

Mexico City, January 30th, 2020

Reports on Economic Activity, Public Finances, and Public Debt as of the Fourth Quarter of 2019

- During the fourth quarter of 2019, the global economy continued to show a slower pace of growth in a context of persistent but downward trade tensions, a deterioration of the international industrial sector and lower investment flows, as well as greater political uncertainty at the global level. Along with this process of a global slowdown and domestic factors, Mexico's economic activity has shown a slowdown.
- In 2019, the fiscal goals were exceeded in comparison to those programmed for the year, which ratifies the Administration's commitment to sound public finances.
- In 2019, a primary surplus of 1.1% of GDP was reached, greater than the surplus of 0.6% of GDP registered in 2018 and the one estimated in the 2019 Economic Program of 1.0% of GDP. Likewise, the Public Sector Borrowing Requirements (PSBRs) registered a deficit of 2.3% of the GDP, lower than expected in the 2019 Economic Program of 2.5% of GDP.
- Consequently, the Historical Balance of the Public Sector Borrowing Requirements (HBPSBR) amounted to 44.7% of GDP, which was lower by 0.2 percentage points of GDP than that observed at the end of 2018 and what was established in the 2019 Economic Program of 45.3% of GDP. Thus, in 2019 debt as a proportion of GDP continue to show a decreasing trajectory.

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Today, the Ministry of Finance delivered to Congress the Reports on the Economic Activity, Public Finances, and Public Debt as of the fourth 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.

The government's economic program has as a general objective of contributing to a stable, equitable and inclusive development. For this, it is important to preserve sound public finances, stabilize the level of public debt as a proportion of GDP and promote sustainable trajectories of the main economic variables, in order to achieve social protection schemes and sustainable improvements in the distribution of revenues. In line with the above, the results of public finances at the end of 2019 reiterate reflect this commitment by reaching a primary surplus of 1.1% of GDP and reducing debt to 44.7% of GDP.

Economic outlook

During the fourth quarter of 2019, the global economy continued to show a lower growth rate than expected, in a context characterized by trade tensions —although attenuated in relation to the first half of the year— a deterioration of industrial production in most of the main economies and lower investment flows, as well as greater political uncertainty globally. In this context, during the last quarter of 2019, the slowdown in global economic growth continued, although economic activity in the United States showed resilience and progress was made in the negotiations of trade disputes.

The expectations of a less adverse commercial environment were reflected in an increase in the prices of various raw materials, such as gold, food, and oil, as well as lower volatility and risk aversion in international financial markets. Also, in the quarter covered by this report, there was a general appreciation in the main emerging and advanced economies exchange rates with respect to the US dollar.

During the last quarter of 2019, the central banks of the main advanced economies maintained an accommodative monetary policy stance, which reflected the signs of deceleration of their economies and lower inflationary pressures. This monetary policy stance in advanced economies, particularly in the United States, allowed the central banks of emerging economies to reduce their reference rates in the face of lower inflationary pressures and with the objective of stimulating domestic demand.

In line with the process of deceleration in global economic activity coupled with internal factors, the Mexican economy has shown a slowdown. This is evidenced by the contraction in industrial activities, specifically in the automotive, mining and



construction sectors, as well as the decrease in private investment expenditure and public consumption.

Despite the marked slowdown, the labor market continued to show favorable a performance. Real wages (contractual and of contribution in the IMSS) and the real wages per person employed in the manufacturing sector, exhibited annual increases in real terms.

Whit respect to prices, during the fourth quarter of 2019, the process of convergence to target inflation level of 3% was consolidated. The reduction in headline inflation was mainly due to the reductions registered in the non-core component, particularly in energy prices. The core component has remained relatively stable at levels above the 3% target but within the range of variability of this objective. Consequently, during the fourth quarter, Banco de Mexico reduce its reference rate twice by 25 basis points, placing it at the end of December at a level of 7.25%.

At the end of the fourth quarter, the exchange rate registered an appreciation of 4.27%. Additionally, the exchange rate showed very low volatility compared to the previous quarters, which was a reflection of greater probability of reaching trade agreements at a global level and, in particular, the greater certainty in the approval of the United States-Mexico-Canada Agreement (USMCA) by the US Congress, in January.

Public finances

Despite the economic environment, at the end of 2019, the fiscal targets were exceeded in comparison to those programmed. The Public Sector Borrowing Requirements (PSBRs), the broadest measure of the public sector balance, registered a Ps. 564.7 billion deficit at the end of 2019, equivalent to 2.3% of GDP. This result was lower than that committed for the year of 2.5% of GDP and higher than the observed in 2018 of 2.2% of GDP. Thus, the Historical Balance of the Public Sector Borrowing Requirements (HBPSBR), the broadest measure of public sector debt, represented at the end of the year 44.7% of GDP, lower by 0.2 percentage points of GDP than that observed at the end of the previous.

The public balance registered a deficit of PS. 398.4 billion (1.6% of GDP), lower by Ps. 105.5 billion that the originally projected of Ps. 503.8 billion¹ (2.0% of GDP) and lower than the one registered in 2018 of Ps. 495.0 billion (2.1% of GDP).

¹ The balances, income and expenses of the program correspond to the Income Law and the Budget of Expenditures approved by the Congress, as well as to the Agreement that releases the monthly calendar of revenues forecast contained in Article 1 of 2019 Federal Income Law and based on the methodology used to





The primary balance registered a surplus of Ps. 275.7 billion (1.1% of GDP), greater than the surplus recorded the previous year of Ps. 141.4 billion (0.6% of GDP). It also exceeds the primary surplus estimated in the 2019 General Economic Policy Guidelines of 1.0% of GDP for 2019.

In 2019 the following operations stand out. On one hand, to strengthen Pemex's financial position and improve its profitability and long-term strategic contribution to the Mexican economy, in September the Federal Government made an equity contribution to the company of Ps. 97.1 billion. This operation did not impact the Federal Government's net debt nor the HBPSBR since Pemex allocated these resources to the amortization of liabilities. Also, as being a compensated operation, it did not affect the public balance. To make possible this equity contribution, the Federal Government used available financial assets (demand deposits at Banco de México) as a source of financing. Therefore, this operation implied a reduction in the balance of gross debt of Pemex and the Public Sector.

On the other hand, to compensate for the lower Federal Government's revenues compare with the estimates in the 2019 Federal Income Law, in accordance with the provisions of the Federal Budget and Fiscal Responsibility Law (LFPRH, by its Spanish acronym) and its regulations, in 2019 Ps. 125 billion of the Budget Revenue Stabilization Fund (FEIP, by its Spanish acronym) were used.

In 2019, public sector budgetary revenues were Ps. 5.384 trillion. This amount is above the program by Ps. 86.1 billion and higher in 1.6% in real terms compared to what was registered in 2018.

This result is explained by higher non-tax revenues by Ps. 251.2 billion, higher revenues of the CFE by Ps. 10.3 billion and higher revenues of direct budgetary control entities (IMSS and ISSSTE) in Ps. 23.2 billion. The above more than offset lower oil revenues of Ps. 89.9 billion, mainly due to a lower oil platform production and a lower volume of Pemex's internal sales, and lower tax revenues of Ps. 108.8 billion derived from the lower economic activity as well as higher VAT's refunds from 2018.

During 2019, net paid expenditure was Ps. 5.786 trillion, lower than the expected in the program by Ps. 15.6 billion. Within, the programmable expenditure was greater than the program by Ps. 115.1 billion, which is mainly due to a higher expenditure in Ps. 152.9 billion from the Centralized Public Administration and Ps. 49.9 billion from the IMSS, ISSSTE, and CFE, jointly, which are partially offset by the lower expenditure of Pemex compared to the program by Ps. 83.7 billion and autonomous entities by Ps. 5.6 billion. By excluding the Federal Government's equity contribution to Pemex and the equity contributions to development banks,

compute such forecast, published on January 21, 2019 in the Official Gazette of the Federation (DOF), and to the Calendars of the 2019 Authorized Budget, published on January 14, 2019 in the DOF.





programmable expenditure of the Centralized Public Administration is Ps. 34.5 billion higher than that programmed.

The non-programmable expenditure was lower than the expected by Ps. 130.7 billion, due to lower financial cost of Ps. 82.6 billion; lower non-earmarked transfers to subnational governments of Ps. 40.9 billion and lower payment of commitments acquired by the Federal Government in previous fiscal years (Adefas, by its Spanish acronym) and others for Ps. 7.2 billion.

The results of public finances at the end of 2019 ratify the Administration's commitment to have sound public finances.

Public debt

Public debt has been handled with strict responsibility, seeking to maintain a stable trend in public liabilities as a proportion of GDP. In this sense, it is important to note that at the end of 2019 public debt, measured through the HBPSBR, amounted to 44.7% of GDP. This figure is 0.2 percentage points lower than the debt level observed at the end of 2018, which was 44.9% and, even, is lower than the amount established in the 2019 Economic Program of 45.3% of GDP. The foregoing accounts for an effort of austerity and discipline in the management of public finances.

Public debt management policy during 2019 was oriented to cover the Federal Government financing needs at the lowest possible cost and maintaining an adequate level of risk given the characteristics of the country's public finances. On the domestic front, most of the deficit was financed through long-term and fixed-rate instruments, and liabilities management operations were carried out to maintain a smooth maturity profile over time.

Thus, during 2019 three syndicated placement operations were carried out. In March, a 5-year fixed-rate bond for Ps. 15 billion was placed. In August, a 30-year Udibono was placed for an amount of 3 billion Udis and in October a 3-year fixed-rate bond was placed for an amount of Ps. 15 billion. These operations aimed to contribute to the proper functioning of the local debt market by improving its liquidity and strengthening market references.

Similarly, during 2019 in the domestic market two swaps of M Bonds were made. One in March for Ps. 26.1 billion and another in June for Ps. 28.2 billion pesos. Additionally, two cross-swap operations were carried out. One in September for Ps. 70.4 billion and another in October for Ps. 41.1 billion. These operations were aimed at softening the domestic debt maturity profile and improving market liquidity.

Regarding external debt, placements were made in international markets maintaining diversification in currencies and in the investor base. In addition, liabilities management operations were carried out to improve the maturity profile and the financial position of the external debt portfolio.





During 2019, several operations were carried out in the international financial markets for an amount around USD. 9.9 billion. In January, a placement for USD 2.0 billion was made. In April, a new 7 and 20 year-bond issue was made in euros for the equivalent of USD 2.8 billion. In June, four new bonds were issued in the Japanese market with terms of 3, 5, 7 and 10 years for an amount equivalent to USD 1.5 billion. Finally, in July a placement and a liabilities management operation were carried out with the reopening of a 10-year dollar bond and the issuance of a new 30-year reference bond for USD 1.5 billion and USD 2.1 billion, respectively. With these operations, competitive cost conditions were achieved, the investor base was expanded and diversified and developed reference bonds in the different markets in which it has presence.

Additionally, it is important to mention the actions carried out in January 2020. Although they do not correspond to the period reported, due to their relevance and for transparency purposes, they are included within the relevant actions.

On January 6th, the Federal Government carried out a financing operation in the international markets for a total amount of USD 2.3 billion through the issuance of a new 10-year reference bond due in April 2030 for USD 1.5 billion and the reopening of a bond due in January 2050, for USD 800 million. In this regard, it is important to highlight that the coupon rate reached in this new 10-year bond represents a historical minimum for any issuance made by the Federal Government in the dollar market. This operation was accompanied by a liability management exercise of USD 1.5 billion that decreased repayment commitments for the next 8 years. This operation reached a demand of approximately USD 14.7 billion, equivalent to 6.4 times the total amount of the transaction, with 350 global institutional investors.

On January 13th, the Federal Government placed bonds in the amount of EUR 1.8 billion. Within, EUR 1.3 billion was from the issuance of a new 10-year reference bond with maturity in January 2030 and EUR 500 million were from the reopening of a bond with maturity in April 2039 (originally issued in April 2019). In this operation, the Federal Government obtained the lowest coupon rate in its history for bonds denominated in euros, that is, 1.125% annually in the new 10-year bond. On the other hand, in the reopening of the 2039 bond a 2.0% yield rate was achieved, which implies a reduction of 96 basis points with respect to the rate of return at the time of its original placement in April 2019. The operation reached a maximum demand of approximately EUR 6.6 billion, equivalent to 3.8 times the amount placed, with 352 global institutional investors.

Regarding internal debt, on January 15th, the Federal Government made the first syndicated placement of a new reference of Udibonos at a fixed real interest rate at 3 years in the local debt market for a total amount of 1.5 billion UDIS. In addition, on January 22th, a cross-swap operation was carried out, which consisted of the exchange of Ps. 49.9 billion of M bonds and Udibonos with maturities between 2020





and 2022 for Ps. 48.1 billion of M bonds and Udibonos with maturities between 2023 and 2050 at market interest rates. With this operation, short-term debt is canceled and replaced by debt with maturities between 2023 and 2050, without incurring additional indebtedness.

At end 2019, the main risk indicators of the Federal Government's debt were as follows: regarding the composition of the debt, 78.1% of the Federal Government's net debt is denominated in pesos and the 21.9% in foreign currency. Within the internal debt, the average maturity term of government debt is 7.9 years, of these, 80.3% is at fixed rate and long term. Within the external debt, the average maturity term is 19.1 years and 100% is at fixed rate.

The evolution of the debt balances during the fourth quarter of 2019 is in line with the fiscal policy objectives of this year. In the fourth quarter of 2019, the Federal Government's net debt balance stood at Ps 8.535 trillion. The Federal Government's net external debt balance amounted to USD 99.4 billion.

Regarding Public Sector net debt, which includes the net debt of the Federal Government, the State-Owned Enterprises, and the Development Banks, at the end of the fourth quarter of 2019, stood at Ps. 11.028 trillion. The internal component stood at Ps. 7.189 trillion, and the external component amounted to USD 203.7 billion.

Finally, at the year end, the HBPSBR, an indicator that includes the obligations of the Public Sector in its largest version, amounted to Ps. 10.872 trillion. Within, the internal component was Ps. 7.142 trillion and the external component amounted to USD 198.0 billion. As a proportion of GDP, the HBPSBR stood at 44.7%, 0.2 percentage points lower than the level observed at the end of 2018.

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Annexes

Public Sector Financial Situation (Million pesos)

Concept	January-December			Nominal difference (3-2)	Real Growth % (3/1)
	2018 (1)	2019			
		Program (2)	Observed ^{p./} (3)		
Public balance	-494,981.9	-503,841.2	-398,356.0	105,485.2	n.s.
Public balance excluding investment^{1/}	-25,151.7	0.0	88,064.0	88,064.0	n.s.
Budgetary balance	-474,240.2	-503,841.2	-402,140.2	101,701.0	n.s.
Budgetary revenues	5,115,111.1	5,298,188.4	5,384,289.1	86,100.7	1.6
Net budgetary expenditure	5,589,351.3	5,802,029.6	5,786,429.3	-15,600.3	-0.1
Programmable expenditure	4,064,660.8	4,111,392.6	4,226,487.9	115,095.3	0.3
Non-programmable expenditure	1,524,690.5	1,690,637.0	1,559,941.4	-130,695.6	-1.3
Entities under indirect budgetary control	-20,741.7	0.0	3,784.2	3,784.2	n.s.
Primary balance	141,370.3	245,733.3	275,748.4	30,015.1	88.2
Public balance by entities	-494,981.9	-503,841.2	-398,356.0	105,485.2	n.s.
Budgetary balance	-474,240.2	-503,841.2	-402,140.2	101,701.0	n.s.
Federal Government balance	-493,060.8	-485,345.2	-498,166.7	-12,821.5	n.s.
State productive enterprises	-43,671.6	-59,468.0	32,392.1	91,860.1	n.s.
PEMEX	-61,810.7	-65,445.0	26,409.2	91,854.2	n.s.
CFE	18,139.1	5,977.0	5,982.9	5.9	-68.2
Entities under direct budgetary control	62,492.2	40,972.1	63,634.4	22,662.3	-1.7
IMSS	32,978.8	30,979.4	56,372.7	25,393.4	64.9
ISSSTE	29,513.4	9,992.7	7,261.6	-2,731.1	-76.3
Entities under indirect budgetary control	-20,741.7	0.0	3,784.2	3,784.2	n.s.
Memorandum items					
PSBR	-517,038.9		-564,675.1		n.s.
Primary PSBR	425,939.9		428,844.0		-2.9

Note: Figures may not add up due to rounding.

p./ Preliminary figures.

n.s.: Not significant.

1./ 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-December 2019			Nominal difference (3-2)	Real Growth % (3/1)
	2018 (1)	Program (2)	Observed ^{p./} (3)		
Total	5,115,111.1	5,298,188.4	5,384,289.1	86,100.6	1.6
Oil	978,368.7	1,044,956.8	955,054.9	-89,901.9	-5.8
State productive enterprises (Pemex)	436,621.5	524,291.6	523,132.1	-1,159.5	15.6
Federal Government	541,747.2	520,665.2	431,922.8	-88,742.4	-23.1
Mexican Oil Fund	541,747.4	520,665.2	431,895.8	-88,769.4	-23.1
Income Tax from contractors and assignees	-0.2	0.0	27.0	27.0	n.s.
Non-oil	4,136,742.4	4,253,231.6	4,429,234.2	176,002.6	3.3
Federal Government	3,329,879.7	3,431,692.2	3,574,157.3	142,465.1	3.6
Tax	3,062,334.2	3,311,373.4	3,202,623.7	-108,749.7	0.9
Income Tax	1,664,241.7	1,751,759.7	1,686,618.0	-65,141.7	-2.2
Value Added Tax ^{1/}	922,238.3	995,203.3	933,326.8	-61,876.5	-2.3
Excise Tax	347,435.5	437,900.9	460,495.6	22,594.7	27.9
Imports	65,542.6	70,292.0	64,740.6	-5,551.4	-4.7
Tax on hydrocarbon exploration and extraction activities	5,470.4	4,501.9	5,803.1	1,301.2	2.4
Others	57,405.7	51,715.6	51,639.7	-75.9	-13.2
Non tax	267,545.5	120,318.8	371,533.6	251,214.8	34.0
Entities under direct budgetary control	398,027.0	403,313.3	426,550.8	23,237.4	3.4
IMSS	345,395.3	366,290.0	381,534.8	15,244.8	6.6
ISSSTE	52,631.7	37,023.3	45,015.9	7,992.6	-17.5
State productive enterprises (CFE)	408,835.7	418,226.0	428,526.1	10,300.1	1.1
Memorandum items					
Tax revenues excluding fuels Excise Tax	2,874,668.2	3,042,072.9	2,905,144.8	-136,928.1	-2.5

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

p./ Preliminary figures.

^{1/} Own income includes net income from internal and external sales, as well as miscellaneous income derived from services and equity contributions, among others. It includes the Federal Government equity contribution of Ps. 97.1 billion.

^{2/} It includes the revenues that the government receives through the Mexican Petroleum Stabilization Fund (FMP, by its Spanish acronym) and Development and the collection of ISR that is produced by the new hydrocarbon contracts and allocations.

Source: Ministry of Finance.





**Public Sector Total Budgetary Expenditure
(Million pesos)**

Concept	January-December			Nominal difference (3-2)	Real Growth % (1)
	2018 (1)	2019			
		Program (2)	Observed ^{P-/} (3)		
Total	5,589,351.3	5,838,059.7	5,786,429.3	-51,630.4	-0.1
Primary expenditure	4,974,310.7	5,088,985.3	5,119,951.2	30,965.9	-0.7
Programmable	4,064,660.8	4,147,422.7	4,226,487.9	79,065.2	0.3
Federal Government	2,987,939.6	2,937,862.7	3,085,160.5	147,297.9	-0.4
Autonomous branches	119,155.8	112,337.5	106,747.9	-5,589.5	-13.6
Administrative branches	1,161,536.0	1,136,594.4	1,287,386.2	150,791.8	6.9
General branches	1,707,247.8	1,688,930.8	1,691,026.4	2,095.6	-4.4
Entities under direct budgetary control	971,644.4	1,070,061.1	1,081,990.7	11,929.6	7.4
IMSS	682,140.4	746,738.9	746,411.0	-327.9	5.6
ISSSTE	289,504.0	323,322.2	335,579.7	12,257.5	11.8
State productive enterprises	822,591.7	899,304.6	853,596.8	-45,707.8	0.1
Pemex	376,375.6	464,601.6	380,896.1	-83,705.5	-2.3
CFE	446,216.1	434,702.9	472,700.7	37,997.7	2.2
(-) Compensated operations	717,514.9	759,805.6	794,260.1	34,454.5	6.8
Non-programmable	909,649.9	941,562.5	893,463.3	-48,099.2	-5.2
Non-earmarked transfers	844,045.2	919,817.4	878,924.5	-40,892.9	0.5
Debits of Previous Fiscal Years and others	65,604.7	21,745.1	14,538.7	-7,206.3	-78.6
Financial cost	615,040.6	749,074.4	666,478.1	-82,596.3	4.6
Memorandum items					
Total net expenditure without outlays on financial investments, pension payments, non-earmarked transfers and financial cost ^{1/-}	3,232,042.8	3,245,775.2	3,197,490.9	-48,284.3	-4.5
Total net expenditure without outlays on financial investments, pension payments and non-earmarked transfers	3,847,083.4	3,994,849.6	3,863,969.1	-130,880.6	-3.1
Total net expenditure without outlays on financial investments	5,483,792.5	5,792,131.2	5,619,834.2	-172,297.0	-1.1
Current structural expenditure	2,304,141.0	2,315,037.0	2,335,285.4	20,248.4	-2.2

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

^{1/-} If 2018 Debits of Previous Fiscal Years for contributions to the stabilization funds are excluded, total net expenditure decreased by 3.7% in real terms.

^{P-/} Preliminary figures.

Source: Ministry of Finance.





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

Concept	Annual						% of GDP			
	2018	2019 ^{p./}		Real Growth %	2019 ^{p./}		2018	Last Est. (IIIT) ^{1./}	Obs.	Diff.
		Last Est. (IIIT) ^{1./}	Obs.		Nominal	%				
1. Budgetary revenues ^{2./}	5,115.1	5,360.0	5,384.3	24.2	0.5	1.6	21.8	21.6	22.1	0.5
2. Tax revenues	3,062.3	3,237.2	3,202.6	-34.6	-1.1	0.9	13.0	13.0	13.2	0.2
3. Tax revenues without fuels excise tax (IEPS)	2,874.7	2,933.4	2,905.1	-28.2	-1.0	-2.5	12.2	11.8	11.9	0.1
4. Total net expenditure without outlays on financial investments, pension payments, non-earmarked transfers and financial cost	3,232.0	3,184.1	3,197.5	13.4	0.4	-4.5	13.8	12.8	13.1	0.3
5. Total net expenditure without outlays on financial investments pension payments and non-earmarked transfers	3,847.1	3,892.9	3,864.0	-29.0	-0.7	-3.1	16.4	15.7	15.9	0.2
6. Total net expenditure without outlays on financial investments	5,483.8	5,679.7	5,619.8	-59.8	-1.1	-1.1	23.3	22.9	23.1	0.2
7. Total net expenditure	5,589.4	5,827.1	5,786.4	-40.7	-0.7	-0.1	23.8	23.4	23.8	0.4
8. Current structural expenditure	2,304.1	2,314.2	2,335.3	21.1	0.9	-2.2	9.8	9.3	9.6	0.3
9. Primary balance	141.4	242.3	275.7	33.5	13.8	88.2	0.6	1.0	1.1	0.1
10. PSBR	-517.0	-681.0	-564.7	116.3	n.a.	n.a.	-2.2	-2.7	-2.3	0.4
11. HBPSBR	10,551.7	11,245.7	10,872.3	-373.4	-3.3	-0.6	44.9	45.3	44.7	-0.4
12. Public debt	10,829.9	11,378.0	11,027.5	-350.5	-3.1	-1.7	46.1	45.8	45.3	-0.5

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

^{p./} Preliminary figures.

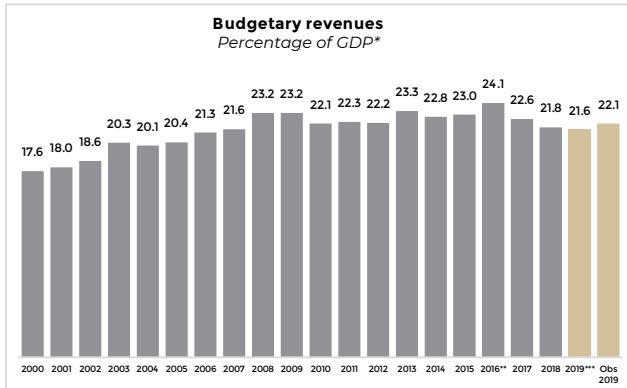
n.a.: Does not apply.

^{1./} Corresponds to the revision of public finances estimates of 2019.

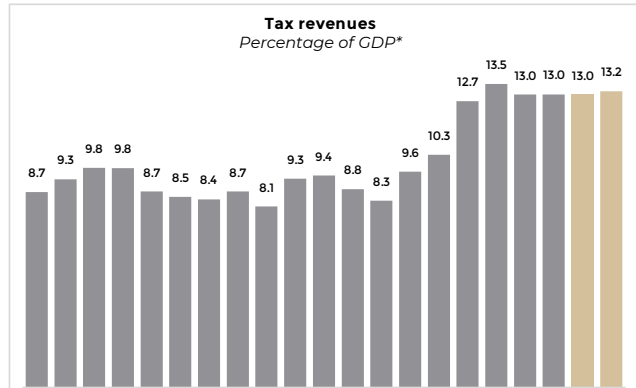
^{2./} In accordance with article 21st of the Federal Budget and Fiscal Responsibility Law, 2019 estimated figures include Ps. 125 billion from resources of the Budgetary Revenues Stabilization Fund in order to compensate the oil and tax revenues decrease of the Federal Government.

Source: Ministry of Finance.

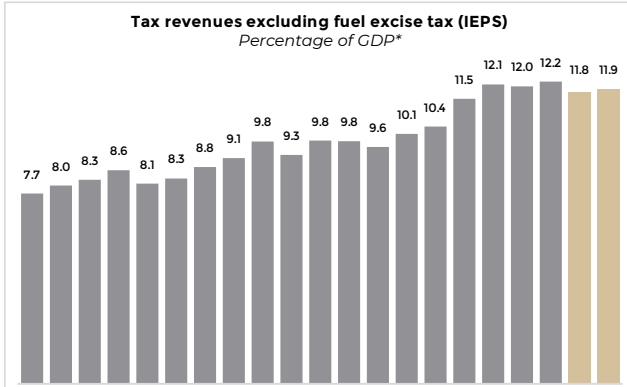




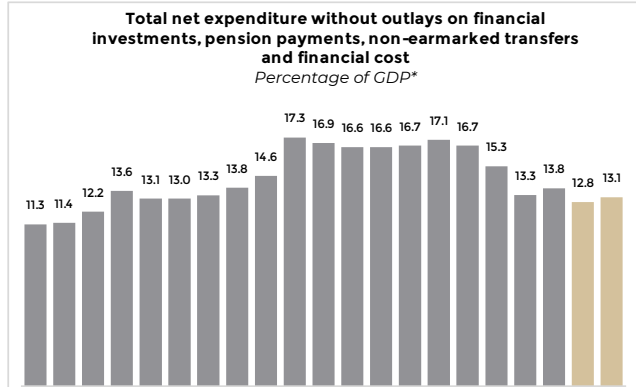
*/Proportional to GDP (base year 2013).
 **/Includes the equity contributions from the Federal Government to Pemex and CFE equivalent to 1.5% of GDP.
 ***/Corresponds to the revision of public finances estimates of 2019.
 Source: Ministry of Finance.



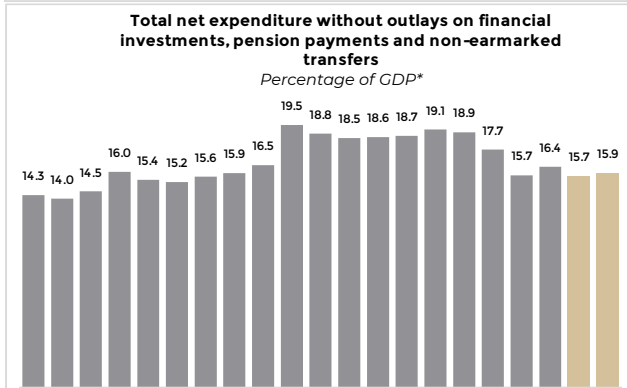
*/Proportional to GDP (base year 2013).
 **/Corresponds to the revision of public finances estimates of 2019.
 Source: Ministry of Finance.



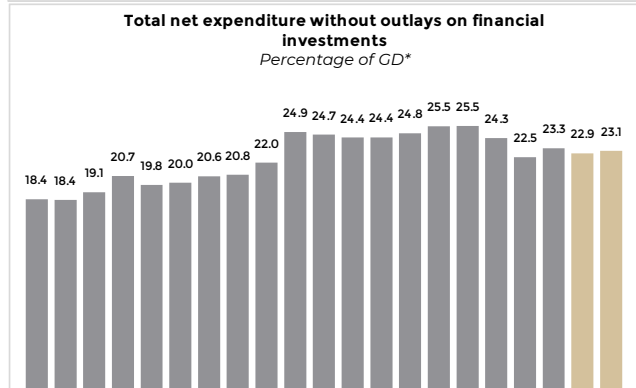
*/Proportional to GDP (base year 2013).
 **/Corresponds to the revision of public finances estimates of 2019.
 Source: Ministry of Finance.



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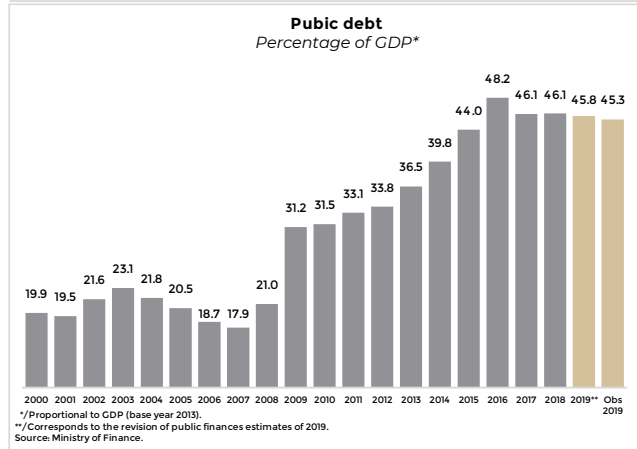
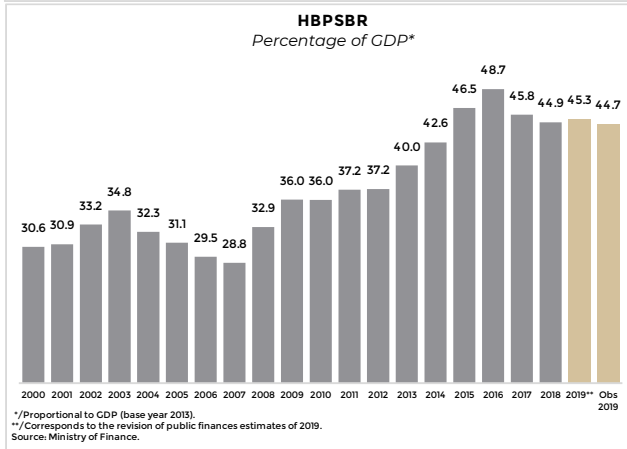
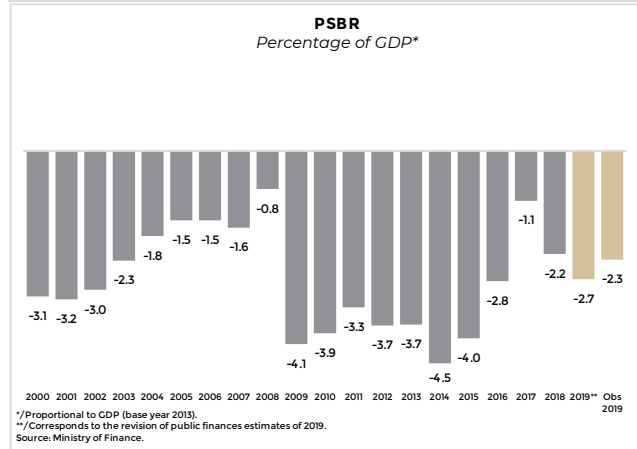
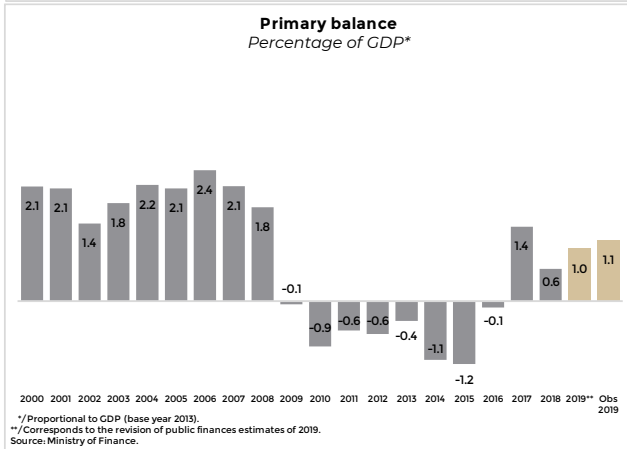
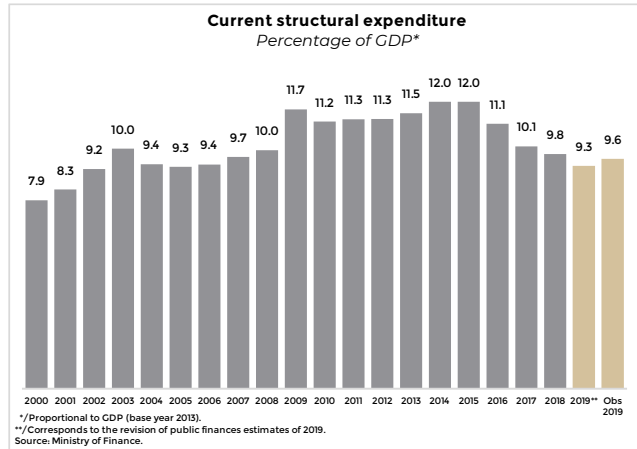
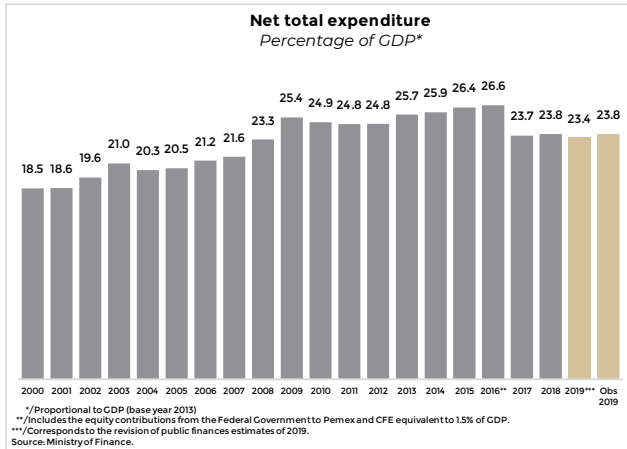


*/Proportional to GDP (base year 2013).
 **/Corresponds to the revision of public finances estimates of 2019.
 Source: Ministry of Finance.



*/Proportional to GDP (base year 2013).
 **/Corresponds to the revision of public finances estimates of 2019.
 Source: Ministry of Finance.







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

	Dec-18	Dec-19	Difference
Total	388,771	239,765	-149,006
Budgetary Revenues Stabilization Fund (FEIP)	279,771	158,544	-121,227
Federal Entities Revenues Stabilization Fund (FEIEF)	88,722	60,461	-28,261
Mexican Oil Fund for Stabilization and Development (FMP)	20,278	20,760	482

Source: Ministry of Finance.





**Federal Public Sector Debt Balances,
December de 2019 *_/**

Concept	Balance			% of annual GDP ^{2_/}			% of GDP QoQ Annualized ^{3_/}			Percentage Structure		
	Dec-17	Dec-18	Dec-19 ^{p_/_}	Dec-17	Dec-18	Dec-19	Dec-17	Dec-18	Dec-19	Dec-17	Dec-18	Dec-19
Domestic debt:												
Net (Million pesos)	6,284,707.0	6,867,594.7	7,188,578.4	28.7	29.2	29.5	27.5	28.3	28.7	62.3	63.4	65.2
Gross (Million pesos)	6,448,500.8	7,036,273.2	7,570,648.4	29.4	29.9	31.1	28.3	28.9	30.3	62.7	63.9	66.2
External debt:												
Net (Million dollars)	192,344.0	201,307.3	203,708.2	17.4	16.9	15.8	16.7	16.3	15.4	37.7	36.6	34.8
Gross (Million dollars)	193,981.2	202,355.3	204,684.3	17.5	17.0	15.9	16.8	16.4	15.4	37.3	36.1	33.8
Total Debt: ^{1_/}												
Net (Million pesos)	10,090,560.1	10,829,906.6	11,027,500.7	46.1	46.1	45.3	44.2	44.6	44.1	100.0	100.0	100.0
(Million dollars)	509,966.8	550,219.1	585,162.3									
Gross (Million pesos)	10,286,748.6	11,019,212.3	11,427,965.0	46.9	46.9	47.0	45.1	45.3	45.7	100.0	100.0	100.0
(Million dollars)	519,882.0	559,836.8	606,412.5									

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 estimated by the Ministry of Finance for the year was considered.

^{3_/} For the year 2019, fourth quarter GDP was used according to Ministry of Finance's estimates

Fuente: SHCP.





Federal Government Domestic Debt, January-December *_/
(Million pesos)

Concept	Balance as of December 2018	Indebtedness			Adjust. ^{2_/}	Balance as of December 2019 ^{p_/}
		Origin.	Amort.	Net		
1. Net Debt (3-2)	6,867,594.7					7,188,578.4
2. Assets ^{1_/}	168,678.5					382,070.0
3. Gross Debt	7,036,273.2	4,066,077.6	3,593,773.2	472,304.4	62,070.8	7,570,648.4
Structure by Term	7,036,273.2	4,066,077.6	3,593,773.2	472,304.4	62,070.8	7,570,648.4
Long-term	6,463,924.9	1,611,814.8	1,266,731.8	345,083.0	76,263.5	6,885,271.4
Short-term	572,348.3	2,454,262.8	2,327,041.4	127,221.4	-14,192.7	685,377.0
Structure by User	7,036,273.2	4,066,077.6	3,593,773.2	472,304.4	62,070.8	7,570,648.4
Federal Government	6,429,344.4	3,223,442.0	2,750,954.0	472,488.0	53,552.7	6,955,385.1
Long-term	5,911,049.2	1,571,825.9	1,196,868.0	374,957.9	53,552.7	6,339,559.8
Short-term	518,295.2	1,651,616.1	1,554,086.0	97,530.1	0.0	615,825.3
State Productive Enterprises ^{3_/}	378,073.9	332,876.8	341,031.0	-8,154.2	-205.5	369,714.2
Long-term	366,773.9	7,600.4	55,954.6	-48,354.2	-205.5	318,214.2
Short-term	11,300.0	325,276.4	285,076.4	40,200.0	0.0	51,500.0
Development Banks	228,854.9	509,758.8	501,788.2	7,970.6	8,723.6	245,549.1
Long-term	186,101.8	32,388.5	13,909.2	18,479.3	22,916.3	227,497.4
Short-term	42,753.1	477,370.3	487,879.0	-10,508.7	-14,192.7	18,051.7
Structure by Source of Financing	7,036,273.2	4,066,077.6	3,593,773.2	472,304.4	62,070.8	7,570,648.4
Issuance of Securities	6,321,902.1	2,968,709.3	2,467,055.7	501,653.6	56,581.9	6,880,137.6
Savings Fund	135,951.0	278,869.7	277,099.0	1,770.7	4,464.8	142,186.5
Commercial Banks	99,700.5	588,372.7	570,596.3	17,776.4	-333.3	117,143.6
ISSSTE's Law obligations ^{4_/}	141,843.5	10,833.5	21,558.9	-10,725.4	3,229.8	134,347.9
PEMEX Pension bonds ^{5_/}	133,774.4	0.0	32,272.8	-32,272.8	0.0	101,501.6
CFE Pension bonds ^{6_/}	160,187.5	0.0	1,194.5	-1,194.5	0.0	158,993.0
Others	42,914.2	219,292.4	223,996.0	-4,703.6	-1,872.4	36,338.2

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_/ Corresponds to debt swaps, inflationary effect and others.

3_/ Includes only PEMEX and CFE.

4_/ Obligations associated with the new ISSSTE law.

5_/ 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 24th, 2015.

6_/ 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 14th, 2016.

Source: Ministry of Finance.





Federal Government External Debt, January-December * _/
(Million dollars)

Concept	Balance as of December 2018	Indebtedness			Adjust. ^{2/_}	Balance as of December 2019 ^{P_/_}
		Obligations	Amort.	Net		
1. Net Debt (3-2)	201,307.3					203,708.2
2. Financial assets in foreign currencies ^{1/_}	1,048.0					976.1
3. Gross debt	202,355.3	51,156.1	48,756.3	2,399.8	-70.8	204,684.3
Structure by term	202,355.3	51,156.1	48,756.3	2,399.8	-70.8	204,684.3
Long-term	198,204.6	30,519.0	27,794.7	2,724.3	41.0	200,969.9
Short-term	4,150.7	20,637.1	20,961.6	-324.5	-111.8	3,714.4
Structure by user	202,355.3	51,156.1	48,756.3	2,399.8	-70.8	204,684.3
Federal Government	95,845.6	11,707.2	8,045.1	3,662.1	66.0	99,573.7
Long-term	95,845.6	11,707.2	8,045.1	3,662.1	66.0	99,573.7
Short-term	0.0	0.0	0.0	0.0	0.0	0.0
State Productive Enterprises ^{3/_}	94,691.2	27,734.4	28,431.9	-697.5	-288.0	93,705.7
Long-term	94,391.2	18,158.4	19,225.9	-1,067.5	-288.0	93,035.7
Short-term	300.0	9,576.0	9,206.0	370.0	0.0	670.0
Development Banks	11,818.5	11,714.5	12,279.3	-564.8	151.2	11,404.9
Long-term	7,967.8	653.4	523.7	129.7	263.0	8,360.5
Short-term	3,850.7	11,061.1	11,755.6	-694.5	-111.8	3,044.4
Structure by Source of Financing	202,355.3	51,156.1	48,756.3	2,399.8	-70.8	204,684.3
Capital markets	155,907.5	24,920.5	23,007.4	1,913.1	-238.7	157,581.9
International Financing Institutions	30,214.6	1,982.4	913.3	1,069.1	170.0	31,453.7
International Trade	5,894.3	629.3	1,133.3	-504.0	-24.5	5,365.8
Commercial Banks	10,063.8	23,347.9	23,426.3	-78.4	28.4	10,013.8
Pidiregas	275.1	276.0	276.0	0.0	-6.0	269.1

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/_} Mainly corresponds to debt swaps, inflationary effect and others.

^{3/_} Includes only PEMEX and CFE.

Source: Ministry of Finance.

