Press Release | Mexico City, January 30th 2006.

Report on Public Finance and Public Debt
Fourth Quarter of 2005

- ✓ ***Mexico's real GDP growth in 2005 is estimated at 3.0% and 576,599 formal jobs were created.***
- ✓ ***Low inflation rates allowed for a reduction of both short and long-term interest rates.***
- ✓ ***Direct banking credit to the private sector increased at an annual rate of 29.5% in the first eleven months of 2005, equivalent to Ps. 186 billion.***
- ✓ ***Public finances were further strengthened in 2005 and a deficit of 0.09 percentage points of GDP was attained.***
- ✓ ***Public sector revenues increased in real terms mainly due to higher oil and tax revenues and to an increase in non-oil revenues from public entities other than PEMEX.***
- ✓ ***Public investment, social expenditure and federal resources transferred to states and municipalities increased considerably.***
- ✓ ***The public debt to GDP ratio decreased 1.3 percentage points with respect to December 2004.***
- ✓ ***The net external debt as a percentage of GDP reached its minimum level of the last 42 years.***

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

- **It is estimated that during the fourth quarter of 2005 the economy grew at an annual rate of 3.0%. This dynamism was due to industrial activity and services, while the primary sector was severely affected by weather phenomena. Non-agricultural GDP growth is estimated at 3.8%.**

- **A total of 65 thousand 280 formal jobs were created during the fourth quarter of 2005. Consequently, the number of employees insured by IMSS increased by 576 thousand 599 during the year. Both increases are the highest registered for similar periods since 1999.**

- **Total exports grew at an annual rate of 19.0% while manufacturing exports grew 17.4%. Imports registered an annual growth of 13.8%; within these, imports of capital, intermediate and consumer goods stand out with real annual growth rates of 14.6%, 11.3% and 25.6%, respectively.**

- **Annual inflation closed the year at 3.33%, the lowest year-end level since 1968. This decrease resulted from a prudent monetary policy and the favorable evolution of agricultural and administered prices.**

- **Direct banking credit to the private sector increased at an annual rate of 29.5% (equivalent to Ps. 186 billion) during the first eleven months of the year. The most dynamic components were credit for consumption which grew 45% and housing credit which grew 43.8%, both in real annual terms. Banking credit to businesses expanded at a rate of 18.7% annually in the same period.**

- **In 2005, the public balance recorded a deficit of Ps. 7.5 billion, 0.09% of the estimated GDP and Ps. 9.95 billion lower than the limit established in the Federation's Expenditure Decree for 2005. This is due to the application of the distribution rules for excess revenues established in the same Decree. Therefore this deficit complies with the annual program approved by Congress. Excluding expenditures associated with the Labor Relationship Conclusion Program (CRL), the public deficit was Ps. 3.5 billion (0.04 percentage points (pp) of estimated GDP). Thus, the public deficit for 2005 is the lowest registered during the current Administration.**

- **The public sector's financial requirements (PSBR) were about Ps. 117.2 billion, 1.4 pp of the estimated GDP. This is 0.7 pp lower than originally established and is the result of a lower public deficit and lower fostered investment (Pidiregas) along with a higher operational surplus and a higher loan recovery rate by development banks.**

- **Public sector revenues increased 5.8% in real terms, due mainly to higher oil-related revenues (9.6%), tax collection (6.4%) and non-oil public entities' revenues (8.3%). Within the non-oil tax revenues, VAT and income tax collection increased by 7.5% and 7.1% respectively.**

- **Budgetary revenues were Ps. 167.2 billion higher than those considered in the Revenues Law for 2005. Of this amount Ps. 109.1 billion come from oil revenues, Ps. 31.7 billion from Public Entities Under Direct Budgetary Control (PEDBC's) other than PEMEX, Ps. 22.2 billion from Federal Governemt non-tax revenues and Ps. 4.1 billion from non-oil tax revenues.**

- **Of the Duty on Oil Revenues (ARE) for crude prices above USD 27 dpb, Ps. 22 billion were channelled to infrastructure and equipment investment**

programs and projects for States and Municipalities while the same amount went to PEMEX's capital expenditures.

- **Ps. 62.2 billion pesos were distributed according to article 21, line "j" of the Federation's Expenditures Decree: Ps. 22.3 billion went to capital expenditures of PEMEX, Ps. 11.2 billion pesos went to the Oil Stabilization Fund and the same amount was destined to improving the public balance, Ps. 1.2 billion went to finance higher than estimated non-budgetary expenditures, Ps. 7.9 billion were destined to cover the CFE's higher fuel costs not recovered by subsidized electricity prices, Ps. 916 million were destined to compensate for the reduction of other revenue sources and Ps. 8.3 billion were assigned to cover additional expenditures caused by natural disasters.**

- **The remaining excess revenues were destined to entities under direct control and to the public entities that generated them.**

- **Both programmable expenditure channeled to social development and investment fostered by the public sector increased at a real annual rates above 7% with respect to 2004. Federal grants to states and municipalities grew 6.7% in real terms.**

- **As of December of 2005, the net public debt to GDP ratio stood at 21.9%, 1.3 pp lower than a year earlier.**

- **The external debt to GDP ratio stood at 8.3%, its lowest level in the last 42 years. With respect to the domestic debt, its average maturity increased 140 days during 2005 from 1,071 in December 2004 to 1,211 in the end of 2005.**

- **The historic balance of the PSBR's, the widest indicator of the public sector's liabilities, stood at 37.5% of GDP in 2005, 0.8 pp lower than the corresponding figure at the end of 2004.**

Economic Outlook

Available data indicates that the GDP grew about 3.0% in the fourth quarter, which implies a quarterly expansion of 1.1% using seasonally adjusted data. This forecast rests entirely on the dynamism of both the service and industrial sectors, as a contraction of the agriculture sector production is expected. Non-agricultural production is expected to have grown 3.8% annually during the last quarter of 2005.

These estimations rest on the following results:

- In October-November, the Global Economic Activity Index (IGAE), the GDP proxy, grew 2.8% in real annual terms. The non-agricultural component of this indicator grew 3.7%.

  During the same period, industrial production grew at an annualized bimonthly growth rate of 4.7%, according to seasonally adjusted data. Annually, industrial activity grew 2.7% in the same period. Within industrial production the results are the following:

  - ✓ During October-November, construction, manufacturing and mining production grew at annual rates of 4.0%, 2.7% and 1.4%, respectively. Seasonally adjusted data shows that these sectors accumulated a bimonthly annualized growth of 5.2%, 3.5% and 7.8%.
  - ✓ The electricity, gas and water sector registered an annual expansion of 0.7%. However, seasonally adjusted data shows a bimonthly contraction of 2.3% in annualized terms.
  - ✓ During the fourth quarter of 2005, the number of vehicles manufactured by the automotive industry grew at an annual rate of 34.2%, according to data released by the Mexican Automotive Manufacturers Association (AMIA).

  In October-November, the real value of services grew 4.2% annually. It is worth noting that services provided by businesses, restaurants and hotels were negatively affected by hurricane Wilma's impact, especially in Cancun and Cozumel. However, tourism may have increased in other beach destinations in the country, partially compensating the negative effects of the natural disaster.

  Agricultural production was affected by hurricane Stan and the droughts in Mexico's northern states. In October-November, this sector's production decreased at an annual rate of 7.5%. Seasonally adjusted data shows a larger contraction of 9.2% in this period.

Aggregate demand continues to favor economic growth.

- During the fourth quarter of 2005, the nominal value of total exports grew at an annual rate of 19.0%. Within these, manufacturing exports grew 17.4% driven by the expansions of 15.0% and 20.5% registered by maquila and non-maquila manufacturing exports, respectively. Additionally, total imports grew at an annual rate of 13.8% due mainly to increases of 25.6%, 14.6% and 11.3% in consumption, capital and intermediate imports, in that order.

- During the fourth quarter, ANTAD´s general sales index grew 8.7% annually, while the real value of Wal-Mart's sales grew at an annual rate of 14.8%. According to INEGI, retail sales grew at a bimonthly annual rate of 2.6% in October-November while wholesale sales decreased 1.5% in the same period.

- In October fixed capital investment grew 7.3 % in real annual terms.

During the fourth quarter of 2005, the number of employees insured by IMSS registered its biggest increase for a similar period since 1999:

- During this period, the number of employees registered at IMSS grew by 65 thousand 280 people, closing the year at 13 million 86 thousand 25. This implies the creation of 576 thousand 599 formal jobs, a relative growth of 4.61% which is the largest annual growth since 1999.

- This resulted in a reduction of unemployment levels during the last quarter. The unemployment rate represented 3.1% of the Economically Active Population, 0.6 percentage points below that registered in 2004 (3.7%). Urban unemployment was 4.1%, 0.7 percentage points less than that posted during the fourth quarter of 2004 (4.8%).

Annual headline inflation was 3.33%, its lowest level since 1968, when prices grew 2.43%.[1] This decrease reflects the prudent management of monetary policy and the favorable behavior of agricultural and administered prices. During the fourth quarter of 2005, inflation decreased by 18 basis points mainly due to a decrease of agricultural prices.

Domestic financial markets faced favorable external conditions in the fourth quarter. It is worth noting that the increase of short-term interest rates in the United States did not significantly affect sovereign spreads. This is partly due to the small variations of long-term yields throughout the period. However, risk appetite for Latin American sovereign debt was selective: while indicators for Mexico and Brazil registered accumulated reductions, spreads paid by Argentina, Ecuador, Chile and Venezuela increased moderately. It is also important to mention that Mexico's country risk reached historically low levels on November 23rd matching an improvement of the sovereign credit rating published by Fitch Ratings in December.

[1] The National Consumer Price Index is published since 1969. Data for 1968 was constructed by the Banco de México using the Mexico City Wholesale Price Index.

During this quarter, Banxico allowed the *"tasa de fondeo"* to decrease three times accumulating a total reduction of 100 basis points. These measures responded to decreases in both headline and core inflation and to favorable external conditions in international markets. Accordingly, interest rates for all durations fell during the fourth quarter, short-term rates particularly so.

The stock market index continued its upward trend reaching a new historical high on December 14th, and closing the fourth quarter with a nominal gain of 10.4% with respect to the end of the third quarter. During 2005, the stock market index accumulated a gain of 37.8% in pesos and of 44.6% in USD. The exchange rate was 10.63 pesos per dollar at December 30th. This entails a 1.27% appreciation with respect to the end of September and a 4.7% appreciation with respect to the end of 2004.

The stable macroeconomic, financial conditions and the reduction in interest rates favored the strong growth rate of outstanding direct banking credit to the private sector to continue, posting a 27.8% annual growth rate in November. Even more, during the first eleven months of 2005, direct banking credit to the private sector was 29.5% (Ps. 186 billion) higher than the corresponding indicator for the same period of 2004. Within this item, credit for consumption was the most dynamic component growing 45.0% annually during the period, followed by credit for housing which grew 43.8% in real annual terms and direct credit to businesses, which grew 18.7 % annually.

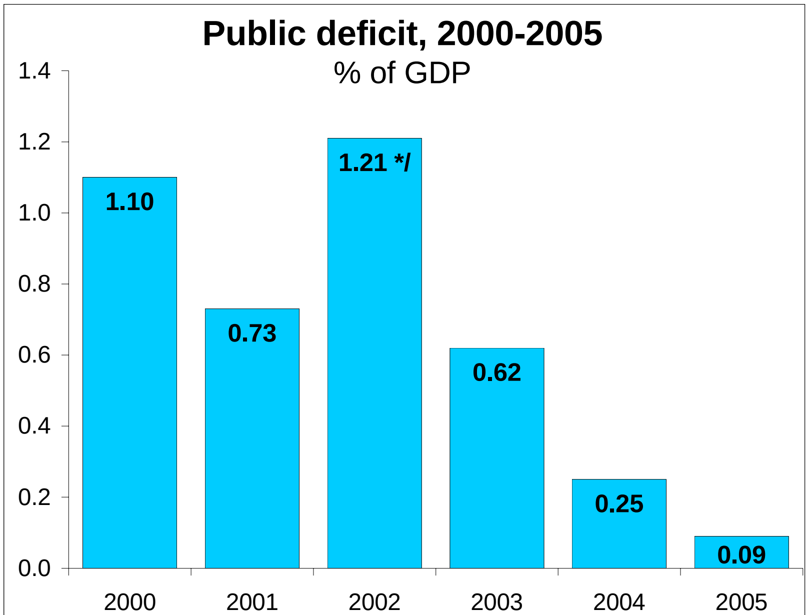
Public Finances

In 2005, the public balance posted a deficit of Ps. 7.5 billion, 0.09% of the estimated GDP and Ps. 9.95 billion lower than the limit established in the Federation's Expenditure Decree for 2005. This is due to the application of the distribution rules for excess revenues established in the same Decree. Therefore this deficit complies with the annual program approved by Congress. Additionally, this deficit is Ps. 12.5 billion lower in real terms than the one registered in 2004. This result includes Ps. 4.4 billion corresponding to the cost of the Conclusion of Labor Relations Program (CRL) instrumented during the year which benefited 9 thousand 407 public workers that participated in the program.

It is worth mentioning that according to the dispositions approved by Congress the public deficit ceiling for 2005 is Ps. 10.8 billion. This ceiling, as established in articles 3 and 21 of the Federation's Expenditure Budget for 2005, is obtained by subtracting 25% of the net excess revenues of line "j" (Ps. 11.2 billion) from the public deficit originally approved (Ps. 17.5 billion) and then adding the cost of the CRL (Ps. 4.4 billion).

Public Deficit, 2005 (Million pesos)	
I. Authorized deficit	17,455.7
II. 25% of Excess revenues of line "j"	11,152.7
III. CRL expenditures	4,448.3
IV. 2005 public deficit objective (I-II+III)	10,751.3
V. Actual public deficit	7,502.6
VI. Difference (V-IV)	-3,248.7

The public deficit recorded in 2005 represents a reduction of one percentage point of GDP with respect to the public deficit in 2000 and is the lowest level during the present Administration.



*_/ Includes 0.61% of GDP of the liquidation cost of Banrural.

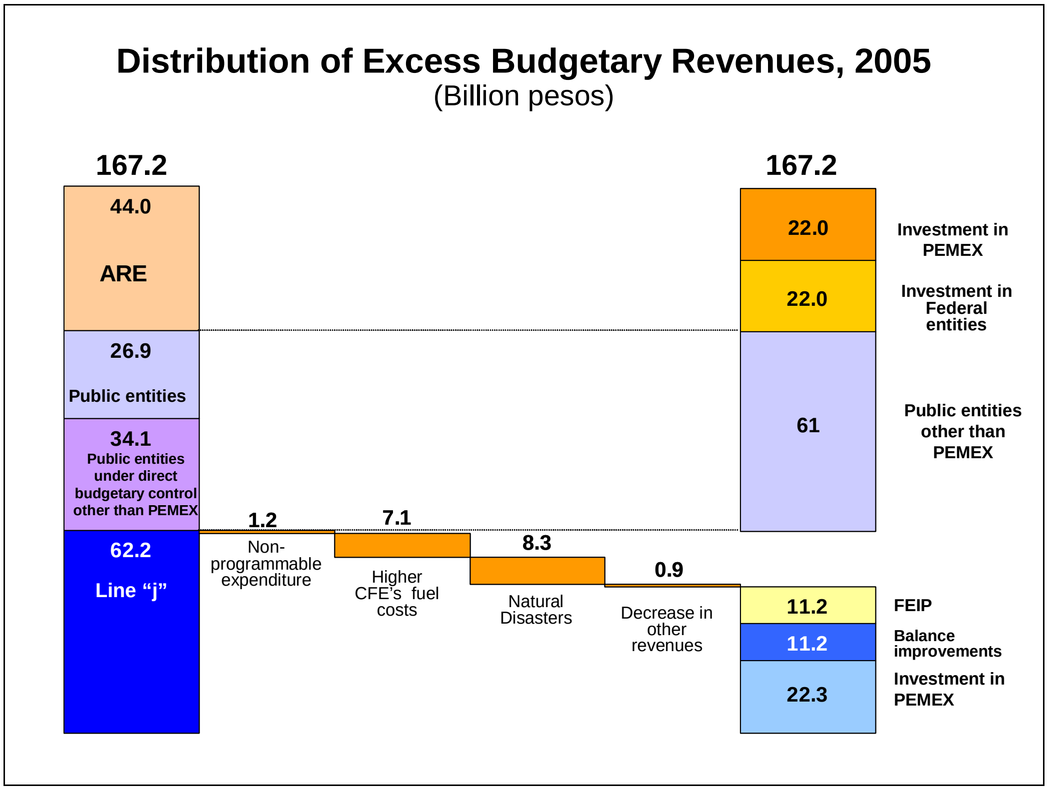
Public sector's budgetary revenues were Ps. 1.9 trillion, 5.8% higher in real terms than those of 2004. Budgetary revenues were Ps. 167.2 billion higher than those considered in the Revenues Law for 2005. Of this amount Ps. 109.1 billion come from oil revenues, Ps. 31.7 billion from Public Entities Under Direct Budgetary Control (PEDBC's) other than PEMEX, Ps. 22.2 billion from the non-tax revenues and Ps. 4.1 billion from non-oil tax revenues.

Excess Revenues, 2005 (Million pesos)			
	Program	Actual	Difference
Total	**1,780,986.0**	**1,948,172.9**	**167,186.9**
Oil related	616,966.9	726,103.5	109,136.6
Non-Oil Related	1,164,019.1	1,222,069.5	58,050.4
Tax	789,089.4	793,216.7	4,127.3
Non-tax	57,245.9	79,445.9	22,200.0
PEDBC	317,683.8	349,406.9	31,723.0

Oil revenues grew 9.6% in real terms, due mainly to higher oil prices. Non-oil tax revenues increased 6.4% in real annual terms. Amongst these, VAT and income tax collection stand out with annual growth rates of 7.5% and 7.1%, respectively. The Federal Government's non-tax revenues decreased 28.5% in real terms. This reduction was due to the non-recurring income derived in 2004 from the Brady bond's collateral and Banxico's operational surplus. Almost no resurces were obtained from these two sources in 2005.

According to the Federation's Expenditure Budget for 2005, excess revenues were allocated as follows:

- Ps. 44.0 billion from the ARE *(Aprovechamiento sobre Rendimientos Excedentes)* for oil prices above 27 dpb were allocated equally to investment in PEMEX and federal entities.
- Ps. 62.2 billion were distributed according to line "j": Ps. 22.3 billion to investment expenditure in PEMEX, Ps. 11.2 billion to the Oil Stabilization Fund (FEIP), Ps. 11.2 billion to improve the public balance, Ps. 8.3 billion for additional expenditures to cover natural disasters, Ps. 7.1 billion to cover the increases in fuel costs of CFE not recovered through subsidized electricity prices, Ps. 0.9 billion to compensate for decreases in revenues in other concepts and Ps. 1.2 billion to cover higher non-programmable expenditure.
- Ps. 34.1 billion PEDBC's own revenues were assigned back to them.
- Ps. 26.9 billion of non-tax revenues were assigned to the entities that generated them.



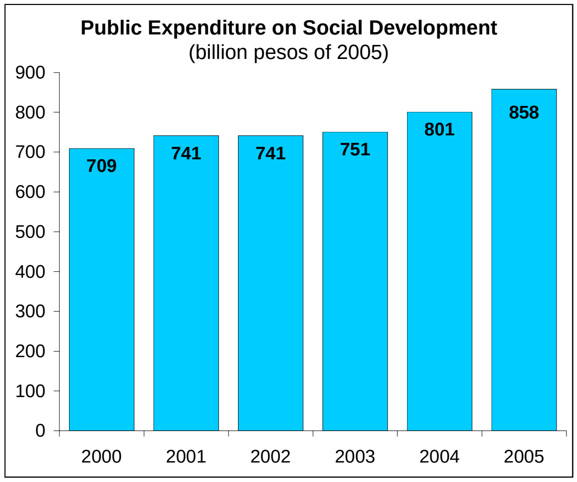
During 2005, government expenditures complied with both the availability of resources and the public deficit ceiling set by Congress in the Expenditures Decree for 2005. This allowed the continuation of the public policies and programs approved in the Budget.

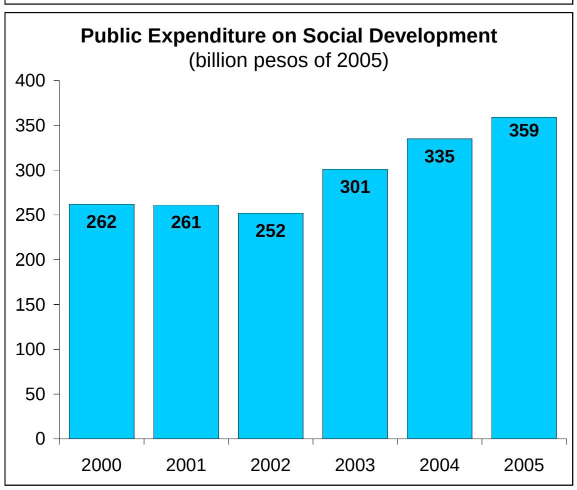
Public expenditure assigned a greater priority to the population's basic needs: education, health, poverty reduction, public safety, justice and job creation.

In 2005, total public budgetary expenditures reached Ps. 1.95 trillion, in real terms this is 4.8% more than in 2004. Primary expenditure, defined as total expenditure net of financing costs, increased 5.7% in real terms with respect to 2004 and reached Ps. 1.7 trillion. In relation to public expenditures during 2005, the following is worth noting:

- Investment fostered by the public sector grew 7.1% in real terms with respect to 2004.

- Social development expenditures grew 7.2% against that of 2004 and represented 59.1% of total programmable expenditures. Social investment grew 7.4% in real terms with respect to the previous year.[2]





- Expenditures channeled to agricultural and forestry development and communications and transport development increased 5.9% and 29.2%, respectively, in real terms with respect to 2004.
- Transfers to states and municipalities increased 11.8% in real terms.
- Personnel services expenditures grew 3.5% in real terms with respect to 2004. This is due to an increase in expenditure channeled to social development of

2 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.

5.5%. In contrast, expenditures on activities related to government functions decreased 4.3%.

Personnel services expenditures, 2004-2005 Functional Classification (Million pesos)					
Concept	January-December 2004	2005 p_/	Real % Var.	Composition % Concept	2004
Total 1_/	**517,897.4**	**557,517.7**	**3.6**	**100.0**	**100.0**
Autonomous branches and entities	23,576.2	25,265.2	3.1	4.6	4.5
Executive Branch (1+2+3-4)	494,321.2	532,252.5	3.6	95.4	95.5
1. Social Development	362,857.1	398,261.0	5.5	70.1	71.4
2. Economic Development	93,802.1	99,227.2	1.7	18.1	17.8
3. Government	59,435.3	59,117.4	-4.3	11.5	10.6
4. Transfers to ISSSTE and FOVISSSTE 2_/	21,773.3	24,353.1	6.4	4.2	4.3

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_/ For consolidation effects of public expenditure statistics, these resources are excluded because they are considered in ISSSTE's cash flow.

- Expenditure rationalization measures allowed savings of Ps. 622 million in administrative and operation activities and savings of Ps. 279 million in social communication expenses (this represents 11.5% of expenses approved for this concept).
- The public sector's financing cost decreased 2.2% in real terms compared to 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.
- In compliance with the agreement between the Executive (through the Ministry of Finance) and Congress Ps. 80.2 billion were released as extensions to the Budget project related to the Constitutional Controversy presented by the Executive to the Supreme Court, with respect to the Expenditure Decree for 2005 approved by Congress.
- Additionally as a result of this agreement the Supreme Court decided that the income suspension of Ps. 4.2 billion that were deposited in the Federation's Treasury was left without effect in order to apply these resources according to current legislation.

Public Debt

Public debt policy was managed according to the government's most distinctive principles: prudence, transparency, diversification and better practices. Particularly, public debt policy followed three guidelines that have been in place for the last years: 1) public deficit was covered entirely by internal debt, and even more, external debt registered a decrease; 2) internal borrowing was done primarily through long-term fixed nominal interest rate instruments ; 3) advances were made with respect to external debt, increasing the average maturity and duration of the Federal Government's liabilities and smoothening the public debt's amortization profile.

In 2005, 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," *(Lineamientos Estrategicos para el Manejo del Crédito Público)* 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.[3] With this, the communication channels with those participating in sovereign debt markets will strengthen according to the best international practices.

Actions taken in 2005 consolidated public debt policy not only as an element for economic stability and certainty, but as an instrument for the financial system's development. As an example, in 2005 the three most internationally important rating agencies, Moody's, Standard & Poor's y Fitch Ratings, reviewed Mexican sovereign rating upwards. Their reports mention the importance of the sovereign debt policy as determinant for these movements in the ratings.

By the end of the fourth quarter, net public debt stood at 21.9% of GDP, 1.3 percentage points below that observed at the end of 2004. This was due to a 2.4 pp reduction of net external public debt and a 1.1 pp increase in net domestic debt, both figures expressed as a proportion of GDP. Even more, net external public debt as a percentage of GDP was 8.3%, the lowest level in the last 42 years.

During 2005, the Federal Government's outstanding net domestic debt was Ps. 1.2 trillion, Ps. 153.3 billion higher than at the end of 2004 (Ps. 1.03 trillion). This increase was due to the following factors: a) a net indebtedness of Ps. 138.7 billion, b) a decrease in the Federal Government's domestic financial assets for Ps. 10.4 billion, and c) upward accounting adjustments to inflation indexed debt for Ps. 4.2 billion.

The domestic debt strategy followed three specific guidelines: a) favoring the net domestic indebtedness through long-term fixed nominal interest rate bond emissions; b) gradual elimination of variable rate instruments in order to transfer this market to the Institute for the Protection of Bank Savings (IPAB), and c) strengthening 6-month Cetes as reference instruments by increasing their supply.

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

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 48.4% at the end of 2005. Thus, the domestic debt's average maturity increased 140 days from 1,071 in December 2004 to 1,211 in the end of 2005.

By the end of the fourth quarter of 2005, the net external public debt balance was USD 67.4 billion dollars, USD 10.6 billion less than that posted at the end of 2004. (USD 78 billion). This resulted from a net external debt reduction of USD 6.8 billion, a USD 3.7 billion increase in the Federal Government's financial assets abroad and downward accounting adjustments for USD 789 million.

Amongst the transactions of the strategy for refinancing and handling external debt during the fourth quarter of 2005 it stands out that the Federal Government has obtained the resources in foreign currency to cover all the external market debt payments due in 2006. This was done through operations designed to face the outstanding debt obligations and to cover the public deficit in the most favorable conditions possible while maintaining a prudent degree of risk:

- The first operation had the double objective of completing the resources required to cover debt amortization payments denominated in foreign currency throughout 2006 and improving the obligations management in the most efficient way. This operation was done in two steps. First, the Federal Government purchased USD 2.9 billion from the international reserves held by Banxico in addition to the liquidity accumulated in abroad financing operations throughout the previous months in order to obtain more than USD 4.8 billion. Later, the Federal Government sold off in advance sovereign bonds issued in international markets by an amount equivalent to USD 1.4 billion.

- The second operation consisted in the issuance of "warrants". These instruments give the holder the right, though not the obligation to the tender, on the exercise date, certain US dollar denominated bonds issued by the Federal Government in international markets for Development Bonds of the Federal Government Bearing a Fixed Interest Rate denominated in pesos and issued in Mexico (M Bonds). The warrants' issuance was done through three series that correspond to different bond baskets eligible to be exchanged for specific M Bonds.

  This was an innovative operation that had not been seen before in international financial markets. Demand reached about USD 11.5 billion for the three warrant series while the amount eligible for exchange was USD 2.5 billion. "Warrants" will allow the Federal Government to continue substituting external debt without friction in domestic financial markets since this operation is executed only if investors are interested in increasing their assets issued by Federal Government in local currency.

In sum, both operations achieved a more adequate external and internal debt mixture by diminishing the ratio of net liabilities denominated in foreign currency to total net liabilities to 38.0% at the end of 2005. This level is 16.6 percentage points lower than the corresponding ratio registered at the beginning of this Administration.

The historic balance of the PSBR's, the widest indicator of the public sector's obligations, stood at 37.5% of GDP at the end of 2005, 0.8 pp lower than the corresponding figure at the end of 2004 and the lowest level since 1997.

Mexico City's public debt registered a net increase of Ps. 1.2 billion; the acquisition of new debt was limited to Ps. 1.7 billion.

ANNEX

PUBLIC SECTOR OVERALL BALANCE (Million pesos)					
	January-December		Real %	Composition %	
Concept	2004	2005 p /	Growth	2004	2005 p /
PUBLIC BALANCE (I+II)	-19,208.4	-7,502.6	-62.4		
I. Budgetary Balance (a-b)	-20,982.6	-5,512.5	-74.7		
a) Budgetary Revenues	1,771,314.2	1,948,173.0	5.8	100.0	100.0
Oil related	637,360.2	726,103.5	9.6	36.0	37.3
Federal Government	446,588.2	540,525.1	16.4	25.2	27.7
PEMEX	190,772.0	185,578.4	-6.5	10.8	9.5
Non-oil related	1,133,953.9	1,222,069.5	3.6	64.0	62.7
Federal Government	823,622.9	872,662.6	1.9	46.5	44.8
Tax	716,785.2	793,216.7	6.4	40.5	40.7
Non-tax	106,837.6	79,445.9	-28.5	6.0	4.1
PEDBC	310,331.1	349,406.9	8.3	17.5	17.9
b) Net Budgetary Expenditures	1,792,296.7	1,953,685.5	4.8	100.0	100.0
Programmable	1,317,011.1	1,451,472.0	6.0	73.5	74.3
Non programmable	475,285.6	502,213.5	1.6	26.5	25.7
II. PEIBC	1,774.1	-1,990.1	n.a.		
Primary Balance	191,577.3	207,431.2	4.1		

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

PUBLIC SECTOR REVENUES
(Million pesos)

Concept	January-December 2004	January-December 2005 p /	Real % Growth	Composition % 2004	Composition % 2005 p /
TOTAL (I+II)	1,771,314.2	1,948,173.0	5.8	100.0	100.0
I. Oil related (a+b)	637,360.2	726,103.5	9.6	36.0	37.3
a) PEMEX	190,772.0	185,578.4	-6.5	10.8	9.5
b) Federal Government	446,588.2	540,525.1	16.4	25.2	27.7
Rights and royalties on oil products	393,253.8	525,531.6	28.5	22.2	27.0
Excise taxes	53,334.4	14,993.4	-73.0	3.0	0.8
II. Non-oil related (c+d)	1,133,953.9	1,222,069.5	3.6	64.0	62.7
c) Federal Government	823,622.9	872,662.6	1.9	46.5	44.8
Tax	716,785.2	793,216.7	6.4	40.5	40.7
Income tax	345,217.6	384,496.7	7.1	19.5	19.7
VAT	285,022.7	318,659.4	7.5	16.1	16.4
Excise taxes	31,910.6	34,442.2	3.8	1.8	1.8
Import taxes	29,521.0	26,823.3	-12.6	1.7	1.4
Others1_/	25,113.3	28,795.1	10.3	1.4	1.5
Non-tax	106,837.6	79,445.9	-28.5	6.0	4.1
Rights	16,591.4	20,171.1	16.9	0.9	1.0
Fees	84,809.8	51,312.2	-41.8	4.8	2.6
Others	5,436.4	7,962.6	40.8	0.3	0.4
d) PEDBC 2_/	310,331.1	349,406.9	8.3	17.5	17.9
Memorandum items:					
Total tax related	770,119.7	808,210.1	0.9	43.5	41.5
Total non-tax related	1,001,194.5	1,139,962.8	9.5	56.5	58.5

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.

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

	Programmed	Observed p_/	Difference
TOTAL (I+II)	1,780,986.0	1,948,173.0	167,187.0
I. Oil related (a+b)	616,966.9	726,103.5	109,136.6
a) PEMEX	183,197.0	185,578.4	2,381.4
b) Federal Government	433,769.9	540,525.1	106,755.2
Rights and royalties on oil products	357,909.9	525,531.6	167,621.7
Excise taxes	75,860.0	14,993.4	-60,866.6
II. Non-oil related (c+d)	1,164,019.1	1,222,069.5	58,050.4
c) Federal Government	846,335.3	872,662.6	26,327.3
Tax	789,089.4	793,216.7	4,127.3
Income tax	388,075.6	384,496.7	-3,578.9
VAT	313,739.9	318,659.4	4,919.5
Excise taxes	34,945.9	34,442.2	-503.7
Import taxes	25,996.9	26,823.3	826.4
Others 1_/	26,331.1	28,795.1	2,464.0
Non-tax	57,245.9	79,445.9	22,200.0
Rights	13,094.2	20,171.1	7,076.9
Fees	38,477.4	51,312.2	12,834.8
Others	5,674.3	7,962.6	2,288.3
d) PEDBC 2_/	317,683.8	349,406.9	31,723.1
Memorandum items:			
Total tax related	864,949.4	808,210.1	-56,739.3
Total non-tax related	916,036.6	1,139,962.8	223,926.2

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.

PUBLIC SECTOR BUDGETARY EXPENDITURES
(Million pesos)

Concept	January- December 2004	January- December 2005 p /	Real % Growth	Composition % 2004	Composition % 2005 p /
TOTAL (I+II)	1,792,296.7	1,953,685.5	4.8	100.0	100.0
I. Primary expenditures (a+b)	1,585,466.4	1,743,308.3	5.7	88.5	89.2
a) Programmable	1,317,011.1	1,451,472.0	6.0	73.5	74.3
b) Non-programmable	268,455.3	291,836.3	4.5	15.0	14.9
II. Financing Cost 1_/	206,830.3	210,377.2	-2.2	11.5	10.8

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

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

Concept	Outstanding as of December 2004	Indebtedness Originations	Indebtedness Amort.	Indebtedness Net	Adjustments 1_/		Outstanding as of December 2005 p_/
Net domestic debt balance	1,029,964.9						1,183,310.7
Creditor accounts 2_/	-69,241.4						-58,843.4
Gross domestic debt balance	1,099,206.3	1,124,244.5	985,519.5	138,725.0	4,222.8		1,242,154.1
Government Securities	1,039,314.1	1,039,845.8	908,261.8	131,584.0	2,409.3		1,173,307.4
Cetes	241,533.6	833,444.7	786,748.6	46,696.1	0.0		288,229.7
Bondes	310,519.6	21,600.0	44,559.8	-22,959.8	0.0		287,559.8
Fixed rate bonds	402,702.3	160,668.7	61,179.9	99,488.8	-4.2	2_/	502,186.9
Udibonos	84,558.6	24,132.4	15,773.5	8,358.9	2,413.5	3_/	95,331.0
Udibonos udi's	23,922.3	6,753.0	4,460.9	2,292.1	0.0		26,214.4
S.A.R.	46,607.3	74,349.9	70,315.5	4,034.4	1,502.6	3_/	52,144.3
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	10,048.8	6,942.2	3,106.6	310.9	3_/	16,702.2

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

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

Concept	Outstanding as of December 2004	Indebtedness Originations	Amort.	Net	FX Adjustments	Outstanding as of December 2005 p_/
Net external debt balance	77,990.2					67,365.4
Financial assets abroad 1_/	-1,235.6					-4,309.1
Gross public external debt	79,225.8	13,595.4	20,357.7	-6,762.3	-789.0	71,674.5
Term structure	79,225.8	13,595.4	20,357.7	-6,762.3	-789.0	71,674.5
Long-term	77,149.1	6,810.6	12,276.8	-5,466.2	-794.2	70,888.7
Short-term	2,076.7	6,784.8	8,080.9	-1,296.1	5.2	785.8
Structure by user	79,225.8	13,595.4	20,357.7	-6,762.3	-789.0	71,674.5
Federal Government 2_/	60,084.2	3,942.5	5,635.4	-1,692.9	-17.7	58,373.6
PEDBC 3_/	11,003.4	5,013.9	8,354.8	-3,340.9	-664.1	6,998.4
Development banks	8,138.2	4,639.0	6,367.5	-1,728.5	-107.2	6,302.5
Gross external debt By financing source	79,225.8	13,595.4	20,357.7	-6,762.3	-789.0	71,674.5
Restructured 1989 – 1990	232.3	0.0	77.7	-77.7	-0.2	154.4
Spanish bank bonds	76.5	0.0	0.0	0.0	0.0	76.5
New money 1990 – 1992	155.8	0.0	77.7	-77.7	-0.2	77.9
Non-restructured	2,681.9	4,476.3	4,691.5	-215.2	-12.1	2,454.6
Bilateral credit	5,113.6	1,739.1	3,262.0	-1,522.9	-186.8	3,403.9
Publicly placed bonds	51,106.6	2,101.4	7,006.7	-4,905.3	261.0	46,462.3
IFIS	17,053.2	1,948.3	1,989.5	-41.2	-184.3	16,827.7
Others 4_/	3,038.2	3,330.3	3,330.3	0.0	-666.6	2,371.6

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; includes 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.