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Mexico City, July 30<sup>th</sup>, 2015.

**REPORT ON ECONOMIC ACTIVITY,  
PUBLIC FINANCES AND PUBLIC DEBT**  
**Actions and results as of the first semester of 2015**

- Within a complex and volatile global environment, the Mexican economy continued to have a performance that is consistent with an acceleration in growth during the second quarter of 2015. In a global context in which a generalized appreciation of the United States' dollar with respect to other currencies is observed, the Mexican peso had an orderly adjustment, contributing to preserve stability in domestic variables: Inflation is at historically low levels, interest rates and the price of financial assets remain stable.
- During January-June 2015, revenues of the public sector increased 4.0% in real terms with respect to the same period of 2014. Non-oil revenues increased 23.4%. Within, tax revenues increased 28.8%, and non-tax revenues of the Federal Government increased 54.0%. The performance of non-oil revenues allowed offsetting the decrease of 38.3% in oil revenues that was observed during this period.
- With respect to the amount expected within the program, excluding the benefits associated with oil hedges, budgetary revenues were higher by Ps. 84.5 billion during the first semester of 2015. This performance does not set a trend for the rest of 2015 or subsequent fiscal years, since a significant part of these resources were generated by exceptional circumstances, such as: the resources from Banco de Mexico for its operational surplus, as well as the effects associated with the tax measures approved by Congress in 2013, among others.
- During June, resources from the Ps. 31.4 billion pesos from Banco de Mexico's operational surplus were allocated to the Investment Fund for Infrastructure Programs and Projects of the Federal Government, which will be used for said purpose in 2016 in compliance with the guidelines from Congress. This contribution was registered as an expenditure made in said month, in compliance with the current government accounting rules.
- As a result, total expenditure of the budgetary public sector increased 3.4% in real terms during June. Excluding this extraordinary operation that represents an investment in infrastructure in 2016, total expenditure of the budgetary public sector decreased 3.2% in real terms with respect to the same month of 2014.

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- Furthermore, adjusting by Banco de Mexico's operational surplus, total expenditure of the budgetary public sector increased only 0.7% with respect to the same period of the previous year. Excluding said operation, the real increase of expenditure in the first semester of 2015 was 6.0%.
- Personal services and other operation expenditures also decreased 1.2% in real terms.
- The trend in expenditure is in line with the preemptive adjustment in public finances announced in January and presents a decreasing trend with respect to the levels observed at the beginning of the year when the contributions to stabilization funds were made at once; while in previous years, these were made throughout the year.
- Regarding non-programmable expenditure, non-earmarked transfers to states and municipalities as of the first semester of 2015 increased 2.5% in real terms.
- During the first semester of 2015, a public deficit of Ps. 345.0 billion was observed, which is consistent with the annual budgetary deficit approved by Congress. Excluding productive investment, a deficit of Ps. 87.0 billion is observed.
- Public Sector Borrowing Requirements amount to Ps. 387.8 billion. Furthermore, at the end of the first semester of 2015, the debt of the Federal Public Sector was kept at moderate and stable levels. The net debt of the Public Sector represented 42.2% of GDP, while the Historical Balance of the Public Sector Borrowing Requirements stood at 44.9% of GDP. These levels are consistent with the amounts approved by Congress and show the effect of a debt issuance calendar that allowed the Federal Government to take advantage of favorable market conditions and conclude the external debt operations for 2015 at the beginning of the second quarter.

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On July 30<sup>th</sup>, The Ministry of Finance and Public Credit submitted the Report on Economic Activity, Public Finances and Public Debt as of the Second Quarter of 2015 to Congress, in compliance with Article 107 of the Federal Budget and Fiscal Responsibility Law (Budget Law), which is also available in the Ministry's website. The following are the main results of this report.

## I. Economic Outlook

Volatility in international financial markets remained high, mainly due to the expected normalization process of the United States' monetary policy, the Greek debt crisis, and a lower rate of economic growth and volatility in China's stock markets. In foreign exchange markets, the United States' dollar continued to strengthen with respect to most currencies.

In this context, Mexico continues to have an orderly adjustment of its financial indicators. Furthermore, the results of the main macroeconomic indicators suggest that during the second quarter of 2015, the Mexican economy kept a performance that is consistent with an acceleration of growth during the year.

### Output

During the second quarter of 2015, the Mexican economy had a favorable performance, in spite of the deterioration of the external environment. In April-May of 2015, the GDP proxy (IGAE) increased at an annual rate of 1.8%, 0.7 percentage points more than during the same period of 2014. This represents a bimonthly increase of 0.4% in seasonally adjusted terms.

The United States' economy had a moderate recovery after the slight decrease in GDP that was observed during the first quarter. However, a second consecutive quarterly decrease in industrial production was observed, which wasn't observed since the second quarter of 2009. This is explained, partially, due to the effect of the strengthening of the United States' dollar on the demand for products from the United States and the impact of lower oil prices on the expenditure in oil drilling. While it is expected that an upturn in the United States' economy will be observed during the second half of 2015, growth forecasts for GDP and industrial production, for the year as a whole, have been revised downward once again.

Also, extraordinary rainfall in the state of Texas affected the logistics for the distribution of imported products through this state during May, which was reflected in a lower dynamism of Mexican non-oil exports. However, these recovered during June.

Meanwhile, indicators of domestic demand in Mexico suggest that both consumption and investment continued to recover as a consequence of the increase in formal job creation, an upturn in credit to firms and entrepreneurs, the decrease in the unemployment rate and a decrease in inflation to historically low levels. In the second quarter of 2015, the National Retailers Association (ANTAD) sales increased at an annual rate of 6.4%, which is the highest increase since the third quarter of 2012.

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On the other hand, oil production continued to decrease. In April-May 2015, mining decreased at an annual rate of 8.2%. Oil mining decreased at an annual rate of 9.8% (the highest decrease since October-November 1995), while the other extraction activities decreased 1.8%.

**Employment**

During the second quarter of 2015, formal job creation continued to accelerate at an elevated rate. As of June 30<sup>th</sup>, 2015, the number of workers affiliated at IMSS reached 17.7 million workers, which represents an annual increase of 746 thousand jobs (4.4%). By type of contract, permanent jobs increased by 588 thousand workers while temporary jobs increased by 158 thousand workers.

**Prices**

During the second quarter of 2015, headline annual inflation observed a decreasing trend, standing below 3%. This trend was attributed significantly to the decrease in the price of energy and telecommunication services. Furthermore, the pass-through of the depreciation of the local currency to prices has been in line with expectations and has not generated second-order effects in the index.

The stock market index of the Mexican Stock Exchange (IPC) stood at 45,053.7 points at the end of the quarter, which represented an increase of 3% with respect to the end of the first quarter of 2015.

The exchange rate of the peso continued to depreciate with respect to the dollar, as a consequence of the generalized strengthening of the United States' dollar with respect to most currencies, due to the expected normalization of monetary policy in the United States, the divergence in monetary policy of advanced economies, the uncertainty generated around Greece's debt crisis and the recent fall in the Chinese stock market. In this context, at the end of June 2015, the exchange rate stood at 15.70 pesos per dollar, which implies a 2.8% depreciation with respect to the level observed at the end of March 2015 (15.26 pesos per dollar).<sup>1</sup>

**Credit**

During the second quarter of 2015, the improvement of competition due to the Financial Reform, as well as the strengthening of domestic demand was reflected in an acceleration of credit to entrepreneurs and households with respect to the amount observed in 2014. In May 2015, total credit from commercial and development banks increased 11.1% in real annual terms, the highest increase since June 2012. Within, credit to the private sector registered an 8.9% increase in real annual terms. Within this indicator, in May, the three components registered higher increases than the ones observed at the end of 2014: for firms and entrepreneurs increased 11.6% (the highest rate since June 2012), for

<sup>1</sup> 48 hours interbank exchange rate.

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housing increased 6.7% (the highest rate since October 2011) and for consumption increased 3.8% (the highest rate since June 2014).

## II. Public Finances

During the first semester of 2015, a public deficit of Ps. 345.0 billion and a primary deficit of Ps. 130.3 billion were observed, which is consistent with the annual budgetary deficit approved by Congress. Excluding productive investment, a deficit of Ps. 87.0 billion, was observed. Meanwhile, Public Sector Borrowing Requirements amount to Ps. 387.8 billion.

### Revenues

Budgetary revenues of the public sector stood at Ps. 2,048.5 billion as of the first semester of 2015, an amount 4.0% higher in real annual terms with respect to the same period of 2014. The evolution of the main revenue components was as follows:

- Non-oil tax revenues amounted to Ps. 1,225.9 billion, increasing 28.8% in real terms with respect to 2014. Collections from the income tax system, the excise tax and the tax on imports increased 24.1, 326.5 and 24.2 in real terms, respectively. These results are partially explained by the effect of the tax measures established in 2014, as well as the measures in tax administration that were adopted, such as the elimination of the consolidation regime and the administrative improvements in the withholding of the public employees' income tax. Therefore, a part of these resources is non-recurrent.
- Non-tax revenues of the Federal Government amounted to Ps. 140.4 billion and include the Ps. 31.4 billion from Banco de Mexico's operational surplus. The increase with respect to the first semester of 2014 for this component amounts to 54.0% in real terms.
- Revenues from public entities under direct budgetary control other than PEMEX (PEDBC's) stood at Ps. 300.4 billion, which represents a 2.3% decrease in real terms with respect to 2014 as a result of lower electricity tariffs.
- On the other hand, oil revenues amounted to Ps. 381.9 billion and were 38.3% lower in real annual terms than the ones observed in the first semester of 2014. This result reflects the decrease in the price of oil and natural gas (47.5 and 33.8%, respectively), as well as the lower oil production (8.5%). These effects were partially offset by the depreciation of the exchange rate. These revenues exclude the benefits from oil hedges that will be received in December 2015.

With respect to the amount established in the Federation's Revenues Law for 2015, budgetary revenues were higher by Ps. 84.5 billion (4.3%). The allocation of these resources will be made in compliance with the Federal Budget and Fiscal Responsibility Law.



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In particular, tax collections were Ps. 229.4 billion higher than the programmed amount during the first semester of 2015. As mentioned above, a significant amount of these resources is non-recurrent.

Other extraordinary revenues include resources to the Federal Government from Banco de México for its operational surplus in fiscal year 2014 and the payment for the concession to create a television network with national coverage.

As observed, a significant amount of the additional resources from the first semester were generated by exceptional circumstances that do not set a trend for the rest of 2015 or subsequent fiscal years.

In contrast, oil revenues of the public sector were lower than the programmed amount by Ps. 212.3 billion.

Finally, the balance of stabilization and investment funds as of the end of June 2015 was Ps. 124.5 billion, including the resources from Banco de Mexico's operational surplus, which treatment is detailed in the next section.

<b>BALANCE OF STABILIZATION FUNDS AS OF JUNE 30<sup>th</sup>, 2015</b>	
	(Million pesos)
<b>Total</b>	<b>124,535</b>
FEIP (Federal Government)	57,466
FEIEF (States)	35,620
FIPPIGF (Infrastructure Projects of the Federal Government)	31,449

Expenditure

In June, the contribution of Ps. 31.4 billion pesos from Banco de Mexico's operational surplus to the Investment Fund for Infrastructure Programs and Projects of the Federal Government was registered, which will be applied for said purpose in 2016 in compliance with the guidelines determined by Congress.

Excluding this contribution, the real growth of the total expenditure of the budgetary public sector would be 6.0% instead of 7.4% including this contribution. During the second quarter, the increase would be 0.67% instead of 3.35%, with respect to the same quarter of 2014. Furthermore, the increase in June with respect to the same month of 2014, excluding the aforementioned contribution, represents a decrease of 3.2% instead of a decrease of 3.4%.

During the first semester of 2015, net budgetary expenditure of the public sector amounted to Ps. 2,398.7 billion.

Programmable expenditure amounted to Ps. 1,846.8 billion, which is higher by 7.4% in real terms compared to 2014 and by 5.5% if adjusted by the operation associated with Banco de Mexico's operational surplus. Within, the following should be noted:

- Resources allocated towards the payment of subsidies and pensions increased 12.9 and 6.9% in real terms, respectively. Subsidies include social programs allocated to support the most vulnerable population. Outlays towards economic and social development activities increased 4.9% in real terms, in both cases.
- Physical budgetary investment increased 0.4% in real annual terms. In contrast, joint expenditure in personal services and operation expenditures decreased at an annual rate of 1.2%.
- The trend in expenditure is in line with the measures adopted by the Government in order to carry out a preemptive adjustment in expenditure in 2015. In particular, the growth rate of outlays in administrative branches increased at an annual rate of 11.3% in the first semester of 2015, compared to the increase of 29.5% in real terms observed during the first three months of the year.
- Expenditure executed by autonomous branches increased 27.7% with respect to the first semester of 2014, mainly due to expenditures associated with the recent electoral process and the operations start of the Institutes. By contribution to the total amount of autonomous branches, the National Electoral Institute increased 118.5%, Legislative increased 7.9% and Judicial increased 8.0%. In January-June, resources allocated towards states and municipalities through non-earmarked transfers, contributions and other transfers increased 1.9% in real terms. In particular, federal transfers increased 2.5% in real terms with respect to the first semester of 2014.

### III. Public Debt

The prudent and responsible use of public indebtedness is a fundamental premise of the current administration. This is reflected in the objectives, strategies and guidelines established in the National Development Plan (PND) and the National Program to Finance Development (PRONAFIDE). In compliance with the aforementioned, the actions regarding the management of public debt during this year have been oriented towards: i) covering the borrowing needs of the Federal Government with low costs in the long-run, with a low risk level and considering potential extreme scenarios; ii) preserving diversity in access to credit in different markets; and, iii) promoting the development of deep and liquid markets, with yield curves that facilitate access to financing for a wide range of private and public economic agents.

#### Domestic debt

Debt policy aims to finance most of the financing needs of the Federal Government in the domestic market, in this sense the actions taken in the domestic debt market have been aimed towards ensuring its well-functioning at all times. In this way, the program for the placement of securities during the quarter was consistent with the objectives and lines of action set out in the Annual Borrowing Program. Along with the aforementioned, during

the second quarter of this year the swap transaction of bonds, held in June, through which short term maturity bonds were exchanged for bonds maturing in the medium and long term stands out. This operation improves the maturity profile of debt and reduces the refinancing risk.

#### External debt

One of the strengths of public debt policy is the access to international capital markets that has been maintained. In this sense, the issuance of a new reference bond in euros with a 100-year maturity held in April, for a total of EUR 1.5 billion, approximately USD 1.6 billion as of the date in which it was issued, is important. This was the first sovereign emission in euros with a 100 year maturity.

Finally, it is important to mention that the conditions of cost and maturity that were obtained in this operation in international markets represented the financing with the lowest cost that has been obtained by the Federal Government in its four 100-year issuances, reflecting the broad acceptance of the debt instruments that are issued by the Federal Government and the confidence of international investors in the management of public finances and the country's growth perspectives.

#### Net debt of the Federal Government

At the end of the second quarter of 2015, the stock of the Federal Government's net debt stood at Ps. 5,816.5 billion. As a percentage of GDP, it represented 32.7%. The structure of the current debt portfolio of the Federal Government maintains most of its liabilities denominated in domestic currency, representing 78.3% of the total net debt balance of the Federal Government as of June 30<sup>th</sup>, 2015.

The balance of net domestic debt of the Federal Government at the end of the second quarter of 2015 stood at Ps. 4,554.5 billion, amount higher by Ps. 230.4 billion than the one observed at the end of 2014. As a percentage of GDP, this represents 25.6%.

At the end of the second quarter of 2015, the balance of net external debt of the Federal Government stood at USD 81.1 billion, amount higher by USD 3.7 billion than the one registered at the end of 2014. As a percentage of GDP, this amount represents 7.1%.

#### Net debt of the Federal Public Sector

At the end of the second quarter of 2015, the Federal Public Sector's net debt stood at Ps. 7,503.1 billion, which includes net debt of the Federal Government, State Productive Enterprises and development banks. As a percentage of GDP, it represented 42.2%. Domestic debt represented 28.3% of GDP. Regarding net external debt, it represented 13.9% of GDP.

#### Historical Balance of the Public Sector Borrowing Requirements

At the end of the second quarter of 2015, the Historical Balance of the Public Sector Borrowing Requirements (HPSBR), which includes the Public Sector's liabilities in their

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broadest version, amounted to Ps. 7,978.7 billion, equivalent to 44.9% of GDP, amount higher by 3.3 percentage points than the one observed at the end of 2014. The evolution of this balance was determined, among other factors, by the revenue-expenditures dynamic and a reevaluation of the foreign debt balance due to the depreciation of the exchange rate. The increase in this indicator is expected to moderate towards the end of the year, in line with the objectives for the deficit and the HBPSBR in 2015.



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**Annex**

Concept	Million pesos		Real % growth	Composition %		
	2014 <sup>p./</sup>	2015 <sup>p./</sup>		2014 <sup>p./</sup>	2015 <sup>p./</sup>	
<b>PUBLIC BALANCE</b>						
<b>PUBLIC BALANCE EXCLUDING PRODUCTIVE INVESTMENT<sup>1-/</sup></b>						
I. Budgetary balance (a-b)	-255,807.6	-350,174.2	n. s.			
a) Budgetary revenues	1,911,959.8	2,048,549.2	4.0	100.0	100.0	
Oil related <sup>2-/</sup>	600,889.3	381,879.8	-38.3	31.4	18.6	
PEMEX	187,480.2	165,359.9	-14.4	9.8	8.1	
Federal Government	413,409.1	216,519.9	-49.2	21.6	10.6	
Non-oil related	1,311,070.4	1,666,669.4	23.4	68.6	81.4	
Federal Government	1,012,414.4	1,366,230.3	31.0	53.0	66.7	
Tax	923,932.8	1,225,875.1	28.8	48.3	59.8	
Non-tax	88,481.6	140,355.2	54.0	4.6	6.9	
PEDBC	298,656.0	300,439.1	-2.3	15.6	14.7	
b) Non-Budgetary Expenditures	2,167,767.4	2,398,723.4	7.4	100.0	100.0	
Programmable	1,670,182.3	1,846,784.8	7.4	77.0	77.0	
Non-programmable	497,585.1	551,938.6	7.7	23.0	23.0	
II. PEIBC	22,662.5	5,138.8	-78.0			
<b>PRIMARY BALANCE</b>	<b>-64,998.0</b>	<b>-130,302.2</b>	<b>n. s.</b>			

Note: Figures may not add up due to rounding.

p./ Preliminary figures.

n. s.: not significant.

1-/ PEMEX's and CFE's physical investment and high impact investments of the Federal Government are excluded.

2-/ In 2014 includes revenues from PEMEX and rights on hydrocarbons. In 2015 includes revenues from PEMEX, transfers from the Mexican Oil Fund for Stabilization and Development and income tax on contractors and assignees for the extraction of hydrocarbons.

Source: Ministry of Finance and Public Credit.



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**PUBLIC SECTOR BUDGETARY REVENUES**  
(Million pesos)

Concept	January-June		Real % growth	% Composition	
	2014 p./	2015 p./		2014 p./	2015 p./
<b>BUDGETARY REVENUES (I+II)</b>	<b>1,911,959.8</b>	<b>2,048,549.2</b>	<b>4.0</b>	<b>100.0</b>	<b>100.0</b>
I. Oil related (a+b) <sup>1-/</sup>	600,889.3	381,879.8	-38.3	31.4	18.6
a) PEMEX	187,480.2	165,359.9	-14.4	9.8	8.1
b) Federal Government	413,409.1	216,519.9	-49.2	21.6	10.6
Mexican Oil Fund	0.0	203,080.7	n. s.	0.0	9.9
Income tax from contractors and assignees	0.0	3,270.0	n. s.	0.0	0.2
Existing rights as of 2014	413,409.1	10,169.2	-97.6	21.6	0.5
II. Non-oil related (c+d)	1,311,070.4	1,666,669.4	23.4	68.6	81.4
c) Federal Government	1,012,414.4	1,366,230.3	31.0	53.0	66.7
Tax	923,932.8	1,225,875.1	28.8	48.3	59.8
Income Tax	515,463.1	659,153.9	24.1	27.0	32.2
Value Added Tax	333,559.6	346,511.0	0.9	17.4	16.9
Excise Tax	41,095.0	180,528.7	326.5	2.1	8.8
Import Tax	15,376.4	19,665.5	24.2	0.8	1.0
IAEEH <sup>2-/</sup>	0.0	1,701.2	n. s.	0.0	0.1
Other <sup>3-/</sup>	18,438.6	18,314.8	-3.6	1.0	0.9
Non-tax	88,481.6	140,355.2	54.0	4.6	6.9
Rights	26,874.4	30,298.5	9.5	1.4	1.5
Fees	58,550.2	107,266.4	77.9	3.1	5.2
Other	3,057.0	2,790.3	-11.4	0.2	0.1
d) PEDBC <sup>4-/</sup>	298,656.0	300,439.1	-2.3	15.6	14.7
<b>Memorandum items:</b>					
Total tax related	923,932.8	1,229,145.1	29.2	48.3	60.0
Total non-tax related	988,027.0	819,404.1	-19.5	51.7	40.0

Note: Figures may not add up due to rounding.

p./ Preliminary figures.

n. s.: not significant.

1-/ In 2014 includes revenues from PEMEX and rights on hydrocarbons. In 2015 includes revenues from PEMEX, transfers from the Mexican Oil Fund for Stabilization and Development and income tax on contractors and assignees for the extraction of hydrocarbons.

2-/ Tax on exploration and hydrocarbon extraction activities.

3-/ Includes taxes on new vehicles, exports, oil returns and those not included in the aforementioned and accessories.

4-/ Excludes Federal Government's transfers to ISSSTE.

Source: Ministry of Finance and Public Credit.



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**BUDGETARY REVENUES, JANUARY–JUNE OF 2015**  
(Million pesos)

Concept	Programmed	Observed p./-	Difference
<b>BUDGETARY REVENUES (I+II)</b>	<b>1,964,050.9</b>	<b>2,048,549.2</b>	<b>84,498.3</b>
I. Oil related (a+b) <sup>1,-/</sup>	594,144.7	381,879.8	-212,264.9
a) PEMEX	216,879.0	165,359.9	-51,519.1
b) Federal Government	377,265.7	216,519.9	-160,745.8
Mexican Oil Fund	372,265.7	203,080.7	-169,185.0
Income tax from contractors and assignees	5,000.0	3,270.0	-1,730.0
Existing rights as of 2015	0.0	10,169.2	10,169.2
II. Non-oil related (c+d)	1,369,906.2	1,666,669.4	296,763.2
c) Federal Government	1,057,388.6	1,366,230.3	308,841.7
Tax	996,457.4	1,225,875.1	229,417.7
Income Tax	541,932.6	659,153.9	117,221.3
Value Added Tax	347,881.1	346,511.0	-1,370.1
Excise Tax	77,472.1	180,528.7	103,056.6
Import Tax	13,199.2	19,665.5	6,466.3
IAEEH <sup>2,-/</sup>	1,000.0	1,701.2	701.2
Other <sup>3,-/</sup>	14,972.4	18,314.8	3,342.4
Non-tax	60,931.2	140,355.2	79,424.0
Rights	20,570.7	30,298.5	9,727.8
Fees	36,825.9	107,266.4	70,440.5
Others	3,534.6	2,790.3	-744.3
d) PEDBC <sup>4,-/</sup>	312,517.6	300,439.1	-12,078.5
<b>Memorandum items:</b>			
Total tax related	1,001,457.4	1,229,145.1	227,687.7
Total non-tax related	962,593.5	819,404.1	-143,189.4

Note: Figures may not add up due to rounding.

p./ Preliminary figures.

n.s.: not significant.

1\_-/ In 2014 includes revenues from PEMEX and rights on hydrocarbons. In 2015 includes revenues from PEMEX, transfers from the Mexican Oil Fund for Stabilization and Development and income tax on contractors and assignees for the extraction of hydrocarbons.

2\_-/ Tax on exploration and hydrocarbon extraction activities.

3\_-/ Includes taxes on new vehicles, exports, oil returns and those not included in the aforementioned and accessories.

4\_-/ Excludes Federal Government's transfers to ISSSTE.

Source: Ministry of Finance and Public Credit.



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Concept	PUBLIC SECTOR BUDGETARY NET EXPENDITURES					
	January-June		Million pesos		Real % growth	Composition %
	2014 <sup>p./</sup>	2015 <sup>p./</sup>	2014 <sup>p./</sup>	2015 <sup>p./</sup>		
<b>TOTAL (I+II)</b>	2,167,767.4	2,398,723.4	7.4	100.0	100.0	
I. Primary expenditures	1,994,581.2	2,188,407.8	6.5	92.0	91.2	
Programable	1,670,182.3	1,846,784.8	7.4	77.0	77.0	
Autonomous branches	33,592.5	44,200.1	27.7	1.5	1.8	
Administrative branches	518,297.1	594,030.3	11.3	23.9	24.8	
General branches	626,569.3	696,340.7	7.9	28.9	29.0	
PEDBC	317,862.4	342,135.2	4.5	14.7	14.3	
IMSS	210,860.1	223,242.5	2.8	9.7	9.3	
ISSSTE	107,002.2	118,892.7	7.9	4.9	5.0	
State productive enterprises	406,281.4	428,390.6	2.4	18.7	17.9	
PEMEX	269,761.6	291,050.7	4.7	12.4	12.1	
CFE	136,519.8	137,340.0	-2.3	6.3	5.7	
(-) Compensated operations	232,420.4	258,312.1	7.9	10.7	10.8	
Non-programmable	324,398.9	341,623.0	2.2	15.0	14.2	
Non-earmarked transfers	303,266.9	320,030.9	2.5	14.0	13.3	
Adefas and other	21,132.0	21,592.1	-0.8	1.0	0.9	
II. Financing cost <sup>1-/</sup>	173,186.2	210,315.6	17.9	8.0	8.8	

Note: Figures might not add up due to rounding.

p./ Preliminary figures.

1-/ Includes interests, commissions, public debt expenditures, and expenditures associated to financial restructuring and support programs for bank savers and bank debtors.

Source: Ministry of Finance and Public Credit.



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**FEDERAL PUBLIC SECTOR DEBT BALANCES, JUNE \* \_/**

Concept	Outstanding as of			% of GDP			Structure (%)		
	Dec-13	Dec-14	Jun-15 p_/_	Dec-13	Dec-14	Jun-15	Dec-13	Dec-14	Jun-15
<b>Domestic Debt:</b>									
Net (Million pesos)	4,230,924.9	4,804,250.2	5,034,400.8	25.2	26.8	28.3	71.2	69.2	67.1
Gross (Million pesos)	4,408,878.5	5,049,533.3	5,252,619.1	26.3	28.2	29.5	71.5	69.9	67.5
<b>External Debt:</b>									
Net (Million USD)	130,949.7	145,617.4	158,580.4	10.2	12.0	13.9	28.8	30.8	32.9
Gross (Million USD)	134,435.9	147,665.8	162,356.9	10.5	12.1	14.2	28.5	30.1	32.5
<b>Total Debt: <sup>1_/_</sup></b>									
Net (Million pesos)	5,943,288.0	6,947,446.4	7,503,117.2	35.4	38.8	42.2	100.0	100.0	100.0
(Million USD)	454,501.4	472,037.4	481,970.1						
Gross (Million pesos)	6,166,829.5	7,222,878.5	7,780,126.4	36.8	40.3	43.7	100.0	100.0	100.0
(Million USD)	471,596.3	490,751.4	499,764.0						

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

Net Debt results from subtracting the Federal Government's financial assets, assets from State Productive Enterprises and Development Banks from the Gross Debt.

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

p\_/\_ Preliminary figures.

1\_/\_ Includes liabilities from the Federal Government, State Productive Enterprises and Development Banks.

Source: Ministry of Finance and Public Credit.



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**FEDERAL PUBLIC SECTOR DOMESTIC DEBT, JANUARY-JUNE \* /**

(Million pesos)

	Outstanding 31-Dec-14	Movements January to June 2015			Adjustments	Outstanding 30-Jun-15 p_/_
		Disp.	Amort.	Net		
<b>1. Net Debt (3-2)</b>	<b>4,804,250.2</b>					<b>5,034,400.8</b>
2. Assets <sup>1_/_</sup>	245,283.1					218,218.3
<b>3. Gross Debt</b>	<b>5,049,533.3</b>	<b>1,566,685.1</b>	<b>1,368,185.2</b>	<b>198,499.9</b>	<b>4,585.9</b>	<b>5,252,619.1</b>
Structure by Term	5,049,533.3	1,566,685.1	1,368,185.2	198,499.9	4,585.9	5,252,619.1
Long-term	4,518,242.5	613,348.2	395,312.7	218,035.5	4,585.9	4,740,863.9
Short-term	531,290.8	953,336.9	972,872.5	-19,535.6	0.0	511,755.2
Structure by User	5,049,533.3	1,566,685.1	1,368,185.2	198,499.9	4,585.9	5,252,619.1
Federal Government	4,546,619.6	1,321,591.7	1,157,653.7	163,938.0	5,047.9	4,715,605.5
Long-term	4,025,828.8	564,255.7	369,181.0	195,074.7	5,047.9	4,225,951.4
Short-term	520,790.8	757,336.0	788,472.7	-31,136.7	0.0	489,654.1
State Productive Enterprises <sup>2_/_</sup>	396,402.7	66,998.9	31,380.7	35,618.2	-538.0	431,482.9
Long-term	396,402.7	34,291.0	18,524.9	15,766.1	-538.0	411,630.8
Short-term	0.0	32,707.9	12,855.8	19,852.1	0.0	19,852.1
Development Banks	106,511.0	178,094.5	179,150.8	-1,056.3	76.0	105,530.7
Long-term	96,011.0	14,801.5	7,606.8	7,194.7	76.0	103,281.7
Short-term	10,500.0	163,293.0	171,544.0	-8,251.0	0.0	2,249.0
Structure by Source	5,049,533.3	1,566,685.1	1,368,185.2	198,499.9	4,585.9	5,252,619.1
Bonds placed in the local market	4,581,547.3	1,286,219.8	1,071,666.2	214,553.6	3,011.2	4,799,112.1
S.A.R.	98,018.4	96,099.8	93,255.7	2,844.1	1,799.2	102,661.7
Commercial Banks	123,929.7	7,501.5	13,114.7	-5,613.2	75.3	118,391.8
ISSSTE's Law obligations <sup>3_/_</sup>	161,452.0	34.3	10,096.6	-10,062.3	201.8	151,591.5
Others	84,585.9	176,829.7	180,052.0	-3,222.3	-501.6	80,862.0

Note:

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

p\_/\_ Preliminary figures.

1\_/\_ Includes the balance denominated in pesos of the General Account of the Federal Treasury, as well as assets from State Productive Enterprises and Development Banks.

2\_/\_ Includes PEMEX and CFE.

3\_/\_ New ISSSTE's Law obligations of the Federal Government.

Source: Ministry of Finance and Public Credit.



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**FEDERAL PUBLIC SECTOR EXTERNAL DEBT, JANUARY-JUNE \*-/**

(Million USD)

	Outstanding 31-Dec-14	Movements January to March 2015			Adjustments	Outstanding 30-Jun-15 p./
		Disp.	Amort.	Net		
<b>1. Net Debt (3-2)</b>	<b>145,617.4</b>					<b>158,580.4</b>
2. Assets in foreign currency <sup>1-/</sup>	2,048.4					3,776.5
<b>3. Gross Debt</b>	<b>147,665.8</b>	<b>32,395.0</b>	<b>16,868.2</b>	<b>15,526.8</b>	<b>-835.7</b>	<b>162,356.9</b>
Structure by Term	147,665.8	32,395.0	16,868.2	15,526.8	-835.7	162,356.9
Long-term	142,869.2	21,621.1	7,399.2	14,221.9	-85.8	157,005.3
Short-term	4,796.6	10,773.9	9,469.0	1,304.9	-749.9	5,351.6
Structure by User	147,665.8	32,395.0	16,868.2	15,526.8	-835.7	162,356.9
Federal Government	78,573.4	9,080.7	4,652.9	4,427.8	-231.8	82,769.4
Long-term	78,573.4	9,080.7	4,652.9	4,427.8	-231.8	82,769.4
Short-term	0.0	0.0	0.0	0.0	0.0	0.0
State Productive Enterprises <sup>2-/</sup>	59,563.1	12,656.4	2,737.9	9,918.5	-415.3	69,066.3
Long-term	58,863.1	12,463.2	2,632.6	9,830.6	284.7	68,978.4
Short-term	700.0	193.2	105.3	87.9	-700.0	87.9
Development banks	9,529.3	10,657.9	9,477.4	1,180.5	-188.6	10,521.2
Long-term	5,432.7	77.2	113.7	-36.5	-138.7	5,257.5
Short-term	4,096.6	10,580.7	9,363.7	1,217.0	-49.9	5,263.7
Structure by Source	147,665.8	32,395.0	16,868.2	15,526.8	-835.7	162,356.9
Publicly Placed Bonds	100,708.1	17,586.0	4,382.6	13,203.4	-688.2	113,223.3
International Financial Institutions (IFI's)	28,186.0	701.4	423.9	277.5	-178.6	28,284.9
Bilateral	9,044.7	302.5	977.2	-674.7	-77.8	8,292.2
Commercial Banks	9,533.8	13,611.9	10,979.2	2,632.7	-0.6	12,165.9
Pidiéregas	193.2	193.2	105.3	87.9	109.5	390.6

Note:

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

p./ Preliminary figures.

1-/ Considers the balance denominated in US dollars of the General Account of the Federal Treasury, as well as those held by State Productive Enterprises and Development Banks.

2-/ Includes PEMEX and CFE only.

Source: Ministry of Finance and Public Credit.

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