

Mexico City, September 29th, 2017

Public Finances and Public Debt as of August 2017

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

- During the January-August period of 2017, budgetary revenues increased in 2.5 percent in real terms compared to the same period in 2016, and were higher than the amount expected in the program by Ps. 532.0 billion if Banco de México's Operating Surplus (BMOS) of Ps. 321.7 billion is included. Excluding BMOS and revenues from the Federal Government's equity contributions to Pemex, budgetary revenues increased in 6.3 percent in real terms and were higher than the expected in the program by Ps. 210.3 billion.
- Total net budgetary expenditures were 6.2 percent lower in real terms relative to the same period in 2016, and Ps. 63.2 billion higher than the amount expected in the program. If both transfers to purchase financial assets using the BMOS resources and Federal Government's equity contributions to Pemex are excluded, total net budgetary expenditures were lower in 2.3 percent in real terms compared to the January-August period of 2016, and were Ps. 33.3 billion lower with respect to the program.
- Public Sector Borrowing Requirements (PSBRs), the broadest measure of fiscal balance, registered a Ps. 125.5 billion surplus, this represents an improvement of Ps. 280.9 billion compared to the deficit observed during the same period in 2016. This result is in line with the objective of achieving a deficit of 1.4 percent of GDP when considering the BMOS, and achieving a deficit of 2.9 percent of GDP if excluding BMOS at the end of 2017.
- As of August 2017, the evolution of public debt is consistent with the objective of decreasing the Historical Balance of the Public Sector Borrowing Requirements (HBPSBR), from 50.1¹ percent of GDP in 2016 to 48.0 percent of GDP at the end of 2017, when considering the BMOS of approximately 1.5 percent of GDP. Excluding BMOS, the HBPSBR estimate will decrease to 49.5 percent of GDP.

Today, the Ministry of Finance delivered to the Congress the Information on Public Finances and Public Debt for the January-August period of 2017, in compliance with the provisions of Article 107 of the Federal Budget and Fiscal Responsibility Law (LFPRH). The reports have also been made available to the public through the website of the Ministry. The main aspects of these reports are presented below.

¹ The 2016 HBPSBR as percentage of GDP was updated from 50.2 percent (published in April, 2017), to 50.1 percent, due to the National Institute of Statistics and Geography's (INEGI) revision of the year's nominal GDP in May.

Recent developments in public finances

As of August 2017, the Public Sector Borrowing Requirements (PSBRs) registered a surplus of Ps. 125.5 billion, an improvement of Ps. 280.9 billion compared to the deficit in the same period of 2016. This result reflects the fiscal consolidation efforts included in the economic program for the current year, the favorable evolution of tax revenues, and Banco de México's Operating Surplus (BMOS).

The cumulative public sector balance registered a Ps. 105.4 billion surplus, which compares favorably with the Ps. 202.9 billion deficit registered during the same period in the previous year, and with the expected deficit for the period of Ps. 383.3 billion.

Primary balance stood at Ps. 431.3 billion, 4.8 times larger than the Ps. 90.1 billion surplus registered in 2016, and which contrasts favorably with the expected deficit for the period of Ps. 34.4 billion. This result is consistent with the objective of achieving the first primary surplus since 2008.

Public balance that excludes investments of high economic and social impact, registered a surplus of Ps. 331.4 billion during the January-July period of 2017. This surplus is higher in Ps. 455.1 billion than the one expected for the period.

Public sector budgetary revenues

During the January-August period of 2017, Public Sector's budgetary revenues stood at Ps. 3.44 trillion, and were Ps. 532.0 billion higher than expected². Within, oil revenues were higher by Ps. 33.2 billion, tax revenues were higher by Ps. 95.0 billion, revenues from entities different from Pemex were higher by Ps. 33.6 billion, and non-tax revenues were higher by Ps. 370.2 billion (Ps. 321.7 billion correspond to the BMOS).

Compared to the January-August period in 2016, budgetary revenues were 2.5 percent higher in real terms, and 6.3 percent higher if excluding BMOS in both years and the Federal Government's equity contribution to Pemex³. The evolution of the main components of these revenues was as follows:

- Oil revenues stood at Ps. 553.1 billion and were 9.6 percent lower in real terms relative to the same period in the previous year, due to the Federal Government's equity contributions to Pemex in 2016 by Ps. 160.7 billion. Excluding this operation, oil revenues were 25.2 percent higher in real terms. This gain is mainly explained by a 36.9 percent increase in the average export price of the Mexican oil mix (31.7 dollars per barrel -dpb- in 2016 versus 43.4 dbp in 2017), a higher price of natural gas which increased in 52.2 percent, and a 2.0 percent depreciation of the exchange rate adjusted by inflation. However, this effect was partially offset by an 8.7 percent decrease in oil production (2,206 thousand barrels daily -kbd- in 2016 versus 2,014 kbd in 2017).
- CFE revenues amounted to Ps. 234.1 billion and were 16.2 percent higher in real terms compared to those in the previous year. This is mainly explained by the economic performance and the evolution of electricity rates for commercial and industrial use.
- Non-oil tax revenues amounted to Ps. 1.96 trillion and were 1.4 percent higher in real terms with respect to the same period of 2016. If excluding fuel excise tax (IEPS), tax collection increased by 4.5 percent in real terms. Within tax revenues there was a 4.5 percent increase in real terms of the income

² 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).

³ In 2016, two compensated operations were performed for Ps. 295.3 billion associated with the financial support that the Federal Government granted to Pemex for Ps. 134.2 billion (August) and to the Federal Electricity Commission (CFE) for Ps. 161.1 billion (December), as established in the Energy Reform, equivalent to the savings that both companies achieved in their pension liabilities. This as a result of the applied changes to their pension and retirement schemes. In addition, the Federal Government provided resources to PEMEX for Ps. 26.5 billion to strengthen its liquidity. The fiscal registration of these resources is recorded as Federal Government's expenditure in financial investment and income of the State Productive Enterprises by equivalent amounts.

tax system, a 3.7 percent increase of value-added tax (VAT), and an 8.7 percent increase in fuel excise tax (IEPS).

- IMSS and ISSSTE revenues added to Ps. 235.2 billion. This amount was 3.2 percent higher in real terms compared to the ones in 2016 due to larger social security contributions and financial products.
- Federal Government non-tax revenues amounted Ps. 458.7 billion. These revenues were higher than the ones in the previous year by 20.0 percent in real terms due to larger contributions of duties and exploitation rights. Excluding the BMOS in both years, a growth of 5.9 percent in real terms is observed compared to the same period in 2016.

Public sector net budgetary expenditures

During January-August of 2017, net budgetary expenditures stood at Ps. 3.36 trillion, and were Ps 63.2 billion higher than the expected in the program.⁴ As of August 2017, the Federal Government has registered as expenditure the acquisition of financial assets by Ps 96.4 billion, which come from the 30 percent share of the BMOS, as per the Article 19 of the Federal Budget and Fiscal Responsibility Law. These expenditures have been registered as follows: a Ps. 80.0 billion transfer to the Budgetary Revenues Stabilization Fund (FEIP), a Ps. 13.6 billion transfer to the Protection against Catastrophic Expenditures Fund (FPGC) of the Social Security Protection System Trust, and a Ps. 2.8 billion contribution to international organizations where Mexico is member. If this non-recurrent operation is excluded, net budgetary expenditures are Ps. 33.3 billion lower compared to the expected in the program for the period.

Excluding these transfers, programmable expenditure was lower by Ps. 46.4 billion compared to the program, of which Ps. 31.9 billion correspond to Pemex, Ps. 31.7 billion to the Central Public Administration, and Ps. 14.4 billion to IMSS and ISSSTE, this is partially offset by CFE's higher operating expenditure of Ps. 32.6 billion. On the other hand, non-programmable expenditure increased in Ps. 13.1 billion due to a higher payment of non-earmarked transfers of Ps. 32.8 billion, which is explained by the good dynamics of federal tax collection.

Relative to the January-August period of 2016, net paid expenditure, primary expenditure and programmable expenditure were lower in 6.2, 7.7 and 10.7 percent in real terms for each case.⁵ During this period, it is worth noting the following:

- Total net expenditure excluding financial investments, pensions, non-earmarked transfers and financial cost decreased 7.8 percent in real terms. Current structural expenditure was lower by 5.5 percent in real terms. Both indicators reveal the efforts regarding public expenditure containment.
- Subsidies, transfers and non-earmarked transfers were 13.8 percent lower in real terms.
- Physical investment decreased by 25.4 percent in real terms.
- Pensions and retirement payments increased by 5.3 percent in real terms.
- Operating expenditure increased by 3.0 percent in real terms, due to CFE's higher operating costs driven by an increase in the price of fuels for power generation
- Non-earmarked transfers to the states increased by 7.9 percent in real terms due to the third four-month period adjustment for 2016 and the favorable evolution of tax collection.
- Financial cost of debt increased in 10.0 percent in real terms.

⁴ Corresponds to the Authorized Budget Calendar for 2017 Fiscal Year, published on December 14, 2016 in the Federal Official Gazette (DOF).

⁵ Excluding this non-recurrent operations from the ROBM and the Federal Government's equity contribution to Pemex in 2016, net paid expenditure, primary expenditure and the programmable expenditure were 2.3, 5.9 and 3.5 percent lower in real terms for each case.

Public Debt Balance

At the end of August 2017, the Federal Government's net debt balance stood at Ps. 7.003 trillion, while the balance at the end of 2016 amounted Ps. 7.193 trillion. Within, the Federal Government net domestic debt amounted Ps. 5.382 trillion, while the external debt stood at USD 90.7 billion (equivalent to Ps. 1.622 trillion).

At the end of August 2017, the Federal Public Sector net debt balance (Federal Government, State Productive Enterprises, and development banks) stood at Ps. 9.34 trillion, compared to the Ps. 9.69 trillion balance registered at the end of 2016. The Federal Public Sector's net domestic debt stood at Ps. 5.95 trillion, while the Federal Public Sector's external debt amounted USD 189.8 billion (equivalent to Ps. 3.33 trillion).

Finally, the Historical Balance of the Public Sector Borrowing Requirements (HBPSBR), the broadest measure of public debt, amounted to Ps. 9.35 trillion, while the balance observed at the end of 2016 totaled Ps. 9.79 trillion. The domestic component of the HBPSBR stood at Ps 6.046 trillion, while the external one amounted to USD 185.1 billion (equivalent to Ps. 3.31 trillion).

These levels are consistent with the borrowing ceilings approved by the Congress for 2017, and also with the forecast of a reduction in the public debt to GDP ratio from 50.1 percent at the end of 2016 to 49.5 percent at the end of 2017 without considering the BMOS. In line with this number, a 48.0 percent level is estimated at the end of 2017 when the BMOS is considered.

Relevant Debt Management Operations

With the objective of improving the Federal Government's debt maturity profile, on September 14, 2017, the Ministry of Finance conducted a liability management operation in the domestic market, without incurring in further indebtedness. This operation is consistent with the fiscal consolidation program and with the debt strategy to reduce the HBPSBR (the broadest measure of public debt) from 50.1% of GDP in 2016 to 48.0% in 2017

This operation aimed to fulfill two objectives: i) smoothing the Federal Government's maturity profile without incurring in further indebtedness, and ii) improving local market liquidity by offering investors a broader set of alternatives for portfolio rebalancing.

The operation comprised the two following transactions:

1.- Government securities buy-back auction

A total of Ps. 32.01 billion⁶ in debt was written off through the buy-back of Fixed Rate (Bonos M) and inflation-linked (Udibonos) bonds with maturities between 2017 and 2019 at market rates. Both domestic and international investors participated in the transaction.

2.- Additional government securities auction

An additional auction totaling Ps. 32.01 billion of government securities with maturities between 2020 and 2047⁷ was conducted at market rates. The total demand for this placement amounted to Ps. 45.617 billion, with the participation of both domestic and international investors.

It is important to note that resources from Banco de México's Operating Surplus (BMOS) were not used in this operation, given that the purchase of bonds with earlier maturities was financed with resources collected through the issuance of longer term government securities. In such way, the Ministry of Finance

⁶ More details in: <http://www.banxico.org.mx/stdview.html?url=/portal-mercado-valores/informacion-oportuna/subasta-y-colocacion-de-valores/resultados/otros-resultados/compra-de-valores-gubernamentales/ResultadoCompraExt-1.html> (only available in Spanish)

⁷ More details in: <http://www.banxico.org.mx/stdview.html?url=/portal-mercado-valores/informacion-oportuna/subasta-y-colocacion-de-valores/resultados/otros-resultados/compra-de-valores-gubernamentales/ResultadoCompraExt-1.html> (only available in Spanish)

still holds Ps. 105.06 billion from the BMOS, which must be used in the current year to lower indebtedness levels or reduce the issuance of new debt (see press release from June 29).⁸ In this sense, the Ministry will continue to analyze conditions in financial markets in order to allocate these resources in the following months.

With the use of this liability management tool, public debt policy accompanies the fiscal consolidation process by providing the Ministry of Finance with degrees of freedom through the efficient management of the public debt portfolio. The Ministry will keep monitoring conditions in financial markets to be able to take advantage of opportunity windows for improving the public debt maturity profile.

While this operation was conducted out of the period referred in this document, detailing it is considered relevant for maintaining constant communication regarding the management of public debt.

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

⁸ Press Release No. 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);

ANNEX 1

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

Concept	January-August		Growth % real	Annual			Progress % with respect to:		
	2016 ^{p./}	2017 ^{p./}		2016	2017		2016	2017	
					Program ^{1./}	Estimated ^{2./}		Program ^{1./}	Estimated ^{2./}
1. Budgetary revenues ^{3./}	3,172.3	3,440.5	2.5	4,845.5	4,360.9	4,832.8	65.5	78.9	71.2
2. Tax revenues	1,826.7	1,959.3	1.4	2,716.0	2,739.4	2,769.4	67.3	71.5	70.7
3. Tax revenues without fuels excise tax (IEPS)	1,634.1	1,807.0	4.5	2,438.7	2,454.9	2,551.6	67.0	73.6	70.8
4. Total net expenditure without outlays on financial investments, pension payments, transfers and financial cost	1,949.3	1,900.6	-7.8	3,078.6	2,803.2	2,921.4	63.3	67.8	65.1
5. Total net expenditure without outlays on financial investments, pension payments and transfers	2,232.8	2,230.5	-5.6	3,551.6	3,375.7	3,498.5	62.9	66.1	63.8
6. Total net expenditure without outlay on financial investments	3,130.7	3,243.8	-2.1	4,893.9	4,838.4	4,988.6	64.0	67.0	65.0
7. Net total expenditure ^{3./}	3,382.9	3,355.2	-6.2	5,347.8	4,855.8	5,102.5	63.3	69.1	65.8
8. Current structural expenditure	1,387.4	1,386.3	-5.5	2,227.4	2,061.3	2,373.2	62.3	67.3	58.4
9. Primary balance	90.1	431.1	352.1	-25.0	78.2	308.3	-360.7	551.4	139.9
10. PSBR	-155.4	125.5	n.s.	-556.6	-596.7	-296.9	27.9	-21.0	-42.3
11. HBPSBR	8,975.1	9,354.7	-1.5	9,797.4	10,197.7	10,170.5	91.6	91.7	92.0
12. Public debt	8,757.2	9,338.0	0.8	9,693.2	9,828.9	10,183.9	90.3	95.0	91.7

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

p./ Preliminary figures.

n.s.: not significant.

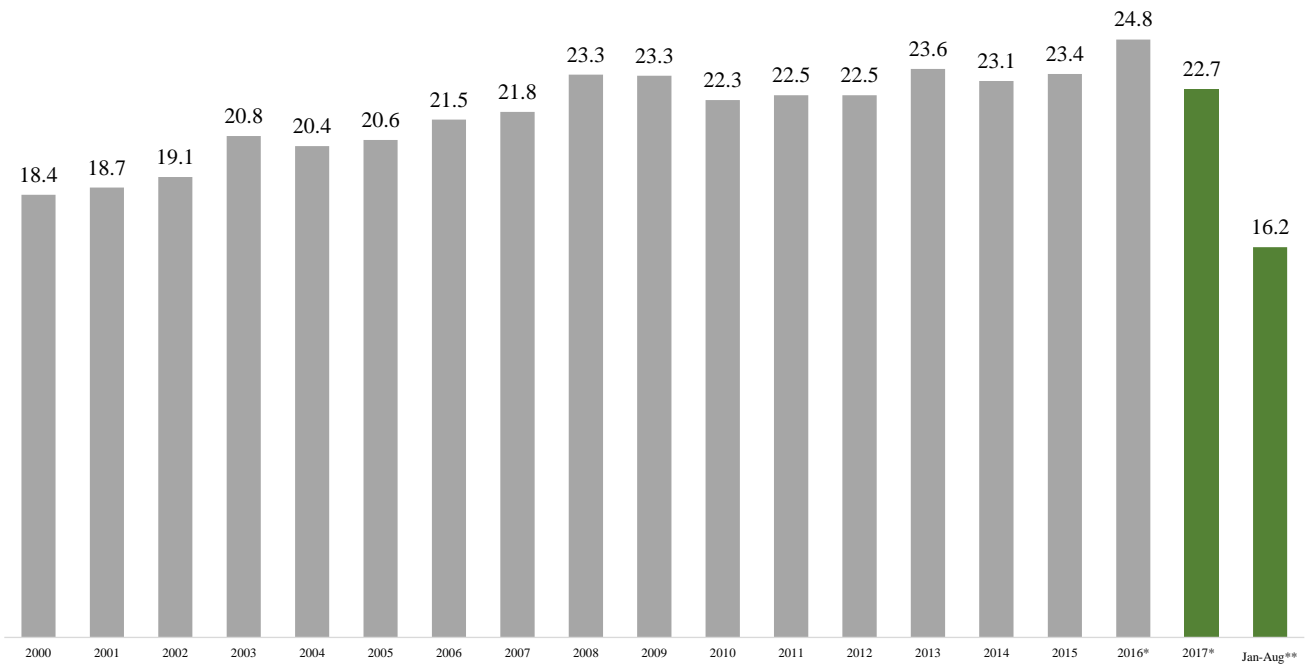
1./ Corresponds to the Federal Law on Income and the Budget Expenditure for the fiscal year 2017 approved by Congress.

2./ Corresponds to the review presented in the reports on the Economic Situation, Public Finances and Public Debt to 2T17.

3./ The annual data of 2016 includes resources from the Federal Government aid to the PEMEX and CFE retirement payments through Non-earmarked transfers by 134,230.6 and 161,080.2 million pesos respectively.

Source: Ministry of Finance.

Budgetary Revenues Percentage of GDP



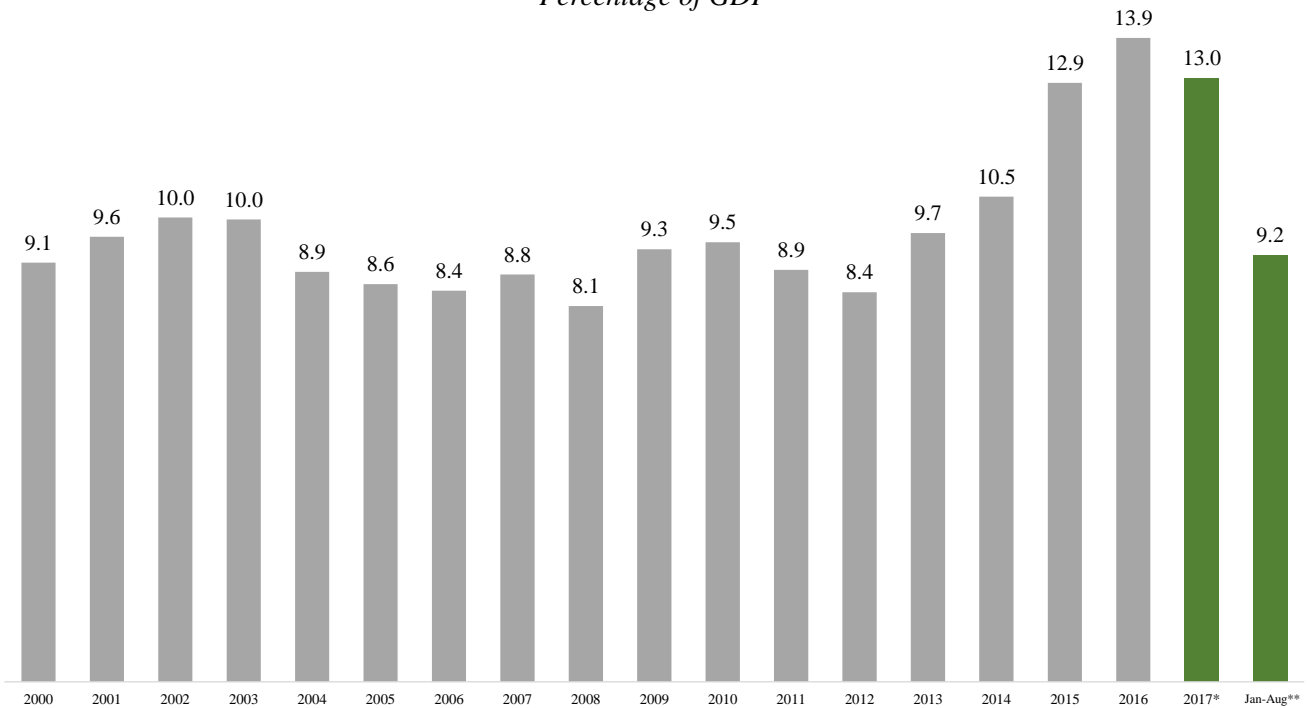
*/ Including the resources from the Federation given to PEMEX and CFE equivalent to 1.5% of GDP.

**/ Estimated.

***/ Proportional to annual GDP.

Source: Ministry of Finance.

Tax Revenues Percentage of GDP

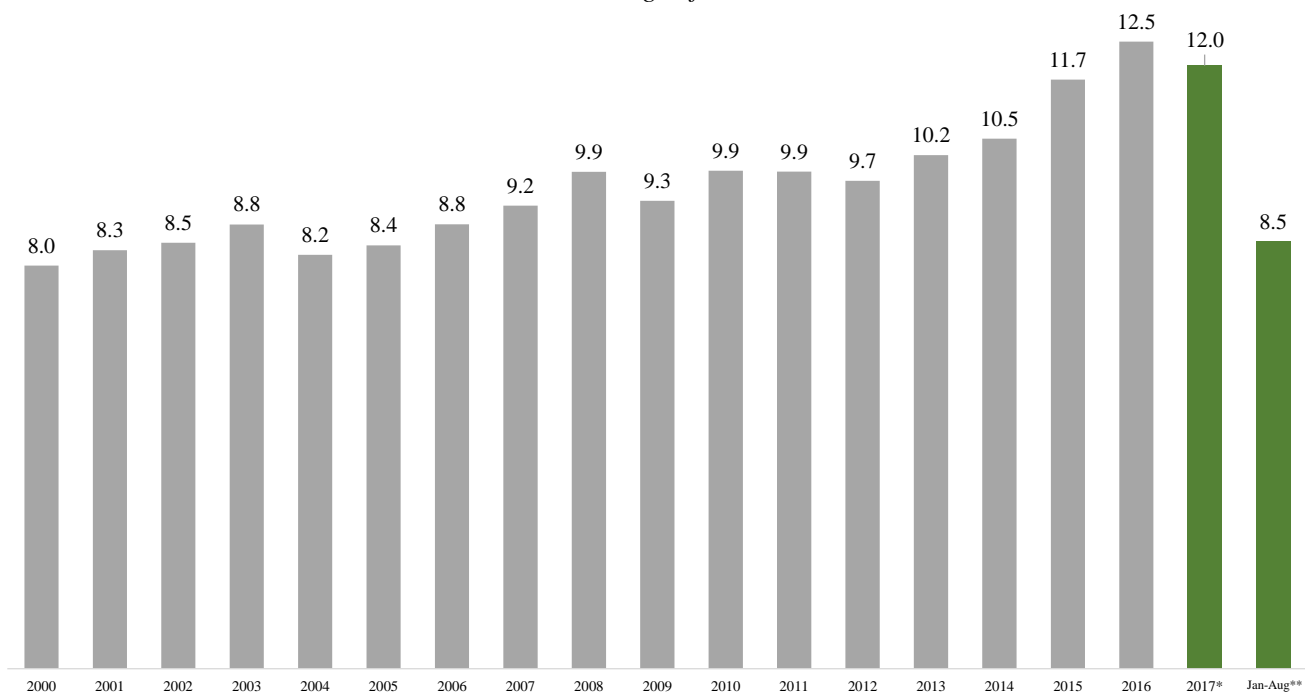


*/ Estimated.

**/ Proportional to annual GDP.

Source: Ministry of Finance.

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

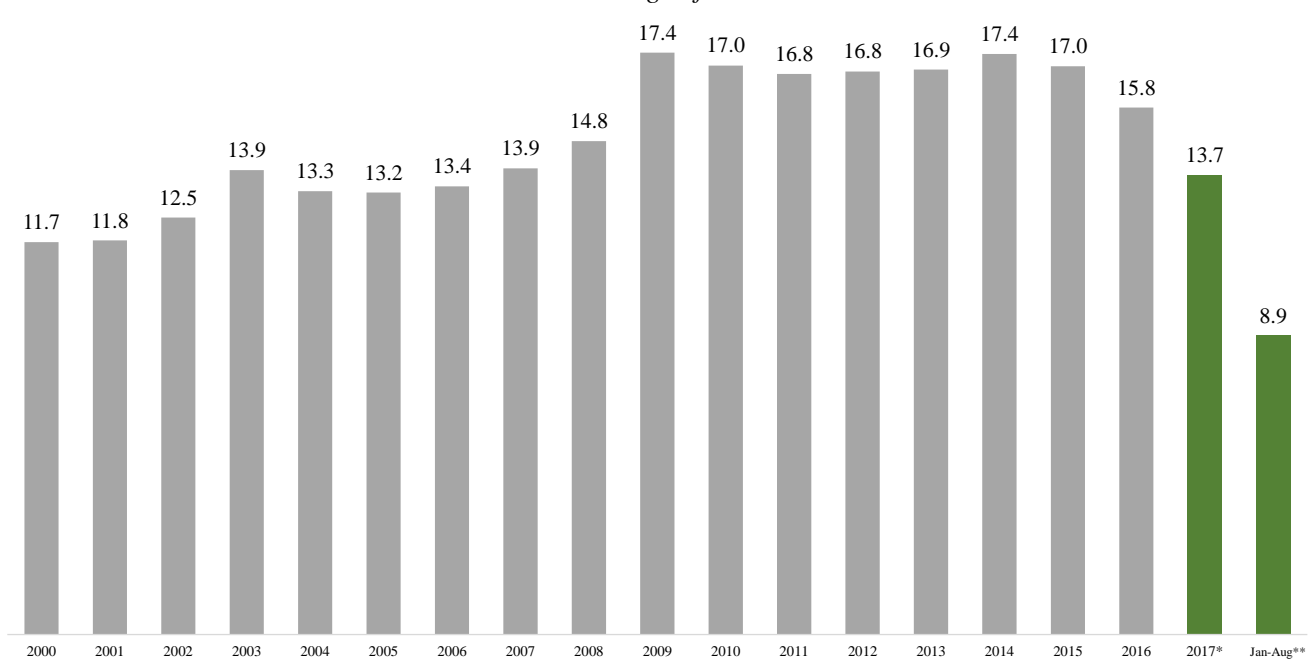


*/ Estimated.

**/ Proportional to annual GDP.

Source: Ministry of Finance.

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



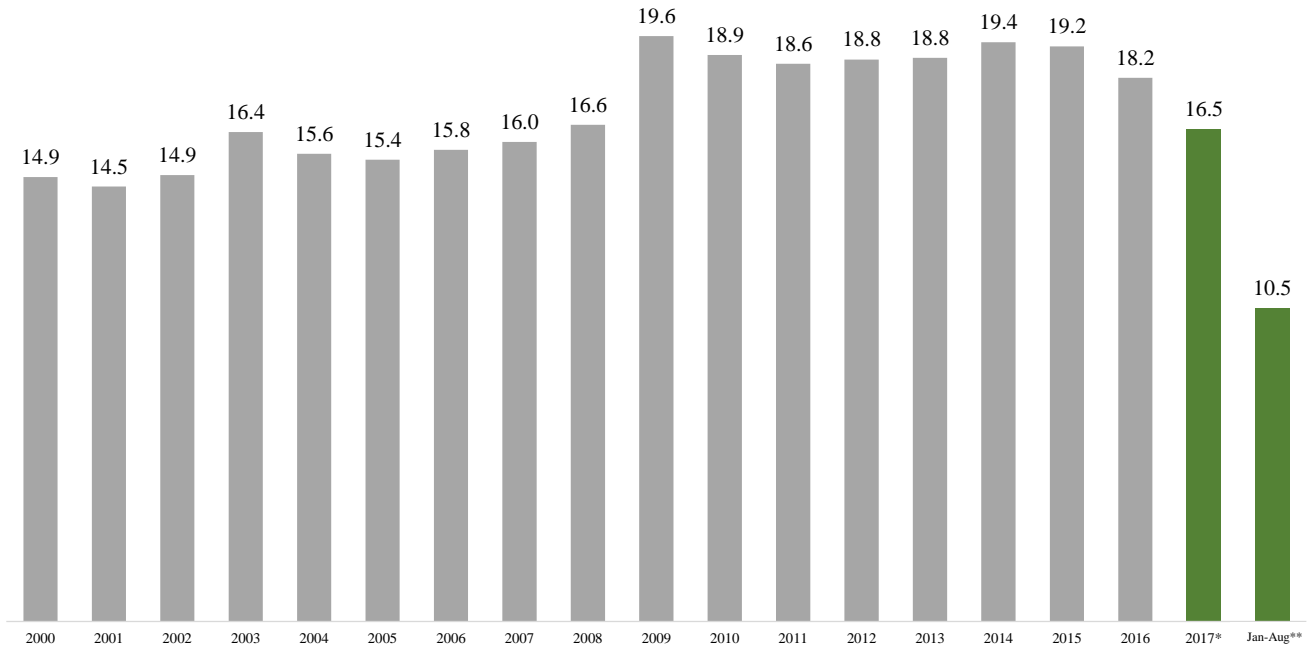
*/ Estimated.

**/ Proportional to annual GDP.

Source: Ministry of Finance.

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

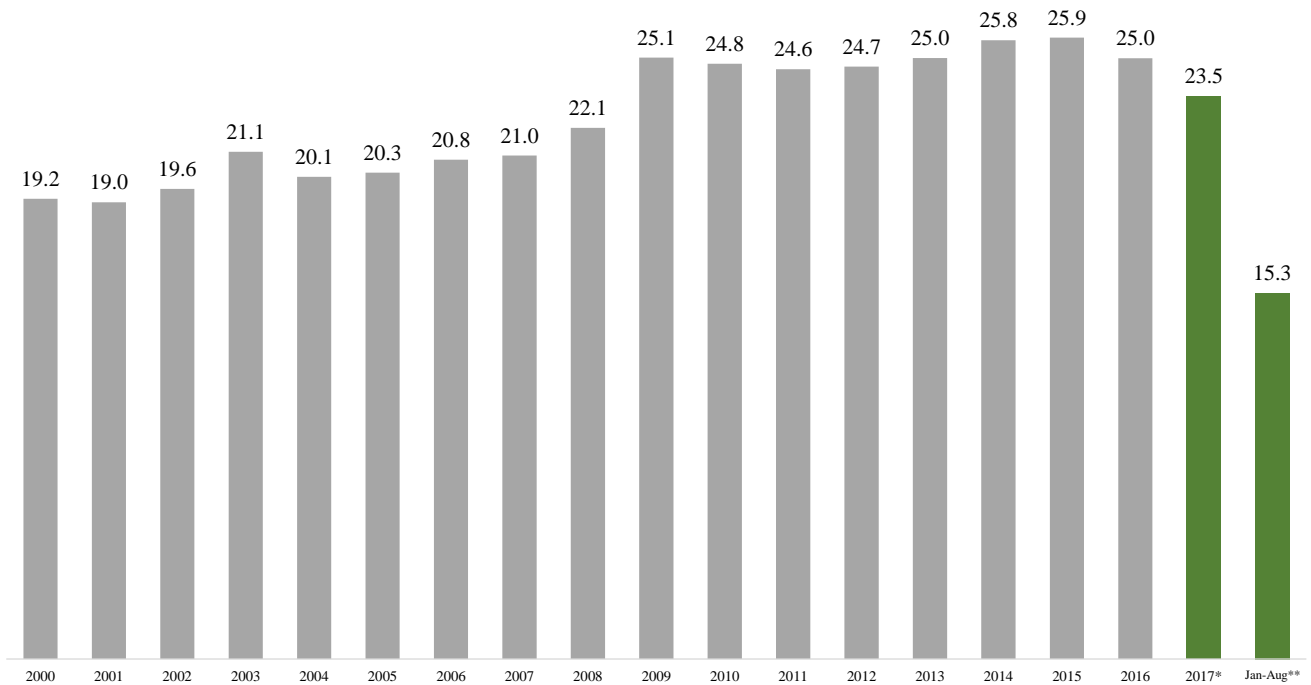
Percentage of GDP



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

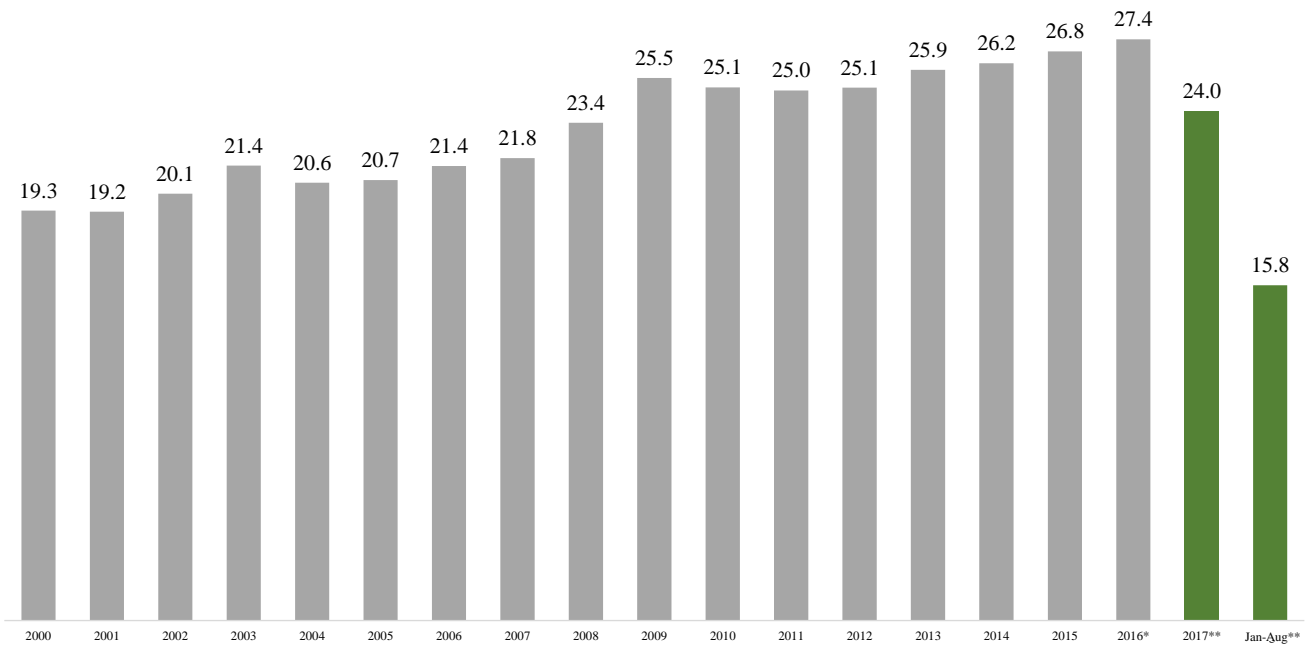
Total net expenditure without outlays on financial investments

Percentage of GDP



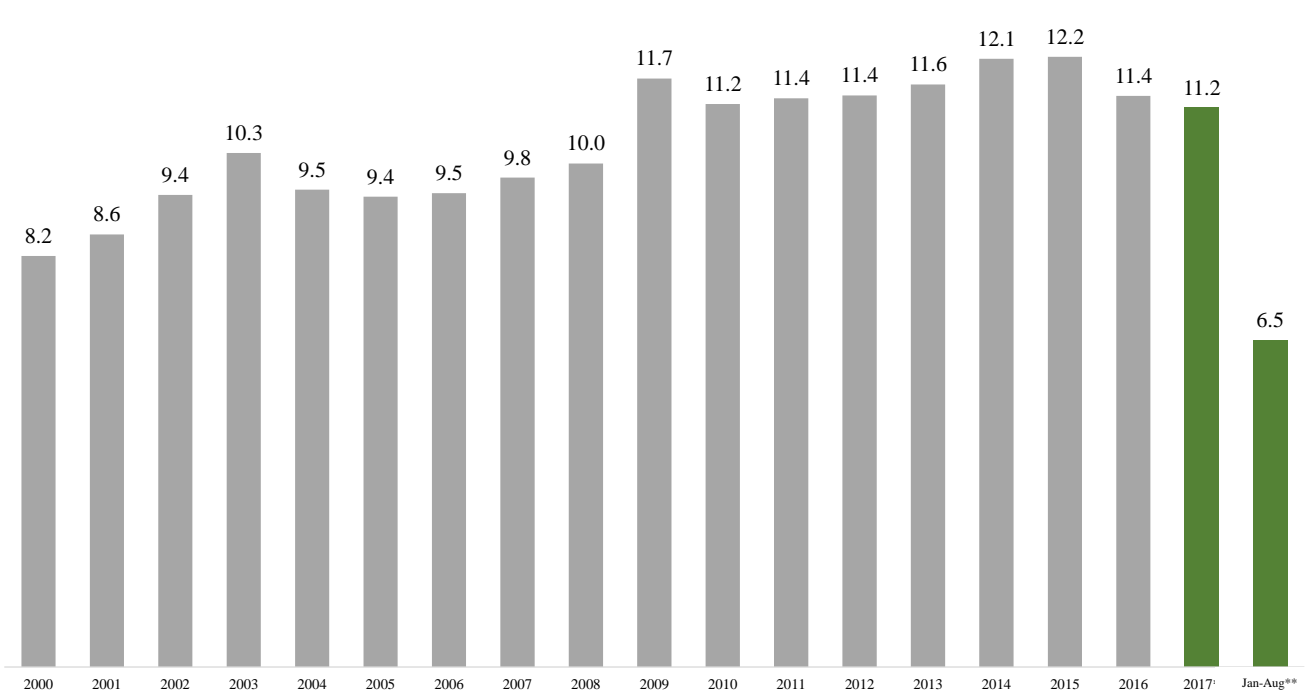
*/ Estimated.
 **/ Proportional to annual GDP.
 Source: Ministry of Finance.

Net total expenditure
Percentage of GDP



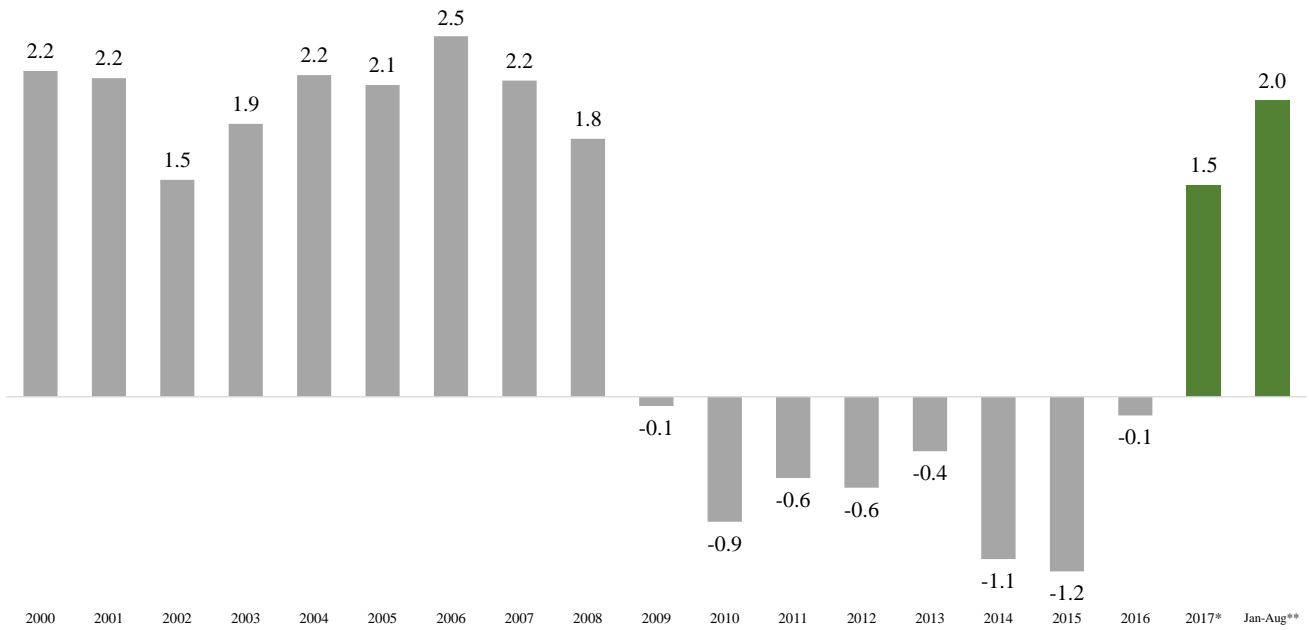
*/ Including the resources from the Federation given to PEMEX and CFE equivalent to 1.5% of GDP
 **/ Includes the use of BMOS, registered in terms of accounting as an expenditure, but represents a saving and an improvement on the Federal Government's financial position.
 ***/ Proportional to annual GDP.
 Source: Ministry of Finance.

Current Structural expenditure
Percentage of GDP



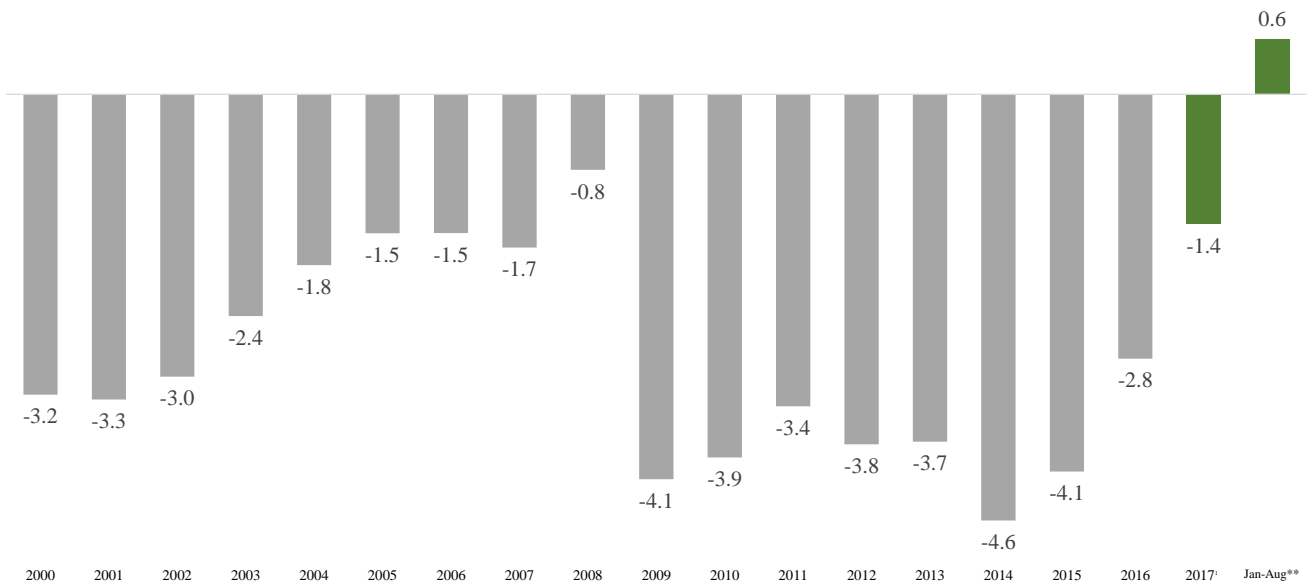
*/ Estimated.
 **/ Proportional to annual GDP.
 Source: Ministry of Finance.

Primary Balance
Percentage of GDP



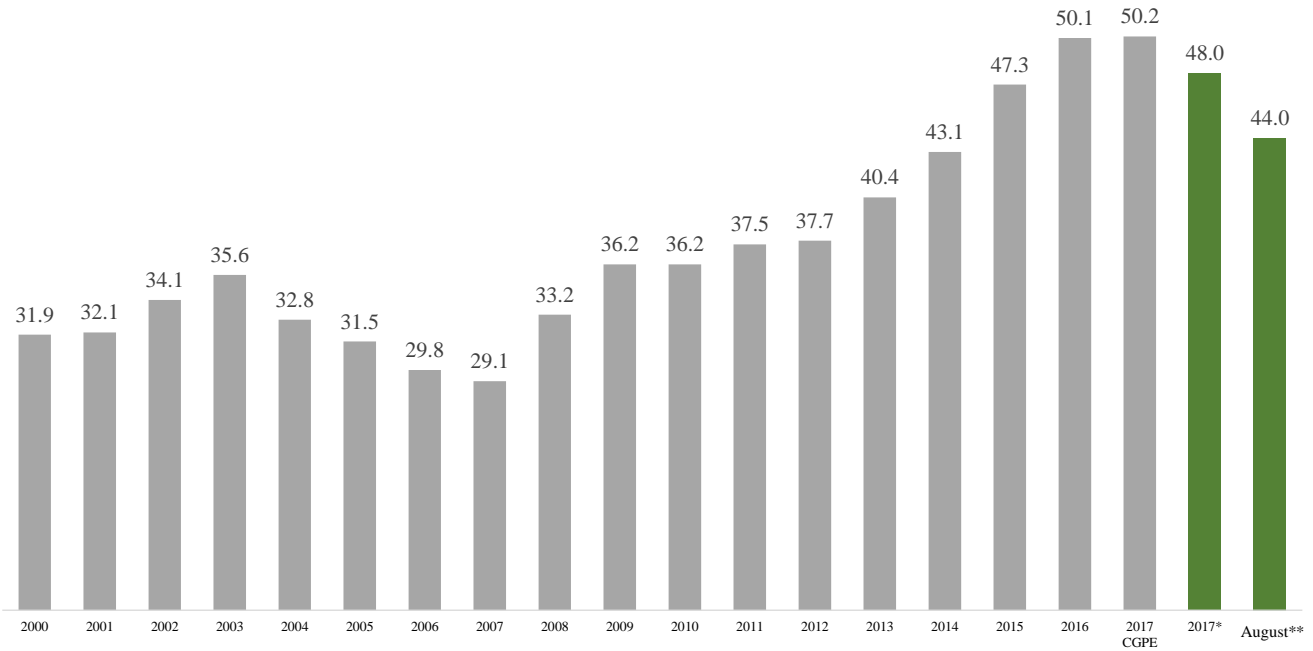
*/ Estimated.
 **/ Proportional to annual GDP.
 Source: Ministry of Finance.

PSBR
Percentage of GDP



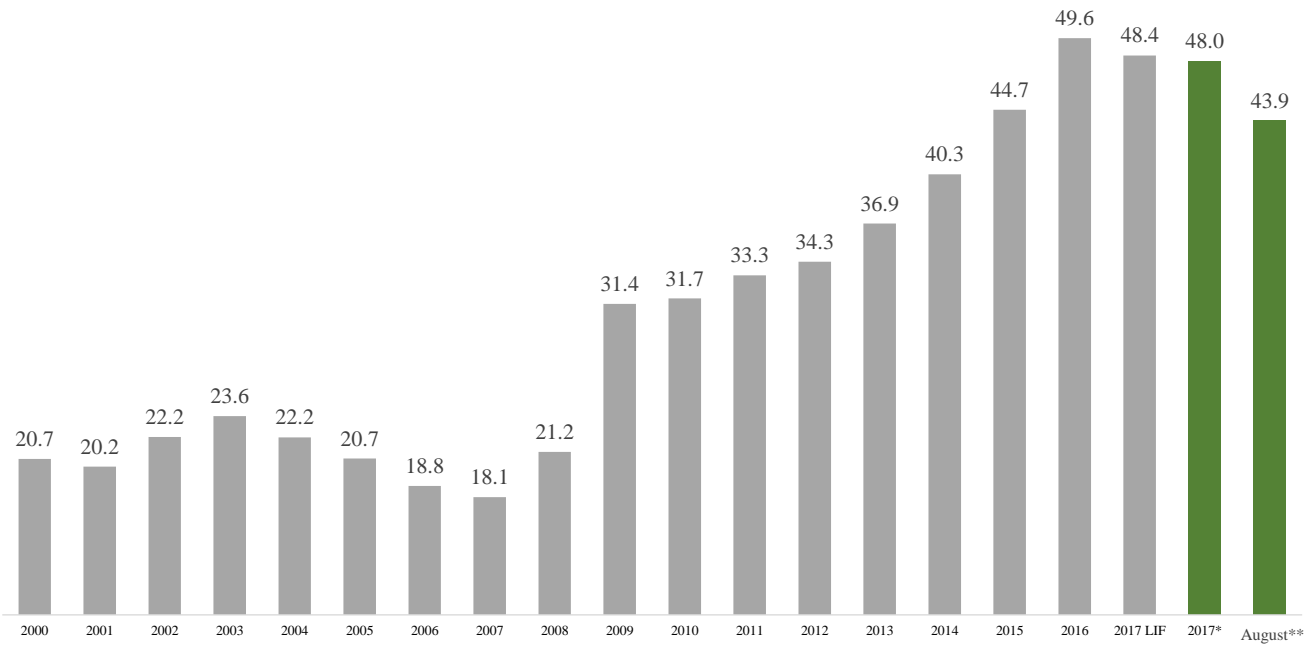
*/ Estimated.
 **/ Proportional to annual GDP.
 Source: Ministry of Finance.

HBPSBR
Percentage of GDP



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

Public debt
Percentage of GDP



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

PUBLIC SECTOR BALANCE

(Million pesos)

Concept	January-August			Nominal Difference (3-2)	Growth % real (3/1)
	2017				
	2016 ^{p_/} (1)	Program ^{1_/} (2)	Observed ^{p_/} (3)		
PUBLIC BALANCE	-202,873.2	-383,258.8	105,400.4	488,659.3	n.s.
<i>PUBLIC BALANCE EXCLUDING PRODUCTIVE INVESTMENT^{2_/}</i>	138,208.4	-123,684.6	331,435.6	455,120.2	126.7
I. Budgetary Balance	-210,616.4	-383,558.8	85,265.9	468,824.7	n.s.
a) Budgetary Revenues	3,172,264.5	2,908,487.5	3,440,468.6	531,981.1	2.5
Oil ^{3_/}	578,425.4	519,899.7	553,121.5	33,221.8	-9.6
PEMEX	369,763.5	260,559.9	258,150.4	-2,409.5	-34.0
Federal Government	208,661.9	259,339.8	294,971.1	35,631.3	33.6
Non-oil	2,593,839.1	2,388,587.8	2,887,347.2	498,759.3	5.2
Federal Government	2,188,118.2	1,952,858.0	2,418,048.0	465,190.0	4.5
Tax	1,826,689.9	1,864,337.2	1,959,346.6	95,009.4	1.4
Non-tax	361,428.3	88,520.8	458,701.4	370,180.6	20.0
PEDBC	405,720.8	435,729.8	469,299.1	33,569.3	9.3
b) Net Budgetary Expenditures	3,382,880.9	3,292,046.3	3,355,202.7	63,156.4	-6.2
Programmable	2,601,579.8	2,407,201.8	2,457,240.2	50,038.4	-10.7
Non programmable	781,301.1	884,844.5	897,962.5	13,118.0	8.6
II. PEIBC	7,743.2	300.0	20,134.5	19,834.5	145.8
PRIMARY BALANCE	90,134.0	-34,423.6	431,140.9	465,564.5	352.1

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

p_/ Preliminary figures.

n.s.: not significant.

1_/ Corresponds to the calendars of the Law on Income and Expenditure Budget for fiscal year 2017 approved by the Congress and published in the Federal Official Gazette 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.

Source: Ministry of Finance.

PUBLIC SECTOR BUDGETARY REVENUES

(Million pesos)

Concept	January-August			Nominal Difference (3-2)	Growth % real (3/1)
	2017		Observed ^{p_/} (3)		
	2016 ^{p_/} (1)	Program ^{1_/} (2)			
BUDGETARY REVENUES (I+II)	3,172,264.5	2,908,487.5	3,440,468.6	531,981.1	2.5
I. Oil (a+b) ^{2_/}	578,425.4	519,899.7	553,121.5	33,221.8	-9.6
a) PEMEX	369,763.5	260,559.9	258,150.4	-2,409.5	-34.0
b) Federal Government	208,661.9	259,339.8	294,971.1	35,631.3	33.6
Mexican Oil Fund	208,442.7	259,339.8	300,498.9	41,159.0	36.3
Income tax from contractors and assignees	219.2	0.0	-5,527.8	-5,527.8	n.s.
Existing rights until 2014	0.0	0.0	0.0	0.0	n.s.
II. Non-oil (c+d+e)	2,593,839.1	2,388,587.8	2,887,347.2	498,759.3	5.2
c) Federal Government	2,188,118.2	1,952,858.0	2,418,048.0	465,190.0	4.5
Tax	1,826,689.9	1,864,337.2	1,959,346.6	95,009.4	1.4
Income Tax	970,122.5	989,746.0	1,072,381.5	82,635.4	4.5
Value Added Tax	513,210.9	531,163.6	562,890.9	31,727.3	3.7
Excise Tax	284,059.4	287,317.2	257,537.6	-29,779.6	-14.3
Import Tax	32,311.5	29,827.8	33,880.5	4,052.7	-0.9
IAEEH ^{3_/}	2,562.6	2,743.1	2,833.0	89.8	4.5
Other ^{4_/}	24,423.0	23,539.3	29,823.1	6,283.7	15.4
Non-tax	361,428.3	88,520.8	458,701.4	370,180.6	20.0
Duties	43,264.7	34,087.3	49,021.7	14,934.4	7.1
Fees	312,948.1	50,151.1	404,652.1	354,500.9	22.2
Other	5,215.5	4,282.4	5,027.7	745.3	-8.9
d) PEDBC ^{5_/}	215,363.9	224,268.7	235,211.5	10,942.8	3.2
IMSS	185,725.5	193,390.5	203,934.6	10,544.1	3.8
ISSSTE	29,638.4	30,878.2	31,276.9	398.7	-0.2
e) State Productive Enterprise (CFE)	190,356.9	211,461.1	234,087.7	22,626.5	16.2
Memorandum items					
Total tax-related	1,826,909.1	1,864,337.2	1,953,818.8	89,481.6	1.1
Total non-tax related	1,345,355.4	1,044,150.3	1,486,649.8	442,499.5	4.5

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

p_/ Preliminary figures.

n. s.: not 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 on contractors and assignees for the extraction of hydrocarbons.

3_/ Tax on hydrocarbon exploration and extraction activities (Impuesto por la actividad de exploración y extracción de hidrocarburos in Spanish).

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

5_/ PEDBC: Public Entities under Direct Budgetary Control. Excludes Federal Government's transfers to ISSSTE

Source: Ministry of Finance.

PUBLIC SECTOR BUDGETARY NET EXPENDITURES

(Million pesos)

Concept	January-August			Nominal Difference (3-2)	Growth % real (3/1)
	2016 ^{p_/} (1)	2017			
		Program ^{1_/} (2)	Observed ^{p_/} (3)		
TOTAL (I+II)	3,382,880.9	3,292,046.3	3,355,202.7	63,156.4	-6.2
I. Primary expenditures	3,099,380.6	2,943,243.9	3,025,297.0	82,053.1	-7.7
Programmable	2,601,579.8	2,407,201.8	2,457,240.2	50,038.4	-10.7
Autonomous Branches	56,366.5	75,597.9	59,526.9	-16,071.0	-0.2
Administrative Branches	923,138.0	688,172.1	701,330.8	13,158.7	-28.2
General Branches	988,305.3	1,010,146.0	1,061,753.6	51,607.6	1.6
PEDBC ^{2_/}	493,023.9	562,805.5	548,419.5	-14,386.0	5.1
IMSS	330,702.1	376,161.4	365,401.5	-10,759.9	4.4
ISSSTE	162,321.8	186,644.1	183,018.0	-3,626.1	6.6
State Productive Enterprises	521,256.1	506,590.8	508,789.0	2,198.3	-7.7
PEMEX	328,667.0	290,318.3	258,378.3	-31,939.9	-25.7
CFE	192,589.1	216,272.5	250,410.7	34,138.2	22.9
(-) Compensated operations ^{3_/}	380,510.0	436,110.5	422,579.6	-13,530.9	5.0
Non-programmable	497,800.8	536,042.1	568,056.7	32,014.7	7.9
Non-earmarked transfers	477,982.1	512,666.4	545,455.7	32,789.3	7.9
Adefas and other	19,818.7	23,375.7	22,601.1	-774.6	7.8
II. Financial Cost ^{4_/}	283,500.3	348,802.4	329,905.7	-18,896.7	10.0

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_/ PEDBC: Public Entities under direct budgetary control.

3_/ 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.

4_/ Includes interests, commissions and other public debt expenditure, as well as expenditures for financial restructuring and to support bank savers and debtors.

Source: Ministry of Finance

FEDERAL GOVERNMENT DOMESTIC DEBT, AUGUST ^{*_/}

(Million pesos)

Concept	Outstanding as of December 2016	Indebtedness			Adjustments ^{1_/}	Outstanding as of August 2017 ^{p_/}
		Originations.	Amort.	Net		
1. Net Debt (3-2)	5,396,301.4					5,381,519.0
2. Assets ^{2_/}	224,044.0					555,684.7
3. Gross Debt	5,620,345.4	2,043,399.6	1,793,978.7	249,420.9	67,437.4	5,937,203.7
Government Securities	4,915,318.3	1,888,395.4	1,507,074.3	381,321.1	54,974.1	5,351,613.5
Cetes	634,660.9	1,276,293.4	1,230,393.2	45,900.2	0.0	680,561.1
Bondes "D"	397,881.9	80,898.7	25,502.3	55,396.4	0.0	453,278.3
Fixed Rate Bonds	2,652,075.1	407,296.9	251,139.9	156,157.0	1,872.1	2,810,104.2
Udibonos	1,223,498.0	123,906.4	0.0	123,906.4	52,801.3	1,400,205.7
<i>Udibonos udi's</i>	219,996.6	<i>21,669.4</i>	<i>0.0</i>	<i>21,669.4</i>	<i>0.0</i>	<i>241,666.0</i>
Segregated Udibonos	7,202.4	0.0	38.9	-38.9	300.7	7,464.2
Segregated <i>Udibonos udi's</i>	<i>1,295.1</i>	<i>0.0</i>	<i>6.8</i>	<i>-6.8</i>	<i>0.0</i>	<i>1,288.3</i>
Savings0 Fund S.A.R.	115,163.3	152,803.7	155,801.5	-2,997.8	5,067.4	117,232.9
Obligations by ISSSTE's Law ^{3_/}	147,532.8	61.9	11,358.1	-11,296.2	5,951.8	142,188.4
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	118,232.5	-116,093.9	1,444.1	28,961.3

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 swaps transactions.

2_/ Includes the net balance denominated in Mexican pesos for the Treasury General Account.

3_/ Obligations associated with the new ISSSTE law.

4_/ Obligations associated with the financial aid by the Federal Government to PEMEX due to savings in its pension obligations, according to the provisions of the "Agreement on the general provisions concerning the Federal Government 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 aid by the Federal Government to CFE due to savings in its pension obligations, according to the provisions of the "Agreement on the general provisions concerning the Federal Government 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, AUGUST ^{*_/}

(Million dollars)

Concept	Outstanding as of December 2016	Indebtedness			Adjustments	Outstanding as of August 2017 ^{p_/}
		Originations	Amort.	Net		
1. Net Debt (3-2)	86,666.0					90,713.1
2. Assets ^{1_/}	1,491.0					41.4
3. Gross Debt	88,157.0	4,667.3	4,351.2	316.1	2,281.4	90,754.5
Public bonds	61,429.3	3,150.4	3,773.7	-623.3	2,145.7	62,951.7
International Financial Institutions (IFI's)	24,853.1	1,408.0	460.2	947.8	1.4	25,802.3
Bilateral	1,874.6	108.9	117.3	-8.4	134.3	2,000.5

Note: Figures may not add-up due to rounding.

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

^{p_/} Preliminary figures.

^{1_/} Considers the net balance denominated in dollars of the General Account of the Treasury of the Federation.

Source: Ministry of Finance.

PUBLIC SECTOR DOMESTIC DEBT, AUGUST ^{*_/_1_/_}

(Million pesos)

Concept	Outstanding as of December 2016	Indebtedness			Adjustments	Outstanding as of August 2017 ^{p_/_}
		Originations	Amort.	Net		
1. Net Debt (3-2)	6,009,403.1					5,945,085.9
2. Assets ^{2_/_}	172,847.6					525,982.6
3. Gross Debt	6,182,250.7	2,360,317.9	2,145,297.3	215,020.6	73,797.2	6,471,068.5
By Term	6,182,250.7	2,360,317.9	2,145,297.3	215,020.6	73,797.2	6,471,068.5
Long-term	5,552,529.1	938,240.1	634,442.3	303,797.8	73,938.4	5,930,265.3
Short-term	629,721.6	1,422,077.8	1,510,855.0	-88,777.2	-141.2	540,803.2
By User	6,182,250.7	2,360,317.9	2,145,297.3	215,020.6	73,797.2	6,471,068.5
Federal Government	5,620,345.4	2,043,399.6	1,793,978.7	249,420.9	67,437.4	5,937,203.7
Long-term	5,026,440.4	880,328.4	561,696.3	318,632.1	67,437.4	5,412,509.9
Short-term	593,905.0	1,163,071.2	1,232,282.4	-69,211.2	0.0	524,693.8
State Productive Enterprises	431,176.8	51,164.9	85,455.6	-34,290.7	6,679.2	403,565.3
Long-term	416,176.8	33,500.0	63,001.4	-29,501.4	6,679.2	393,354.6
Short-term	15,000.0	17,664.9	22,454.2	-4,789.3	0.0	10,210.7
Development Banks	130,728.5	265,753.4	265,863.0	-109.6	-319.4	130,299.5
Long-term	109,911.9	24,411.7	9,744.6	14,667.1	-178.2	124,400.8
Short-term	20,816.6	241,341.7	256,118.4	-14,776.7	-141.2	5,898.7
By Financing Source	6,182,250.7	2,360,317.9	2,145,297.3	215,020.6	73,797.2	6,471,068.5
Bonds Placed in Domestic Markets	5,312,876.2	1,920,686.4	1,523,761.7	396,924.7	57,448.7	5,767,249.6
Savings Fund S.A.R.	115,163.3	152,803.7	155,801.5	-2,997.8	5,067.4	117,232.9
Commercial Banks	142,087.0	41,008.4	85,773.4	-44,765.0	-371.4	96,950.6
ISSSTE's Law obligations ^{3_/_}	147,532.8	61.9	11,358.1	-11,296.2	5,951.8	142,188.4
PEMEX's Pension Bonds ^{4_/_}	137,639.7	0.0	1,512.3	-1,512.3	0.0	136,127.4
CFE's Pension Bonds ^{5_/_}	161,080.2	0.0	0.0	0.0	0.0	161,080.2
Others	165,871.5	245,757.5	367,090.3	-121,332.8	5,700.7	50,239.4

Note: Figures may not add up due to rounding.

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

p_/_ Preliminary figures.

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

2_/_ Includes the net balance denominated in national currency of the Treasury General Account, as well as the availability of State Productive Enterprises and Development Banks

3_/_ Obligations associated with the new ISSSTE law.

4_/_ Obligations associated with the financial aid by the Federal Government to PEMEX due to savings in their pension obligations, according 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 aid by the Federal Government to CFE due to the savings in their pension obligations according 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, AUGUST ^{*/1/}

(Million dollars)

Concept	Outstanding as of December 2016	Indebtedness			Adjustments	Outstanding as of August 2017 ^{p/}
		Disp.	Amort.	Net		
1. Net Debt (3-2)	177,692.5					189,804.7
2. Financial Assets in Foreign Currency ^{2/}	3,293.5					2,043.7
3. Gross Debt	180,986.0	30,673.6	24,116.7	6,556.9	4,305.5	191,848.4
By Term	180,986.0	30,673.6	24,116.7	6,556.9	4,305.5	191,848.4
Long-term	177,892.8	19,622.8	12,746.5	6,876.3	4,294.3	189,063.4
Short-term	3,093.2	11,050.8	11,370.2	-319.4	11.2	2,785.0
By User	180,986.0	30,673.6	24,116.7	6,556.9	4,305.5	191,848.4
Federal Government	88,157.0	4,667.3	4,351.2	316.1	2,281.4	90,754.5
Long-term	88,157.0	4,667.3	4,351.2	316.1	2,281.4	90,754.5
Short-term	0.0	0.0	0.0	0.0	0.0	0.0
State Productive Enterprises	82,687.8	14,623.8	8,329.2	6,294.6	1,626.8	90,609.2
Long-term	82,687.8	14,429.3	8,235.3	6,194.0	1,626.8	90,508.6
Short-term	0.0	194.5	93.9	100.6	0.0	100.6
Development Banks	10,141.2	11,382.5	11,436.3	-53.8	397.3	10,484.7
Long-term	7,048.0	526.2	160.0	366.2	386.1	7,800.3
Short-term	3,093.2	10,856.3	11,276.3	-420.0	11.2	2,684.4
By Financial Source	180,986.0	30,673.6	24,116.7	6,556.9	4,305.5	191,848.4
Public Bonds	136,902.4	12,755.3	6,989.9	5,765.4	3,693.7	146,361.5
International Financial Institutions (IFI's)	28,601.6	1,715.8	570.3	1,145.5	364.9	30,112.0
Bilateral	7,279.4	342.3	853.3	-511.0	145.1	6,913.5
Commercial Banks	8,023.0	15,665.7	15,609.3	56.4	78.0	8,157.4
Pidiregas	179.6	194.5	93.9	100.6	23.8	304.0

Note: Figures may not add-up due to rounding.

*_/ Figures subject to revisions due to changes and methodological modifications.

p_/ Preliminary figures.

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

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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