{2/} Includes the net balance denominated in Mexican pesos, of the Federal Treasury's General Account.

^{3/} Obligations associated with the new ISSSTE law.

^{4/} Obligations associated with the financial support by the Federal Government to PEMEX given the savings in their pensions obligations, pursuant to the provisions of the "Agreement on the general provisions concerning the Federal Government's assumption of PEMEX and its Subsidiary Productive Enterprises' pension and retirement obligations", published in the Federal Official Gazette on December 24, 2015.

^{5/} Obligations associated with the financial support by the Federal Government to CFE given the savings in their pension obligations, pursuant to the provisions of the "Agreement on the general provisions concerning the Federal Government's assumption of the Federal Electricity Commission' pension and retirement obligations," published in the Federal Official Gazette on November 14, 2016.

Source: Ministry of Finance.

FEDERAL GOVERNMENT EXTERNAL DEBT, MAY ^{*_/}

(Million dollars)

Concept	Outstanding as of December 2016	Indebtedness			Adjustments	Outstanding as of May 2017 ^{p_/}
		Originations	Amort.	Net		
1. Net debt (3-2)	86,666.0					89,600.0
2. Assets ^{1_/}	1,491.0					74.0
3. Gross Debt	88,157.0	3,950.8	3,827.9	122.9	1,394.1	89,674.0
Public Bonds	61,429.3	3,150.4	3,474.1	-323.7	1,325.0	62,430.6
International Financial Institutions (IFI's)	24,853.1	691.5	310.4	381.1	0.8	25,235.0
Bilateral	1,874.6	108.9	43.4	65.5	68.3	2,008.4

Note: Figures may not add up due to rounding.

*_/ Figures subject to revisions and methodological changes.

p_/ Preliminary figures.

1_/ Considers the net US Dollar denominated balance of the Federal Treasury's General Account.

Source: Ministry of Finance.

PUBLIC SECTOR DOMESTIC DEBT, MAY ^{*_1/}

(Million pesos)

Concept	Outstanding as of December 2016	Indebtedness			Adjustments	Outstanding as of May 2017 ^{p_/}
		Originations.	Amort.	Net		
1. Net Debt (3-2)	6,009,403.1					5,685,058.3
2. Assets ^{2_/}	172,847.6					638,905.9
3. Gross Debt	6,182,250.7	1,494,703.8	1,414,355.3	80,348.5	61,365.0	6,323,964.2
By Term	6,182,250.7	1,494,703.8	1,414,355.3	80,348.5	61,365.0	6,323,964.2
Long-term	5,552,529.1	612,714.0	413,304.2	199,409.8	61,471.7	5,813,410.6
Short-term	629,721.6	881,989.8	1,001,051.1	-119,061.3	-106.7	510,553.6
By user	6,182,250.7	1,494,703.8	1,414,355.3	80,348.5	61,365.0	6,323,964.2
Federal Government	5,620,345.4	1,257,570.6	1,126,929.5	130,641.1	55,756.5	5,806,743.0
Long-term	5,026,440.4	578,805.8	346,837.9	231,967.9	55,756.5	5,314,164.8
Short-term	593,905.0	678,764.8	780,091.6	-101,326.8	0.0	492,578.2
State Productive Enterprises	431,176.8	38,083.3	81,234.6	-43,151.3	5,860.9	393,886.4
Long-term	416,176.8	25,500.0	61,409.1	-35,909.1	5,860.9	386,128.6
Short-term	15,000.0	12,583.3	19,825.5	-7,242.2	0.0	7,757.8
Development Banks	130,728.5	199,049.9	206,191.2	-7,141.3	-252.4	123,334.8
Long-term	109,911.9	8,408.2	5,057.2	3,351.0	-145.7	113,117.2
Short-term	20,816.6	190,641.7	201,134.0	-10,492.3	-106.7	10,217.6
By Financing Source	6,182,250.7	1,494,703.8	1,414,355.3	80,348.5	61,365.0	6,323,964.2
Bonds Placed in Domestic Markets	5,312,876.2	1,157,684.2	905,877.6	251,806.6	46,855.1	5,611,537.9
Savings Fund S.A.R.	115,163.3	105,976.9	108,488.3	-2,511.4	4,754.5	117,406.4
Commercial Banks	142,087.0	30,504.9	74,423.1	-43,918.2	-282.6	97,886.2
ISSSTE's Law obligations ^{3_/}	147,532.8	61.9	11,152.9	-11,091.0	4,926.4	141,368.2
PEMEX Pension Bonds ^{4_/}	137,639.7	0.0	1,512.3	-1,512.3	0.0	136,127.4
CFE Pension Bonds ^{5_/}	161,080.2	0.0	0.0	0.0	0.0	161,080.2
Others	165,871.5	200,475.9	312,901.1	-112,425.2	5,111.6	58,557.9

Note: Figures may not add up due to rounding.

*_ Note: Partial sums and variations may not add up due to rounding.

p_/ Preliminary figures.

1_/ Includes Federal Government, State Productive Enterprises and Development Banks debt.

2_/ Includes the net balance denominated in Mexican pesos, of the Federal Treasury's General Account and assets from State Productive Enterprises and Development Banks.

3_/ Obligations associated with the new ISSSTE law.

4_/ Obligations associated with the financial support by the Federal Government to PEMEX given the savings in their pensions obligations, pursuant to the provisions of the "Agreement on the general provisions concerning the Federal Government's assumption of PEMEX and its Subsidiary Productive Enterprises' pension and retirement obligations", published in the Federal Official Gazette on December 24, 2015.

5_/ Obligations associated with the financial support by the Federal Government to CFE given the savings in their pension obligations, pursuant to the provisions of the "Agreement on the general provisions concerning the Federal Government's assumption of the Federal Electricity Commission' pension and retirement obligations," published in the Federal Official Gazette on November 14, 2016.

Source: Ministry of Finance.

PUBLIC SECTOR EXTERNAL DEBT, MAY ^{*_1_}

(Million dollars)

Concept	Outstanding as of December 2016	Indebtedness			Adjustments	Outstanding as of May 2017 ^{p_}
		Originations	Amort.	Net		
1. Net Debt (3-2)	177,692.5					185,469.4
2. Financial Assets in Foreign Currency ^{2_}	3,293.5					1,237.1
3. Gross Debt	180,986.0	18,678.0	15,425.1	3,252.9	2,467.6	186,706.5
By Term	180,986.0	18,678.0	15,425.1	3,252.9	2,467.6	186,706.5
Long-term	177,892.8	11,350.7	7,732.7	3,618.0	2,461.4	183,972.2
Short-term	3,093.2	7,327.3	7,692.4	-365.1	6.2	2,734.3
By user	180,986.0	18,678.0	15,425.1	3,252.9	2,467.6	186,706.5
Federal Government	88,157.0	3,950.8	3,827.9	122.9	1,394.1	89,674.0
Long-term	88,157.0	3,950.8	3,827.9	122.9	1,394.1	89,674.0
Short-term	0.0	0.0	0.0	0.0	0.0	0.0
State Productive Enterprises	82,687.8	7,401.5	3,910.7	3,490.8	776.5	86,955.1
Long-term	82,687.8	7,209.3	3,840.5	3,368.8	776.5	86,833.1
Short-term	0.0	192.2	70.2	122.0	0.0	122.0
Development Banks	10,141.2	7,325.7	7,686.5	-360.8	297.0	10,077.4
Long-term	7,048.0	190.6	64.3	126.3	290.8	7,465.1
Short-term	3,093.2	7,135.1	7,622.2	-487.1	6.2	2,612.3
By Financing Source	180,986.0	18,678.0	15,425.1	3,252.9	2,467.6	186,706.5
Public Bonds	136,902.4	7,755.3	4,791.6	2,963.7	2,059.7	141,925.8
International Financial Institutions (IFI's)	28,601.6	765.8	365.1	400.7	272.5	29,274.8
Bilateral	7,279.4	250.0	354.3	-104.3	77.0	7,252.1
Commercial Banks	8,023.0	9,714.7	9,843.9	-129.2	40.8	7,934.6
Pidiregas	179.6	192.2	70.2	122.0	17.6	319.2

Note: Figures may not add up due to rounding.

*_ / Figures subject to revisions and methodological changes.

p_ / Preliminary figures.

1_ / Includes Federal Government, State Productive Enterprises and Development Banks debt.

2_ / Considers the net US Dollar denominated balance of the Federal Treasury's General Account and assets held by State Productive Enterprises and Development Banks.

Source: Ministry of Finance.

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