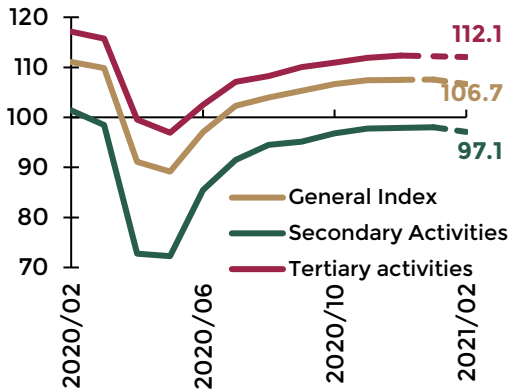




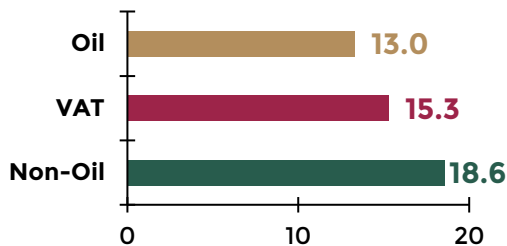
Report on the Public Finances and Public Debt - February 2021
Updates on the economic recovery and public finances and debt figures

Global Indicator of Economic Activity (IGAE)
(Index 2013=100)



Solid line: Observed
Dashed line: Nowcasting Model
Source: INEGI

Federal Government Revenues
Difference between program and observed
(billion pesos)



Expenditure progress
Jan-Feb 2021

Economic and Social development:

- 720.4 bn pesos
- +17.0% real annual

Health

- 76.6 bn pesos
 - +9.6 real annual

Economic Activity

- INEGI's nowcasting model forecasts an increase of 0.1 basis points (bp) in economic activity in January and a decrease of -0.9 bp in February.
- The February figure is explained by a decrease of -0.9 bp in secondary activities due to the disruptions in Mexico's natural gas supply caused by the low temperatures in Texas.
- However, these disruptions were temporary, and it is estimated an increase in the economic activity as it was seen on INEGI's reports since June 2020.

Public Finances

- In January-February, Federal Government's non-oil revenues were higher than the program by 18.6 bn pesos. This is a result of the current administration's measures to increase the tax base and of the gradual recovery of the economy. Oil revenues were higher by 13.2 bn pesos, including the reduction in Pemex's tax burden. Overall, revenues were higher by 31.6 bn pesos.
- Expenditure on social and economic development registered a real annual growth of 17.0%. Similarly, in this period health expenditure increased by 9.6% in real annual terms.
- Non-programmable spending excluding non-earmarked transfers decreased by 37.7 bn pesos.
- The primary and public balances stood at -13.6 and -99.0 bn pesos, respectively.

Public Debt

- The composition of the Federal Government net debt continues with a robust structure: 75.9% is denominated in domestic currency; within, 81.0% stood at a fixed and long-term rate.
- The Historical Balance of the Public Sector Borrowing Requirements (HBPSBR) amounted to 12.3 trillion pesos and the net debt of the public sector stood at 12.3 trillion pesos.





Public Sector Financial Situation, January-February
(Billion pesos)

Concept	2020 ^{p/}	2021			Real Annual Growth (%)
		Program	Observed ^{p/}	Difference	
	(1)	(2)	(3)	(3-2)	(3/1)
Public balance	10.7	-147.1	-99.0	48.1	n.s.
Budgetary balance	-3.4	-147.2	-104.2	43.0	-o-
Budgetary revenues	935.1	939.3	927.7	-11.7	-4.3
Net budgetary expenditure	938.5	1,086.6	1,031.9	-54.6	6.1
Programmable expenditure	654.3	801.7	771.7	-30.1	13.8
Non-programmable expenditure	284.2	284.8	260.2	-24.6	-11.6
Entities under indirect budgetary control	14.0	0.1	5.3	5.2	-63.8
Primary balance	96.3	-53.9	-13.6	40.3	n.s.
Public balance by entities	10.7	-147.1	-99.0	48.1	n.s.
Budgetary balance	-3.4	-147.2	-104.2	43.0	-o-
Federal Government balance	-5.0	-157.9	-102.8	55.2	-o-
State productive enterprises	-64.4	-43.2	-67.2	-24.0	0.7
PEMEX	-80.5	-50.1	-71.6	-21.5	-14.2
CFE	16.2	6.9	4.4	-2.4	-73.6
Entities under direct budgetary control	65.9	53.9	65.7	11.8	-3.8
IMSS	60.0	55.6	52.5	-3.1	-15.5
ISSSTE	5.9	-1.7	13.2	14.8	114.9
Entities under indirect budgetary control	14.0	0.1	5.3	5.2	-63.8
Memorandum items					
PSBR	-16.8		-100.0		n.s.
Primary PSBR	123.6		39.5		-69.1

Figures may not add up due to rounding.

p_/ Preliminary figures.

n.s.: Not significant.

Source: Ministry of Finance.





Public Sector Budgetary Revenues, January-February

(Billion pesos)

Concept	2020 ^p	2021			Real Annual Growth (%)
		Program	Observed ^p	Difference	
	(1)	(2)	(3)	(3-2)	(3/1)
Total	935.1	939.3	927.7	-11.7	-4.3
Oil	96.9	151.6	127.3	-24.3	26.8
Pemex ^{1/}	31.2	106.4	69.2	-37.3	114.1
Federal Government ^{2/}	65.7	45.1	58.1	13.0	-14.7
Non-Oil	838.2	787.8	800.4	12.6	-7.9
Federal Government	703.4	653.3	671.9	18.6	-7.8
Tax	628.4	635.3	620.5	-14.8	-4.7
Non-Tax	75.1	18.0	51.4	33.4	-34.0
IMSS	63.7	64.9	65.0	0.2	-1.4
ISSSTE	6.5	7.0	6.8	-0.2	0.4
CFE	64.6	62.7	56.7	-6.0	-15.4

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-February

(Billion pesos)

Concept	2020 ^p	2021			Real Annual Growth (%)
		Program	Observed ^p	Difference	
	(1)	(2)	(3)	(3-2)	(3/1)
Total	938.5	1,086.6	1,031.9	-54.6	6.1
Programmable expenditure	654.3	801.7	771.7	-30.1	13.8
<i>Payments deferral</i>	0.0	0.0	0.0	0.0	n.a.
Operating expenditure	254.3	301.6	261.1	-40.4	-0.9
Wages	194.3	216.4	200.6	-15.8	-0.4
Other operating expenditure	60.0	85.1	60.5	-24.6	-2.7
Pensions	171.6	193.3	178.0	-15.3	0.1
Subsidies, transfers and contributions	105.6	128.4	142.9	14.5	30.5
Aid and other expenses	-2.4	1.8	3.9	2.2	n.s.
Physical investment	93.1	126.3	79.9	-46.4	-17.1
Financial investment	32.2	50.4	105.8	55.5	216.9
Non-programmable expenditure	284.2	284.8	260.2	-24.6	-11.6
Financial cost	95.6	93.3	84.5	-8.8	-14.7
Non-earmarked transfers	171.2	159.5	172.6	13.1	-2.7
Debits from previous years	17.4	32.1	3.2	-28.9	-82.5

Figures may not add up due to rounding.

p_/ Preliminary figures.

n.s.: Not significant.

Source: Ministry of Finance.



Domestic Public Sector Debt Balances, February */ 1/
(Billion pesos)

Concept	Balance Dec'20 ^{p/}	Indebtedness			Adj ^{2/}	Balance Feb '21
		Borrowing	Amortizations	Net		
1. Net Debt (3-2)	7,615.7					7,729.6
2. Assets ^{3/}	363.7					409.3
3. Gross Debt	7,979.4	700.8	571.1	129.6	29.9	8,138.9
By Term	7,979.4	700.8	571.1	129.6	29.9	8,138.9
Long-term	7,404.3	318.8	205.3	113.6	29.8	7,547.6
Short-term	575.1	381.9	365.9	16.1	0.1	591.3
By User	7,979.4	700.8	571.1	129.6	29.9	8,138.9
Federal Government	7,461.2	580.4	482.7	97.6	29.1	7,587.9
Long-term	6,909.6	318.3	194.3	124.0	29.1	7,062.8
Short-term	551.5	262.0	288.4	-26.4	0.0	525.1
State Productive Enterprises	287.4	77.9	34.4	43.5	0.3	331.3
Long-term	275.9	0.0	1.7	-1.7	0.3	274.6
Short-term	11.5	77.9	32.7	45.2	0.0	56.7
Development Banks	230.8	42.5	54.0	-11.5	0.5	219.8
Long-term	218.7	0.5	9.3	-8.8	0.4	210.3
Short-term	12.1	42.0	44.7	-2.7	0.1	9.5
By Financing Source	7,979.4	700.8	571.1	129.6	29.9	8,138.9
Issuance of securities	7,454.3	532.7	441.0	91.6	27.7	7,573.7
Pension funds SAR	152.7	45.5	48.1	-2.6	0.7	150.8
Commercial banks	54.9	94.0	55.8	38.2	0.1	93.1
ISSSTE's Obligations by Law ^{4/}	126.5	0.0	1.9	-1.9	1.8	126.4
CFE's Pension Bonds ^{5/}	157.3	0.0	0.0	0.0	0.0	157.3
Others	33.8	28.6	24.3	4.3	-0.4	37.7

Figures may not add up due to rounding.

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

p/ preliminary figures

1/ It includes Federal Government, State Productive Enterprises and development banks debt.

2/ It corresponds to inflationary effect and others.

3/ Includes the net balance of the Federal Treasury's General Account balance in Mexican pesos, and assets from Pemex, CFE and Development Banks.

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, February* / 1/
(Billion dollars)

Concept	Balance Dec '20 ^{p/}	Indebtedness			Adj ^{2/}	Balance Feb '21
		Borrowing	Amortizations	Net		
1. Net Debt (3-2)	221.5					223.7
2. Assets ^{3/}	2.1					6.8
3. Gross Debt	223.6	14.4	7.1	7.2	-0.4	230.5
By Term	223.6	14.4	7.1	7.2	-0.4	230.5
Long-term	217.6	9.2	4.4	4.9	-0.4	222.0
Short-term	6.1	5.1	2.8	2.4	0.0	8.5
By User	223.6	14.4	7.1	7.2	-0.4	230.5
Federal Government	112.3	7.1	3.2	3.9	-0.2	116.0
Long-term	112.3	7.1	3.2	3.9	-0.2	116.0
Short-term	0.0	0.0	0.0	0.0	0.0	0.0
State Productive Enterprises	100.9	5.1	1.6	3.5	-0.2	104.3
Long-term	97.1	2.1	1.2	1.0	-0.2	97.9
Short-term	3.8	3.0	0.4	2.6	0.0	6.4
Development Banks	10.4	2.2	2.4	-0.2	-0.1	10.1
Long-term	8.1	0.0	0.0	0.0	-0.1	8.0
Short-term	2.3	2.1	2.3	-0.2	0.0	2.1
By Financing Source	223.6	14.4	7.1	7.2	-0.4	230.5
Capital markets	172.5	8.3	4.2	4.1	-0.2	176.4
International Financing Institutions	32.8	0.8	0.1	0.7	-0.2	33.3
International trade	6.1	0.1	0.1	0.1	0.0	6.1
Commercial banks	12.0	4.9	2.8	2.1	0.0	14.1
Pidiregas	0.3	0.3	0.0	0.3	0.0	0.5

Figures may not add up due to rounding.

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

p/ preliminary figures

1/ It includes Federal Government, State Productive Enterprises and development banks debt.

2/ It corresponds mainly to the effect of the exchange 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.

