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The Ministry of Finance and Public Credit presents its 2019 Annual Borrowing Plan

- *The Ministry of Finance and Public Credit presents its 2019 Annual Borrowing Plan (ABP), which contains the elements of the public debt policy of the Federal Government and the main issuers of the public sector.*
- *For 2019, public debt is expected to maintain a stable and sustainable trajectory.*

In line with the Economic Program approved by Congress, the broadest measure of public debt, the Historical Balance of the Public Sector Borrowing Requirements (HBPSBR), is expected to be 45.3 percent of GDP at the end of 2019. As a result, public debt as a percentage of GDP will remain stable and on a sustainable trajectory.

The Federal Government's financing needs for 2019 amount to 7.2 percent of GDP. This figure is a result of the following: i) Federal Government's deficit of 1.9 percent of GDP, ii) domestic debt amortizations of 4.9 percent of GDP and, iii) external debt amortizations of 0.4 percent of GDP.

The prudent management of public debt will continue to be a fundamental element of the economic policy. In this sense, the debt management strategy for 2019 considers the following elements:

- Cover the Federal Government's financing needs at reduced costs, at a long-term horizon and at a low level of risk.
- Preserve a diverse access to a wide range of debt markets, favoring the use of domestic financing.



- Promote liquid and deep markets with yield curves that facilitate access to financing to a broad spectrum of public and private market participants.

In order to cover the Federal Government's needs, in 2019 financing will take place mainly through the local debt market. External credit will be used as complementary financing when favorable conditions in international markets prevail and allow to diversify financing sources.

The fiscal policy will be focused on maintaining a stable and sustainable trajectory of public debt. Particularly, public debt policy actions will be oriented to preserving a robust and well-diversified liability portfolio, allowing to reduce the impact of external shocks on public finance, and seeking for possible volatility episodes to have a limited effect on the financial cost of public debt.

In pursuance of strengthening the Federal Government's debt portfolio, the debt strategy will seek to carry out liability management operations frequently, which will also allow to adjust the use of diverse instruments to prevailing conditions in financial markets.

Additionally, the Federal Government will continue implementing a debt management policy based on the strict and responsible use of public debt, guided by the principle of transparency. In this sense, the Federal Government will seek to maintain a proactive communication strategy with all market participants, which will aim to promote good practices and improve the financial system.

In summary, the debt policy for 2019 will seek to strengthen the public debt portfolio as an indispensable element of sound public finances.

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