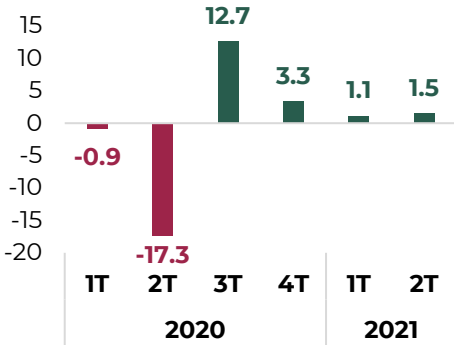




Public Finances and Public Debt as of July 2021
Revenues continue to improve supported by economic recovery

GDP growth rate (q/q)

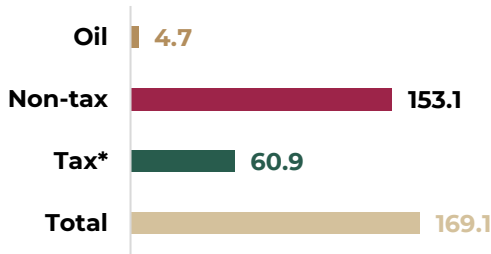


Economic activity

- The final reading of GDP growth for the 2nd quarter of 2021 ended in 1.5% q/q S.A. resulting in a recovery of 98% of its pre-pandemic level. The figure was higher than the 1.1% for the 1st quarter due to the acceleration of the vaccine rollout and a resilient mobility which resulted in a higher growth in the services sector (2.0% vs. 1.4% in 1Q).
- As of July, 13.6 million jobs had been recovered out of the 13 million lost in April 2020, reaching 105% of pre-pandemic levels. Participation rate stood at 59.6% from 58.5% in June, back to pre-pandemic figures. The unemployment rate came at 4.4% vs. 5.5% in June 2020.

Federal Government's revenues

Difference between observed and programmed (bn pesos)



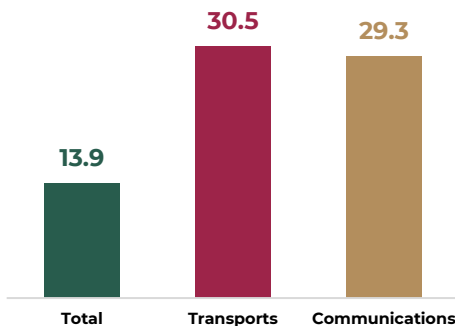
Public finances

- During Jan-Jul 2021 the Federal Government revenues were better than expected by 169.1 billion (bn) pesos, boosted by tax collection performance, oil market dynamism, and financial assets' recovery.
- Tax revenues excluding fuel excise taxes was higher than programmed by 60.9 bn pesos with a 4.0% real annual growth with respect to January-July 2020. Particularly, VAT collection in July was 36.7% higher in real terms vs July 2020.
- As of July, tax revenues represented 63.2% of Public Sector revenues, above the average of the two prior administrations (2013-2018 and 2007-2012): 54.6 and 42.5%, respectively.
- Non-tax revenues was 153.1 bn pesos higher than programmed, with an increase of 18.5% with respect to the first seven months of 2020, mainly due to the use of diverse financial assets.
- Expenditure in economic development amounted to 834.7 bn pesos, 13.9% higher in real annual terms with respect to the first seven months of last year with remarkable real increments of 29.3 and 30.5% in communications and transports, respectively.
- The financial cost of the public sector decreased by 10.4% from January to July thanks to the debt management strategy that this administration has implemented since the beginning.

*Excluding fuel excise tax.

Economic Development Expenditure

Annual growth, January-July (%)



Public debt

- Public Sector Borrowing Requirements (PSBR) recorded a deficit of 434.3 bn pesos. In congruence with the commitment to prudent use of debt and long-term sustainability of public finances, the Historical Balance of the PSBR was 12 trillion 498.0 bn pesos.
- On August 18th the Ministry of Finance announced the creation of BONDES F, government debt instruments that will further facilitate the development of debt and derivatives in the local market. They will substitute BONDES D on Federal Government auctions as early as October 2021.



Public Sector Financial Situation, January-July

(Billion pesos)

Concept	2020	2021			Real Annual Growth (%)
		Program	Observed ^{p./}	Difference	
		(1)	(2)	(3)	
Public balance	-414.6	-447.9	-242.7	205.3	-44.3
Budgetary balance	-438.9	-448.2	-280.5	167.7	-39.2
Budgetary revenues	2,998.2	3,284.7	3,409.1	124.4	8.2
Net budgetary expenditure	3,437.1	3,732.9	3,689.6	-43.3	2.1
Programmable expenditure	2,479.0	2,708.2	2,725.9	17.7	4.6
Non-programmable expenditure	958.1	1,024.7	963.7	-61.0	-4.3
Entities under indirect budgetary control	24.3	0.3	37.8	37.5	48.4
Primary balance	-12.2	-15.2	132.9	148.1	n.s.
Public balance by entities	-414.6	-447.9	-242.7	205.3	-44.3
Budgetary balance	-438.9	-448.2	-280.5	167.7	-39.2
Federal Government balance	-364.7	-457.9	-245.2	212.7	-36.0
State productive enterprises	-168.8	-61.4	-109.9	-48.6	-38.0
PEMEX	-185.1	-89.8	-111.1	-21.3	-42.9
CFE	16.3	28.4	1.2	-27.2	-93.2
Entities under direct budgetary control	94.6	71.0	74.6	3.6	-24.9
IMSS	77.6	69.0	53.5	-15.5	-34.3
ISSSTE	17.0	1.9	21.0	19.1	17.8
Entities under indirect budgetary control	24.3	0.3	37.8	37.5	48.4
Memorandum items					
PSBR	-464.8		-434.3		n.s.
Primary PSBR	91.5		141.7		47.3

Note: Figures may not add up due to rounding.

p./ Preliminary figures.

n.s.: Not significant.

Source: Ministry of Finance.



Public Sector Budgetary Revenues, January-July

(Billion pesos)

Concept	2020	2021			Real Annual Growth (%)
		Program	Observed ^{p./}	Difference	
	(1)	(2)	(3)	(3-2)	(3/1)
Total	2,998.2	3,284.7	3,409.1	124.4	8.2
Oil	302.2	539.9	507.5	-32.4	59.8
Pemex ^{1/}	174.0	356.6	319.5	-37.1	74.7
Federal Government ^{2/}	128.2	183.3	188.0	4.7	39.6
Non-Oil	2,696.0	2,744.7	2,901.6	156.8	2.4
Federal Government	2,220.3	2,258.9	2,423.3	164.4	3.9
Tax	2,004.2	2,142.9	2,154.2	11.3	2.3
Non-Tax	216.2	116.0	269.1	153.1	18.5
IMSS	222.0	231.2	237.2	5.9	1.7
ISSSTE	32.1	26.6	25.8	-0.8	-23.6
CFE	221.6	228.0	215.3	-12.6	-7.5

Note: Figures may not add up due to rounding.

p./ Preliminary figures.

1/ Pemex's own revenues include net revenues from domestic and external sales, as well as revenues derived from services and equity contributions, among others.

2/ Includes revenues received by the government through the Mexican Oil Fund and the collection of the income tax from new contracts and allocations in the field of hydrocarbons.

Source: Ministry of Finance.

Public Sector Expenditures, January-July

(Billion pesos)

Concept	2020	2021			Real Annual Growth (%)
		Program	Observed ^{p./}	Difference	
	(1)	(2)	(3)	(3-2)	(3/1)
Total	3,437.1	3,732.9	3,689.6	-43.3	2.1
Programmable expenditure	2,479.0	2,708.2	2,725.9	17.7	4.6
<i>Payment's deferral</i>	0.0	0.0	0.0	0.0	0.0
Operating expenditure	985.7	1,091.2	1,081.9	-9.3	4.4
Wages	688.8	743.0	715.2	-27.8	-1.2
Other operating expenditure	296.9	348.2	366.7	18.5	17.5
Pensions	544.9	610.1	590.9	-19.2	3.2
Subsidies, transfers and contributions	470.3	478.5	472.5	-6.0	-4.4
Aid and other expenses	21.9	5.8	14.3	8.4	-38.0
Physical investment	376.2	427.7	376.9	-50.8	-4.7
Financial investment	80.1	95.0	189.5	94.5	125.2
Non-programmable expenditure	958.1	1,024.7	963.7	-61.0	-4.3
Non-earmarked transfers	519.2	559.8	566.2	6.4	3.8
Debits from previous years	16.7	32.1	-0.2	-32.3	n.s.
Financial cost	422.2	432.8	397.7	-35.1	-10.4

Note: Figures may not add up due to rounding.

p./ Preliminary figures.

Source: Ministry of Finance.



Domestic Public Sector Debt Balances, January-July ^{*_/_}

(Billion pesos)

Concept	Balance Dec '20 ^{p_/_}	Indebtedness			Adj. ^{2_/_}	Balance July '21 ^{p_/_}
		Borrowing	Amort.	Net		
1. Net Debt (3-2)	7,598.8					7,993.4
2. Assets ^{3_/_}	380.6					519.8
3. Gross Debt	7,979.4	2,633.9	2,190.6	443.3	90.6	8,513.3
By Term	7,979.4	2,633.9	2,190.6	443.3	90.6	8,513.3
Long-term	7,404.3	1,216.7	826.0	390.7	90.8	7,885.7
Short-term	575.1	1,417.2	1,364.6	52.6	-0.2	627.5
By User	7,979.4	2,633.9	2,190.6	443.3	90.6	8,513.3
Federal Government	7,461.2	2,133.2	1,775.5	357.7	87.5	7,906.4
Long-term	6,909.6	1,167.2	791.9	375.3	87.5	7,372.4
Short-term	551.5	966.1	983.6	-17.6	0.0	534.0
State productive enterprises	287.4	212.9	151.2	61.7	1.9	351.0
Long-term	275.9	10.0	10.4	-0.4	1.9	277.4
Short-term	11.5	202.9	140.8	62.1	0.0	73.6
Development banks	230.8	287.7	263.8	23.9	1.2	255.9
Long-term	218.7	39.5	23.7	15.8	1.4	235.9
Short-term	12.1	248.2	240.1	8.1	-0.2	19.9
By Financing Source	7,979.4	2,633.9	2,190.6	443.3	90.6	8,513.3
Issuance of securities	7,454.3	1,984.5	1,591.7	392.8	80.8	7,927.9
Pension funds SAR	152.7	195.5	196.7	-1.2	5.1	156.6
Commercial banks	54.9	355.7	295.0	60.7	-0.1	115.5
ISSSTE's Obligations by Law ^{4_/_}	126.5	0.1	11.7	-11.6	4.8	119.6
CFE's Pension Bonds ^{5_/_}	157.3	0.0	0.0	0.0	0.0	157.3
Others	33.8	98.1	95.4	2.6	0.0	36.4

Note: Figures may not add up due to rounding.

*_/_ Figures subject to revision due to changes and methodological adjustments.

p_/_ Preliminary figures.

1_/_ It includes the Federal Government, State Productive Enterprises and Development Bank's debt.

2_/_ It corresponds to the inflationary effect and others.

3_/_ It includes the national currency denominated net balance of the Federal Treasury's general account, as well as the State Productive Enterprises and Development Banks' availabilities.

4_/_ Obligations associated with the new ISSSTE law.

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

Source: Ministry of Finance.



External Public Sector Debt Balances, January-July ^{*/1/}

(Billion dollars)

Concept	Balance Dec '20 ^{p/}	Indebtedness			Adj. ^{2/}	Balance July '21 ^{p/}
		Borrowing	Amort.	Net		
1. Net Debt (3-2)	221.5					222.3
2. Assets ^{3/}	2.1					7.4
3. Gross Debt	223.6	28.4	21.0	7.4	-1.3	229.8
By Term	223.6	28.4	21.0	7.4	-1.3	229.8
Long-term	217.6	17.0	11.1	5.9	-1.1	222.4
Short-term	6.1	11.4	9.9	1.5	-0.2	7.4
By User	223.6	28.4	21.0	7.4	-1.3	229.8
Federal Government	112.3	11.8	7.5	4.4	-0.7	116.0
Long-term	112.3	11.8	7.5	4.4	-0.7	116.0
Short-term	0.0	0.0	0.0	0.0	0.0	0.0
State productive enterprises	100.9	9.1	5.2	3.9	-0.6	104.2
Long-term	97.1	5.2	3.4	1.8	-0.4	98.5
Short-term	3.8	3.9	1.8	2.1	-0.2	5.7
Development banks	10.4	7.5	8.4	-0.8	0.0	9.5
Long-term	8.1	0.0	0.3	-0.2	0.0	7.8
Short-term	2.3	7.5	8.1	-0.6	0.0	1.7
By Financing Source	223.6	28.4	21.0	7.4	-1.3	229.8
Capital markets	172.5	13.9	9.1	4.8	-0.9	176.4
International Financing Institutions	32.8	0.8	0.7	0.1	-0.3	32.6
International trade	6.1	0.6	0.7	-0.1	0.0	5.9
Commercial banks	12.0	12.9	10.4	2.5	0.0	14.5
Pidiregas	0.3	0.3	0.2	0.1	0.0	0.4

Note: Figures may not add up due to rounding.

^{*/} Figures subject to revision due to changes and methodological adjustments.

^{p/} Preliminary figures

^{1/} It includes the Federal Government, State Productive Enterprises and Development Bank's debt.

^{2/} It corresponds mainly to the effect of the exchange rate variation, debt repurchase operations and others.

^{3/} It includes the USD denominated net balance of the Federal Treasury's general account as well Pemex, CFE and Development Banks' availabilities

Source: Ministry of Finance.



HACIENDA

SECRETARÍA DE HACIENDA Y CRÉDITO PÚBLICO



Summary of the Main Indicators on Public Finances

(Billion pesos)

Concept	January-July		Growth. % real	Annual			% advance with respect to		
	2020	2021 ^{p/}		2020	2021		2020	2021	
					Program ^{1/}	Estimated ^{2/}		Program ^{1/}	Estimated ^{2/}
1. Budgetary revenues	2,998.2	3,409.1	8.2	5,340.0	5,538.9	5,790.7	56.1	61.5	58.9
2. Tax revenues	2,004.2	2,154.2	2.3	3,338.9	3,533.0	3,597.1	60.0	61.0	59.9
3. Tax revenues without fuels excise tax (IEPS)	1,831.8	2,001.5	4.0	3,039.3	3,181.4	3,297.6	60.3	62.9	60.7
4. Total net expenditure without outlays on financial investments, pension payments, non-earmarked transfers, and financial cost	1,870.8	1,945.3	-1.1	3,372.6	3,440.5	3,581.2	55.5	56.5	54.3
5. Total net expenditure without outlays on financial investments, pension payments and non-earmarked transfers	2,293.0	2,343.0	-2.8	4,058.7	4,164.4	4,294.5	56.5	56.3	54.6
6. Total net expenditure without outlays on financial investments	3,357.0	3,500.1	-0.8	5,856.4	6,149.9	6,305.0	57.3	56.9	55.5
7. Total net expenditure	3,437.1	3,689.6	2.1	5,995.0	6,257.1	6,508.9	57.3	59.0	56.7
8. Current structural expenditure	1,381.8	1,399.9	-3.6	2,487.8	2,490.9	2,490.9	55.5	56.2	56.2
9. Primary balance	-12.2	132.9	n.a.	29.7	6.2	-4.4	-41.0	-o-	-o-
10. PSBR	-464.8	-434.3	n.a.	-922.8	-842.4	-1,046.3	50.4	51.6	41.5
11. HBPSBR	12,023.1	12,498.0	-1.1	12,082.8	13,404.7	13,172.7	99.5	93.2	94.9
12. Public debt	12,239.8	12,429.6	-3.4	12,017.9	13,101.1	12,870.4	101.8	94.9	96.6

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

p_/ Preliminary figures.

n.a.: does not apply; -o-: greater than 500 percent.

1_/ Corresponds to the Federal Revenues Law and the Federal Budget for the fiscal year 2020 approved by Congress.

2_/ Corresponds to the update of the 2021 public finance estimates.

Source: Ministry of Finance.