



Mexico City, April 30th, 2019

## Reports on Economic Activity, Public Finances, and Public Debt as of the first quarter of 2019

- Mexico's economic activity continued to expand during the first two months of 2019, as a result of the growth of both the primary and tertiary sectors, according to the IGAE.
- In the January-March 2019 period, VAT collection, excluding refunds, increased 1.7% in real annual terms, while income from ISR grew 1.9%. Tax revenues were 5.1% higher than those of the first quarter of 2018, but lower than those programmed in Ps. 3.5 billion, mainly due to a 26.8% real annual increase in VAT refunds.
- The Federal Government revenues increased 2.2% in the first quarter of 2019 with respect to the same period of 2018, being above the program in Ps. 10.5 billion. On the other hand, the Public Sector total revenues were 1.2% lower in real terms than in the first quarter of 2018 and Ps. 68.7 billion in relation to the program, mainly as a result of lower Pemex's oil revenues.
- The net paid expenditure was less than the program in Ps. 86.6 billion, result in part from a lower programmable expenditure in Ps. 65.5 billion, which is explained by the reconfiguration of social programs and changes in the government procurement policy, aimed at improving the effectiveness and efficiency of public expenditure. The remaining amount, equal to Ps. 21.1 billion, is explained by lower non-programmable expenditure.
- In the first quarter of 2019, the main public finances balances were better than expected. The primary balance recorded a Ps. 98.0 billion surplus, higher than the Ps. 81.6 billion surplus in the program. Likewise, the public balance recorded a deficit of Ps. 24.5 billion, lower than the Ps. 67.7 billion deficit in the program.
- In January-March 2019, the Public Sector Borrowing Requirements, the broadest measure of the Public Sector balance, registered a Ps. 17.8 billion deficit, in line with the annual deficit target of 2.5% of GDP.
- The Historical Balance of the Public Sector Borrowing Requirements for the first quarter of 2019 was 42.3% of GDP.



Today, the Ministry of Finance delivered to the Congress the Reports on the Economic Activity, Public Finances, and Public Debt as of the first quarter of 2019, in compliance with the provisions of Article 107 of the Federal Budget and Fiscal Responsibility Law (LFPRH). The reports have also been made available to the public through the website of the Ministry. The main aspects of these reports are presented below.

## *Economic Outlook*

The global economy growth rate in the first quarter of 2019 showed a slowdown with respect to the previous quarter. This behavior occurred in a context of greater restrictions on international trade, uncertainty regarding trade policies, a slowdown in China's economy and the presence of adverse political factors in some countries. The International Monetary Fund (IMF), in its April update of the World Economic Outlook report, revised its growth projections for the world economy for 2019 from 3.5 to 3.3% while maintaining its projections for 2020 at 3.6%.

In the first quarter of 2019, a more stable performance of the international financial markets was observed in comparison to the high volatility in the last months of 2018, in part because of the perspective of a more accommodating stance of the main Central Banks and a greater optimism regarding the resolution of trade disputes between China and the United States. In this context, with respect to the previous quarter, there was a reduction in government instruments risk premiums, exchange rate volatility was reduced with respect to the dollar, and stock markets registered a recovery.

On the other hand, Mexico's economic activity during 2018 registered an annual growth of 2.0%, as a result of the expansion of both the primary and tertiary sectors, mainly. Economic activity, on the side of aggregate demand, showed a greater dynamism in the components of private consumption and exports, while gross fixed capital formation (public and private) continued to show weakness in its growth. On the supply side, the sectors of economic activity that boosted growth were the primary and service sectors, while secondary activities continued to show weakness in their growth rate. In the first two months of 2019, economic activity in the country, measured through the IGAE, continued to show a positive growth, although with a slowdown, standing at a real annual increase of 1.2% compared to the first two months of 2018. The behavior of the supply and demand components in the first two months of 2019 were similar to those of 2018.

Regarding employment evolution in the country, available information up to March 2019, indicates that the labor market registered a stable development during the first quarter, which resulted in a seasonally adjusted unemployment rate of 3.6%, slightly over the 3.5% rate from December 2018. Nevertheless, informality and critical conditions of occupation have increased, which could indicate the effects of



an economic activity deceleration. On the other side, during the first quarter of 2019, the favorable evolution of inflation and the increase of the minimum wage at the start of 2019 was reflected in the real wage growth.

Inflation showed a downward trajectory during the first quarter of 2019. At the end of March, annual headline inflation stood at 4.00, 0.17 percentage points below the one registered by year-end 2018. This reduction is mainly due to lower international reference prices of energy products. At March 29th, national currency stood at 19.42 pesos per US dollar, which implies a 1.13% appreciation with respect to the end of 2018.

### Public Finances

During the first quarter of 2019, the main public finance balances were better than the expected in the program. Between January and March 2019 the public sector primary balance, defined as the difference between total revenues and expenditure excluding financial cost, was Ps. 98 billion 1 million, higher than the programmed surplus of Ps. 81.6 billion and last year's Ps. 38.2 billion surplus. In the same period, the public sector deficit was Ps. 24.5 billion, lower than the deficit expected in the program of Ps. 67.7 billion and the deficit of Ps. 91.9 billion from the same period of 2018.

In the first quarter of 2019, the Public Sector Borrowing Requirements (PSBRs), the broadest measure of public sector balance, registered a Ps. 17.8 billion deficit, lower than what was observed in the same period of 2018 by Ps. 57.0 billion. This result is in line with the annual target of a 2.5% of GDP deficit.

During the January-March period of 2019, public sector budgetary revenues were Ps. 1.3 trillion, lower by Ps. 68.7 billion than expected in the program. Difference between observed and programmed revenues is due to lower revenues from oil activities, mainly Pemex. Within, the Federal Government revenues increased at a real annual rate of 2.2% with respect to the last year and these were above the program by Ps. 10.5 billion.

Tax revenues amounted to Ps. 858.0 billion, increasing 5.1% in a real annual rate and Ps. 3 billion 471 million below the program. The difference with the program is explained, mainly, by a lower net VAT collection than expected in the period due to an increase in refund payments during the first quarter of the year. This collection increased at a real annual rate of 26.8% with respect to the payments from the first trimester of 2018, even though gross VAT collection increased at a real annual rate of 1.7% in this period. A real growth rate of 1.9% in income tax stands out.

In January-March 2019, net paid expenditure was Ps. 1.3 trillion, lower than the amount expected in the program by Ps. 86.6 billion. The lower expenditure than what was scheduled is explained by a lower programmable expenditure by Ps. 65.5



billion and a lower non-programmable expenditure by Ps. 21.1 billion. The lower programmable expenditure was the result of lower expenditures from the Public Central Administration, the direct budgetary controlled organisms, Pemex, and autonomous entities. These lower expenditures respond to a reconfiguration of social programs and changes in procurement policy in order to improve the effectiveness and efficiency of public expenditure. On the other hand, the non-programmable expenditure was lower than expected in the program due to lower payment of commitments acquired by the Federal Government in previous fiscal years (Adefas), a lower financial cost and lower non-earmarked transfers to federal entities, which is caused by the decrease in the federal tax collection.

In line with the 2019 approved budget, the PSBRs will amount to 2.5% of GDP deficit by year-end, while the primary balance will be a 1.0% of GDP surplus. Furthermore, in line with the Preliminary General Economic Policy Guidelines 2020, it is expected that the Historical Balance of the PSBR (HBPSBR) will be of 45.1% of GDP at the end of the year.

### Public Debt

This Administration's commitment is to use public debt responsibly and transparently. This commitment is a crucial element of the fiscal discipline framework oriented to execute an austere and efficient public budget which allows keeping a sustainable debt trajectory.

In this regard, public debt management actions were aimed at maintaining a solid structure of public liabilities that allows maintaining a stable and predictable financial cost level, enabling efficient execution of the budget. Additionally, debt actions seek to contribute to inclusive economic development, strategically supporting projects with high economic and social profitability.

At the end of the first quarter of 2019, the main risk indicators of the Federal Government's debt were as follows: regarding the composition of debt, 77.3% of the Federal Government's net debt is denominated in pesos and 22.7% in foreign currency. Within the internal debt, the average maturity of government debt is 7.9 years, of these, 83.2% is at a fixed rate and long maturity. Within the external debt, the average maturity term of the external market debt is 18.9 years and 100% is at a fixed rate. Thus, the structure of the debt is robust and can stand against shocks coming from the international financial markets.

With respect to the most relevant debt operations during the first quarter of 2019, in January the Federal Government conducted a transaction in the international capital markets, for a total amount of USD 2 billion in Global Bonds with maturity in April 2029. With this placement, the Federal Government established a new



benchmark bond in the 10-year dollar market, with a yield rate of 4.577% and will pay a 4.5% coupon rate.

In April<sup>1</sup>, the Federal Government carried out a transaction in the euro markets with a placement of 1,500 million euros at a term of 7 years, as well as 1 billion euros to 20 years. With these transactions, the Federal Government captured resources for a total amount of 2,500 million euros, approximately USD 2.8 billion. The new 7-year benchmark was placed at a yield rate of 1.669% and will pay a coupon rate of 1.625%. Also, the new 20-year benchmark was placed at a yield rate of 2.969% and will pay a coupon rate of 2.875%.

Regarding domestic debt, it is worth noting that on March 13, 2019, a new fixed-rate bond was placed and will serve as a reference bond for a 5-year term. This placement was carried out through a syndicated auction for a total amount of Ps. 15 billion. The new bond with maturity in September 2024 will grant a yield rate of 7.95% and will pay a coupon rate of 8%.

As part of the Federal Government's strategy to improve the profile of debt repayments, on March 27, a swap operation involving M Bonds was carried out in the domestic market. In this operation, M bonds with maturities in 2019, 2020, 2021 and 2022 were exchanged for bonds with maturities in 2024, 2026, 2029 and 2031. In total, Ps. 26.1 billion were allocated, decreasing amortizations in 699 million pesos for 2019; in Ps. 9.0 billion for 2020, in Ps. 7.5 billion for 2021; and in Ps. 8.8 billion for 2022.

The debt balances evolution during the first quarter of 2019 is in line with the objectives of this year's fiscal policy. At the end of the first quarter of 2019, the HBPSBR, an indicator that includes the obligations of the Public Sector in its broadest version, amounted to Ps. 10.5 trillion. The internal component amounted to Ps. 6.7 trillion and the external component to USD 197.0 billion dollars. As a proportion of GDP, HBPSBR stood at 42.3% of GDP, 2.5 percentage points lower than the level observed at the end of 2018.

Regarding the Public Sector net debt, which includes the net debt of the Federal Government, of the State Owned Enterprises and of the Development Banks, at the end of the first quarter of 2019, it stood at Ps. 10.8 trillion pesos. The internal component of this net debt stood at Ps. 6.9 trillion (64.0%) and the external component amounted to USD 202.2 billion (36.0%).

Finally, at the end of the first quarter of 2019, the Federal Government net debt balance stood at Ps. 8.1 trillion. The structure of the Federal Government's debt current portfolio maintains most of its liabilities denominated in national currency,

---

<sup>1</sup> Although these operations are outside the period of this quarterly report, it is considered relevant to detail them in order to maintain constant communication about the management of public debt.

# SHCP

SECRETARÍA DE HACIENDA  
Y CRÉDITO PÚBLICO



representing, as of March 31, 2019, 77.3% of the total balance of this debt, which is equivalent to Ps. 6.2 trillion. On the other hand, the balance of the Federal Government net external debt amounted to USD 95.1 billion.



## Annexes

### Public Sector Financial Situation (Million pesos)

| Concept   | January-March              |                        |  | Nominal<br>Difference<br>(3-2) | Growth %<br>real<br>(3/1) |
|---|----------------------------|------------------------|--|--------------------------------|---------------------------|
|   | 2018 <sup>P./</sup><br>(1) | 2019<br>Program<br>(2) | 2019<br>Observed <sup>P./</sup><br>(3) |                                |                           |
| <b>Public balance</b>                                   | <b>-91,937.3</b>           | <b>-67,703.0</b>       | <b>-24,482.8</b>                       | <b>43,220.1</b>                | <b>n.s.</b>               |
| <b>Public balance excluding investment<sup>1/</sup></b> | <b>62,812.6</b>            | <b>95,189.1</b>        | <b>116,288.2</b>                       | <b>21,099.2</b>                | <b>77.8</b>               |
| Budgetary balance                                       | -117,369.8                 | -67,853.0              | -49,980.7                              | 17,872.2                       | n.s.                      |
| Budgetary revenues                                      | 1,259,408.1                | 1,364,133.1            | 1,295,433.4                            | -68,699.7                      | -1.2                      |
| Net budgetary expenditure                               | 1,376,777.9                | 1,431,986.1            | 1,345,414.1                            | -86,571.9                      | -6.1                      |
| Entities under indirect budgetary control               | 25,432.4                   | 150.0                  | 25,497.9                               | 25,347.9                       | -3.7                      |
| Primary balance   | 38,204.7                   | 81,635.8               | 98,000.9                               | 16,365.2                       | 146.4                     |
| <b>Public balance by entities</b>                       | <b>-91,937.3</b>           | <b>-67,703.0</b>       | <b>-24,482.8</b>                       | <b>43,220.1</b>                | <b>n.s.</b>               |
| Budgetary balance                                       | -117,369.8                 | -67,853.0              | -49,980.7                              | 17,872.2                       | n.s.                      |
| Federal Government balance                              | -95,024.6                  | -75,132.9              | 606.9                                  | 75,739.8                       | n.s.                      |
| State productive enterprises                            | -75,837.6                  | -28,274.5              | -114,436.9                             | -86,162.4                      | n.s.                      |
| PEMEX   | -39,240.8                  | -31,301.4              | -79,973.3                              | -48,671.9                      | n.s.                      |
| CFE   | -36,596.8                  | 3,026.9                | -34,463.6                              | -37,490.5                      | n.s.                      |
| Entities under direct budgetary control                 | 53,492.4                   | 35,554.4               | 63,849.3                               | 28,294.8                       | 14.7                      |
| IMSS  | 51,410.3                   | 40,290.3               | 62,342.0                               | 22,051.6                       | 16.5                      |
| ISSSTE  | 2,082.1                    | -4,735.9               | 1,507.3                                | 6,243.2                        | -30.5                     |
| Entities under indirect budgetary control               | 25,432.4                   | 150.0                  | 25,497.9                               | 25,347.9                       | -3.7                      |
| <b>Memorandum items</b>                                 |                            |                        |  |                                |                           |
| PSBR  | -56,963.2                  | -86,913.5              | -17,816.0                              | 69,097.5                       | n.s.                      |
| Primary PSBR  | 137,536.8                  | 107,936.3              | 181,818.5                              | 73,882.2                       | 27.0                      |

Note: Figures may not add up due to rounding.

P./ Preliminary figures.

n.s.: Not significant.

<sup>1/</sup> Excludes up to 2.0% of the GDP of both State productive enterprises and Federal Government's physical investment as per the Article 1 of the 2018 Federal Income Law.

Source: Ministry of Finance.



## Public Sector Budgetary Revenues (Million pesos)

| Concept  | January-March      |                        |                             | Nominal<br>Difference<br>(3-2) | Growth %<br>real<br>(3/1) |
|--|--------------------|------------------------|-----------------------------|--------------------------------|---------------------------|
|  | 2018 P./<br>(1)    | 2019<br>Program<br>(2) | 2019<br>Observed P./<br>(3) |                                |                           |
| <b>Total</b>   | <b>1,259,408.1</b> | <b>1,364,133.1</b>     | <b>1,295,433.4</b>          | <b>-68,699.7</b>               | <b>-1.2</b>               |
| <b>Oil</b>   | <b>228,328.9</b>   | <b>264,673.6</b>       | <b>179,034.4</b>            | <b>-85,639.2</b>               | <b>-24.7</b>              |
| State productive enterprises (Pemex)                     | 103,614.7          | 136,770.9              | 64,160.5                    | -72,610.4                      | -40.5                     |
| Federal Government                                       | 124,714.3          | 127,902.7              | 114,873.9                   | -13,028.8                      | -11.5                     |
| Mexican Oil Fund   | 124,714.3          | 127,902.7              | 114,873.9                   | -13,028.8                      | -11.5                     |
| Income Tax from contractors and assignees                | 0.0                | 0.0                    | 0.0                         | 0.0                            | n.s.                      |
| <b>Non-oil</b>   | <b>1,031,079.2</b> | <b>1,099,459.5</b>     | <b>1,116,399.0</b>          | <b>16,939.5</b>                | <b>4.0</b>                |
| Federal Government                                       | 851,324.7          | 899,959.5              | 923,535.0                   | 23,575.5                       | 4.2                       |
| Tax  | 784,411.7          | 861,467.2              | 857,996.4                   | -3,470.8                       | 5.1                       |
| Income Tax   | 437,344.1          | 465,433.6              | 463,946.8                   | -1,486.8                       | 1.9                       |
| Value Added Tax  | 234,440.0          | 248,293.1              | 243,418.4                   | -4,874.7                       | -0.3                      |
| Excise Tax   | 87,484.8           | 117,648.9              | 121,594.6                   | 3,945.7                        | 33.5                      |
| Imports  | 13,586.0           | 16,680.1               | 16,836.2                    | 156.1                          | 19.0                      |
| Tax on hydrocarbon exploration and extraction activities | 1,190.2            | 1,109.4                | 1,583.2                     | 473.8                          | 27.8                      |
| Others   | 10,366.7           | 12,302.1               | 10,617.2                    | -1,684.9                       | -1.6                      |
| Non tax  | 66,913.0           | 38,492.3               | 65,538.6                    | 27,046.3                       | -5.9                      |
| Entities under direct budgetary control                  | 93,396.8           | 93,999.4               | 99,011.4                    | 5,012.0                        | 1.8                       |
| IMSS   | 82,226.5           | 85,911.8               | 89,634.0                    | 3,722.1                        | 4.7                       |
| ISSSTE   | 11,170.3           | 8,087.6                | 9,377.4                     | 1,289.9                        | -19.4                     |
| State productive enterprises (CFE)                       | 86,357.6           | 105,500.6              | 93,852.6                    | -11,648.0                      | 4.4                       |
| <b>Memorandum items</b>                                  |                    |                        |                             |                                |                           |
| Tax revenues excluding fuels Excise Tax                  | 741,347.7          | 787,089.7              | 780,613.9                   | -6,475.8                       | 1.1                       |

Note: Partial sums and variation may not add up due to rounding.

P./ Preliminary figures.

Source: Ministry of Finance.





## Public Sector Total Budgetary Expenditure (Million pesos)

| Concept  | January-March      |                        |                             | Nominal<br>Difference<br>(3-2) | Growth %<br>real<br>(3/1) |
|--|--------------------|------------------------|-----------------------------|--------------------------------|---------------------------|
|  | 2018 P./<br>(1)    | 2019<br>Program<br>(2) | 2019<br>Observed P./<br>(3) |                                |                           |
| <b>Total</b>   | <b>1,376,777.9</b> | <b>1,431,986.1</b>     | <b>1,345,414.1</b>          | <b>-86,571.9</b>               | <b>-6.1</b>               |
| <b>Primary expenditure</b>   | <b>1,251,095.0</b> | <b>1,282,622.1</b>     | <b>1,206,583.3</b>          | <b>-76,038.8</b>               | <b>-7.4</b>               |
| Programmable   | 972,846.7          | 1,027,885.1            | 962,427.5                   | -65,457.6                      | -5.0                      |
| Federal Government   | 721,844.4          | 752,774.6              | 703,149.3                   | -49,625.3                      | -6.4                      |
| Autonomous branches  | 20,693.5           | 29,517.8               | 18,928.3                    | -10,589.5                      | -12.1                     |
| Administrative branches  | 269,021.4          | 255,201.0              | 233,434.9                   | -21,766.2                      | -16.6                     |
| General branches   | 432,129.4          | 468,055.7              | 450,786.1                   | -17,269.7                      | 0.2                       |
| Entities under direct budgetary control  | 228,379.9          | 276,676.2              | 248,117.4                   | -28,558.7                      | 4.4                       |
| IMSS   | 136,423.8          | 167,664.8              | 147,568.6                   | -20,096.2                      | 3.9                       |
| ISSSTE   | 91,956.1           | 109,011.4              | 100,548.9                   | -8,462.5                       | 5.0                       |
| State productive enterprises   | 220,221.3          | 227,082.7              | 234,533.3                   | 7,450.6                        | 2.3                       |
| Pemex  | 94,595.2           | 121,765.4              | 102,577.8                   | -19,187.5                      | 4.2                       |
| CFE  | 125,626.1          | 105,317.3              | 131,955.4                   | 26,638.1                       | 0.9                       |
| (-) Compensated operations   | 197,598.9          | 228,648.3              | 223,372.5                   | -5,275.9                       | 8.6                       |
| Non-programmable   | 278,248.3          | 254,737.0              | 244,155.8                   | -10,581.2                      | -15.7                     |
| Non-earmarked transfers  | 210,464.0          | 232,991.9              | 232,290.5                   | -701.4                         | 6.0                       |
| Adefas and others  | 67,784.3           | 21,745.1               | 11,865.3                    | -9,879.8                       | -83.2                     |
| <b>Financial cost</b>  | <b>125,682.9</b>   | <b>149,363.9</b>       | <b>138,830.8</b>            | <b>-10,533.1</b>               | <b>6.1</b>                |
| <b>Memorandum items</b>  |                    |                        |                             |                                |                           |
| Total net expenditure without outlays on financial investments, pension payments, non-earmarked transfers and financial cost <sup>1/</sup> | 820,215.0          | 801,443.7              | 723,540.3                   | -77,903.5                      | -15.3                     |
| Total net expenditure without outlays on financial investments, pension payments and non-earmarked transfers                               | 945,897.9          | 950,807.7              | 862,371.1                   | -88,436.6                      | -12.4                     |
| Total net expenditure without outlays on financial investments   | 1,358,733.8        | 1,412,106.8            | 1,314,006.7                 | -98,100.1                      | -7.1                      |
| Current structural expenditure   | 538,711.7          | 563,052.1              | 502,467.2                   | -60,584.9                      | -10.4                     |

Note: Partial sums and variation may not add up due to rounding.

<sup>1/</sup> If Adefas for contributions to Stabilization Funds are excluded, total net expenditure decreased by 11.2% in real terms.

P./ Preliminary figures.

Source: Ministry of Finance.



## Summary of the main indicators on Public finances (Billion pesos)

| Concept   | January-March              |                            | Growth<br>% real<br>(2/1) | Annual                     |                               |                                 | % advance with respect to: |                                 |                                   |
|---|----------------------------|----------------------------|---------------------------|----------------------------|-------------------------------|---------------------------------|----------------------------|---------------------------------|-----------------------------------|
|   | 2018 <sup>P./</sup><br>(1) | 2019 <sup>P./</sup><br>(2) |                           | 2018 <sup>P./</sup><br>(3) | 2019                          |                                 | 2018<br>(1/3)              | 2019                            |                                   |
|   |                            |                            |                           |                            | Program <sup>1./</sup><br>(4) | Estimated <sup>2./</sup><br>(5) |                            | Program <sup>1./</sup><br>(2/4) | Estimated <sup>2./</sup><br>(2/5) |
| 1. Budgetary revenues   | 1,259.4                    | 1,295.4                    | -1.2                      | 5,115.1                    | 5,298.2                       | 5,204.0                         | 24.6                       | 24.5                            | 24.9                              |
| 2. Tax revenues   | 784.4                      | 858.0                      | 5.1                       | 3,062.3                    | 3,311.4                       | 3,301.5                         | 25.6                       | 25.9                            | 26.0                              |
| 3. Tax revenues without fuels excise tax (IEPS)   | 741.3                      | 780.6                      | 1.1                       | 2,874.7                    | 3,042.1                       | 3,017.6                         | 25.8                       | 25.7                            | 25.9                              |
| 4. Total net expenditure without outlays on financial investments, pension payments, non-earmarked transfers and financial cost | 820.2                      | 723.5                      | -15.3                     | 3,232.0                    | 3,209.7                       | 3,124.0                         | 25.4                       | 22.5                            | 23.2                              |
| 5. Total net expenditure without outlays on financial investments pension payments and non-earmarked transfers                  | 945.9                      | 862.4                      | -12.4                     | 3,847.1                    | 3,958.8                       | 3,869.1                         | 24.6                       | 21.8                            | 22.3                              |
| 6. Total net expenditure without outlays on financial investments   | 1,358.7                    | 1,314.0                    | -7.1                      | 5,483.8                    | 5,756.1                       | 5,661.9                         | 24.8                       | 22.8                            | 23.2                              |
| 7. Total net expenditure  | 1,376.8                    | 1,345.4                    | -6.1                      | 5,589.4                    | 5,802.0                       | 5,707.9                         | 24.6                       | 23.2                            | 23.6                              |
| 8. Current structural expenditure   | 538.7                      | 502.5                      | -10.4                     | 2,304.1                    | 2,314.2                       | 2,314.2                         | 23.4                       | 21.7                            | 21.7                              |
| 9. Primary balance  | 38.2                       | 98.0                       | 146.4                     | 141.4                      | 245.7                         | 236.7                           | 27.1                       | 40.0                            | 41.4                              |
| 10. PSBR  | -57.0                      | -17.8                      | n.a.                      | -547.7                     | -629.0                        | -622.1                          | 10.4                       | 2.8                             | 2.9                               |
| 11. HBPSBR  | 9,933.0                    | 10,523.8                   | 1.8                       | 10,548.0                   | 11,288.3                      | 11,218.2                        | 94.2                       | 93.2                            | 93.8                              |
| 12. Public debt   | 10,034.2                   | 10,846.9                   | 3.8                       | 10,829.9                   | 11,363.9                      | 11,538.8                        | 92.7                       | 95.5                            | 94.0                              |

Note: Partial sums may not add up due to rounding.

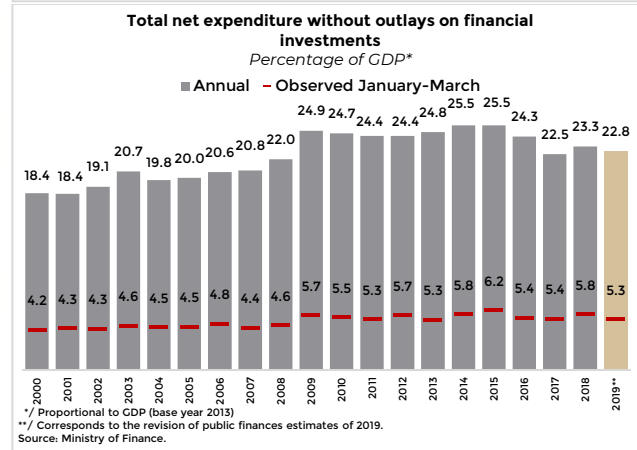
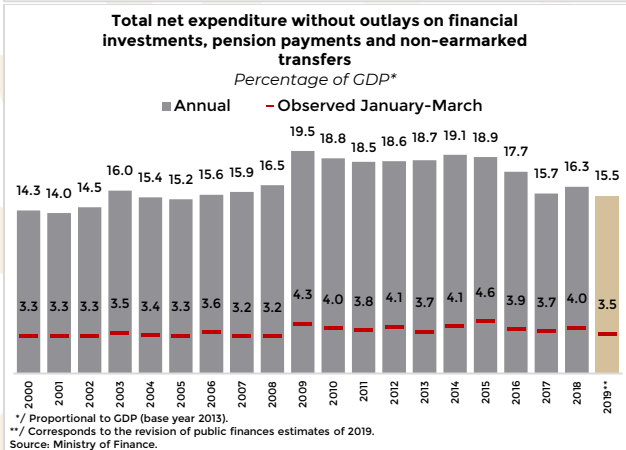
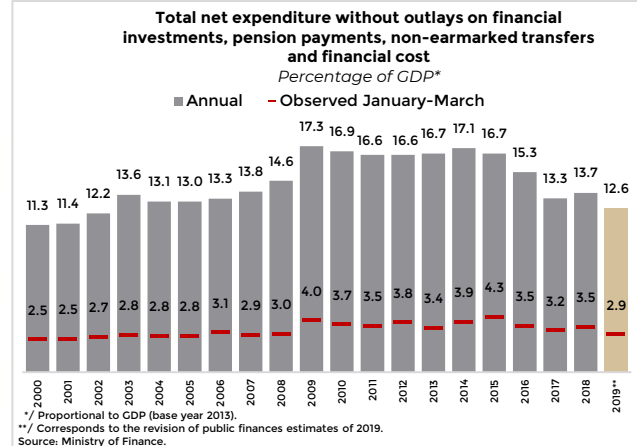
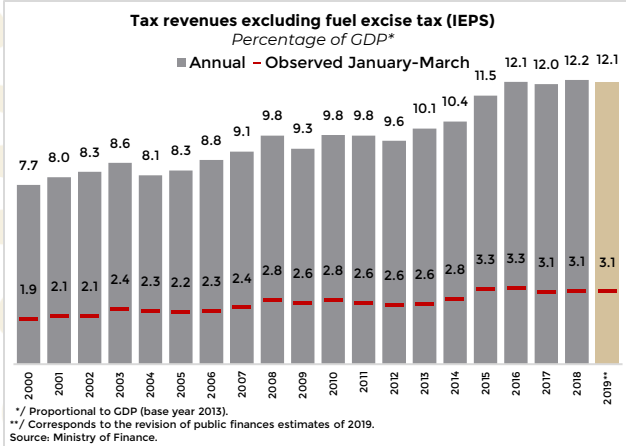
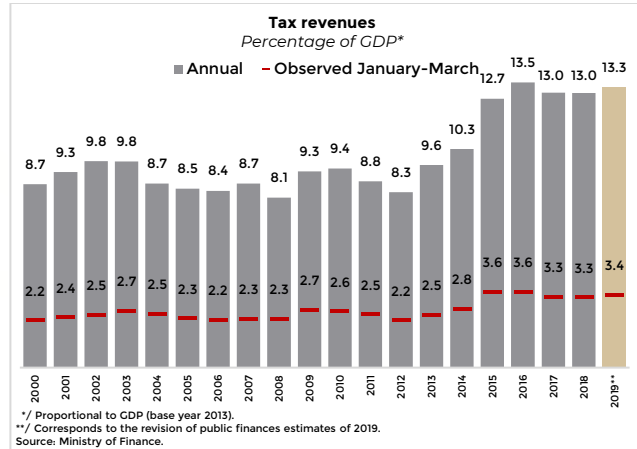
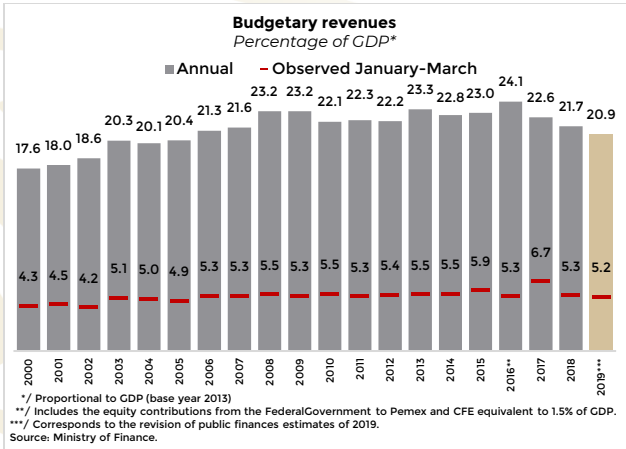
P./ Preliminary figures.

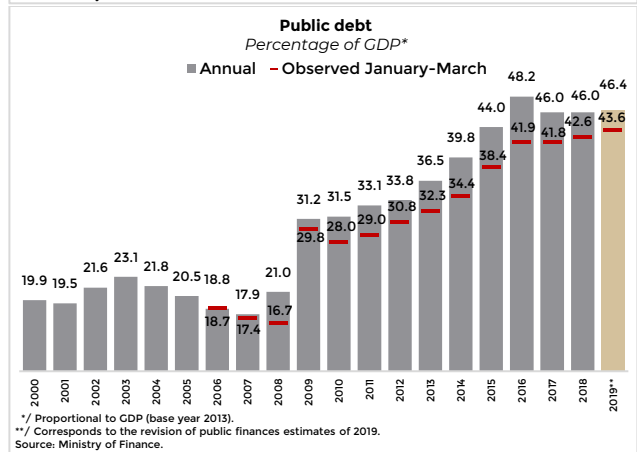
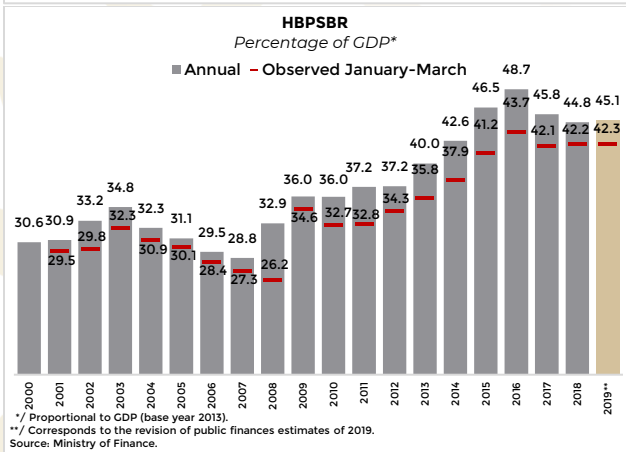
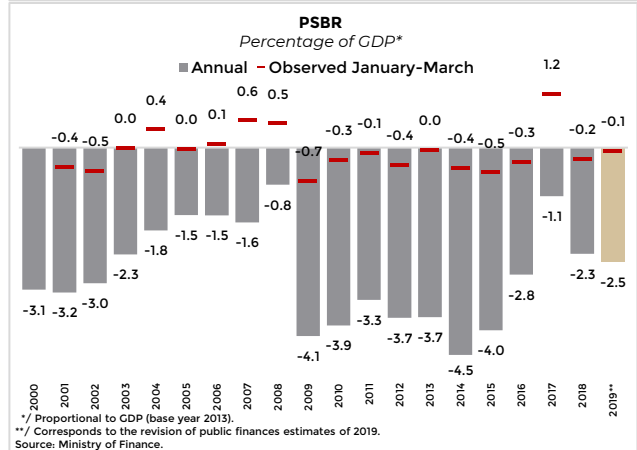
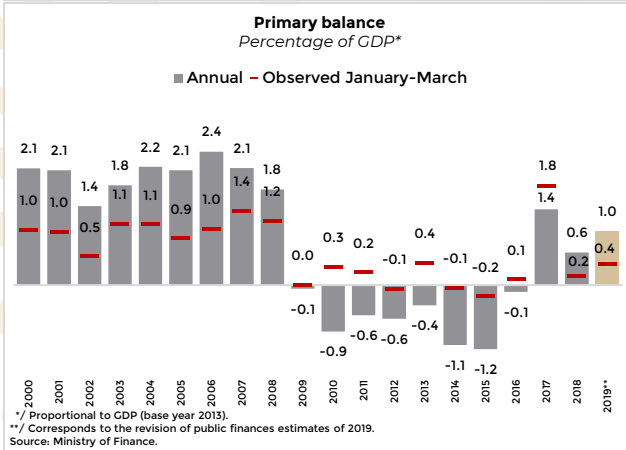
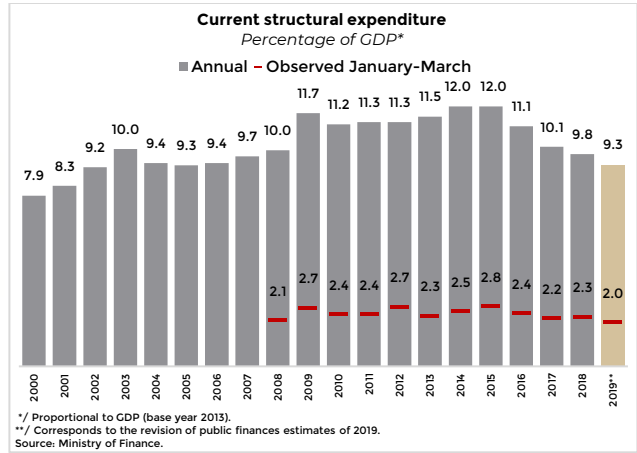
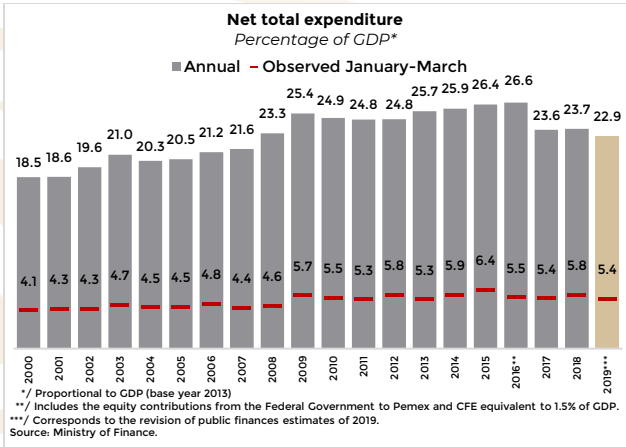
n.a.: Does not apply.

<sup>1./</sup> Corresponds to the Federal Income Law and the Federal Budget for the fiscal year 2019 approved by the Congress.

<sup>2./</sup> Corresponds to the revision of public finances estimates of 2019.

Source: Ministry of Finance.







## Balance of Stabilization funds, 2018-2019 (Million pesos)

|  | Dec-18         | Mar-19         | Difference    |
|--|----------------|----------------|---------------|
| <b>Total</b>   | <b>387,363</b> | <b>402,111</b> | <b>14,747</b> |
| Budgetary Revenues Stabilization Fund (FEIP)             | 279,771        | 290,788        | 11,018        |
| Federal Entities Revenues Stabilization Fund (FEIEF)     | 88,722         | 91,569         | 2,847         |
| Mexican Oil Fund for Stabilization and Development (FMP) | 18,871         | 19,754         | 883           |

Source: Ministry of Finance.



## Federal Public Sector Debt Balances, March 2019 \*\_// (Million pesos)

| Concept                            | Balance      |                        |                        | % of annual GDP <sup>2_/_</sup> |        |        | % of GDP QoQ Annualized <sup>3_/_</sup> |        |        | Percentage Structure |        |        |
|------------------------------------|--------------|------------------------|------------------------|---------------------------------|--------|--------|---|--------|--------|----------------------|--------|--------|
|                                    | Dec-17       | Dec-18 <sup>p_/_</sup> | Mar-19 <sup>p_/_</sup> | Dec-17                          | Dec-18 | Mar-19 | Dec-17                                  | Dec-18 | Mar-19 | Dec-17               | Dec-18 | Mar-19 |
| <b>Domestic debt:</b>              |              |                        |                        |                                 |        |        |   |        |        |                      |        |        |
| Net (Million pesos)                | 6,284,707.0  | 6,867,594.7            | 6,940,998.6            | 28.7                            | 29.2   | 27.9   | 27.5                                    | 28.0   | 29.2   | 62.3                 | 63.4   | 64.0   |
| Gross (Million pesos)              | 6,448,500.8  | 7,036,273.2            | 7,112,814.9            | 29.4                            | 29.9   | 28.6   | 28.2                                    | 28.7   | 29.9   | 62.7                 | 63.9   | 64.1   |
| <b>External debt:</b>              |              |                        |                        |                                 |        |        |   |        |        |                      |        |        |
| Net (Million dollars)              | 192,344.0    | 201,307.3              | 202,166.9              | 17.3                            | 16.8   | 15.7   | 16.6                                    | 16.2   | 16.4   | 37.7                 | 36.6   | 36.0   |
| Gross (Million dollars)            | 193,981.2    | 202,355.3              | 206,299.0              | 17.5                            | 16.9   | 16.0   | 16.8                                    | 16.3   | 16.8   | 37.3                 | 36.1   | 35.9   |
| <b>Total Debt: <sup>1_/_</sup></b> |              |                        |                        |                                 |        |        |   |        |        |                      |        |        |
| Net (Million pesos)                | 10,090,560.1 | 10,829,906.6           | 10,846,881.9           | 46.0                            | 46.0   | 43.6   | 44.1                                    | 44.2   | 45.6   | 100.0                | 100.0  | 100.0  |
| (Million dollars)                  | 509,966.8    | 550,219.1              | 561,429.9              |                                 |        |        |   |        |        |                      |        |        |
| Gross (Million pesos)              | 10,286,748.6 | 11,019,212.3           | 11,098,532.2           | 46.9                            | 46.8   | 44.6   | 45.0                                    | 45.0   | 46.7   | 100.0                | 100.0  | 100.0  |
| (Million dollars)                  | 519,882.0    | 559,836.8              | 574,455.2              |                                 |        |        |   |        |        |                      |        |        |

Note: Partial sums and variations may not add up due to rounding.

The concept of Net Debt is obtained by subtracting from the Gross Debt Balance the financial assets of the Federal Government, and the availabilities of both

State Productive Enterprises and Development Banks.

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

p\_/\_ Preliminary figures.

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

2\_/\_ For the year 2019, the annual GDP published in the General Economic Policy Preliminary Guidelines 2020 (PCGPE 2020) was used.

3\_/\_ For the year 2019, the GDP of the first quarter was used, according to estimates from the Ministry of Finance.

Source: Ministry of Finance.



## Federal Government Domestic Debt, January-March \* \_/ (Million pesos)

| Concept                                      | Balance as of December 2018 <sup>p_/_</sup> | Indebtedness     |                  |                 | Adjustments     | Balance as of March 2019 <sup>p_/_</sup> |
|--|---|------------------|------------------|-----------------|-----------------|--|
|  |   | Origin.          | Amort.           | Net             |                 |  |
| <b>1. Net Debt (3-2)</b>                     | <b>6,867,594.7</b>                          |                  |                  |                 |                 | <b>6,940,998.6</b>                       |
| 2. Assets <sup>1_/_</sup>                    | 168,678.5                                   |                  |                  |                 |                 | 171,816.3                                |
| <b>3. Gross Debt</b>                         | <b>7,036,273.2</b>                          | <b>968,806.4</b> | <b>910,037.1</b> | <b>58,769.3</b> | <b>17,772.4</b> | <b>7,112,814.9</b>                       |
| <b>Structure by Term</b>                     | <b>7,036,273.2</b>                          | <b>968,806.4</b> | <b>910,037.1</b> | <b>58,769.3</b> | <b>17,772.4</b> | <b>7,112,814.9</b>                       |
| Long-term                                    | 6,463,924.9                                 | 388,976.9        | 231,164.9        | 157,812.0       | 31,775.3        | 6,653,512.2                              |
| Short-term                                   | 572,348.3                                   | 579,829.5        | 678,872.2        | -99,042.7       | -14,002.9       | 459,302.7                                |
| <b>Structure by User</b>                     | <b>7,036,273.2</b>                          | <b>968,806.4</b> | <b>910,037.1</b> | <b>58,769.3</b> | <b>17,772.4</b> | <b>7,112,814.9</b>                       |
| Federal Government                           | 6,429,344.4                                 | 711,793.5        | 647,690.8        | 64,102.7        | 11,217.9        | 6,504,665.0                              |
| Long-term                                    | 5,911,049.2                                 | 387,469.3        | 214,657.7        | 172,811.6       | 11,217.9        | 6,095,078.7                              |
| Short-term                                   | 518,295.2                                   | 324,324.2        | 433,033.1        | -108,708.9      | 0.0             | 409,586.3                                |
| State Productive Enterprises <sup>2_/_</sup> | 378,073.9                                   | 96,345.2         | 93,698.0         | 2,647.2         | -1,193.5        | 379,527.6                                |
| Long-term                                    | 366,773.9                                   | 0.0              | 16,507.2         | -16,507.2       | -1,193.5        | 349,073.2                                |
| Short-term                                   | 11,300.0                                    | 96,345.2         | 77,190.8         | 19,154.4        | 0.0             | 30,454.4                                 |
| Development Banks                            | 228,854.9                                   | 160,667.7        | 168,648.3        | -7,980.6        | 7,748.0         | 228,622.3                                |
| Long-term                                    | 186,101.8                                   | 1,507.6          | 0.0              | 1,507.6         | 21,750.9        | 209,360.3                                |
| Short-term                                   | 42,753.1                                    | 159,160.1        | 168,648.3        | -9,488.2        | -14,002.9       | 19,262.0                                 |
| <b>Structure by Source of Financing</b>      | <b>7,036,273.2</b>                          | <b>968,806.4</b> | <b>910,037.1</b> | <b>58,769.3</b> | <b>17,772.4</b> | <b>7,112,814.9</b>                       |
| Issuance of Securities                       | 6,321,902.1                                 | 631,828.0        | 555,292.0        | 76,536.0        | 16,465.4        | 6,414,903.5                              |
| Savings Fund                                 | 135,951.0                                   | 78,937.2         | 83,711.7         | -4,774.5        | 2,232.5         | 133,409.0                                |
| Commercial Banks                             | 99,700.5                                    | 170,850.2        | 164,326.6        | 6,523.6         | -112.0          | 106,112.1                                |
| ISSSTE's Law obligations <sup>3_/_</sup>     | 141,843.5                                   | 39.8             | 4,171.1          | -4,131.3        | 708.9           | 138,421.1                                |
| PEMEX Pension bonds <sup>4_/_</sup>          | 133,774.4                                   | 0.0              | 17,978.2         | -17,978.2       | 0.0             | 115,796.2                                |
| CFE Pension bonds <sup>5_/_</sup>            | 160,187.5                                   | 0.0              | 0.0              | 0.0             | 0.0             | 160,187.5                                |
| Others                                       | 42,914.2                                    | 87,151.2         | 84,557.5         | 2,593.7         | -1,522.4        | 43,985.5                                 |

Note: Figures may not add up due to rounding.

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

p\_/\_ Preliminary figures.

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

2\_/\_ Includes only PEMEX and CFE.

3\_/\_ Obligations associated with the new ISSSTE law.

4\_/\_ Obligations associated with the financial support from the Federal Government to PEMEX given the savings in their pension obligations, according to the "Agreement on the general provisions concerning the Federal Government's assumption of PEMEX and its Subsidiary Productive Enterprises' pensions and retirement obligations", published in the Federal Official Gazette on December 24<sup>th</sup>, 2015.

5\_/\_ Obligations associated with the financial support from the Federal Government to CFE given the savings in their pension obligations, according to the "Agreement on the general provisions concerning the Federal Government's assumption of the Federal Electricity Commission's pension and retirement obligations" published in the Federal Official Gazette on February 14<sup>th</sup>, 2016.

Source: Ministry of Finance.



## Federal Government External Debt, January-March \*\_/ (Million dollars)

| Concept  | Balance as of December 2018 <sup>p_/</sup> | Indebtedness    |                |                | Adjustments   | Balance as of March 2019 <sup>p_/</sup> |
|--|--|-----------------|----------------|----------------|---------------|---|
|  |  | Obligations     | Amort.         | Net            |               |   |
| <b>1. Net Debt (3-2)</b>                                 | <b>201,307.3</b>                           |                 |                |                |               | <b>202,166.9</b>                        |
| 2. Financial assets in foreign currencies <sup>1_/</sup> | 1,048.0                                    |                 |                |                |               | 4,132.1                                 |
| <b>3. Gross debt</b>                                     | <b>202,355.3</b>                           | <b>10,175.8</b> | <b>5,576.2</b> | <b>4,599.6</b> | <b>-655.9</b> | <b>206,299.0</b>                        |
| <b>Structure by term</b>                                 | <b>202,355.3</b>                           | <b>10,175.8</b> | <b>5,576.2</b> | <b>4,599.6</b> | <b>-655.9</b> | <b>206,299.0</b>                        |
| Long-term  | 198,204.6                                  | 2,639.6         | 1,750.6        | 889.0          | -667.3        | 198,426.3                               |
| Short-term   | 4,150.7                                    | 7,536.2         | 3,825.6        | 3,710.6        | 11.4          | 7,872.7                                 |
| <b>Structure by user</b>                                 | <b>202,355.3</b>                           | <b>10,175.8</b> | <b>5,576.2</b> | <b>4,599.6</b> | <b>-655.9</b> | <b>206,299.0</b>                        |
| Federal Government                                       | 95,845.6                                   | 2,618.3         | 174.3          | 2,444.0        | -333.1        | 97,956.5                                |
| Long-term  | 95,845.6                                   | 2,618.3         | 174.3          | 2,444.0        | -333.1        | 97,956.5                                |
| Short-term   | 0.0  | 0.0             | 0.0            | 0.0            | 0.0           | 0.0                                     |
| State Productive Enterprises <sup>2_/</sup>              | 94,691.2                                   | 4,137.3         | 1,576.4        | 2,560.9        | -375.5        | 96,876.6                                |
| Long-term  | 94,391.2                                   | 21.3            | 1,517.5        | -1,496.2       | -375.5        | 92,519.5                                |
| Short-term   | 300.0                                      | 4,116.0         | 58.9           | 4,057.1        | 0.0           | 4,357.1                                 |
| Development Banks  | 11,818.5                                   | 3,420.2         | 3,825.5        | -405.3         | 52.7          | 11,465.9                                |
| Long-term  | 7,967.8                                    | 0.0             | 58.8           | -58.8          | 41.3          | 7,950.3                                 |
| Short-term   | 3,850.7                                    | 3,420.2         | 3,766.7        | -346.5         | 11.4          | 3,515.6                                 |
| <b>Structure by Source of Financing</b>                  | <b>202,355.3</b>                           | <b>10,175.8</b> | <b>5,576.2</b> | <b>4,599.6</b> | <b>-655.9</b> | <b>206,299.0</b>                        |
| Capital markets  | 155,907.5                                  | 2,000.0         | 1,317.0        | 683.0          | -659.3        | 155,931.2                               |
| International Financing Institutions (IFI's)             | 30,214.6                                   | 618.3           | 182.6          | 435.7          | 47.0          | 30,697.3                                |
| International Trade                                      | 5,894.3                                    | 0.0             | 185.3          | -185.3         | -24.5         | 5,684.5                                 |
| Commercial Banks   | 10,063.8                                   | 7,281.5         | 3,832.4        | 3,449.1        | 1.0           | 13,513.9                                |
| Pidiregas  | 275.1                                      | 276.0           | 58.9           | 217.1          | -20.1         | 472.1                                   |

Note: Figures may not add up due to rounding.

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

p\_/ Preliminary figures.

1\_/ Considers the net US dollar denominated balance of the General Account of the Federal Treasury as well as the availabilities of State Productive Enterprises.

2\_/ Includes only PEMEX and CFE.

Source: Ministry of Finance.