

## MINISTRY OF FINANCE

February 4, 2003

### Quarterly Report on Public Finances and Public Debt Fourth Quarter of 2002

- The overall public sector deficit in 2002, excluding the accounting adjustment associated with the liquidation of the National Bank of Rural Credit (Banrural), was lower than the deficit target for the year.
- The public sector borrowing requirements (PSBR) were lower than originally projected.
- The average maturity of domestic debt increased and a substantial reduction of external indebtedness was achieved.
- Financial stability was preserved in the context of an unfavorable external environment.
- Economic activity registered a moderate recovery with respect to 2001.
- The external accounts remained in order and consistent with the availability of long-term external savings.

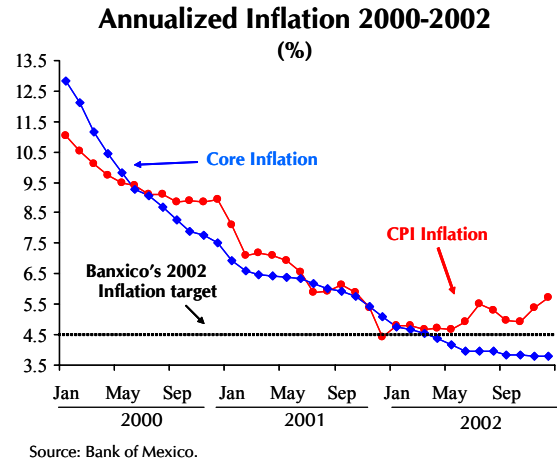
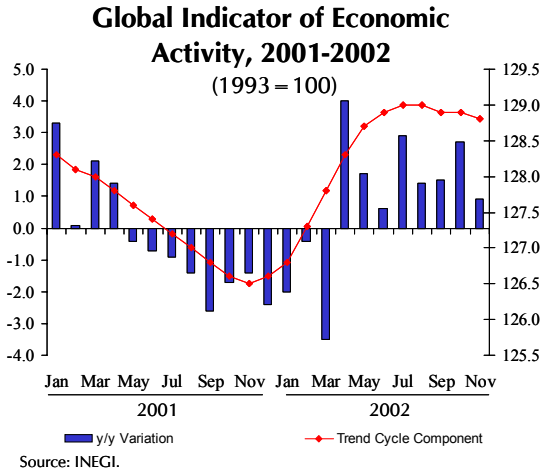
#### **1. Macroeconomic Update**

##### *1.1. Economic Activity*

- Indicators of economic activity suggest that the economy registered a moderate expansion during the second half of the year.
- Nevertheless, the current expansion phase of the cycle remains fragile and uneven among the different economic sectors.
- In particular, the rate of growth of the economic sectors closely linked to the external markets has been weaker than

that of those sectors associated with domestic sources of demand.

- Specifically, during the period October-November industrial production increased at a real annual rate of 0.5 percent, while the services sector expanded at a real annual rate of 2.8 percent.



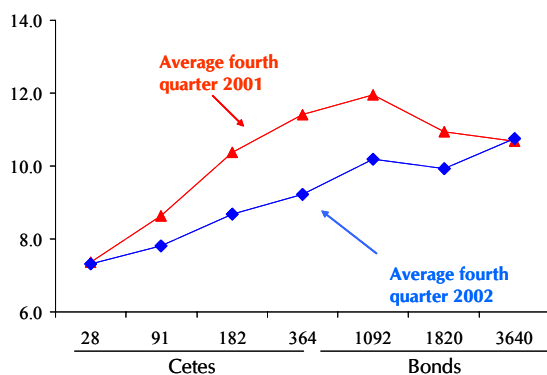
- The Mexican labor market recovered, albeit at a moderate pace. At the end of 2002, the total number of workers affiliated to the Mexican Social Security Institute (IMSS), a measure of formal employment, increased by 61.9 thousand workers with respect to the level registered in December 31, 2001.
- The Open Unemployment Rate (TDA) amounted to 2.71 percent in December 2002, 0.25 percentage points higher than the level registered at the end of 2001.

1.2. Inflation and interest rates

- The annual inflation rate, measured by the change in the CPI, stood at 5.7 percent at the end of 2002, 1.3 percentage points higher than in 2001. However, core inflation, which measures inflationary pressures over the medium term more accurately, recorded an annual increase of 3.77 during 2002, 1.31 percentage points lower than in the previous year.

- Employee compensation in manufacturing and in the *maquiladora* sectors increased 1.8 and 4.6 percent in real annual terms, respectively, during the period January-November 2002. In the retail and wholesale sectors, real compensation grew at annual rates of 3.9 and 2.5 percent, respectively during the first eleven months of 2002.
- The Government's commitment to strict fiscal discipline and the prudent management of monetary policy translated into an economic environment of stability and certainty.
- In this context, the 28-day CETES primary interest rate at the end of 2002 reached 6.98 percent, 1.62 percentage points lower than the rate recorded at the end of the third quarter. Similarly, the Mexican Stock Index (IPyC) increased 6.96 percent during the last three months of the year.
- The peso-dollar exchange rate registered a moderate depreciation during the last quarter of 2002, reflecting the weakness of the US dollar vis-a-vis other major currencies.

### Primary Interest Rate Average



Source: Bank of Mexico.

### 1.3. External Sector

- The trade deficit for the period October-December 2002 amounted to US 3.5 billion, 17.9 percent lower than the deficit recorded in the same period of 2001. On the other hand, the non-oil trade deficit increased at an annual rate of 8.4 percent during the aforementioned period.
- During the fourth quarter of the year, total exports registered an annual growth rate of 5.6 percent. Within exports, oil-related exports increased 51.5 percent, while manufacturing and *maquiladora* exports increased at annual rates of 2.1 and 2.7 percent, respectively.
- Total imports increased at an annual rate of 3.3 percent during the fourth quarter of the year. Imports of intermediate goods grew at an annual rate of 3.4 percent, while imports of consumption goods increased 10.5 percent with respect to the fourth quarter of 2001. In contrast, imports of capital goods declined 3.9 percent with respect to the last three months of 2001.
- The accumulated trade deficit for 2002 amounted to US 8 billion, 19.6 percent lower than the deficit recorded in 2001. Similarly, the accumulated non-

oil trade deficit for 2002 totaled US 22.5 billion, 1.2 percent lower than in the previous year.

Trade Balance, 2001-2002 Millions of Dollars

	October - December 2001	December 2002	Annual Variation	January - December 2001	December 2002	Annual Variation
Total Exports	39,014.2	41,206.3	5.6	158,442.9	160,671.3	1.4
Oil	2,562.8	3,882.9	51.5	12,798.7	14,464.1	13.0
Non-Oil	36,451.3	37,323.5	2.4	145,644.2	146,207.2	0.4
Agricultural	801.2	929.2	16.0	3,902.7	3,827.0	-1.9
Mining	93.7	102.4	9.3	388.5	389.3	0.2
Manufacturing	35,556.4	36,291.8	2.1	141,353.0	141,990.8	0.5
Maquila	19,728.5	20,256.4	2.7	76,881.0	78,040.7	1.5
Others	15,827.9	16,035.4	1.3	64,472.0	63,950.0	-0.8
Imports	43,212.9	44,653.7	3.3	168,396.4	168,677.9	0.2
Consumption	5,769.9	6,378.4	10.5	19,752.0	21,178.3	7.2
Intermediate	31,548.5	32,609.9	3.4	126,148.8	126,507.3	0.3
Maquila	14,993.6	15,452.3	3.1	57,598.6	59,296.0	2.9
Others	16,555.0	17,157.6	3.6	68,550.2	67,211.3	-2.0
Capital	5,894.5	5,665.3	-3.9	22,495.7	20,992.3	-6.7
Trade Balance	-4,198.8	-3,447.3	-17.9	-9,953.6	-8,006.5	-19.6
Maquila	4,734.9	4,804.1	1.5	19,282.4	18,744.8	-2.8
Others	-8,933.7	-8,251.5	-7.6	-29,236.0	-26,751.4	-8.5
Non-Oil	-6,761.6	-7,330.2	8.4	-22,752.3	-22,470.7	-1.2

Source: Bank of Mexico.

## 2. Public Finances

- During 2002, the public sector overall balance registered a deficit of 75.6 billion pesos. The difference between this total and the original target for the year is explained by the accounting adjustment associated with the liquidation of Banrural, which was authorized by Congress in December 2002.
- The closure of Banrural and the creation of a new entity, *Financiera Rural*, will strengthen the rural financial system and enhance the Federal Government's support for rural development by establishing a transparent and efficient financial intermediation scheme. Moreover, these measures permanently solve the structural fiscal problems generated by Banrural's operation.
- It is worth emphasizing that these operations do not impact the PSBR, since they represent only a change in the registration status of public sector liabilities (see Annex 1).

- Accordingly, excluding the accounting adjustment associated with the liquidation of Banrural, the overall budget deficit for 2002 amounted to 37.7 billion pesos, 2.5 billion pesos lower than the target approved by Congress for the year.

projected oil-related revenues of 13.6 billion pesos, by the increase in own revenues of public entities under direct budgetary control of 14.5 billion pesos, and by additional non-tax revenues of the Federal Government of 18.6 billion pesos.

Public Sector Overall Balance, 2002 Millions of pesos

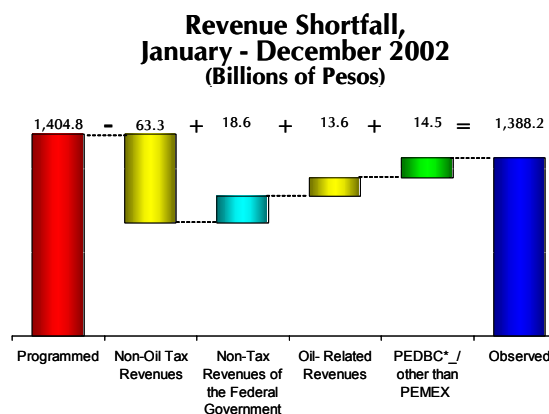
	Approved (1)	Including Banrural (2)	Excluding Banrural (3)	Difference (3-1)	(3-2)
<b>Overall Public Balance</b>	<b>-40,194.1</b>	<b>-75,606.6</b>	<b>-37,672.6</b>	<b>2,521.5</b>	<b>37,934.0</b>
<b>Budgetary Balance</b>	<b>-40,194.1</b>	<b>-72,086.1</b>	<b>-34,152.1</b>	<b>6,042.0</b>	<b>37,934.0</b>
Revenues	1,404,863.8	1,388,166.7	1,377,222.7	-27,641.1	-10,944.0
Federal Government	1,026,235.5	989,281.9	978,337.9	-47,897.6	-10,944.0
Tax	806,300.0	729,429.6	729,429.6	-76,870.4	0.0
Non-tax	219,935.5	259,852.3	248,908.3	28,972.8	-10,944.0
Other public entities and enterprises	378,628.3	398,884.8	398,884.8	20,256.5	0.0
Expenditures	1,445,057.9	1,460,252.8	1,411,374.8	-33,683.1	-48,878.0
Programmable	1,008,274.4	1,060,895.8	1,012,017.8	3,743.4	-48,878.0
Non-programmable	436,783.5	399,357.0	399,357.0	-37,426.5	0.0
<b>PEDBC<sup>1,2</sup></b>	<b>0.0</b>	<b>-3,520.5</b>	<b>-3,520.5</b>	<b>-3,520.5</b>	<b>0.0</b>

Note: Figures may not add up due to rounding.

p\_/ Preliminary figures.

<sup>1</sup>/ Public entities under direct budgetary control.

Source: Ministry of Finance and Public Credit.



\*\_/ Public entities under direct budgetary control.

Source: Ministry of Finance and Public Credit.

## 2.1. Public sector revenues

- During 2002, budgetary revenues increased 4.0 percent in real annual terms, a favorable result considering the moderate growth of the economy. Within budgetary revenues, non-oil tax revenues increased 3.5 percent in real terms, while oil related revenues grew at a real rate of 0.8 percent.
- Nevertheless, overall public sector revenues were 16.7 billion pesos lower than the total projected in the Revenue Law for 2002. This result is mainly attributable to an overestimation of revenues associated with the fiscal measures approved by Congress in December, 2001. In particular:

- Non-oil tax revenues registered a shortfall of 63.3 billion pesos with respect to the original program.
- This shortfall was partially compensated by higher than

Budgetary Revenues, 2002 Millions of pesos

	Programmed	Observed <sup>1,2</sup>	Difference
<b>Total</b>	<b>1,404,863.8</b>	<b>1,388,166.7</b>	<b>-16,697.1</b>
Oil related	395,607.7	409,200.9	13,593.2
Tax <sup>1,2</sup>	125,759.3	112,223.2	-13,536.1
Non-tax	269,848.4	296,977.7	27,129.3
Royalties and fees	125,805.7	139,841.9	14,036.2
Uses	0.0	7,289.0	7,289.0
Others	144,042.7	149,846.8	5,804.1
Non oil related	1,009,256.1	978,965.8	-30,290.3
Tax <sup>1,2</sup>	680,540.7	617,206.4	-63,334.3
Income tax	367,734.5	319,316.9	-48,417.6
VAT	223,738.1	218,260.5	-5,477.6
Excise taxes	29,315.8	24,269.8	-5,046.0
Import taxes	28,899.8	27,431.7	-1,468.1
Luxury goods and services	8,751.4	1,852.9	-6,898.5
Others	22,101.1	26,074.6	3,973.5
Non tax	328,715.4	361,759.4	33,044.0
Non-tax revenues of the Federal Government	94,129.8	112,721.4	18,591.6
PEDBC <sup>2,2</sup> other than Pemex	234,585.6	249,038.1	14,452.5

Note: Figures may not add up due to rounding.

p\_/ Preliminary figures.

<sup>1</sup>/ Includes excise taxes to gasoline and diesel.

<sup>2</sup>/ Public entities under direct budgetary control.

Source: Ministry of Finance and Public Credit.

## 2.2. Public sector expenditures

- Public sector programmable expenditures increased 9.2 percent in real terms during 2002. However, excluding the accounting adjustment associated with Banrural's operation,

programmable expenditures grew at a real annual rate of 4.1 percent.

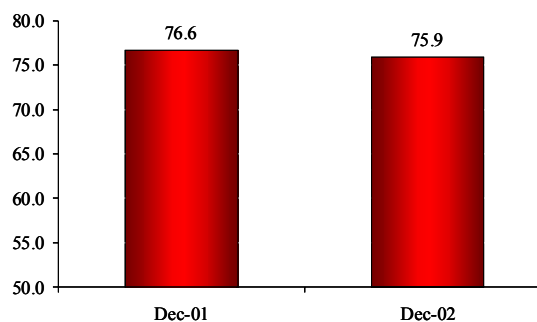
- Within programmable expenditures, resources directed to states and municipalities through transfers, decentralized expenditure agreements and the Program to Support the Strengthening of Federal Entities (PAFEF) were 4.0 percent higher in real terms than in 2001.
- During 2002, public sector financing costs were 9.7 percent lower in real terms than in 2001. This result is primarily attributable to the following factors: a) the strict fiscal discipline and the prudent management of monetary policy translated into domestic financial stability and lower levels of domestic interest rates, and b) lower interest rates in international markets.

### 3. Public Debt

- During 2002, the Federal Government's external debt policy was directed to the implementation of liability management operations. These operations were made possible by Mexico's continued access to the international capital markets, and permitted the Federal Government to diversify its investor base, reduce its financing costs and extend its maturity profile.
- At the end of 2002, Mexico's total net public sector debt amounted to 25.2 percent of GDP, 1.8 percentage points higher than at the end of 2001. This increase was largely due the 12.8 percent nominal depreciation of the peso in relation to the US dollar during the year, which translated into an increase of 0.5 percentage points of GDP in net public sector external debt. Eliminating this effect, net public sector external debt as a percentage of GDP declined by 0.95 percentage points.

- During 2002, net public sector domestic debt increased 1.3 percentage points of GDP because, as in previous years, the Government chose to meet its financing needs through domestic bond offerings in order to increase the depth of the domestic markets and extend the average maturity of domestic government securities.
- The outstanding amount of net public sector external debt at the end of December 2002 was US 75.9 billion, US 711.4 million lower than at the end of 2001. This result was attributable to a decrease in net external indebtedness of US 3.2 billion, upward accounting adjustments of US 1.7 billion and a decline in assets of US 809.7 million.
- Among the external debt transactions that took place in the fourth quarter of 2002, it is worth highlighting the placement of US 750 million in the international capital markets. This operation was completed through the reopening of the 30-year Global Bond that was issued in August 2001 and that bears an annual interest rate of 8.3 percent. With this transaction the Government continued to extend the average maturity of its debt and increased the liquidity of the long-end of its dollar yield curve.

**Net External Debt Stock**  
(Billions of Dollars)



Source: Ministry of Finance and Public Credit.

- Net domestic indebtedness of the Federal Government increased by 135.5 billion pesos during 2002, a figure consistent with the modifications to the Revenue Law for 2002 approved by Congress in December 2002.
- Net domestic debt of the Federal Government amounted to 821.3 billion pesos, 130.3 billion pesos higher than the level registered at the end of 2001.
- In December, the Ministry of Finance announced the Program of Government Securities' Auctions for the first quarter of 2003, which aims at gradually increasing the average maturity of public sector domestic debt. In particular, the Program contemplates a reduction in the minimum amounts of 28-day Cetes to be issued and an increase in the minimum amounts to be issued of 91-day and 182-day Cetes, 3-year, 5-year, 7-year and 10-year fixed-rate bonds and Bondes with revisable coupon rates every 182 days.
- At December 31, 2002, the average maturity of the Federal Government's outstanding domestic bonds was 816 days, 68 days longer than the average maturity recorded at the end of 2001.

### **Concluding Remarks**

- Available indicators for the fourth quarter of 2002 suggest that the economy is recovering at a moderate pace.
- In spite of unfavorable external conditions, the commitment of Mexican authorities towards fiscal discipline and the abatement of inflation has promoted a domestic environment of economic and financial stability.
- The implementation of sound and prudent economic policies during 2002 will contribute to promote an orderly and vigorous economic recovery in the following months.

For more details on public finance and public debt statistics, please refer to the Ministry of Finance's web page:

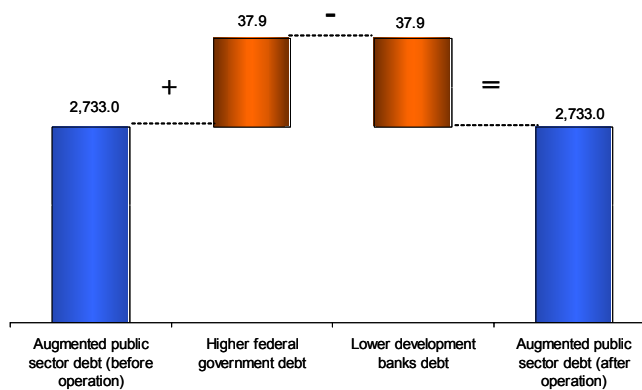
<http://www.hacienda.gob.mx/english/iro>

ANNEX 1.

**ACCOUNTING ADJUSTMENTS ASSOCIATED WITH THE LIQUIDATION OF BANRURAL AND THE CREATION OF THE FINANCIERA RURAL**

- The accounting adjustments associated with the liquidation of Banrural have an impact on the public sector deficit of 37.9 billion pesos. However, these operations represent only a change in the registry status of public sector liabilities and, therefore, they do not modify the public sector borrowing requirements (PSBR).
- In order to implement these operations and in accordance with the law initiative approved by Congress in December 2002, the Federal Government registered additional expenditures of 48.9 billion pesos in the following way:
  - I. 37.9 billion pesos were directed to face the liquidation of the Banrural system and the cession agreement of its loan portfolio to the *Financiera Rural*.
  - II. 10.9 billion pesos were allocated as the initial capital contribution for the *Financiera Rural* (together with the cession of BANRURAL's loan portfolio).
- The resources directed to cover the liabilities of 37.9 billion pesos associated with Banrural represent a substitution operation between public sector entities and do not modify the PSBR. In particular, these transactions translate into an increase of the Federal Government's debt that is fully compensated by a reduction in net indebtedness from development banks.
- The capital contribution of 10.9 billion pesos to the *Financiera Rural* does not represent an increase in public sector debt, since Congress authorized the Federal Government to cover this outlay with non-recurrent revenues derived from the SAR-IMSS-92 reform.
- As a result, the public sector deficit amounted to 75.6 billion pesos, or 1.24 percent of GDP, while the PSBR, which includes the public sector deficit, the financial intermediation of development banks, and the financing needs of IPAB and FARAC, amounted to 2.6 percent of GDP, 0.5 percentage points of GDP lower than originally projected.

**Augmented Public Sector Debt\* /  
(Billions of Pesos)**



\* / Refers to the historical balance of the PSBR, which includes the public sector deficit, the financial intermediation of development banks, and the financing needs of IPAB and FARAC.

Source: Ministry of Finance and Public Credit.



## Annex 2.A. Public Finances

Public Sector Overall Balance

Millions of pesos

	January-December					Composition %		
	2002 <sup>p./</sup>			Real Growth (%)		2002 <sup>p./</sup>		
	2001	Including Banrural	Excluding Banrural	Including Banrural	Excluding Banrural	2001	Including Banrural	Excluding Banrural
<b>Overall Public Balance (I+II)</b>	<b>-42,195.4</b>	<b>-75,606.6</b>	<b>-37,672.6</b>	<b>70.6</b>	<b>-15.0</b>			
<b>I. Budgetary Balance (a-b)</b>	<b>-40,293.2</b>	<b>-72,086.1</b>	<b>-34,152.1</b>	<b>70.3</b>	<b>-19.3</b>			
a) Revenues	1,271,376.6	1,388,166.7	1,377,222.7	4.0	3.1	100.0	100.0	100.0
Federal Government	939,114.5	989,281.9	978,337.9	0.3	-0.8	73.9	71.3	71.0
Tax	654,870.3	729,429.6	729,429.6	6.1	6.1	51.5	52.5	53.0
Non-tax	284,244.2	259,852.3	248,908.3	-13.0	-16.6	22.4	18.7	18.1
Other public entities and enterprices	332,262.1	398,884.8	398,884.8	14.3	14.3	26.1	28.7	29.0
Pemex	103,523.9	149,846.8	149,846.8	37.8	37.8	8.1	10.8	10.9
Others	228,738.2	249,038.0	249,038.0	3.7	3.7	18.0	17.9	18.1
b) Expenditures	1,311,669.8	1,460,252.8	1,411,374.8	6.0	2.4	100.0	100.0	100.0
Programmable	925,257.2	1,060,895.8	1,012,017.8	9.2	4.1	70.5	72.7	71.7
Non-programmable	386,412.6	399,357.0	399,357.0	-1.6	-1.6	29.5	27.3	28.3
<b>II. PEIBC <sup>*/</sup></b>	<b>-1,902.3</b>	<b>-3,520.5</b>	<b>-3,520.5</b>	<b>76.2</b>	<b>76.2</b>			
Primary Balance	148,728.2	108,965.1	146,899.1	-30.2	-6.0			

Note: Figures may not add up due to rounding.

p./ Preliminary figures.

\*/ Public entities under indirect budgetary control.

Source: Ministry of Finance and Public Credit.



## Annex 2.A. Public Finances (cont.)

Public Sector Revenues	Millions of pesos				
	January-December		Real Growth (%)	Composition %	
	2001	2002 <sup>p,1/</sup>		2001	2002 <sup>p,1/</sup>
<b>TOTAL (I+II)</b>	<b>1,271,376.6</b>	<b>1,388,166.7</b>	<b>4.0</b>	<b>100.0</b>	<b>100.0</b>
<b>I. Federal Government (a+b)</b>	<b>939,114.5</b>	<b>989,281.9</b>	<b>0.3</b>	<b>73.9</b>	<b>71.3</b>
a) Tax	654,870.3	729,429.6	6.1	51.5	52.5
Income tax	285,523.1	319,316.9	6.5	22.5	23.0
VAT	208,408.1	218,260.5	-0.3	16.4	15.7
Excise taxes	110,688.8	136,493.0	17.4	8.7	9.8
Import taxes	28,902.1	27,431.7	-9.6	2.3	2.0
Luxury goods tax		1,852.9	n.a.		0.1
Others <sup>1/</sup>	21,348.2	26,074.6	16.3	1.7	1.9
b) Non-tax	284,244.2	259,852.3	-13.0	22.4	18.7
Royalties and fees	203,751.6	158,507.1	-25.9	16.0	11.4
Uses	73,845.2	96,089.6	23.9	5.8	6.9
Others <sup>2/</sup>	6,647.3	5,255.6	-24.7	0.5	0.4
<b>II. PEDBC (c+d)<sup>3/</sup></b>	<b>332,262.1</b>	<b>398,884.8</b>	<b>14.3</b>	<b>26.1</b>	<b>28.7</b>
c) Pemex	103,523.9	149,846.8	37.8	8.1	10.8
d) Others	228,738.2	249,038.0	3.7	18.0	17.9
Memorandum items:					
Oil related <sup>4/</sup>	386,579.0	409,200.9	0.8	30.4	29.5
Non-oil related	884,797.6	978,965.8	5.3	69.6	70.5
Tax	567,681.8	617,206.4	3.5	44.7	44.5
Others	317,115.8	361,759.4	8.6	24.9	26.1

Note: Figures may not add up due to rounding.

p\_/ Preliminary figures.

1\_/ Includes new vehicle, vehicle ownership and accessory taxes.

2\_/ Includes improvement contributions.

3\_/ Public entities under direct budgetary control. Excludes Federal Government transfers to the ISSSTE.

4\_/ Includes Pemex own revenues, rights and royalties on oil-related products and excise taxes to gasoline and diesel.

n.a.: Not applicable.

Source: Ministry of Finance and Public Credit.

## Public Sector Expenditures

Public Sector Expenditures	Millions of pesos							
	January-December				Composition %			
	2001	2002 <sup>p,1/</sup>		Real Growth (%)		2002 <sup>p,1/</sup>		
	Including Banrural	Excluding Banrural	Including Banrural	Excluding Banrural	2001	Including Banrural	Excluding Banrural	
<b>TOTAL (I+II)</b>	<b>1,311,669.8</b>	<b>1,460,252.8</b>	<b>1,411,374.8</b>	<b>6.0</b>	<b>2.4</b>	<b>100.0</b>	<b>100.0</b>	<b>100</b>
<b>I. Primary Expenditures (a+b)</b>	<b>1,123,607.7</b>	<b>1,281,894.2</b>	<b>1,233,016.2</b>	<b>8.6</b>	<b>4.5</b>	<b>85.7</b>	<b>87.8</b>	<b>87.4</b>
a) Programmable	925,257.2	1,060,895.8	1,012,017.8	9.2	4.1	70.5	72.7	71.7
b) Non-programmable	198,350.5	220,998.5	220,998.5	6.1	6.1	15.1	15.1	15.7
<b>II. Financing Costs<sup>1/</sup></b>	<b>188,062.1</b>	<b>178,358.5</b>	<b>178,358.5</b>	<b>-9.7</b>	<b>-9.7</b>	<b>14.3</b>	<b>12.2</b>	<b>12.6</b>

Note: Figures may not add up due to rounding.

p\_/ Preliminary figures.

1\_/ Includes interests, commissions and other public debt expenditures associated with debtor support programs.

Source: Ministry of Finance and Public Credit.

## Annex 2.B. Public Sector Debt

Public Sector External Debt, January-December <sup>1/</sup>						Millions of dollars
	Stock	Indebtedness			FX Adjustments	Stock
	Dec-01	Originations	Amort.	Net		December-02 <sup>2/</sup>
<b>Net external debt stock</b>	<b>76,646.2</b>					<b>75,934.8</b>
Financial assets abroad <sup>1/</sup>	-3,693.0					-2,883.3
Gross external debt stock	80,339.2	16,234.1	19,476.1	-3,242.0	1,720.9	78,818.1
Term structure	80,339.2	16,234.1	19,476.1	-3,242.0	1,720.9	78,818.1
Long term	76,655.5	10,870.8	13,217.0	-2,346.2	1,719.3	76,028.6
Short term	3,683.7	5,363.3	6,259.1	-895.8	1.6	2,789.5
Structure by user	80,339.2	16,234.1	19,476.1	-3,242.0	1,720.9	78,818.1
Federal Government <sup>2/</sup>	59,378.5	5,577.3	7,857.4	-2,280.1	780.7	57,879.1
PEDBC	12,720.4	4,549.3	5,571.9	-1,022.6	640.5	12,338.3
Development banks	8,240.3	6,107.5	6,046.8	60.7	299.7	8,600.7
Structure by debtor	80,339.2	16,234.1	19,476.1	-3,242.0	1,720.9	78,818.1
Federal Government <sup>2/</sup>	44,070.1	4,887.9	5,978.5	-1,090.6	574.5	43,554.0
PEDBC	11,914.6	4,542.2	5,449.4	-907.2	625.0	11,632.4
Development banks	24,354.5	6,804.0	8,048.2	-1,244.2	521.4	23,631.7
By financing source	80,339.2	16,234.1	19,476.1	-3,242.0	1,720.9	78,818.1
Restructured 1989 – 1990	8,140.0	0.0	2,536.6	-2,536.6	504.4	6,107.8
Par bonds (Brady)	6,491.7	0.0	1,323.0	-1,323.0	404.5	5,573.2
Discount bonds (Brady)	848.6	0.0	848.6	-848.6	0.0	0.0
Spanish bank bonds	76.5	0.0	0.0	0.0	0.0	76.5
New money 1990 – 1992	723.2	0.0	365.0	-365.0	99.9	458.1
Non-restructured	4,920.0	5,199.4	5,385.5	-186.1	77.7	4,811.6
Bilateral credit	6,928.8	3,302.0	4,201.1	-899.1	229.9	6,259.6
Publicly placed bonds	42,531.9	4,366.5	4,394.8	-28.3	164.7	42,668.3
IFIS's	16,886.0	2,162.8	1,745.0	417.8	239.1	17,542.9
Supplier credits to public sector entities	19.1	0.0	9.7	-9.7	0.4	9.8
Others <sup>3/</sup>	913.4	1,203.4	1,203.4	0.0	504.7	1,418.1

Note: Figures may not add up due to rounding.

<sup>1/</sup> Figures subject to revisions.

<sup>2/</sup> Preliminary figures.

<sup>1/</sup> Collateral is valued at market prices; includes 18 months worth of interest payments for Brady Bonds and FAFEXT availabilities.

<sup>2/</sup> Includes debt from item XXIV and FAFEXT.

<sup>3/</sup> Refers to PIDIREGAS debt.

Source: Ministry of Finance and Public Credit.

**Annex 2.B. Public Sector Debt (cont.)**

Federal Government Domestic Debt, January-December \*\_/

Millions of pesos

	Stock	Indebtedness			Adjustments <sup>1_/</sup>	Stock
	Dec-01	Originations	Amort.	Net		December-02 <sup>p_/</sup>
<b>Net domestic debt stock</b>	<b>690,977.2</b>					<b>821,286.6</b>
Creditor accounts <sup>2_/</sup>	-72,581.4					-86,121.1
Gross domestic debt stock	763,558.6	1,019,495.7	884,017.5	135,478.2	8,370.9	907,407.7
Government Securities	683,411.2	892,893.6	787,553.8	105,339.8	5,009.7	793,760.7
Cetes	187,270.1	682,840.0	677,965.6	4,874.4	0.0	192,144.5
Bondes	300,073.1	103,580.9	98,358.4	5,222.5	0.0	305,295.6
Fixed-rate bonds	104,940.6	98,728.4	0.0	98,728.4	0.0	203,669.0
Udibonos	91,127.4	7,744.3	11,229.8	-3,485.5	5,009.7	92,651.6
Udibonos udi's	29,826.2	2,474.4	3,578.3	-1,103.9	0.0	28,722.3
S.A.R.	50,832.5	59,441.6	77,369.3	-17,927.7	2,591.4	35,496.2
Siefores m/n	1.1	2,797.0	2,736.5	60.5	10.7	72.3
Siefores udi's	0.4	890.2	868.2	22.0	0.0	22.4
Others	29,313.8	64,363.5	16,357.9	48,005.6	759.1	78,078.5

Note: Figures may not add up due to rounding.

\*\_/ Figures subject to revisions.

p\_/ Preliminary figures.

1\_/ Refers to adjustments for inflation.

2\_/ Represents the balance, denominated in pesos, of the General Account of the Federal Treasury and deposits in the Domestic Banking System starting December 2002.

Source: Ministry of Finance and Public Credit.

## Annex C. Public Sector Borrowing Requirements

### Public Sector Borrowing Requirements <sup>p\_/</sup>, January-December 2002

Millions of pesos

	Including Banrural	Excluding Banrural
<b>Total Public Sector</b>	<b>-206,257.4</b>	<b>-206,257.4</b>
Non-recurrent revenues	43,699.5	43,699.5
<b>Total Public Sector (I+II)</b>	<b>-162,557.9</b>	<b>-162,557.9</b>
<b>I. Non Financial Public Sector</b>	<b>-164,378.4</b>	<b>-126,444.4</b>
Federal Government	-148,046.0	-110,112.0
Budgetary	-135,098.0	-97,164.0
Budgetary Entries Revisions	-12,948.0	-12,948.0
Public Entities	10,223.7	10,223.7
Budgetary	59,491.4	59,491.4
PIDIREGAS	-49,267.7	-49,267.7
FARAC	-26,556.1	-26,556.1
<b>II. Financial Public Sector</b>	<b>1,820.4</b>	<b>-36,113.6</b>
Development Banks and Public Funds	25,074.5	-12,859.6
IPAB	-28,445.4	-28,445.4
Debtor Support Programs	5,191.4	5,191.4

## Notes:

Negative signs(-) indicate a deficit, positive signs (+) indicate a surplus.

In 2002 includes the accounting adjustment associated with the liquidation of Banrural and the creation of the Financiera Rural of 48.9 billion pesos. This operation has no impact on the PSBR. Of this total, 37.9 billion pesos correspond to a substitution operation between public sector entities that translates into an increase of Federal Government's debt that is fully compensated by a reduction in net indebtedness from development banks. The remaining 10.9 billion pesos correspond to the initial capital contribution to the Financiera Rural, which was covered with non-recurrent revenues from the SAR-IMSS-92 reform.

p\_/ Preliminary figures.

Source: Ministry of Finance and Public Credit.

## Annex 2.D. Public Debt Amortization Calendar

### Public Sector External Debt

Millions of dollars

	2003	2004	2005	2006	2007-2032
Total	11,146.5	7,989.1	6,066.1	5,726.6	47,889.8
Capital Markets	2,743.4	3,231.1	2,990.3	2,839.8	30,863.7
Bonds	1,972.8	2,626.6	468.3	963.6	15,545.6
IOU's	770.6	604.5	2,522.0	1,876.2	15,318.1
Commercial Banks	1,450.2	518.7	332.0	250.0	435.3
Direct	1,257.2	350.5	96.4	18.3	42.0
Syndicated	193.0	168.2	235.6	231.7	393.3
Guaranteed Commercial Paper	0.0	0.0	0.0	0.0	0.0
Restructured Debt	548.9	541.1	377.3	348.5	5,729.9
Brady Bonds	0.0	0.0	0.0	0.0	5,573.2
Spanish Bonds	0.0	0.0	0.0	0.0	76.5
New Money	147.5	155.1	77.8	77.7	0.0
IBRD Guaranties	161.3	147.5	147.5	147.5	54.8
Eximbank Guaranties	92.6	92.6	92.6	92.7	0.0
Others	147.5	145.9	59.4	30.6	25.4
External Trade	3,156.0	1,833.3	443.3	348.8	1,535.6
Eximbank	459.1	379.1	270.8	222.9	1,094.9
Bilateral	2,348.4	236.7	172.5	125.9	440.7
Commercial Paper	348.5	432.5	0.0	0.0	0.0
Syndicated	0.0	785.0	0.0	0.0	0.0
IFI's	1,829.9	1,864.9	1,923.2	1,939.5	9,325.3
IDB	558.5	575.0	615.6	642.3	4,363.4
IBRD	1,271.4	1,289.9	1,307.6	1,297.2	4,961.9
Others <sup>1/</sup>	1,418.1	0.0	0.0	0.0	0.0

Nota: Figures based on the outstanding balance as of December 31, 2002.

1\_/ Direct Debt acquired through PIDIREGAS projects.

Source: Ministry of Finance and Public Credit.

**Annex 2.D. Public Debt Amortization Calendar (cont.)**

<b>Public sector Domestic Debt</b>		<b>Millions of pesos</b>				
		<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007-2030</b>
Total	Tenor	322,495.6	165,086.2	88,141.2	116,177.1	215,507.6
Cetes		192,144.5	0.0	0.0	0.0	0.0
	28 days	17,406.0	0.0	0.0	0.0	0.0
	3 months	70,219.7	0.0	0.0	0.0	0.0
	6 months	46,836.3	0.0	0.0	0.0	0.0
	1 year	57,682.5	0.0	0.0	0.0	0.0
Bondev		27,984.4	82,700.8	44,559.7	72,737.8	77,312.9
	3 years	27,984.4	82,700.8	20,460.7	0.0	0.0
	5 years	0.0	0.0	24,099.0	72,737.8	77,312.9
Fixed Rate Bonds		15,194.9	60,391.8	26,844.1	41,104.9	60,133.3
	3 years	15,194.9	60,391.8	0.0	0.0	0.0
	5 years	0.0	0.0	26,844.1	41,104.9	29,626.0
	7 years	0.0	0.0	0.0	0.0	7,167.9
	10 years	0.0	0.0	0.0	0.0	23,339.4
Udibonos		21,953.1	19,659.2	14,389.8	0.0	36,649.5
	5 years	21,953.1	19,659.2	14,389.8	0.0	0.0
	10 years	0.0	0.0	0.0	0.0	36,649.5
SAR		1,200.0	600.0	600.0	600.0	32,496.2
Others		64,018.7	1,734.4	1,747.6	1,734.4	8,915.7

Note: Figures based on the outstanding balance as of December 31, 2002. For the case in which there is no pre-established calendar, such as in SAR accounts, amortizations are estimated.

Source: Ministry of Finance and Public Credit.

## Annex E. Public Finance Publication Calendar

### Publication Calendar

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Period	Date of release
January, 2003	March 4, 2003
February, 2003	April 1, 2003
March, 2003	May 2, 2003
April, 2003	May 30, 2003
May, 2003	July 1, 2003
June, 2003	August 4, 2003
July, 2003	September 3, 2003
August, 2003	September 30, 2003
September, 2003	November 4, 2003
October, 2003	December 2, 2003
November, 2003	December 30, 2003
December, 2003	February 4, 2004

Source: Ministry of Finance and Public Credit.