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MINISTRY OF FINANCE AND PUBLIC CREDIT

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Mexico, October 31st , 2005.

Report on Public Finance and Public Debt
Third Quarter of 2005

- ✓ ***The economic expansion continued.***
- ✓ ***A fiscal surplus was achieved.***
- ✓ ***Public revenues continued increasing.***
- ✓ ***There was a significant increase in public investment and in public expenditure channeled to transport and communications.***
- ✓ ***Federal resources transferred to states and municipalities increased considerably.***
- ✓ ***Banking credit continued growing at high rates.***
- ✓ ***The Federal Government obtained the resources in foreign currency needed to cover all the external market debt payments due in 2006 and 2007.***

The results of the Report on Public Finances and Public Debt for the third quarter of 2005 were published today. It is worth noting the following:

- **It is estimated that during the third quarter the economy grew at an annual rate of 3.5%. It is worth highlighting that this estimate is subject to considerable uncertainty, as the impact of a number of weather disturbances on economic activity during September cannot be ascertained accurately yet.**

- **A total of 220 thousand 962 formal jobs were created during the third quarter of 2005, the largest number for a similar period in the last five years. Consequently, the number of employees insured by IMSS reached the highest level on record.**

- **Annual inflation decreased significantly from 4.33% in June to 3.51% in September, thus favoring a decrease in interest rates.**

- **Manufacturing exports grew at an annual rate of 9.3% while capital and intermediate goods imports grew at 15.9% and 9.9%, respectively, in real annual terms.**

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- **During the second quarter of 2005, net transfers from abroad were USD 5.3 billion which in addition to constituting a historic maximum level, exceeded foreign direct investment for the fifth consecutive quarter.**

- **Mexican interest rates decreased as a result of the monetary policy announcements made by Banco de México (Banxico). The decrease in inflation during this quarter motivated the change in monetary policy and the two 25 basis points decreases in the *tasa de fondeo* in August and September. It is worth noting that long-term rates experienced the largest reductions.**

- **Direct banking credit to the private sector increased at an annual rate of 31.6% in August. The most dynamic components were credit for consumption which grew 44.7% and credit destined for housing which grew 43.5%, both in annual terms. Banking credit to businesses expanded at a rate of 22.7% annually in the same month.**

- **During the three quarters, a public surplus for more than Ps. 101.6 billion was obtained. This was 21.9% higher, in real terms, than the one registered for the same period of last year and is congruent with the annual program approved by Congress.**

- **Public sector revenues increased 4.6% in real terms mainly due to an increase in oil-related revenues, tax collection and non-oil public entities' revenues. Amongst the non-oil tax revenues, VAT collection and income tax collection increased by 6.3% and 5.2% respectively.**

- **With respect to the excess oil revenues for crude prices over US$ 27 per barrel, as established in Article 19 of the Federation's Expenditures Decree for 2005, Ps. 3.9 billion have been channelled to infrastructure and equipment investment programs and projects for States and Municipalities while another Ps. 3.9 billion have gone to capital expenditures for PEMEX.**

- **Physical budgetary investment and investment fostered by the public sector increased at real annual rates of 9.5% and 13.2% respectively compared to the third quarter of 2004.**

- **Programmable expenditures channeled to social development grew 7.6% in real annual terms with respect to the first nine months of 2004.**

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- **Federal grants to states and municipalities increased 10.8% in real annual terms.**

- **The Federal Government obtained the resources in foreign currency to cover all the external market debt payments due in 2006 and 2007 through the purchase of USD 2.9 billion from Banxico's foreign exchange reserves.**

- **As of September, the external debt to GDP ratio stood at 23.1%, this is 0.1 percentage points lower with respect to the outstanding balance as of December 2004. The domestic debt's average maturity increased 90 days during the first nine months of the year from 1,071 in December 2004 to 1,161 at the end of the third quarter of 2005.**

Economic Situation

The economy's growth rate accelerated during the third quarter of 2005. The exporting sector grew at higher rates while domestic demand, particularly fixed capital investment, was very dynamic. The renewed strength of aggregate demand translated into a favorable development of the three productive sectors and resulted in a considerable increase in formal employment.

Currently, most analysts expect inflation for 2005 as a whole to be close to Banxico's 3% inflation target. This has prompted a decrease in interest rates. Consequently, between June and September, Mexico's country risk diminished considerably, between 172 and 138 points, reflecting the favorable international environment and the investor's confidence in the country's economic outlook.

Available data indicates that the GDP will grow at around 3.5% in the third quarter. It is worth highlighting that this estimate is subject to considerable uncertainty because the impact of a number of weather disturbances on economic activity during September cannot be ascertained accurately yet.

The main indicators show that growth accelerated in the Mexican economy. More vigorous activity can be seen, particularly in trade, production and employment. Additionally, consumption and investment were strengthened.

- From July to September, the nominal value of total exports grew at an annual rate of 13.5%. Within these, manufacturing exports grew 9.3% while oil-related exports expanded 40.1% with respect to those registered in the third quarter of 2004. Additionally, total imports grew at an annual rate of 12.1% due mainly to

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21.7%, 15.9% and 9.9% increases in consumption, capital and intermediate imports, respectively.

- In July 2005, fixed capital investment grew 2.9% in annual terms. This entails an 11.5% annualized monthly increase in terms of seasonally adjusted data.

- In July-August, industrial production accumulated a bimonthly annualized growth of 3.5% according to seasonally adjusted data. Annually, industrial activity grew 0.4% in this period. Within industrial production the results are the following:

    - During the July-August period construction grew 2.1%. Mining production and the electricity, gas and water sector expanded at annual rates of 1.1% and 0.7%, respectively.
    - Manufacturing activity did not expand annually in the same period. However, seasonally adjusted data show that, in August, the real value of the production of manufacturing businesses had accelerated at an annualized rate of 5.1% with respect to June.

- During August and September, automotive production grew at annual rates of 7.2% and 7.0%, respectively.

- Retail sales grew at annual rates of 4.4% in July-August while wholesale sales expanded 1.2% in the same period.

- During the third quarter, ANTAD´s general sales index grew 9.4% annually, while the real value of Wal-Mart's sales grew at an annual rate of 14.7%.

- In the July-August period of 2005, the real value of services grew 4.0% annually which entails an annualized bimonthly growth rate of 10.6% according to seasonally adjusted data.

- The regularization of rain benefited a number of cash crops and therefore, during July-August, agricultural production grew 13.0% annually. Seasonally adjusted data show a bimonthly expansion of 17.9%.

As a result of all this, during the July-August period, the favorable behavior of productive activity resulted in an expansion of the IGAE, the GDP proxy, of 3.2%. This is equivalent to an annualized bimonthly growth rate of 18.4% according to seasonally adjusted data.

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The economic expansion translated into a considerable expansion of formal employment. During the third quarter, the number of employees insured by IMSS reached maximum historical levels:

- In the period under report, the number of employees registered at IMSS grew by 220 thousand 962, this is a relative growth of 1.7%. It is worth noting that this number is the highest for a similar period during the past 5 years. The total number, up to September, was 13 million 20 thousand 745 people.

- This resulted in a reduction of unemployment levels. In July-August the unemployment rate in urban areas was 3.75%, considerably lower than the 4.04% posted a year ago. Seasonally adjusted data confirm the decrease in the unemployment rate which went from 4.02% in the second quarter to 3.53% in the third according to the adjusted unemployment rate.

Price growth was considerably lower during the third quarter of 2005. In September, annual headline inflation was 3.51%, 82 basis points below the rate posted in June (4.33%). This was due to the reduction of core and non-core inflation rates.

The external conditions faced by domestic financial markets in the third quarter were favorable and Mexican sovereign spreads decreased accordingly. It is worth noting that these favorable conditions were common to other emerging markets, as indicated by the accumulated decrease in sovereign spreads. These spreads closed the third quarter at levels below those of the second.

During this quarter, Banxico allowed the *"tasa de fondeo"* to decrease twice by 25 basis points each time (August 26th and September 23rd). These measures responded to reductions in both headline and core inflation. Accordingly, interest rates for all durations fell during the third quarter, long-term rates particularly so.

The stock market index continued its upward trend reaching a new historical high on September 30th, closing the third quarter 19.5% above the level recorded at the end of the second quarter. The exchange rate was 10.76 pesos per dollar at the end of September. This entails a 0.13% appreciation with respect to the end of June and a 3.48% appreciation with respect to the end of 2004.

The stable macroeconomic and financial conditions allowed the strong growth in outstanding direct banking credit to the private sector to continue, posting a 31.6% annual growth rate in August. Within this, credit for consumption was the most dynamic components and grew 44.7% annually in August, followed by credit for

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housing which grew 43.5% in real annual terms. Outstanding direct credit to businesses grew 22.7% annually in the same month.

Public Finances

During the first three quarters of 2005, the public balance recorded a surplus of Ps. 101.6 billion, 21.9% higher, in real terms, to that registered in the same period of 2004. The primary surplus was Ps. 273.1 billion, 7.6% above the amount registered a year earlier.

Public sector budgetary revenues reached Ps. 1.4 trillion, a 4.6% increase in real terms with respect to those obtained in the first nine months of 2004. Therefore, revenues exceeded by Ps. 78.8 billion the amount published in the Official Gazette for 2005. Of these, Ps. 54.3 billion are from oil revenues, Ps. 22.2 billion are from public entities under direct budgetary control other than PEMEX and Ps. 6.4 billion are from non-tax Federal Government revenues. On the other hand, the non-oil tax revenues were Ps. 4.0 billion below those programmed.

Excess Revenues, January-September 2005 (Million pesos)			
	Programmed	Observed	Difference
Total	**1,348,067.5**	**1,426,905.7**	**78,838.2**
Oil related	462,318.6	516,579.7	54,261.1
Non-Oil Related	885,748.9	910,325.9	24,577.0
Tax	603,495.0	599,454.9	-4,040.1
Non-tax	47,636.1	54,085.0	6,448.9
PEDBC	234,617.8	256,786.1	22,168.3

It is worth mentioning that the installments corresponding to the first and second quarter excess oil revenues for crude prices above 27 dollars per barrel were given to states and PEMEX in May and August, as established in Article 19 of the Federal Budget for 2005. The amounts were 662 and 3.3 billion pesos, respectively.

Oil revenues grew 7.2% in real terms, mainly due to higher oil prices. Non-oil tax revenues increased 5.1% in real annual terms. Amongst these, VAT and income tax collection stand out increases of 6.3% and 5.2%, respectively, against the first 9 months of 2004. The Federal Government's non-tax revenues decreased 32.2% in real terms. The reduction was due to the non-recurring income derived in 2004 from the Brady bond's collateral (Ps. 13.9 billion) and Banxico's operational surplus (Ps. 15.0 billion).

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During the first three quarters of the year, government expenditures complied with both the availability of resources and the public deficit ceiling set by Congress in the Expenditures Decree for 2005. This allowed the continuation of the public policies and programs approved in the Budget.

Public expenditure assigned a greater priority to the population's basic needs: education, health, poverty reduction, public safety, justice and job creation.

In this context, during the first nine months of the year, total public expenditures reached Ps. 1.3 trillion, in real terms this is 3.4% more than the same period of the previous year. Primary expenditure, defined as total expenditure net of financial costs, increased 4.0% in real terms against the same period of 2004 and reached Ps. 1.2 trillion. In relation to public expenditures during the first three quarters of 2005, the following is worth noting:

- Physical budgetary investment and investment fostered by the public sector grew at real annual rates of 9.5% and 13.2% with respect to the January-September period of 2004.
- Social development expenditures grew 7.6% against that observed in the first nine months of 2004 and represented 63.3% of total programmable expenditures. Social investment grew 7.4% in real annual terms with respect to the same period of the previous year.[1]
- Expenditures channeled to agricultural and forestry development and communications and transport development increased 9.8% and 25.5%, respectively, in real terms with respect to the first nine months of 2004.
- Transfers to states and municipalities increased 10.8% in real terms.
- Expenditure rationalization measures caused savings of Ps. 397 million in administrative and operation activities and savings of Ps. 266 million in social communication expenses. This represents 11.6% with respect to approved expenses for these concepts.
- Personnel services expenditures grew 2.6% in real terms with respect to last year. This is due to an increase in expenditure channeled to social development (4.3%). In contrast, expenditures on activities related to government functions decreased 6.7%.

[1] This concept includes programmable expenditures of the public sector branches and entities destined to strengthen the society's human and physical capital. It also includes expenditures devoted to improve the quality of public services such as the salaries of personnel dedicated to social development and security: teachers, doctors, nurses, policemen and the armed forces.

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Personnel services expenditures, January-September
Functional Classification
(Million pesos)

Concept	January-September 2004	2005 p_/	Real % Var.	Composition % 2004	2005
Total 1_/	**370,946.3**	**396,965.2**	**2.6**	**100.0**	**100.0**
Autonomous branches and entities	16,783.6	17,556.5	0.3	4.5	4.4
Executive Branch (1+2+3-4)	354,162.7	379,408.7	2.7	95.5	95.6
1. Social Development	263,781.8	287,021.2	4.3	71.1	72.3
2. Economic Development	65,019.1	69,736.9	2.8	17.5	17.6
3. Government	41,825.9	40,705.4	-6.7	11.3	10.3
4. Transfers to ISSSTE and FOVISSSTE 3_/	16,464.1	18,054.8	5.1	4.4	4.5

p_/ Preliminary figures.
1_/ Includes direct expenditures, federal transfers to states and municipalities and transfers awarded for payment of personal services to the PEIBC
2_/ Incluyes urbanization, housing and regional development, tap water and sewer and social assistance.
3_/ For consolidation effects of public expenditure statistics, these resources are excluded because they are considered in ISSSTE's cash flow.

The public sector's financial cost decreased 1.2% in real terms in the January-September period with respect to the same period of last year. This was primarily due to lower expenditures on lenders and borrowers support programs and on the payment of external interests, that more than offsets the real increase of the financing cost of domestic debt due to higher interest rates.

Public Debt

During the third quarter, public debt management was designed to face the outstanding debt obligations and cover the public deficit in the most favorable conditions possible while maintaining a prudent degree of risk. Advances were made with respect to improving the balance of domestic and external debt, increasing the average maturity and duration of the Federal Government's liabilities and the smoothening of the public debt's amortization profile.

The Federal Government continued taking measures that promote increased transparency and a better communication between the Government and investors. During this period the "Strategic Guidelines for Public Debt Management," which establish the main elements that guide the Federal Government's public debt management, were published. Additionally, a new section in the Ministry's web page was dedicated to providing information on public debt policies.[2] With this, the communication channels with those participating in the sovereign debt markets will continue strengthening according to the best international practices.

By the end of the third quarter, net public debt as a percentage of GDP was 23.1%, 0.1 percentage points below that observed at the end of 2004. This was due to a 1.3 percentage point reduction of net external public debt and a 1.2 percentage

[2] http://www.shcp.sse.gob.mx/contenidos/informacion_economica/temas/unidad_credito_publico/index.html

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point increase in net domestic debt, both figures expressed as a proportion of GDP.

During January-September, the Federal Government's outstanding net domestic debt was Ps. 1.1 trillion, Ps. 69.7 billion higher than at the end of 2004 (Ps. 1.03 trillion). This increase was due to a) net borrowings for Ps. 112 billion, b) an increase in the Federal Governments domestic financial assets for Ps. 44.7 billion, and c) upward accounting adjustments to inflation indexed debt for Ps. 2.4 billion.

During the first nine months of 2005, in accordance with the domestic debt strategy for this year, the net domestic indebtedness was primarily due to the sale of 6-month Cetes and fixed nominal rate Development Bonds.

Consequently, the percentage of fixed nominal interest rate instruments with maturities equal to or greater than one year in total domestic public debt went from 44.7% at the end of 2004 to 47.9% at the end of September. Therefore, the domestic debt's average maturity increased 90 days during the first nine months of the year from 1,071 in December 2004 to 1,161 at the end of September.

By the end of the third quarter of 2005, the net external public debt balance was USD 69.1 billion dollars, USD 8.9 billion less than that posted at the end of 2004. (USD 78 billion). This resulted from a net external debt reduction of USD 4.4 billion, a USD 3.6 billion increase in the Federal Government's financial assets abroad and downward accounting adjustments for USD 850.1 million.

Amongst the transactions of the strategy for refinancing and handling external debt during the third quarter of 2005 its stands out that the Federal Government has obtained the resources in foreign currency to cover all the external market debt payments due in 2006 and 2007 through the purchase of USD 2,878.0 million from the international reserves held by Banxico. The resources for this operation come from the liquidity accumulated by the Federal Government in financing operations throughout the previous months.

This transaction: 1) Completes all financing required to cover the amortization of debt denominated in foreign currency throughout 2006-2007, 2) achieves a more adequate external and internal debt mixture by diminishing the ratio of net liabilities denominated in foreign currency to total net liabilities, 3) strengthens the Federal Government's liabilities structure, as it diminishes the sensitivity of the public debt's financing cost to changes in external interest rates and/or exchange rate fluctuations.

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Mexico City's public debt registered a net decrease of Ps. 187.4 million; the acquisition of new debt was limited to Ps. 1.7 billion.

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ANNEX

PUBLIC SECTOR OVERALL BALANCE (Million pesos)					
	January-September		Real %	Composition %	
Concept	2004	2005 p /	Growth	2004	2005 p /
PUBLIC BALANCE (I+II)	79,932.0	101,604.2	21.9		
I. Budgetary Balance (a-b)	75,407.4	97,620.0	24.1		
a) Budgetary Revenues	1,308,436.0	1,426,905.7	4.6	100.0	100.0
Oil related	462,060.9	516,579.7	7.2	35.3	36.2
Federal Government	314,085.3	371,897.4	13.5	24.0	26.1
PEMEX	147,975.6	144,682.4	-6.2	11.3	10.1
Non-oil related	846,375.1	910,325.9	3.1	64.7	63.8
Federal Government	623,233.6	653,539.8	0.5	47.6	45.8
Tax	546,732.8	599,454.9	5.1	41.8	42.0
Non-tax	76,500.9	54,085.0	-32.2	5.8	3.8
PEDBC	223,141.5	256,786.1	10.3	17.1	18.0
b) Net Budgetary Expenditures	1,233,028.6	1,329,285.6	3.4	100.0	100.0
Programmable	861,064.0	941,402.0	4.8	69.8	70.8
Non programmable	371,964.6	387,883.6	0.0	30.2	29.2
II. PEIBC	4,524.6	3,984.2	-15.6		
Primary Balance	243,265.2	273,115.2	7.6		

Note: Figures may not add up due to rounding.
p_/ Preliminary figures.
Source: Ministry of Finance and Public Credit.

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PUBLIC SECTOR REVENUES
(Million pesos)

Concept	January-September 2004	January-September 2005 p_/	Real % Growth	Composition % 2004	Composition % 2005 p_/
TOTAL (I+II)	1,308,436.0	1,426,905.7	4.6	100.0	100.0
I. Oil related (a+b)	462,060.9	516,579.7	7.2	35.3	36.2
a) PEMEX	147,975.6	144,682.4	-6.2	11.3	10.1
b) Federal Government	314,085.3	371,897.4	13.5	24.0	26.1
Rights and royalties on oil products	268,435.3	356,351.7	27.3	20.5	25.0
Excise taxes	45,650.0	15,545.7	-67.3	3.5	1.1
II. Non-oil related (c+d)	846,375.1	910,325.9	3.1	64.7	63.8
c) Federal Government	623,233.6	653,539.8	0.5	47.6	45.8
Tax	546,732.8	599,454.9	5.1	41.8	42.0
Income tax	269,795.1	295,992.4	5.2	20.6	20.7
VAT	211,289.2	234,222.2	6.3	16.1	16.4
Excise taxes	24,033.4	25,827.3	3.0	1.8	1.8
Import taxes	20,611.2	19,154.2	-10.9	1.6	1.3
Others1_/	21,004.0	24,258.8	10.7	1.6	1.7
Non-tax	76,500.9	54,085.0	-32.2	5.8	3.8
Rights	12,427.3	15,367.3	18.6	0.9	1.1
Fees	60,278.4	32,772.1	-47.9	4.6	2.3
Others	3,795.1	5,945.6	50.2	0.3	0.4
d) PEDBC 2_/	223,141.5	256,786.1	10.3	17.1	18.0
Memorandum items:					
Total tax related	592,382.7	615,000.6	-0.5	45.3	43.1
Total non-tax related	716,053.3	811,905.1	8.7	54.7	56.9

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 ISSSTE.
Source: Ministry of Finance and Public Credit.

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BUDGETARY REVENUES, JANUARY- SEPTEMBER OF 2005
(Million pesos)

	Programmed	Observed p_/	Difference
TOTAL (I+II)	1,348,067.5	1,426,905.7	78,838.2
I. Oil related (a+b)	462,318.6	516,579.7	54,261.1
a) PEMEX	127,912.8	144,682.4	16,769.6
b) Federal Government	334,405.8	371,897.4	37,491.6
Rights and royalties on oil products	280,523.1	356,351.7	75,828.6
Excise taxes	53,882.7	15,545.7	-38,337.0
II. Non-oil related (c+d)	885,748.9	910,325.9	24,577.0
c) Federal Government	651,131.1	653,539.8	2,408.7
Tax	603,495.0	599,454.9	-4,040.1
Income tax	300,376.1	295,992.4	-4,383.7
VAT	236,143.4	234,222.2	-1,921.2
Excise taxes	25,796.4	25,827.3	30.9
Import taxes	18,684.4	19,154.2	469.8
Others1_/	22,494.7	24,258.8	1,764.1
Non-tax	47,636.1	54,085.0	6,448.9
Rights	10,097.6	15,367.3	5,269.7
Fees	33,233.0	32,772.1	-460.9
Others	4,305.5	5,945.6	1,640.1
d) PEDBC 2_/	234,617.8	256,786.1	22,168.3
Memorandum items:			
Total tax related	657,377.7	615,000.6	-42,377.1
Total non-tax related	690,689.8	811,905.1	121,215.3

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 ISSSTE.
Source: Ministry of Finance and Public Credit.

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PUBLIC SECTOR BUDGETARY EXPENDITURES
(Million pesos)

Concept	January- September		Real %	Composition %	
	2004	2005 p /	Growth	2004	2005 p /
TOTAL (I+II)	1,233,028.6	1,329,285.6	3.4	100.0	100.0
I. Primary expenditures (a+b)	1,074,554.4	1,166,043.2	4.1	87.1	87.7
a) Programmable	861,064.0	941,402.0	4.8	69.8	70.8
b) Non-programmable	213,490.4	224,641.1	0.9	17.3	16.9
II. Financing Cost 1_/	158,474.2	163,242.5	-1.2	12.9	12.3

Note: Figures may not add up due to rounding.
p_/ Preliminary figures.
1_/ Includes interests, commissions and other public debt expenditures associated to debtor support programs.
Source: Ministry of Finance and Public Credit

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Mexico, October 31st , 2005.

FEDERAL GOVERNMENT DOMESTIC DEBT, JANUARY- SEPTEMBER *_/
(Million pesos)

Concept	Outstanding as of December 2004	Indebtedness Originations	Amort.	Net	Adjustments 1_/	Outstanding as of September 2005 p_/
Net domestic debt balance	1,029,964.9					1,099,678.7
Creditor accounts 2_/	-69,241.4					-113,933.6
Gross domestic debt balance	1,099,206.3	837,336.5	725,343.9	111,992.6	2,413.4	1,213,612.3
Government Securities	1,039,314.1	773,627.6	663,447.0	110,180.6	1,145.1	1,150,639.8
Cetes	241,533.6	623,213.0	585,490.2	37,722.8	0.0	279,256.4
Bondes	310,519.6	18,000.0	35,339.2	-17,339.2	0.0	293,180.4
Fixed rate bonds	402,702.3	114,240.0	26,844.1	87,395.9	0.0	490,098.2
Udibonos	84,558.6	18,174.6	15,773.5	2,401.1	1,145.1	88,104.8
Udibonos udi's	23,922.3	5,103.0	4,460.9	642.1	0.0	24,564.4
S.A.R.	46,607.3	58,660.8	54,993.2	3,667.6	1,100.3	51,375.2
Siefores (pesos)	0.2	0.0	0.0	0.0	0.0	0.2
Siefores (udi´s)	0.1	0.0	0.0	0.0	0.0	0.1
Others	13,284.7	5,048.1	6,903.7	-1,855.6	168.0	11,597.1

Note: Figures may not add up due to rounding.

*_/ Figure subject to revision and methodological changes.

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

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Mexico, October 31st , 2005.

FEDERAL GOVERNMENT EXTERNAL DEBT, JANUARY-SEPTEMBER*_/
(Million pesos)

Concept	Outstanding as of December 2004	Indebtedness: Originations	Amort.	Net	FX Adjustments	Outstanding as of September 2005 p_/
Net external debt balance	77,990.2					69,099.0
Financial assets abroad 1_/	-1,235.6					-4,847.2
Gross public external debt	79,225.8	10,168.6	14,598.1	-4,429.5	-850.1	73,946.2
Term structure	79,225.8	10,168.6	14,598.1	-4,429.5	-850.1	73,946.2
Long-term	77,149.1	4,156.6	8,429.5	-4,272.9	-848.3	72,027.9
Short-term	2,076.7	6,012.0	6,168.6	-156.6	-1.8	1,918.3
Structure by user	79,225.8	10,168.6	14,598.1	-4,429.5	-850.1	73,946.2
Federal Government 2_/	60,084.2	2,543.3	3,729.6	-1,186.3	-118.4	58,779.5
PEDBC 3_/	11,003.4	3,925.7	5,987.5	-2,061.8	-649.1	8,292.5
Development banks	8,138.2	3,699.6	4,881.0	-1,181.4	-82.6	6,874.2
Gross external debt						
By financing source	79,225.8	10,168.6	14,598.1	-4,429.5	-850.1	73,946.2
Restructured 1989 – 1990	232.3	0.0	58.3	-58.3	-0.1	173.9
Spanish bank bonds	76.5	0.0	0.0	0.0	0.0	76.5
New money 1990 – 1992	155.8	0.0	58.3	-58.3	-0.1	97.4
Non-restructured	2,681.9	2,828.1	2,603.1	225.0	-10.2	2,896.7
Bilateral credit	5,113.6	1,420.1	2,677.5	-1,257.4	-144.8	3,711.4
Publicly placed bonds	51,106.6	2,101.4	5,503.1	-3,401.7	127.4	47,832.3
IFIS	17,053.2	488.8	1,468.7	-979.9	-142.9	15,930.4
Others 4_/	3,038.2	3,330.2	2,287.4	1,042.8	-679.5	3,401.5

Note: Figures may not add up due to rounding

*_/ Figures subject to revision and methodological changes

p_/ Preliminary figures

1_/ Collateral is valued at market prices; incluyes 18 months of interest payments for Brady Bonds, FAFEXT availabilities, and the net balance in dollars of the General Account of the Federal Treasury.

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.