



MEXICO

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MINISTRY OF FINANCE

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Quarterly Report on Public Finances and Public Debt First Quarter of 2004

- Several economic indicators suggest that the consolidation of the economic recovery process continues to gain momentum, supported by the favorable performance of external trade and the construction industry. If this trend continues, annual economic growth during the first quarter of 2004 could exceed 3.0 percent.
- Prudent and responsible economic policies have further strengthened the country's macroeconomic fundamentals. These policies have fostered financial stability and brought about an upward revision of private sector's growth and investment expectations.
- The public sector's economic and primary balances recorded surpluses during the first quarter of 2004 that exceeded those registered in the previous year.
- Public sector revenues increased in real terms, mainly as a result of the evolution of oil related revenues.
- Public sector investment increased in real terms and contributed to strengthening of the economy.
- The measures established in Article 30 of the Expenditures Decree, are generating savings which are derived from operational expenses containment. These savings have not affected public expenditures programs for education, healthcare, social security, social and productive infrastructure, public security, or justice administration and procurement.
- 11 Interamerican Development Bank credits were prepaid, and the average maturity of public domestic debt securities increased by 47 days.

1. Macroeconomic Update

1.1. *Economic Activity*

- Favorable macroeconomic developments, particularly in foreign trade and the construction

industry, characterized the first quarter of 2004 in Mexico. Manufacturing exports grew at double digit annual rates and contributed significantly to aggregate demand. Intermediate

inputs imports also expanded at double digit rates, signaling that future production in Mexican manufactures will continue to grow.

- This rebound in the export sector has been gradually expanding to more industrial sectors, and has led to capital expenditure by firms. The increases in machinery and equipment expenditures by the private sector, together with the public investment impulse have resulted in positive investment figures for the whole economy. Furthermore, private consumption's resilience has generated a positive environment for retail sales growth.
- The developments in early 2004 are consistent with the expansion that began a few quarters ago and have contributed to the rebound in formal employment that began late last year.
- Fiscal and monetary prudence have fostered financial stability. Therefore, macro policies have helped to consolidate the current expansion of the Mexican economy.
- Real GDP growth could exceed 3.0 per cent in the first quarter of 2004 if the current favorable macroeconomic trends continue. Some of the main macroeconomic indicators that suggest this possibility are:
 - International trade accelerated significantly in the first quarter of the year. Total exports grew 10.6 per cent with respect to a year earlier. The expansion of the sales of Mexican goods

abroad in the first three months of 2004 was largely due to an 11.5 per cent increase of Mexican manufactured goods abroad. Oil export growth increased only 3.2 per cent with respect to a year earlier. The average annual growth rate of manufactured goods exports in the first quarter of 2004 is the highest since late 2000.

- Total imports increased 11.5 per cent in annual terms during the first quarter. Intermediate and capital goods imports grew 13.6 and 5.9 per cent, respectively. Consumer goods imports posted a 4.6 annual growth rate.
- The Global Economic Activity Indicator posted a 2.7 annual growth rate in the first two months of 2004. The rate of expansion of the monthly approximation of GDP in the first two months of the year is the highest observed for a similar period since 2000.
- In January, machinery and equipment investment registered a monthly increase of 2.8 per cent in seasonally adjusted figures, the third consecutive monthly gain.
- One of the public expenditure policy goals is to increase the budget resources destined for capital expenditure, basic infrastructure modernization, and human capital improvements. This policy guideline, which was set in

the National Program to Finance Development, has the ultimate objective of increasing the economy's potential growth rate. The public investment real growth rates, 14.2 and 22.4 per cent in 2002 and 2003 according to national accounting aggregate demand data, show that this objective has been met in the recent past.

- Formal employment has been increasing since September 2003 in seasonally adjusted terms. The total number of workers registered at the Mexican Institute of Social Security increased by more than 216 thousand between mid January and the end of March 2004. This rate of increase in formal sector employment is the highest in 4 years.
- The automotive sector posted a strong rebound in March. Auto sales to individuals and distributors increased at annual rates of 23.0 and 27.5 per cent in the month. Furthermore, total auto production and exports in March were 3.3 and 5.7 per cent higher than a year earlier. Total production posted a monthly gain of 3.6 per cent in seasonally adjusted figures.

1.2. Inflation and interest rates

- Annual CPI inflation was 4.23 per cent in March 2004. This figure was 0.25 per cent higher than the annual inflation posted 3 months

earlier, in December 2003. The rebound in annual CPI inflation can be accounted for by non-core annual inflation which increased 1.12 per cent in the first three months of the year. In contrast, annual core inflation fell 0.14 basis points in the first quarter of 2003 and posted 3.52 per cent at the end of March.

- Domestic financial markets' developments during the first quarter of the year were consistent with the Mexican economy's current expansion. The strength perceived from Mexico was reflected in a historically-low sovereign bond spread, orderly foreign exchange dynamics, a moderate increase in short-term interest rates, and an upward trend in stock market prices.
- Increased investor's appetite for risk and the strength of public finances account for the reduction in Mexican sovereign risk, which posted an all-time low of 177 basis points the 30th of March of 2004.
- Macroeconomic stability and the reforms to the financial sector's legal framework have allowed credit to increase. Outstanding banking credit to households has risen considerably. The outstanding banking credit for consumption and housing augmented at real annual rates of 47 and 12 per cent, respectively, at the end of the first quarter of 2004. Corporations issued close to 13 billion pesos of private bonds (Certificados Bursátiles) in the first three months of the year. The issuance of these private bonds contributed to a real annual

growth of the total private securities outstanding which exceeded 25 per cent during the first quarter of 2004.

2. Public Finances

- During the first quarter of 2004 the public sector balance registered a surplus of 47.2 billion pesos, 66.1 percent higher in real terms than that of the same period of 2003.
- The primary surplus for the first quarter of 2004 was 100.5 billion pesos, which is 8.5 percent higher than that registered in the same period of 2003.

2.1 *Public sector revenues*

- The public sector's budgetary revenues for the first quarter of 2004 were 445.1 billion pesos, 5.5 percent higher in real terms than those obtained in the same period of 2003. It is important to mention that the public sector's budgetary revenues overshoot the amount projected in the calendar published in the Official Gazette on January 30th by 22.6 billion pesos.
- Out of the higher than projected revenues 18.1 billion pesos correspond to oil related revenues, 4.5 billion pesos correspond to non-tax revenues of the Federal Government, and 1.4 billion pesos correspond to revenues of public entities under direct budgetary control other than Pemex's own revenues. On the other hand, non-oil tax revenues were 1.5 billion pesos lower than originally programmed.

- Oil related revenues increased 12.4 percent in real annual terms as a result of the increase of oil prices in international markets and the increase in the oil export platform. Non-oil tax revenues increased 4.2 percent in real annual terms. VAT and Income tax collections rose by 5.6 and 4.6 percent, respectively over the same period of 2003.

2.2 *Public sector expenditures*

- During the first three months of the year, public expenditure policy was increasingly geared towards attending social needs and supporting productive activities. Expenditure policy has rationalized administrative spending and has remained strictly consistent with the availability of financial resources. As a result, public spending has contributed to financial and economic stability in Mexico.
- It should be noted that the fiscal impact of the austerity measures will be reflected in public finances during the whole year, particularly in the second half. These measures have immediate costs which will be more than compensated during the rest of the year. Therefore, there will be savings for the year as a whole.
- As a result of the savings and austerity measures established in Article 30 of the Expenditures Decree for 2004, there will be an estimated 4.6 billion pesos in savings in areas not considered as priorities. This savings represent 17.1 percent of the administrative budget of public entities of the

Federal Public Administration for the fiscal year 2003. It is worth highlighting that these savings will not have effects on education, health, social security, social and productive infrastructure, public security, and justice procurement and administration.

- In addition to these savings, there will be expenditure reductions on expenses such as communication, telephones, travel, and other administrative expenses. Furthermore, the program foresees the removal or demotion of 12,759 public sector jobs, among them: 40 deputy ministries (11 removals and 29 demotions), 4 general directors or equivalent positions, 88 deputy general directorates, 563 aids, and 219 advisors.
- At the end of March 2004, total public sector budgetary expenditures totaled 394.8 billion pesos, which is 1.5 higher in real terms than those recorded on the same period of 2003. Primary expenditures, defined as total expenditures minus financing costs, were 346.3 billion pesos, which represents a 4.6 percent real increase over the same period 2003.
- Within primary expenditures it is worth mentioning the 8.9 percent real increase in resources directed to states and municipalities through transfers (items 25 and 33), decentralized expenditure agreements (item 39), and the Program to Support the Strengthening of Federal Entities (PAFEF).
- Furthermore, within programmable expenditures it is important to highlight the 9.1

percent real annual increase of social development expenditures.

- Social investment, which refers to public expenditures that directly benefit the population, increased 11.3 percent in real terms, compared with the same period of 2003¹.
- This report introduces a revision of the public investment concepts previously used. The revised figures reflect more accurately the impact of government actions on domestic productive assets.
- The Federal Government's role in infrastructure investment expenditures has evolved through time. As the economic reform advanced, the Federal Government's role in several sectors changed from directly carrying out investment to becoming a channel to stimulate public and private investment.
- The economic reform has implied a progressive decentralization of programs and resources from the federation to federal entities. In addition, various public entities which had lost efficiency in the fulfillment of their mission have been divested. Furthermore, resources are increasingly transferred to organisms that

¹ Social investment considers programmable expenditures by the Federal Executive Power which increase physical and human capital, as well as expenditures that provide public services, including wages of personnel that carries out social development and social security functions, such as: teachers, doctors, infirmity personnel, policemen and the army. In particular, social investment includes infrastructure provision and those subsidies that improve the life standards of the population.

support the investment decisions of households and firms.

- A growing fraction of federal expenditures are carried out through transfers and subsidies targeted to specific sectors of the population. This public expenditure requires the participation of local governments, communities and beneficiaries with the Federal Government.
- The resources for certain public programs are approved as operational expenses in the Budget Decree for the year, because there is uncertainty regarding how much of them will eventually be used for investment projects. Throughout the year, an important fraction of the resources are actually destined for programs and projects which increase public, communitarian, or private assets. However, these resources continue to be considered entirely as operational expenses under the traditional methodology.
- Among the assets that are financed through subsidies we find, for example, several actions of the Alliance for Rural Development (Alianza para el Campo) targeted at increasing, improving and constructing rural infrastructure, as well as support for agricultural investment and other rural economic activities.
- Other identifiable actions which have an impact on infrastructure and equipment are related transfers for construction and home improvement, as well as support programs for productive projects of small enterprises. Furthermore, the operational

expenses in energy generation projects financed through the Pidiregas program is also an impulse for fixed investment in the energy sector.

- Taking these concepts into consideration, programmable investment figures that will be made public from now on will consider the capital expenditure concepts described above which have a direct impact on domestic capital accumulation. In this report both the traditional and the modified figures will be reported.
- The traditional public investment definition posts an 8.2 per cent annual real growth in the first quarter of the year. The investment definition which includes the subsidy resources that affect investment, as described above, grows at an annual real rate of 11.5 per cent in the first three months of the year.
- Furthermore, overall public sector fixed capital investment, which includes budgetary fixed investment, and investment by state owned enterprises under indirect budgetary control undertaken with their own resources as well as financed investment projects (Pidiregas) posted an 18.2 per cent real annual growth in the first quarter.
- The overall public sector fixed capital investment, contributes to strengthen the economy, to generate jobs and income opportunities for the Mexican population.
- Public outlays destined for personal services increased 6.3

per cent in annual real terms in the first quarter of 2004.

- The growth of personal services outlays is almost fully explained by the increase in the following functions: education, health, justice, social security, national defense and energy. In fact, education, health and social security accounted for 79 per cent of the increase in personal services in the first quarter of the year.
- Finally, the public sector's financial cost decreased 15.9 per cent in real annual terms during the first three months of the year, mainly as a result of lower domestic interest rates.

3. Public Debt

- At the end of the first quarter of 2004, the net public debt balance was 25.2 percent of GDP, the same as in the previous quarter. Regarding its composition it should be highlighted that: a) there was an increase in the net external debt to GDP ratio of 0.3 percent with respect to the previous quarter, which is mainly attributable to the transitory indebtedness that was carried out during the quarter by the Federal Government, and which is consistent with the target of reducing external indebtedness by US \$ 500 million as approved by Congress; b) a 0.3 percentage point of GDP decline in the net domestic debt with respect to the end of 2003.
- It is important to highlight that all of the Federal Government's

financing needs for the year will be covered in the domestic market, as established by the Revenues Law approved by Congress.

- At the end of March, the net external debt balance was US \$ 80.5 billion, US \$ 3.4 billion higher than that registered at the end of 2003. This result is attributable to borrowings of US \$ 1.6 billion, upward accounting adjustments of US \$ 244.2 million, and a decline in the financial assets abroad of the Federal Government of US \$ 1.6 billion. As previously mentioned, this increase in external indebtedness will gradually decline in the coming months, as the resources obtained are used to cover the debt amortizations programmed for the fiscal year.
- The Federal Government's net domestic debt balance at the end of March 2004 was 912.0 billion pesos, which is 15.1 billion pesos lower than that recorded at the end of 2003 (927.1 billion pesos). The decrease is explained by: a) net borrowing of 20.0 billion pesos, b) an increase in the Federal Government's domestic financial assets of 37.4 billion pesos, and c) upward accounting adjustments to inflation indexed debt of 2.2 billion pesos.
- Important external debt management transactions were carried out during the first quarter of 2004:
 - In January, the Federal Government issued US \$ 1 billion of a 5 year floating interest rate global bond. The bond pays Libor plus 70 basis

points, the lowest spread ever achieved in a similar transaction.

- In February, the Federal Government issued a 500 million pound bond in the British market (equivalent to 928.4 million dollars), with a 20 year maturity. The issue pays a 6.75 percent interest rate in pounds. The yield is 190 basis points higher than the equivalent issue of the British Treasury.
- With these transactions, the Federal Government successfully diversifies its investor base, by attracting those investors who seek floating interest rates or that normally focus only on the British pound market.
- The weighted average cost of the issuances carried out by the Federal Government in the first quarter of 2004, expressed as the spread over US Treasury bills was 146 basis points, 122 basis points lower than that obtained during the same period of 2003.
- In the month of March, the Federal Government prepaid 11 loans granted by the Interamerican Development Bank (IDB), with an outstanding value of approximately US \$263.6 million. The credits that were prepaid were obtained prior to the end of 1989, and had fixed interest rates that were relatively high compared to those the Federal Government has access to at the moment. Because of the

above, the transaction will generate savings that have a present value estimated at US \$ 30 million dollars.

- The domestic debt management transactions undertaken focused on promoting transparency, increasing certainty for market participants, and on raising the share of long-term fixed rate nominal bonds in total debt. These measures help to reduce public finance sensitivity to domestic interest rate movements. These measures consolidate and extend the government's yield curve in the domestic market, and therefore help to develop a domestic market for private sector issuance by establishing benchmarks for their transactions.
- Through its debt management strategy, the Government has been able to increase the share of long-term securities with nominal fixed interest rates from 14.5 percent in 2000 to 40.3 percent at the end of the first quarter of 2004. As a result, the average maturity of Government securities increased from 907 days at the end of 2003 to 954 days at the end of March 2004.
- Regarding Mexico City's debt it is important to mention that during the reference period the City's debt declined by 659.3 million pesos. The indebtedness ceiling imposed by Congress is 500 million pesos.

For more details on public finance and public debt statistics, please refer to the Ministry of Finance's web page: <http://shcp.gob.mx/english/index.html>

Annex A. Public Finances

Public Sector Overall Balance

Millions of pesos

	January-March		Real % growth	Composition %	
	2003	2004 ^{p./}		2003	2004 ^{p./}
Overall Public Balance (I+II)	27,247.2	47,211.4	66.1		
I. Budgetary Balance (a-b)	31,585.0	50,280.6	52.6		
a) Revenues	404,339.1	445,113.0	5.5	100.0	100.0
Oil related	124,560.1	146,018.0	12.4	30.8	32.8
Federal Government	90,028.9	105,236.9	12.1	22.3	23.6
Pemex	34,531.2	40,781.2	13.2	8.5	9.2
Non-oil related	279,779.0	299,095.0	2.5	69.2	67.2
Federal Government	215,673.3	231,131.2	2.7	53.3	51.9
Tax	186,856.6	203,113.1	4.2	46.2	45.6
Non-tax	28,816.7	28,018.2	-6.8	7.1	6.3
PEDBC ^{1./}	64,105.7	67,963.7	1.6	15.9	15.3
b) Expenditures	372,754.1	394,832.3	1.5	100.0	100.0
Programmable	239,349.4	257,231.5	3.0	64.2	65.1
Non programmable	133,404.7	137,600.9	-1.1	35.8	34.9
II. PEIBC ^{2./}	-4,337.8	-3,069.2	-32.2		
Primary Balance	88,837.8	100,534.7	8.5		

Note: Figures may not add up due to rounding.

p./ Preliminary figures.

Source: Ministry of Finance and Public Credit.

Annex A. Public Finances (cont.)

Public Sector Revenues

Millions of pesos

	January-March		Real % growth	Composition %	
	2003	2004 ^{p./}		2003	2004 ^{p./}
Total (I+II)	404,339.1	445,113.0	5.5	100.0	100.0
I. Oil related	124,560.1	146,018.0	12.4	30.8	32.8
a) PEMEX	34,531.2	40,781.2	13.2	8.5	9.2
b) Federal Government	90,028.9	105,236.9	12.1	22.3	23.6
Rights and Royalties on oil related products	65,472.6	86,217.3	26.2	16.2	19.4
Excise taxes	24,556.3	19,019.5	-25.8	6.1	4.3
II. Non oil related	279,779.0	299,095.0	2.5	69.2	67.2
c) Federal Government	215,673.3	231,131.2	2.7	53.3	51.9
Tax	186,856.6	203,113.1	4.2	46.2	45.6
Income tax	98,483.4	107,461.5	4.6	24.4	24.1
VAT	63,649.0	70,145.0	5.6	15.7	15.8
Excise taxes	7,495.8	7,910.3	1.2	1.9	1.8
Import taxes	6,278.4	6,109.8	-6.7	1.6	1.4
Others ^{1./}	10,950.1	11,486.3	0.6	2.7	2.6
Non-tax	28,816.7	28,018.2	-6.8	7.1	6.3
Rights	4,674.2	4,772.9	-2.1	1.2	1.1
Fees	22,718.0	21,905.6	-7.6	5.6	4.9
Others	1,424.5	1,339.7	-9.8	0.4	0.3
d) PEDBC ^{2./}	64,105.7	67,963.7	1.6	15.9	15.3
Memorandum items:					
Total tax related	211,413.0	222,132.6	0.7	52.3	49.9
Total non-tax related	192,926.1	222,980.4	10.8	47.7	50.1

Note: Figures may not add up due to rounding.

p./ Preliminary figures.

1./ Includes new vehicle, vehicle ownership, luxury goods and services and accessory taxes.

2./ Public entities under direct budgetary control. Excludes Federal Government transfers to the ISSSTE.

Source: Ministry of Finance and Public Credit.

Annex A. Public Finances (cont.)

Budgetary Revenues, January-March

Millions of pesos

	Programmed	Observed ^{p_/}	Difference
Total (I+II)	422,540.0	445,113.0	22,573.0
I. Oil related	127,873.1	146,018.0	18,144.9
a) PEMEX	32,690.7	40,781.2	8,090.5
b) Federal Government	95,182.4	105,236.9	10,054.5
Rights and Royalties on oil related products	68,916.1	86,217.3	17,301.2
Excise taxes	26,266.3	19,019.5	-7,246.8
II. Non oil related	294,666.9	299,095.0	4,428.0
c) Federal Government	228,089.0	231,131.2	3,042.2
Tax	204,565.9	203,113.1	-1,452.8
Income tax	108,077.3	107,461.5	-615.8
VAT	72,231.3	70,145.0	-2,086.3
Excise taxes	7,473.5	7,910.3	436.8
Import taxes	5,528.8	6,109.8	581.0
Others ^{1_/}	11,255.0	11,486.3	231.3
Non-tax	23,523.1	28,018.2	4,495.1
Rights	3,406.8	4,772.9	1,366.1
Fees	18,583.9	21,905.6	3,321.7
Others	1,532.4	1,339.7	-192.7
d) PEDBC ^{2_/}	66,577.9	67,963.7	1,385.8
Memorandum items:			
Total tax related	230,832.2	222,132.6	-8,699.6
Total non-tax related	191,707.8	222,980.4	31,272.6

Note: Figures may not add up due to rounding.

p_/ Preliminary figures.

1_/ Includes new vehicle, vehicle ownership, luxury goods and services and accessory taxes.

2_/ Public entities under direct budgetary control. Excludes Federal Government transfers to the ISSSTE.

Source: Ministry of Finance and Public Credit.

Annex A. Public Finances (cont.)

Public Sector Expenditures

Millions of pesos

	January-March		Real % growth	Composition %	
	2003	2004 ^{p/}		2003	2004 ^{p/}
TOTAL (I+II)	372,754.1	394,832.3	1.5	100.0	100.0
I. Primary Expenditures (a+b)	317,384.8	346,250.0	4.6	85.1	87.7
a) Programmable	239,349.4	257,231.5	3.0	64.2	65.1
b) Non-programmable	78,035.4	89,018.5	9.4	20.9	22.5
II. Financing Costs ^{1/}	55,369.3	48,582.4	-15.9	14.9	12.3

Note: Figures may not add up due to rounding.

p_/ Preliminary figures.

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

Source: Ministry of Finance and Public Credit.

Annex B. Public Sector Debt

Public Sector External Debt, January-March ^{*_/}

Millions of dollars

	Outstanding as of Dec-03	Indebtedness			Fx Adjustments	Outstanding as of Mar-04 ^{p_/}
		Originations	Amort.	Net		
Net external debt	77,052.4					80,492.5
Financial assets abroad ^{1_/}	-1,971.1					-389.0
Gross external debt	79,023.5	7,199.7	5,585.9	1,613.8	244.2	80,881.5
Term structure	79,023.5	7,199.7	5,585.9	1,613.8	244.2	80,881.5
Long term	77,335.7	3,543.7	3,921.3	-377.6	241.9	77,200.0
Short term	1,687.8	3,656.0	1,664.6	1,991.4	2.3	3,681.5
Structure by user	79,023.5	7,199.7	5,585.9	1,613.8	244.2	80,881.5
Federal Government ^{2_/}	58,358.3	2,158.3	1,327.1	831.2	97.2	59,286.7
PEDBC ^{3_/}	12,157.7	2,364.2	1,319.4	1,044.8	163.4	13,365.9
Development banks	8,507.5	2,677.2	2,939.4	-262.2	-16.4	8,228.9
Gross external debt						
By financing source	79,023.5	7,199.7	5,585.9	1,613.8	244.2	80,881.5
Restructured 1989 – 1990	387.7	0.0	38.9	-38.9	-0.1	348.7
Spanish bank bonds	76.5	0.0	0.0	0.0	0.0	76.5
New money 1990 – 1992	311.2	0.0	38.9	-38.9	-0.1	272.2
Non-restructured	4,310.2	1,287.7	2,297.8	-1,010.1	0.7	3,300.8
Bilateral credit	5,283.6	1,041.5	937.3	104.2	26.8	5,414.6
Publicly placed bonds	48,806.2	2,328.4	1,327.8	1,000.6	80.4	49,887.2
IFIS	17,948.0	247.9	735.3	-487.4	-7.1	17,453.5
Supplier credits to public sector entities	2.3	0.0	0.0	0.0	0.0	2.3
Others ^{4_/}	2,285.5	2,294.2	248.8	2,045.4	143.5	4,474.4

Note: Figures may not add up due to rounding.

*_/ Figures subject to revisions.

p_/ Preliminary figures.

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

2_/ Includes debt from item XXIV and FAFEXT.

3_/ Public entities under direct budgetary control.

4_/ Refers to PIDIREGAS debt.

Source: Ministry of Finance and Public Credit.

Annex B. Public Sector Debt (cont.)

Federal Government Domestic Debt, January-March ^{*_/}

Millions of pesos

	Outstanding December 2003 ^{p./}	Indebtedness			Adjustments ^{1./}	Outstanding March 2004 ^{p./}
		Originations	Amort.	Net		
Net domestic debt balance	927,097.1					911,984.6
Creditor accounts ^{2./}	-84,792.1					-122,144.0
Gross domestic debt stock	1,011,889.2	249,072.8	229,066.7	20,006.1	2,233.3	1,034,128.6
Government Securities	956,657.0	229,795.7	209,997.1	19,798.6	1,231.9	977,687.5
Cetes	206,416.3	179,381.9	158,521.4	20,860.5	0.0	227,276.8
Bondes	354,720.4	12,600.0	18,400.0	-5,800.0	0.0	348,920.4
Fixed rate bonds	311,664.1	34,440.0	14,997.1	19,442.9	0.0	331,107.0
Udibonos	83,856.2	3,373.8	18,078.6	-14,704.8	1,231.9	70,383.3
Udibonos udi's	25,016.7	1,000.0	5,367.4	-4,367.4	0.0	20,649.3
S.A.R.	40,655.3	19,245.4	18,161.2	1,084.2	781.5	42,521.0
Siefores (pesos)	0.3	0.0	0.0	0.0	0.0	0.3
Siefores udi's	0.1	0.0	0.0	0.0	0.0	0.1
Others	14,576.6	31.7	908.4	-876.7	219.9	13,919.8

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 national banking system since December 2002.

Source: Ministry of Finance and Public Credit.

Annex C. Public Sector Borrowing Requirements

Public Sector Borrowing Requirements by Institutional Sector, January-March ^{p_/}

Millions of pesos

	PSBR		
	2002	2003	2004
Public sector total excluding non-recurrent revenues (II-I)	-41,976.3	-25,461.3	15,856.0
I. Non-recurrent revenues	10,121.0	17,336.3	15,520.3
II. Public sector total (A+B)	-31,855.3	-8,125.0	31,376.3
A. Non- financial public sector	-19,742.9	9,624.7	21,891.2
Federal Government	-30,618.2	4,192.0	20,890.0
Budgetary	-27,929.5	6,112.5	22,481.7
Adjustments to Budgetary Recordings	-2,688.7	-1,920.5	-1,591.7
Bodies and Enterprises	12,073.8	5,655.9	3,050.5
Budgetary	21,534.8	21,134.7	24,729.7
PIDIREGAS	-9,461.0	-15,478.8	-21,679.2
FARAC	-1,198.5	-223.2	-2,049.3
B. Financial public sector	-12,112.4	-17,749.7	9,485.0
Development Banks and Public Funds	-804.1	-6,380.0	10,621.8
IPAB	-9,449.4	-10,047.3	-531.0
Debtors Support Programs	-1,859.0	-1,322.4	-605.8

Note: Partial sums may differ due to the round of figures.

p_/ Preliminary figures.

Note: In the PSBR and the balance the negative sign (-) indicates a deficit and the positive sign (+) indicates a surplus.

Source: Ministry of Finance and Public Credit.

Annex D. Public Debt Amortization Calendar

EXTERNAL PUBLIC SECTOR

DEBT AMORTIZATION SCHEDULE ^{p/_}

Millions of dollars at the end of period*

	Balance Mar 31, 04	2003	2004	2005	Other Years
TOTAL	80,881.5	8,951.1	9,702.6	6,655.1	55,572.7
CAPITAL MARKET	49,887.2	2,368.3	3,050.6	3,047.9	41,420.4
Bonds	49,887.2	2,368.3	3,050.6	3,047.9	41,420.4
COMMERCIAL BANKS	2,478.2	572.5	497.2	803.4	605.1
Direct	826.8	470.2	131.4	108.3	116.9
Syndicated	1,651.4	102.3	365.8	695.1	488.2
Guaranteed Commercial Paper	0.0	0.0	0.0	0.0	0.0
MULTILATERAL CREDITORS	16,975.4	1,410.3	1,954.5	2,040.1	11,570.5
IDB	6,979.8	363.1	591.9	660.8	5,364.0
World Bank	9,995.6	1,047.2	1,362.6	1,379.3	6,206.5
EXTERNAL TRADE	5,857.5	2,166.3	1,412.9	432.7	1,845.6
EXIMBANK	2,243.0	410.8	290.2	235.9	1,306.1
Commercial Banks	2,909.8	1,755.5	418.0	196.8	539.5
Syndicated	405.0	0.0	405.0	0.0	0.0
Guaranteed Commercial Paper	299.7	0.0	299.7	0.0	0.0
RESTRUCTURED DEBT	1,208.8	386.2	360.5	331.0	131.1
Multi-Year Restructured Agreement	272.2	116.4	77.9	77.9	0.0
Others	936.6	269.8	282.6	253.1	131.1
OTHERS ^{1/_}	4,474.4	2,047.5	2,426.9	0.0	0.0

Note: The figures with relation to the contractual balances as of march 31, 2004.

p/_ Preliminar figures.

1/_ Refers to movements in direct debt, related to Long Term Productive Infrastructure projects (PIDIREGAS).

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

Source: Ministry of Finance and Public Credit.

Annex D. Public Debt Amortization Calendar

Public Sector Domestic Debt Amortizations Calendar

Millions of pesos

	2004	2005	2006	2007	2008-2030
Total	350,544.4	155,082.7	126,214.5	141,430.7	260,856.3
Securities	328,912.0	131,487.1	124,422.7	139,638.9	253,226.8
Cetes	216,738.6	10,538.2	0.0	0.0	0.0
28 days	15,922.9	0.0	0.0	0.0	0.0
3 months	75,370.0	0.0	0.0	0.0	0.0
6 months	72,604.8	0.0	0.0	0.0	0.0
1 year	52,840.9	10,538.2	0.0	0.0	0.0
Bondes	64,300.8	44,559.8	72,737.8	77,312.9	90,009.1
3 years	64,300.8	20,460.8	0.0	0.0	0.0
5 years	0.0	24,099.0	72,737.8	77,312.9	90,009.1
Fixed Rate Bonds	45,394.7	61,184.1	51,684.9	62,326.0	110,517.3
3 years	45,394.7	34,340.0	10,580.0	0.0	0.0
5 years	0.0	26,844.1	41,104.9	62,326.0	8,220.0
7 years	0.0	0.0	0.0	0.0	43,087.9
10 years	0.0	0.0	0.0	0.0	55,759.4
20 years	0.0	0.0	0.0	0.0	3,450.0
Udibonos	2,477.9	15,205.0	0.0	0.0	52,700.4
5 years	2,477.9	15,205.0	0.0	0.0	0.0
10 years	0.0	0.0	0.0	0.0	52,700.4
SAR	20,700.0	21,821.0	0.0	0.0	0.0
Others	932.4	1,774.6	1,791.8	1,791.8	7,629.5

Note: Figures based on the outstanding balance as of March 31 2004, using the value of the

Udi at the end of March 2004 for the conversion of Udibonos into pesos. The calendar is constructed based on contracts. In case there is not a preestablished calendar in the contracts, as in the case of the SAR account, the figures included in the calendar are estimates.

Source: Ministry of Finance and Public Credit.

Annex E. Public Finance Publication Calendar

Public Finance Publications Calendar

Coverage Period:	Release Date
April, 2004	June 1, 2004
May, 2004	June 30, 2004
June, 2004	August 4, 2004
July, 2004	September 3, 2004
August, 2004	September 30, 2004
September, 2004	November 4, 2004
October, 2004	November 30, 2004
November, 2004	December 30, 2004
December, 2004	February 4, 2005
January, 2005	March 4, 2004
February, 2005	April 1, 2005
March, 2005	May 4, 2005