

Report on Public Finance and Public Debt Third Quarter of 2006

- ✓ ***The economy continued growing at a fast pace and formal job creation has been the highest on record.***
 - ✓ ***Public finances posted a surplus.***
 - ✓ ***Public revenues grew considerably due to oil related revenues and non-oil tax receipts.***
 - ✓ ***Public investment and resources destined to States and Municipalities grew significantly.***
 - ✓ ***The public sector debt was 21.1 percent of GDP and its average maturity increased.***

The results of the Report on Public Finances and Public Debt for the third quarter of 2006 were published today. It is worth noting the following:

- **The Mexican economy continues expanding strongly, although at more moderate rates than during the first half of 2006. It is estimated that during the third quarter of 2006 the economy grew at an annual rate above 4.3%.**
- **The evolution of all the components of aggregate demand contributed to the economic expansion. Exports and gross fixed capital formation were the most dynamic sectors during this period.**
- **Employment opportunities in the formal sector grew significantly. During the quarter, 289,254 formal jobs were created taking the year-to-date figure to 835,592, the largest increase for a similar period on record.**
- **Annual inflation closed the quarter at 4.09%, 91 basis points higher than that registered at the end of the previous quarter (3.18%).**
- **The Central Bank made no changes to the domestic monetary conditions because the medium-term inflation expectations have not been affected and restated its intention of fostering the convergence of inflation to its target.**
- **Direct banking credit to the private sector increased at an annual rate of 30.0% in August of 2006. The most dynamic components were housing credit which grew 82.3% and credit for consumption which grew 45.4%, both in real annual terms. Banking credit to businesses expanded at a rate of 11.4% annually in the same period.**

- **In the first nine months of 2006, the public balance recorded a surplus of Ps. 139.2 billion and the primary balance registered a surplus of Ps. 325.6 billion. This is 32.4% and 15.8% higher than in the same period of 2005.**
- **The public sector's borrowing requirements (PSBR) posted a surplus of Ps. 112.2 billion, 1.2 percentage points (pp) of the estimated GDP for 2006.**
- **Public sector revenues increased 14.0% in real terms, reflecting the dynamism of both oil and non-oil related revenues. Within the non-oil tax revenues, import, VAT, and income tax collection stand out with annual increases of 17.9%, 16.9% and 15.6%, respectively.**
- **Budgetary investment and the investment fostered by the public sector increased at real annual rates of 22.8% and 22.2%, respectively, against the third quarter of 2005.**
- **Programmable expenditure channeled to social development posted a real increase of 11.1% with respect to the same nine months of 2005. Expenditures destined to personnel services during the first three quarters of 2006 increased 5.4% due mainly to increases of 6.9% and 3.8%, respectively, in expenditures related to energy and social development functions and to the combined increase of 13.4% in expenditures by the Judicial and Legislative Branches and autonomous entities. In contrast, expenditures in administrative and government functions increased 0.3%.**
- **Federal resources transferred to States and Municipalities through federal contributions, shared revenue and the Federal Program for the Strengthening of Entities (PAFEF) increased by 14.2% in real terms. The 20.4% increase in participations to States stands out.**
- **It is worth mentioning that Ps. 12.4 billion have been channeled to projects and programs for investment in infrastructure and improvements in federal entities corresponding to the Duty on Oil Revenues (ARE) and the Extraordinary Right on Crude Oil Exports for prices above 36.5 USD per barrel, in accordance with Article 24 of the Federation's Expenditures Budget for 2006.**
- **The Federal Government's net debt to GDP ratio stood at 19.3% at the end of the third quarter. The Public Sector's net debt, which includes the net debt of the Federal Government, Public Entities under Direct Budgetary Control (PEDBC) and Development Banks stood at 21.1% of GDP.**

- **In August there was a placement of Bondes D and the resources obtained from this placement were used by the Federal Government to purchase foreign currency from the Central Bank which were in turn used to make external debt prepayments.**
- **With respect to the domestic debt, its average maturity increased 0.72 years (261 days) from 3.32 years at the end of 2005 to 4.03 years at the end of the third quarter of 2006.**

Economic Outlook

During the third quarter of 2006, the Mexican economy grew vigorously although at more moderate rates than those posted in the first half of the year. This expansion was sustained by balanced increases of both aggregate demand and supply. In turn, the economic dynamism resulted in the creation of an important number of formal jobs.

GDP growth for the third quarter of 2006 is estimated at a real annual rate around 4.3% after posting a growth rate of 5.1% during the first half of the year. If this growth forecast turns up, the economy will have grown at a quarterly rate of 0.5% according to seasonally adjusted figures.

These estimations rest on the following results:

- In July-August, the Global Economic Activity Index (IGAE), the GDP proxy, grew 4.7% in real annual terms. Within, the productive sectors behaved according to the following:

During the same period, the real value of industrial production grew at an annual rate of 5.9%. Although this rate exceeds that of the first half of the year (5.4%), a deceleration of productive activity is advised. In this sense, seasonally adjusted data shows that during July-August of 2006 industrial production decreased at a bimonthly rate of 0.67%. Within industrial production the results are the following:

- ✓ Manufacturing production grew at an annual rate of 5.7% which entails a bimonthly reduction of 1.4% according to seasonally adjusted data. This is mainly due to the 3.7% bimonthly decrease of automotive production in Mexico during this period, also according to seasonally adjusted data.
- ✓ During July-August, construction grew at an annual rate of 7.8%. However, according to seasonally adjusted figures this sector posted a bimonthly decrease of 0.1%.

- ✓ The electricity, gas and water sector and the mining sector registered annual growth rates of 6.4% and 3.1%, respectively. Using seasonally adjusted data, these sectors posted growth rates of 1.0% and 2.6% during this bimonthly period.

In July-August, the real value of services grew 4.7% annually due to an increase of 3.1% in services provided by businesses, restaurants and hotels while other services grew 5.5%. In seasonally adjusted terms, the service sector grew at a bimonthly rate of 0.28%.

In this same period, agricultural production increased at an annual rate of 0.9%. Increases in the production of beans, grapes, green peppers, sorghum, and palay rice, amongst others, contributed to this. Seasonally adjusted figures show a 0.83% bimonthly increase during this period.

Aggregate demand strengthened and significantly favored economic growth. Within, exports and gross fixed capital formation were the most dynamic. At a more moderate pace, household consumption continued constituting a fundamental driving force for growth.

- During the third quarter of 2006, the nominal US dollar value of total exports grew at an annual rate of 16.9%. Within these, oil and manufacturing exports grew at annual rates of 17.0% and 16.6%, respectively. Additionally, imports increased 17.7% with respect to the same period of the previous year due mainly to increases of 24.3%, 16.8% and 15.9% in consumption, intermediate and capital imports, in that order.
- In July, fixed capital investment grew 11.1% in real annual terms. Within, investment in imported machinery and equipment grew at an annual rate of 15.9%. At more moderate rates, investments in domestic machinery and equipment and investment in construction grew 9.0% and 8.3%, respectively.
- Household consumption continued expanding. During the third quarter, the real value of Wal-Mart's sales grew at an annual rate of 16.8% while ANTAD's sales grew 13.2% annually. According to INEGI, wholesale sales grew at a bimonthly annual rate of 9.9% in July-August while retail sales grew 2.9% in the same period.

During the third quarter of 2006, the strong economic expansion increased the formal job opportunities and decreased unemployment rates. During this period, the number of employees registered at IMSS grew by 289 thousand 254 people. Therefore 835 thousand 592 formal jobs were created during the first nine months of the year, the highest increase for a similar period on record. At the end of

September, the number of workers insured by IMSS stood at 13 million 921 thousand 617, which implies an annual growth rate of 6.9%.

Annual headline inflation was 4.09% at the end of September. This increase mainly reflects the increase in agricultural products which were impacted by the weather and partially compensated by a decrease in inflation of administered prices and education.

During the third quarter, the international financial markets reflected the expected soft landing in the US. Additionally higher flows of foreign investment channeled to emerging markets allowed for a decrease in the spreads paid by emerging market sovereign debt in the main economies of Latin America and Emerging Europe.

Outstanding direct banking credit to the private sector continued growing strongly, posting a 30.0% annual growth rate in August. Within this item, credit for housing was the most dynamic component growing 82.3% annually during the period, followed by credit for consumption which grew 45.4% in real annual terms and direct credit to businesses, which grew 11.4% annually.

Public Finances

In the first nine months of 2006, the public balance posted a surplus of Ps. 139.2 billion, 32.4% higher in real terms than the one registered in 2005. The primary balance up to September posted a Ps. 325.6 billion surplus, 15.8% above the one registered for the same period of the previous year.

The public sector's budgetary revenues were Ps. 1.674 trillion, 14.0% higher in real terms than those of 2005. Budgetary revenues were Ps. 205.1 billion higher than those considered for this period in the Revenues Law for 2006. Of this amount Ps. 54.2 billion come from oil revenues, Ps. 93.4 billion from non-oil tax revenues, Ps. 33.9 billion from non-tax revenues and Ps. 23.7 billion from PEDBC's other than PEMEX.

Excess Revenues, 2006 (Million pesos)			
	Program	Actual	Difference
Total	1,469,356.8	1,674,499.4	205,142.6
Oil related	559,911.6	614,075.3	54,163.7
Non-Oil Related	909,445.2	1,060,424.1	150,978.9
Tax	622,426.8	715,841.2	93,414.4
Non-tax	27,454.0	61,368.7	33,914.7
PEDBC's other than Pemex	259,564.4	283,214.2	23,649.8

It is worth mentioning that advanced payments of Ps. 4.2 billion and Ps. 8.3 billion were made in May and August corresponding to the first and second quarters of 2006 from the Duty on Oil Revenues (ARE) and the Extraordinary Right on Crude Oil Exports for prices above 36.5 USD per barrel, in accordance with Article 24 of the Federation's Expenditures Budget for 2006.

Oil revenues grew 15.0% in real terms, due mainly to higher oil prices. Non-oil tax revenues increased 15.4% in real annual terms. Within these, import, VAT, and income tax collection stand out with annual increases of 17.9%, 16.9% and 15.6%, respectively. The Federal Government's non-tax revenues increased 11.3% in real terms due to higher non-recurring revenues. Additionally, resources from PEDBC's other than PEMEX increased 9.3% in real annual terms.

During the first three quarters of 2006, government expenditures complied with both the availability of resources and the balanced budget target approved by Congress. This allowed the continuation of the public policies and programs that benefit the general population in areas such as education, health, social security, poverty reduction, public safety, justice and job creation according to what was approved by Congress in the Budget, while maintaining macroeconomic strength and stability.

Consequently, during the first nine months of 2006, total public budgetary expenditures reached Ps. 1.542 trillion, in real terms this is 12.6% more than in 2005. Primary expenditure, defined as total expenditure net of financing costs, increased 13.3% in real terms with respect to 2005 and reached Ps. 1.360 trillion. In relation to public expenditures during 2006, the following is worth noting:

- Budgetary investment and Investment fostered by the public sector grew 22.8% and 22.2% in real terms, respectively.
- Social development expenditures grew 11.1% with respect to the first nine months of 2005 and represented 63.0% of total programmable expenditures. Social investment grew 11.1% in real terms with respect to the previous year.¹
- Expenditures channeled to communications and transport development and agricultural and forestry development increased 38.2% and 10.7%, respectively, in real terms with respect to the same period of 2005.

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.

- The Federal Electoral Institute's expenditures increased 104.1% in real terms. Most of this increase corresponds to the additional expenditures required for the electoral process.
- Transfers to states and municipalities increased 14.2% in real terms. The 20.4% increase in participations to States stands out.
- Expenditures destined to personnel services during the first three quarters of 2006 increased 5.4% due mainly to increases of 6.9% and 3.8%, respectively, in expenditures related to energy and social development functions and to the combined increase of 13.4% in expenditures by the Judicial and Legislative Branches and autonomous entities. In contrast, expenditures in administrative and government functions increased 0.3%.

Finally, the public sector's financing cost during the first nine months of 2006 increased 7.9% in real terms compared to the same period of last year. This was primarily due to higher expenditures on lenders and borrowers support programs and on interest payments related to financed investment projects (PIDIREGAS) according to the approved Budget.

Public Debt

During 2006, according to what was outlined in the National Program for Financing Development 2002-2006 (PRONAFIDE) and in the Strategic Guidelines for Public Debt Management, the public debt management strategy has maintained its main objective of satisfying the public sector's financing needs at the lowest financial cost possible and with a prudent degree of risk. The public debt management operations undertaken during the third quarter were in line with this objective, mainly through the reduction of external debt, taking advantage of the favorable conditions present in the market and the development already reached.

Amongst the most important public debt operations undertaken during the third quarter, the placement of Bondes D for Ps. 135 billion stands out. With the resources obtained from this placement, around USD 12.4 billion were bought from the foreign exchange reserves of the Central Bank which were used for external debt prepayment operations: a) prepayment of loans with the Inter-American Development Bank (IADB) and the World Bank for approximately USD 9 billion and b) the repurchase of bonds denominated in foreign currency maturing in 2007 and 2033 with a market value of USD 3.4 billion.

Additionally, during the third quarter the results of the first exercise of Debt Exchange Warrants, issued by the Federal Government was announced. The warrants are financial instruments that give the holder the right, but not the obligation, to tender, on the exercise date, certain US dollar denominated bonds issued by the Federal Government in the international markets (UMS Bonds) in

exchange for Mexican Peso denominated Bonds also issued by the Federal Government in the Domestic Market (M Bonds). This exercise of the warrants corresponded to the XW20 series, which were part of the first issue of warrants, as announced on November 18, 2005. As a result of the exercise of 100% of the XW20 series, an exchange of UMS Bonds due between 2019 and 2033 for M Bonds due 2024 was carried out according to a predetermined exchange ratio.

In the period being reported, the public debt auction schedule for the fourth quarter was made public. The announcement of the placement of a Fixed Nominal Rate 30-year Bond stands out. This culminates the present administration's efforts to extend the local market's curve. At the time of publication of this bulletin, the first auction was successful, with a demand of 6.3 times the amount issued (Ps. 2 billion). This illustrates the trust of both domestic and foreign investors in the medium and long-term economic perspectives for Mexico

At the end of the second quarter, the Federal Government's net debt stood at Ps. 1.758 trillion, 19.3% of GDP, this is 0.3 percentage points of GDP lower than the figure posted at the end of 2005. Of this, domestic debt makes up 74.5%, 14.4% of GDP, while external debt makes up the remaining 25.5%, 4.9% of GDP

At the end of September 2006, the Federal Government's outstanding net domestic debt was Ps. 1.310 trillion, Ps. 126.4 billion higher than at the end of 2005. The percentage of fixed nominal interest rate instruments with maturities equal to or greater than one year in total domestic public debt went from 48.4 percent at the end of 2005 to 48.5 percent at the end of the third quarter of 2006. The domestic debt's average maturity increased 0.72 years (261 days), from 3.32 years in December 2005 to 4.03 years at the end of September 2006.

By the end of the third quarter of 2006, the Federal Government's net external debt was USD 40.7 billion, USD 14.7 billion less than that posted at the end of June 2006. This, along with the change registered during the first half of 2006, resulted in a decrease of USD 13.3 billion during the first half of 2006 with respect to the level posted at the end of 2005. As a percentage of GDP, the Federal Government's net external debt reached 4.9%.

At the end of the third quarter of 2006, the Public Sector's net debt, which includes the net debt of the Federal Government, PEDBC's and Development Banks stood at 21.1 percent of GDP, 0.6 percentage points lower than at the end of 2005. As a percentage of GDP, internal debt reached 14.6%, 0.7 percentage points higher than at the end of 2005, while external debt was 6.5%, 1.3 percentage points lower than the level posted at the end of last year.



Press Release

Mexico City, October 30th 2006.

At the end of the third quarter, the Historical Balance of the Public Sector Borrowing Requirements, which constitutes the broadest version of public sector liabilities, represented 35.5% of GDP.

ANNEX

PUBLIC SECTOR OVERALL BALANCE (Million pesos)					
Concept	January-September		Real % Growth	Composition %	
	2005	2006 p./		2005	2006 p./
PUBLIC BALANCE (I+II)	101,604.2	139,167.9	32.4		
I. Budgetary Balance (a-b)	96,340.9	132,381.6	32.8		
a) Budgetary Revenues	1,419,654.3	1,674,499.4	14.0	100.0	100.0
Oil related	516,326.0	614,075.4	15.0	36.4	36.7
Federal Government	372,090.4	477,027.3	23.9	26.2	28.5
PEMEX	144,235.5	137,048.1	-8.2	10.2	8.2
Non-oil related	903,328.4	1,060,424.0	13.5	63.6	63.3
Federal Government	652,842.3	777,209.8	15.1	46.0	46.4
Tax	599,538.5	715,841.1	15.4	42.2	42.7
Non-tax	53,303.7	61,368.7	11.3	3.8	3.7
PEDBC	250,486.1	283,214.2	9.3	17.6	16.9
b) Net Budgetary Expenditures	1,323,313.4	1,542,117.8	12.6	100.0	100.0
Programmable	934,399.8	1,077,113.0	11.4	70.6	69.8
Non programmable	388,913.6	465,004.8	15.6	29.4	30.2
II. PEIBC	5,263.3	6,786.2	24.6		
Primary Balance	271,669.1	325,559.1	15.8		

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-September		Real % Growth	Composition %	
	2005	2006 p./		2005	2006 p./
TOTAL (I+II)	1,419,654.3	1,674,499.4	14.0	100.0	100.0
I. Oil related (a+b)	516,326.0	614,075.4	15.0	36.4	36.7
a) PEMEX	144,235.5	137,048.1	-8.2	10.2	8.2
b) Federal Government	372,090.4	477,027.3	23.9	26.2	28.5
Rights and royalties on oil products	354,033.8	502,381.1	37.2	24.9	30.0
Excise taxes	15,738.7	-27,763.0	n.a	1.1	-1.7
Tax on Oil Returns	2,317.9	2,409.3	0.5	0.2	0.1
II. Non-oil related (c+d)	903,328.4	1,060,424.0	13.5	63.6	63.3
c) Federal Government	652,842.3	777,209.8	15.1	46.0	46.4
Tax	599,538.5	715,841.1	15.4	42.2	42.7
Income tax	296,004.9	354,006.7	15.6	20.9	21.1
VAT	234,226.0	283,378.8	16.9	16.5	16.9
Excise taxes	25,827.3	27,627.6	3.4	1.8	1.6
Import taxes	19,154.1	23,363.2	17.9	1.3	1.4
Others ^{1/}	24,326.2	27,464.7	9.1	1.7	1.6
Non-tax	53,303.7	61,368.7	11.3	3.8	3.7
Rights	15,122.1	16,625.6	6.3	1.1	1.0
Fees	32,780.0	39,321.7	16.0	2.3	2.3
Others	5,401.7	5,421.4	-3.0	0.4	0.3
d) PEDBC ^{2/}	250,486.1	283,214.2	9.3	17.6	16.9
Memorandum items:					
Total tax related	617,595.2	690,487.3	8.1	43.5	41.2
Total non-tax related	802,059.1	984,012.1	18.6	56.5	58.8

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-SEPTEMBER OF 2006
(Million pesos)

	Programmed	Observed ^{p_/}	Difference
TOTAL (I+II)	1,469,356.8	1,674,499.4	205,142.6
I. Oil related (a+b)	559,911.6	614,075.4	54,163.8
a) PEMEX	197,189.3	137,048.1	-60,141.2
b) Federal Government	362,722.3	477,027.3	114,305.0
Rights and royalties on oil products	347,559.6	502,381.1	154,821.5
Excise taxes	11,538.8	-27,763.0	-39,301.8
Tax on Oil Returns	3,623.9	2,409.3	-1,214.6
II. Non-oil related (c+d)	909,445.2	1,060,424.0	150,978.8
c) Federal Government	649,880.8	777,209.8	127,329.0
Tax	622,426.8	715,841.1	93,414.3
Income tax	301,949.7	354,006.7	52,057.0
VAT	250,913.9	283,378.8	32,464.9
Excise taxes	28,060.8	27,627.6	-433.2
Import taxes	15,395.1	23,363.2	7,968.1
Others ^{1_/}	26,107.3	27,464.7	1,357.4
Non-tax	27,454.0	61,368.7	33,914.7
Rights	9,040.2	16,625.6	7,585.4
Fees	13,634.9	39,321.7	25,686.8
Others	4,778.9	5,421.4	642.5
d) PEDBC ^{2_/}	259,564.4	283,214.2	23,649.8
Memorandum items:			
Total tax related	637,589.5	690,487.3	52,897.8
Total non-tax related	831,767.3	984,012.1	152,244.8

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- September		Real % Growth	Composition %	
	2005	2006 p_/		2005	2006 p_/
TOTAL (I+II)	1.323.313.4	1.542.117.8	12.6	100.0	100.0
I. Primary expenditures (a+b)	1.160.120.1	1.359.869.2	13.3	87.7	88.2
a) Programmable	934.399.8	1.077.113.0	11.4	70.6	69.8
b) Non-programmable	225.720.4	282.756.2	21.1	17.1	18.3
II. Financing Cost ^{1/}	163.193.2	182.248.6	7.9	12.3	11.8

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 DEBT*									
Concept	Outstanding as of			% of GDP			Structure (%)		
	Dec-04	Dec-05	Sep-06 ^{p./}	Dec-04	Dec-05	Sep-06 ^{p./}	Dec-04	Dec-05	Sep-06 ^{p./}
INTERNAL DEBT :									
NET (Million Pesos) ^{1./}	1,029,964.9	1,183,310.7	1,309,712.5	12.4	13.1	14.4	60.9	67.0	74.5
GROSS (Million Pesos)	1,099,206.3	1,242,154.1	1,571,659.9	13.2	13.8	17.3	61.9	66.4	73.6
EXTERNAL DEBT:									
NET (Million USD) ^{1./}	58,616.5	53,970.6	40,687.3	7.9	6.5	4.9	39.1	33.0	25.5
GROSS (Million USD)	60,084.2	58,373.6	51,180.7	8.1	7.0	6.2	38.1	33.6	26.4
TOTAL DEBT:									
NET (Million Pesos) ^{1./}	1,690,268.1	1,764,989.6	1,757,891.2	20.3	19.6	19.3	100.0	100.0	100.0
(Million USD) ^{1./}	150,048.7	163,763.1	159,587.8						
GROSS (Million Pesos)	1,776,042.8	1,871,287.2	2,135,425.5	21.3	20.8	23.5	100.0	100.0	100.0
(Million USD)	157,663.1	173,625.8	193,861.7						

Note: Figures may not add-up due to rounding.

^{1./} Figures subject to revisions due to changes and methodological modifications.

^{p./} Preliminary.

^{1./} The Net Debt results from subtracting the Federal Government's financial assets from the Gross Debt.

Source: Secretaría de Hacienda y Crédito Público.

**FEDERAL GOVERNMENT DOMESTIC DEBT
THIRD QUARTER 2006
(Million Pesos*)**

Concept	Outstanding Dec-05	Indebtedness			Adjustments	Outstanding Sep-06 ^{P-/_}
		Disp.	Amort.	Net		
NET DOMESTIC DEBT BALANCE	1,183,310.7					1,309,712.5
ASSETS ^{1/_}	-58,843.4					-261,947.4
GROSS DOMESTIC DEBT BALANCE	1,242,154.1	1,200,784.9	875,768.0	325,016.9	4,488.9	1,571,659.9
Government Securities	1,173,307.4	1,080,437.4	796,430.6	284,006.8	2,627.9	1,459,942.1
Cetes	288,229.7	713,082.3	678,080.0	35,002.3	0.0	323,232.0
Bonds	287,559.8	0.0	58,167.5	-58,167.5	0.0	229,392.3
Bonds "D"	0.0	135,051.4	0.0	135,051.4	0.0	135,051.4
Fixed Rate Development Bonds	502,186.9	191,080.9	60,183.1	130,897.8	78.2	633,162.9
Udibonos	95,331.0	41,222.8	0.0	41,222.8	2,549.7	139,103.5
<i>Udibonos (million UDI's)</i>	26,214.4	11,200.0	0.0	11,200.0	0.0	37,414.4
SAR	52,144.3	63,850.8	59,551.2	4,299.6	1,479.3	57,923.2
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	16,702.2	56,496.7	19,786.2	36,710.5	381.7	53,794.4

*_/_ Figures subject to revisions due to changes and methodological modifications.

p_/_ Preliminary.

1_/_ Includes the balance, denominated in pesos, of the General Account of the Federal Treasury and deposits in the national banking system

2_/_ Adjustment for debt exchange

3_/_ Adjustment for inflation

Source: Secretaría de Hacienda y Crédito Público.

**FEDERAL GOVERNMENT EXTERNAL DEBT
THIRD QUARTER 2006
(Million USD*)**

Concept	Outstanding Dec-05	Indebtedness			Adjustments	Outstanding Sep-06 ^{p/_}
		Disp.	Amort.	Net		
Net Debt	53,970.6					40,687.3
Assets ^{1/_}	-4,403.0					-10,493.4
Gross Debt	58,373.6	4,488.9	12,663.5	-8,174.6	981.7	51,180.7
Publicly placed Bonds	44,075.0	3,008.2	9,802.0	-6,793.8	937.8	38,219.0
IFI's	13,621.1	1,480.7	2,587.1	-1,106.4	34.5	12,549.2
Bilateral Credit	256.1	0.0	50.4	-50.4	8.5	214.2
Comercial Banks	49.3	0.0	36.9	-36.9	-0.1	12.3
Others	372.1	0.0	187.1	-187.1	1.0	186.0

*_/ Figures subject to revisions due to changes and methodological modifications.

p/_ Preliminary.

1/_ Includes the balance, denominated in USD, of the General Account of the Federal Treasury and other assets denominated in foreign currency.

Source: Secretaría de Hacienda y Crédito Público.

FEDERAL PUBLIC SECTOR DEBT* 1_/

Concept	Outstanding as of			% of GDP			Structure (%)		
	Dec-04	Dec-05	Sep-06 ^{p./}	Dec-04	Dec-05	Sep-06 ^{p./}	Dec-04	Dec-05	Sep-06 ^{p./}
INTERNAL DEBT :									
NET (Million Pesos) ^{2./}	1,075,824.2	1,250,046.0	1,323,970.8	12.9	13.9	14.6	55.8	63.8	69.0
GROSS (Million Pesos)	1,181,311.4	1,339,420.2	1,650,248.5	14.2	14.8	18.1	57.0	63.4	69.1
EXTERNAL DEBT:									
NET (Million USD) ^{2./}	75,713.1	65,722.5	54,075.4	10.3	7.8	6.5	44.2	36.2	31.0
GROSS (Million USD)	79,225.8	71,674.5	66,932.8	10.7	8.6	8.1	43.0	36.6	30.9
TOTAL DEBT:									
NET (Million Pesos) ^{2./}	1,928,716.6	1,958,383.1	1,919,622.4	23.2	21.7	21.1	100.0	100.0	100.0
(Million USD) ^{2./}	171,216.2	181,707.0	174,270.3						
GROSS (Million Pesos)	2,073,774.2	2,111,906.5	2,387,526.7	24.9	23.4	26.2	100.0	100.0	100.0
(Million USD)	184,093.3	195,951.5	216,748.4						

Note: Figures may not add-up due to rounding.

*_/ Figures subject to revisions due to changes and methodological modifications.

p./ Preliminary.

1_/ Includes the Liabilities of of the Federal Government, PEDBC's and Development Banks.

2./ The Net Debt results from subtracting the financial assets of the Federal Government, PEDBC's and Development Banks from the Gross Debt.

Source: Secretaría de Hacienda y Crédito Público.

FEDERAL PUBLIC SECTOR DOMESTIC DEBT, JANUARY-SEPTEMBER 2006
(Million pesos*)

Concept	Outstanding Dec-05	Indebtedness			Adjust.	Outstanding Sep-06 ^{p./}
		Disp.	Amort.	Net		
NET DEBT	1,250,046.0					1,323,970.8
Assets ^{1/}	-89,374.2					-326,277.7
GROSS DEBT	1,339,420.2	1,280,259.3	1,000,370.1	279,889.2	30,939.1	1,650,248.5
STRUCTURE BY TERM	1,339,420.2	1,280,259.3	1,000,370.1	279,889.2	30,939.1	1,650,248.5
Long-term	1,085,200.6	538,633.1	259,606.4	279,026.7	24,438.0	1,388,665.3
Short-term	254,219.6	741,626.2	740,763.7	862.5	6,501.1	261,583.2
STRUCTURE BY USER	1,339,420.2	1,280,259.3	1,000,370.1	279,889.2	30,939.1	1,650,248.5
Federal Government	1,242,154.1	1,200,784.9	875,768.0	325,016.9	4,488.9	1,571,659.9
Long-term	1,019,432.3	530,880.7	230,916.1	299,964.6	4,488.9	1,323,885.8
Short-term	222,721.8	669,904.2	644,851.9	25,052.3	0.0	247,774.1
PEDBC's	5,613.5	7,238.4	5,665.2	1,573.2	13,914.6	21,101.3
Long-term	5,613.5	66.4	452.7	-386.3	13,914.6	19,141.8
Short-term	0.0	7,172.0	5,212.5	1,959.5	0.0	1,959.5
Development Banks	91,652.6	72,236.0	118,936.9	-46,700.9	12,535.6	57,487.3
Long-term	60,154.8	7,686.0	28,237.6	-20,551.6	6,034.5	45,637.7
Short-term	31,497.8	64,550.0	90,699.3	-26,149.3	6,501.1	11,849.6
STRUCTURE BY SOURCE	1,339,420.2	1,280,259.3	1,000,370.1	279,889.2	30,939.1	1,650,248.5
Bonds placed in the local market	1,264,365.5	1,152,637.8	915,349.9	237,287.9	15,167.3	1,516,820.7
SAR	52,144.3	63,850.8	59,551.2	4,299.6	1,479.3	57,923.2
Commercial Banks	1,694.8	102.0	470.3	-368.3	5.1	1,331.6
Others	21,215.6	63,668.7	24,998.7	38,670.0	14,287.4	74,173.0

Note: Figures may not add-up due to rounding.

*_/ Figures subject to revisions due to changes and methodological modifications.

p_/ Preliminary.

1_/ Includes the balance, denominated in pesos, of the General Account of the Federal Treasury and deposits in the national banking system as well as assets from PEDBC's and Development Banks.

Source: Secretaría de Hacienda y Crédito Público.

FEDERAL PUBLIC SECTOR EXTERNAL DEBT, JANUARY-SEPTEMBER 2006
(Million Dollars*)

Concept	Outstanding Dec-05	Indebtedness			Adjust.	Outstanding Sep-06 ^{p./}
		Disp.	Amort.	Net		
NET DEBT	65,722.5					54,075.4
Financial Assets Denominated in Foreign Currency 1_/	-5,952.0					-12,857.4
GROSS DEBT	71,674.5	15,318.7	21,855.5	-6,536.8	1,795.1	66,932.8
STRUCTURE BY TERM	71,674.5	15,318.7	21,855.5	-6,536.8	1,795.1	66,932.8
Long-term	70,888.7	9,001.4	16,363.7	-7,362.3	1,769.2	65,295.6
Short-term	785.8	6,317.3	5,491.8	825.5	25.9	1,637.2
STRUCTURE BY USER	71,674.5	15,318.7	21,855.5	-6,536.8	1,795.1	66,932.8
Federal Government	58,373.6	4,488.9	12,663.5	-8,174.6	981.7	51,180.7
Long-term	58,373.6	4,488.9	12,663.5	-8,174.6	981.7	51,180.7
Short-term	0.0	0.0	0.0	0.0	0.0	0.0
PEDBC's	6,998.4	6,615.8	4,257.1	2,358.7	783.6	10,140.7
Long-term	6,992.1	4,047.3	2,568.5	1,478.8	779.8	9,250.7
Short-term	6.3	2,568.5	1,688.6	879.9	3.8	890.0
Development Banks	6,302.5	4,214.0	4,934.9	-720.9	29.8	5,611.4
Long-term	5,523.0	465.2	1,131.7	-666.5	7.7	4,864.2
Short-term	779.5	3,748.8	3,803.2	-54.4	22.1	747.2
STRUCTURE BY SOURCE	71,674.5	15,318.7	21,855.5	-6,536.8	1,795.1	66,932.8
Publicly Placed Bonds	46,462.3	3,008.2	10,095.7	-7,087.5	937.7	40,312.5
IFI's	16,827.7	1,593.2	2,938.3	-1,345.1	39.4	15,522.0
Commercial Banks	2,454.6	7,839.2	6,206.1	1,633.1	-25.1	4,062.6
Bilateral	3,403.9	309.9	867.8	-557.9	80.1	2,926.1
Restructured 1989-1990	154.4	0.0	68.0	-68.0	0.1	86.5
Spanish Bank Bonds	76.5	0.0	0.0	0.0	0.0	76.5
New Money 1990-1992	77.9	0.0	68.0	-68.0	0.1	10.0
Other ^{2./}	2,371.6	2,568.2	1,679.6	888.6	762.9	4,023.1

Note: Figures may not add-up due to rounding.

*_/ Figures subject to revisions due to changes and methodological modifications.

p./ Preliminary.

1./ Includes the balance, denominated in pesos, of the General Account of the Federal Treasury and deposits in the national banking system as well as assets from PEDBC's and Development Banks.

2./ Refers to movements of direct debt associated to the PIDIREGA projects.

Source: Secretaría de Hacienda y Crédito Público.