

Mexico City, April 30th, 2020

Reports on Economic Activity, Public Finances, and Public Debt as of the First Quarter of 2020

- The first quarter reports show the Government's commitment to health and well-being of the population as its first priority, within a framework of macroeconomic stability and fiscal prudence.
- During this period, the economic indicators, the public finances, and debt market operations remained sound as a result of strong macroeconomic fundamentals, the responsible management of the fiscal policy and the measures taken to contain the health and economic impacts of COVID-19.
- Although signs of deterioration were observed in industrial activity associated with the exterior and with the services sector, at the end of the quarter 190,421 permanent formal jobs were generated, compared to the same period of 2019, besides unemployment rate remained at low levels, and the average IMSS salary increased 3.1% in real annual terms. Likewise, the value in real terms of the total sales of the establishments affiliated to ANTAD increased by 3.7% compared to January-March 2019.
- Headline inflation as of March registered an annual rate of 3.25%, within the variation range of the Banco de Mexico's inflation target rate. International reserves increased by USD 4.8 billion, reaching USD 185.5 billion.
- The Government of Mexico implemented a set of measures aimed at achieving three objectives: (1) prevent the spread of COVID-19 and minimize its effects on the Mexican's health; (2) quickly and effectively mitigate the economic impacts on households, workers and companies; and (3) promote an accelerated and sustained economic recovery.
- The selection of the first set of actions favors a rapid implementation to contain in a timely manner the health and economic impacts by targeting the most vulnerable sectors, which have fewer buffers and access to markets to deal with emergencies. Additionally, these measures focuses on a responsible public finances management, prioritizing the use of existing resources instead of indebtedness, in a way that the measures taken at the present do not affect future generations. Likewise, the measures implemented take into account that in the base scenario our economy will benefit from the coordinated reopening of key sectors, adopting the necessary health protocols to ensure the proper operation of value chains with Canada and the United States, in the upcoming weeks; the entry into force of the USMCA in July; the synchronization of our





economic with a more advanced economies that will benefit our recovery, and the anticipated greater economic activity of our main commercial partner in the second semester.

- Among the measures implemented, the following stand out:
 1. Credits to formal and informal microenterprises for a total amount of Ps. 50 billion;
 2. Urban infrastructure rehabilitation in 50 municipalities with a total investment of Ps. 25 billion;
 3. Welfare Programs expansion to provide liquidity to the most vulnerable population for a total amount of Ps. 25 billion;
 4. Unemployment insurance and payment extensions for workers whose work or income is affected by the contingency. The resources for this measure are nearly Ps. 20 billion that comes from Infonavit;
 5. Change in the tariffs criteria for household electricity service, so that higher consumption does not result in higher payment rates;
 6. Relaxation of the CNBV and CNSF's regulation, so that banks and insurance institutions allow companies and individuals affected by COVID-19 to defer payments of credits and policies; and
 7. The measures carried out by the Foreign Exchange Commission and Banco de México to guarantee the proper functioning of national financial markets and provide liquidity in the financial system.
- The Government of Mexico punctually monitors the evolution of the epidemiological curve, the economic indicators, and the different risks that our country faces, and has a range of public policy options to effectively and timely address a potential deepening of the emergency.
- The main results of public finances in the first quarter are consistent with fiscal prudence and reflect the efforts to reduce tax evasion and tax fraud, and protecting of the most vulnerable population.
- The Federal Government's non-oil revenues were 17.7% higher in real terms compared with the first quarter of the previous year and were Ps. 115.5 billion higher than the program as a result of higher tax and non-tax revenues by Ps. 48.2 billion and Ps. 67.3 billion, respectively.
- As a whole, the Public Sector budgetary revenues increased 9.2% in real terms compared to the same period of 2019 and were Ps. 25.3 billion higher than the program.
- The Federal Government programmable expenditure, without considering autonomous branches, was Ps 26.5 billion higher than the program and 15.2%





higher in real terms than the observed amount during the first quarter of 2019, mainly derived from an increase in health expenditures to attend the health emergency, as well as the measures implemented targeted to the vulnerable population.

- This higher expenditure was highly compensated by a Ps. 50.8 billion lower programmable expenditure of the State-Owned Enterprises (Pemex and CFE), the entities under direct budgetary control (IMSS and ISSSTE) and the autonomous branches, resulting in a Ps. 21.1 billion lower total programmable expenditure than the program.
- On the other hand, non-programmable expenditure was Ps. 9.0 billion lower than programmed, mainly explained by a lower financial cost, which meant a lower total net paid expenditure of Ps. 30.1 billion compared to the program.
- Public finance balances registered better results than those programmed. The primary balance registered a Ps. 137.7 billion surplus, which compares favorably with a Ps. 79.6 billion surplus programmed. Likewise, the public balance registered a Ps. 26.9 billion surplus, which is compared to the Ps. 73.4 billion deficit foreseen in the program.
- Finally, seven successful financing and liability management operations were carried out, both in the internal and external markets, with demands for the instruments issued of up to 6.4 times the amount issued and historical minimums obtained in the coupon rates paid by instruments issued in euros and dollars, which reflect the confidence of investors in the conduct of economic and fiscal policy in our country.
- The Ministry of Finance ensures the financing and timely fulfillment of actions to protect the health and economy of the Mexican population, and remains vigilant to the development of the main epidemiological, economic and financial indicators, in order to provide timely response to any eventuality.





In compliance with the provisions of the Federal Budget and Fiscal Responsibility Law (LFPRH) and the Federal Law on Public Debt, the Ministry of Finance presents the Reports on the Economic Activity, Public Finances, and Public Debt as of the first quarter of 2020.

The first quarter of 2020 results reflect the Government of Mexico's priority to timely attend the health emergency, as well as to mitigate the impacts on the well-being of the population derived from the measures implemented to prevent the propagation of COVID-19.

Likewise, the results show the strength of our country's macroeconomic fundamentals, the responsibility in managing public finances, and investors' confidence in the conduction of fiscal and economic policy.

Despite the existence of an increasingly complex environment, both nationally and internationally, in the first quarter of the year nearly 200 thousand permanent formal jobs were generated, while the unemployment rate remained at low levels, and the average IMSS salary increased in real annual terms by 3.1%. Additionally, inflation remained low and stable and there was an increase in international reserves close to 5 billion dollars.

The Federal Government non-oil revenues were higher than those programmed in Ps. 115.5 billion, a result largely explained by the gains in efficiency of tax collection by the SAT and by the actions implemented since 2019 to combat tax evasion and tax avoidance, as well as fraud invoices.

Federal Government spending, excluding autonomous branches, was Ps. 26.5 billion higher than the program, due to the measures carried out to face the health emergency and to protect the population, especially the most vulnerable. Regarding the latter, the government gave in advance the transfers related to the "Welfare programs".

The Ministry of Finance carried out several highly successful financing and liability management operations in both the domestic and foreign markets, which improved the debt maturity profile and obtained coupon rates at historical levels for issues in dollars and euros.

Public finance balances presented better results than those programmed. In particular, the primary balance recorded a surplus of Ps. 137.7 billion, which compares favorably with a programmed surplus of Ps. 79.6 billion.

The Government of Mexico has announced and deployed a series of rapid implementation actions, aimed at protecting the economy of households, with an emphasis on the most vulnerable, and firms, particularly those that do not have access to traditional credit channels; and the liquidity of the financial system.





The measures favor the efficiency and reorientation of public expenditure and the use of existing resources to avoid resorting to greater indebtedness and its implications for future generations.

The Government of Mexico punctually monitors the evolution of the epidemiological curve, economic indicators, and the different risks that our country faces, and has a range of public policy options to effectively and timely address a potential deepening of the emergency.

Economic Outlook

At the beginning of 2020, the global economy showed signs of recovery, after the weak growth observed in 2019. However, the epidemic outbreak of the COVID-19 and its evolution into a global pandemic dramatically transformed the international panorama. Coupled with the suffering of part of the population and the regrettable loss of human lives around the world, the pandemic has brought unprecedented challenges to the health systems, the economy, and the financial situation of companies and governments.

In this context, sanitary measures to mitigate the effects of the COVID-19 have had to be severe, causing the temporary suspension of economic activity in non-essential sectors. The effect of these measures on the economy, in addition to ignoring the duration of the pandemic and the possible existence of new outbreaks, has increased uncertainty. In this context, the outlook for the global economic growth has been continuously revised downward and remains at high risk for further contraction.

Prospects for a major global recession have led to a reduction in demand for energy and raw materials, as well as a decrease in prices. Additionally, significant episodes of volatility have been observed in international financial markets due to the high uncertainty at the international level, triggering greater risk aversion. This has been reflected in a reduction in the demand for assets from emerging economies and in the consequent increase in the demand for safe assets.

The response to the economic situation and the volatility in the financial markets of the main central banks has included significant monetary stimulus and unconventional liquidity provision measures to reduce systemic risks in the financial sector. Additionally, different governments have announced important packages of measures to mitigate the effects of the pandemic on the population and to stimulate the economy.





In line with the global recession prospects, economic activity in Mexico, considering the appropriate estimate for the first quarter, with seasonally adjusted figures, presented a 1.6% decline compared to the fourth quarter of 2019. Within, an increase of 0.5% is observed in the primary sector, while the secondary and tertiary sectors fell by 1.4%.

It should be noticed that this GDP quarterly variation is lower in magnitude than that observed in the first quarter of 1995 when there was a contraction of 5.7%, and with that registered in the first quarter of 2009, in which there was a fall of 5.1%, both with seasonally adjusted figures.

Despite the above, the first quarter data reflected a solid and resilient domestic market: 190,421 permanent formal jobs were generated compared to the same period in 2019; unemployment rate remained at a low levels; the average IMSS salary increased 3.1% in real annual terms, and the value in real terms of total sales of ANTAD's affiliated establishments increased 3.7% compared to January-March 2019.

Regarding prices, at the end of the quarter an annual inflation rate of 3.25% was registered, mainly explained by an annual reduction in the price of energy products of 6.36%, the lowest rate on record. This offset the increases in the agricultural sub-index and the updates that occur at the beginning of each year in the rates authorized by the different levels of government.

In line with the lower inflationary pressures and with the monetary policy actions that countries have taken to face the COVID-19 pandemic, during the first quarter, the Banco de México's Governing Board performed two cuts to its reference rate at 75 basis points, placing it at the end of the quarter at a level of 6.50%. It is worth noting that in an extraordinary meeting carried out on April 21, the Banco de México cut an additional 50 basis points its target rate, to place it at 6.0%.

At the end of the first quarter, international reserves reached USD 185.5 billion, an increase of USD 4.8 billion compared to the fourth quarter of 2019. The latter occurred in an environment of high volatility in international financial markets, where from March 16 to March 20 was the most volatile week since the 2008 financial crisis. In this context, the peso reached a level of 23.67 pesos per dollar, a depreciation of 20.05% compared to the previous year-end. The Ministry of Finance, the Banco de México, and the Foreign Exchange Commission have carried out measures to ensure the orderly operation of financial markets, provide liquidity to the foreign exchange market, and reduce exchange rate volatility.





Public Finances

The first quarter results reflect the actions taken at the beginning of the administration to strengthen revenues, respecting the commitment to not to raise new taxes or increase the existing ones; the priority that the Government of Mexico has given to the attention of the sanitary emergency and the mitigation of the economic impacts on the population through social distancing measures; and the prudent and responsible management of public finances, in spite of the adverse shocks that the Mexican economy is facing.

During January-March 2020, the public sector budgetary revenues were Ps. 1.462 trillion, higher by Ps. 25.3 billion than the program and 9.2%, in real terms, compared to the first quarter of 2019.

Tax revenues amounted Ps. 1.004 trillion, which represented Ps. 48.2 billion above the program and a real growth of 13.3% compared to what was observed in 2019. The tax revenues evolution in the quarter is explained by the growth in the collection of personal and corporate income (ISR), VAT and the excise taxes without considering fuels (IEPS), with annual rates of 13.0, 18.3 and 4.6%, respectively. The higher collection reflects the gains in tax administrative efficiency as well as the entry into force, in January 2020, of various measures that aim to reduce tax evasion and tax avoidance practices. Likewise, Federal Government non-tax revenues were Ps. 67.3 billion higher than the program, derived from government fees.

The above highly compensated the lower Public Sector's oil revenues of Ps. 94.8 billion with respect to the program, mainly derived from a lower production platform, a lower volume of Pemex's internal sales and higher purchase of merchandise for resale

In the first quarter of 2020, the Federal Government programmable expenditure without considering autonomous branches was Ps. 26.5 billion higher than the program and 15.2% higher, in real terms, than the first quarter of 2019, mainly due to the higher expenditure of the Ministry of Health and advance payment for the Program for the Welfare of Elderly.

This higher expenditure was offset by lower expenditures of the state productive companies (Pemex and CFE), the organizations under direct budget control (IMSS and ISSSTE) and the autonomous branches in Ps. 50.8 billion, resulting in a lower programmable expenditure compared to the program in Ps. 21.1 billion.

Non-programmable expenditure was lower than the program in Ps. 9.0 billion, mainly as a result of a lower financial cost of Ps. 5.4 billion. Thus, net paid expenditure was Ps. 1.5 trillion, higher than the registered in 2019 in 6.2%, and lower than the expected in the program at Ps. 30.1 billion.





At the end of the first quarter of 2020, the main public finances balances were better than expected. The public sector primary balance, defined as the difference between total revenues and expenditure excluding financial cost, was Ps. 137.7 billion, higher than the programmed surplus of Ps. 79.6 billion. In the same period, the public sector balance presented a surplus of Ps. 26.9 billion, which is compared with a deficit originally projected for the period of Ps. 73.4 billion.

In the first quarter of 2020, the Public Sector Borrowing Requirements (PSBRs), the broadest measure of public sector balance, registered a Ps. 49.7 billion deficit, which compares with the observed in 2019 of Ps. 9.6 billion deficit.

In line with the 2021 Preliminary General Economic Policy Guidelines, public finances estimates for 2020 were made under a prudent scenario that considers a balance of risks in accordance with the high uncertainty regarding economic activity, as well as the situation of the oil market, which will imply that energy prices remain low during this year and possibly the next. Thus, it is expected that this year PSBRs will amount to 4.5% of GDP, higher than the 2.6% approved by the Congress. Likewise, a deficit in the primary balance equivalent to 0.4% of GDP and a Historical Balance of the PSBRs (HBPSBRs) of 52.1% of GDP are anticipated.

It is important to highlight the Government of Mexico's financial and fiscal buffers available to face the situation. The available oil hedges will guarantee the Federal Government's oil revenues estimated in the Revenues Law in the face of a drop in oil prices. In addition, there are funds and reserves to cope with the health emergency and a balance in the Budgetary Revenue Stabilization Fund (FEIP) of Ps. 175.0 billion by the end of March, which would compensate the fall in Federal Government's revenues. Finally, as of March 27, there are international reserves of USD 185.5 billion, a flexible credit line with the International Monetary Fund of USD 61.4 billion and foreign exchange lines with the Federal Reserve and with the Treasury of the United States for USD 60.0 and USD 9.0 billion, respectively, elements to face potential problems of international liquidity and balance of payments.

Public Debt

The actions for the management of public debt implemented during the first quarter of this year have been aimed at improving the debt maturity profile of the Federal Government, ensuring the proper functioning and liquidity of local debt markets and, in general, guarantee fiscal sustainability in the medium term.

The above is fundamental in a context in which the prevailing uncertainty in the world is generating episodes of volatility and lack of liquidity in the financial markets, as well as a significant increase in the debt levels of many economies, which could originate, over time, financial instability scenarios at the regional or global level.





Among the various successful operations carried out in the domestic and foreign markets, the one on January 6 in international markets stands out for a total amount of USD 2.3 billion, which involved the issuance of a new benchmark 10-year bond that will pay a coupon of 3.25%, a rate that represents a historical minimum for any issue made by the Federal Government in the market in dollars.

Along the same lines, the placement on January 13 of bonds for EUR 1.75 billion stands out, which required the issuance of a new benchmark 10-year bond where the Federal Government obtained the lowest coupon rate for bonds denominated in euros, equal to 1.125% annually.

Finally, and despite the fact that it is outside the period of this quarterly report, due to its relevance it is important to mention the financing operation carried out on April 22, where the Federal Government placed new benchmark bonds in the dollar market for an amount of USD 6 billion. Despite the observed volatility of the international financial markets, Mexico continues to have wide access to the world's capital markets. Furthermore, this was the highest demand of bond placement carried out by the Federal Government in the country's history.

Regarding the internal market, it is important to highlight that the Ministry of Finance carried out three government securities swap operations during the month of March for a total amount of Ps. 130.2 billion. In these operations, long-term bonds were exchanged for short and medium-term instruments. With this, liquidity was granted to market participants, allowing them to rebalance their investment portfolios in an agile manner. These government securities swap operations will continue to be carried out in order to provide liquidity in the secondary market for government debt.

At the end of the first quarter of 2020, 73.9% of the Federal Government net debt was denominated in pesos while 26.1% was denominated in foreign currency. Within the internal debt, the average maturity of government debt was 8.0 years, of these, 82.1% was at a fixed and long-term rate. Within the external debt, the average maturity was 19.0 years and 100.0% was at a fixed rate.

The debt balances evolution during the first quarter of 2020 is in line with the objectives of this year's fiscal policy. At the end of the first quarter of 2020, the Federal Government net debt balance amounted Ps. 9.024 trillion. The internal component stood at Ps. 6.666 trillion, and the external amounted to USD 100.3 billion.

Regarding the Public Sector net debt, which includes the net debt of the Federal Government, the State Owned Enterprises and the Development Banks net debt, at the end of the first quarter of 2020, it stood at Ps. 12.125 trillion. Within, the internal net debt component stood at Ps. 7.253 trillion, while the external amounted to USD 207.2 billion.





Finally, at the end of the first quarter of 2020, the HBPSBR, indicator that includes the obligations of the Public Sector in its broadest version, amounted to Ps. 11.860 trillion. The internal component was amounted to Ps. 7.092 trillion while the external component amounted to USD 202.8 billion.

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Annexes

Public Sector Financial Situation (Million pesos)

Concept	January-March			Nominal difference (3-2)	Real Growth % (3/1)
	2019 (1)	2020 Program (2)	2020 Observed P./ (3)		
Public balance	-24,482.7	-73,393.1	26,933.2	100,326.3	n.s.
Public balance excluding investment^{1/}	116,288.3	82,328.0	180,183.0	97,855.0	49.9
Budgetary balance	-53,715.9	-73,543.1	-18,070.2	55,472.9	n.s.
Budgetary revenues	1,295,375.1	1,437,555.8	1,462,899.4	25,343.6	9.2
Net budgetary expenditure	1,349,091.1	1,511,098.9	1,480,969.6	-30,129.3	6.2
Programmable expenditure	964,641.5	1,095,710.0	1,074,598.9	-21,111.2	7.7
Non-programmable expenditure	384,449.6	415,388.9	406,370.8	-9,018.1	2.2
Entities under indirect budgetary control	29,233.2	150.0	45,003.4	44,853.4	48.9
Primary balance	93,641.3	79,585.1	137,713.3	58,128.3	42.2
Public balance by entities	-24,482.7	-73,393.1	26,933.2	100,326.3	n.s.
Budgetary balance	-53,715.9	-73,543.1	-18,070.2	55,472.9	n.s.
Federal Government balance	-1,314.8	-72,833.0	26,099.7	98,932.7	n.s.
State productive enterprises	-113,884.4	-61,545.3	-120,412.3	-58,867.0	n.s.
PEMEX	-79,420.8	-63,808.7	-124,416.3	-60,607.6	n.s.
CFE	-34,463.6	2,263.4	4,004.0	1,740.7	n.s.
Entities under direct budgetary control	61,483.2	60,835.2	76,242.4	15,407.2	19.9
IMSS	62,342.0	63,157.0	69,092.8	5,935.8	7.2
ISSSTE	-858.8	-2,321.8	7,149.6	9,471.4	n.s.
Entities under indirect budgetary control	29,233.2	150.0	45,003.4	44,853.4	48.9
Memorandum items					
PSBR	-9,588.1		-49,675.2		n.s.
Primary PSBR	190,153.5		175,010.8		-11.0

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 2020 Revenues Law.

Source: Ministry of Finance.





**Public Sector Budgetary Revenues
(Million pesos)**

Concept	January-March			Nominal difference (3-2)	Real Growth % (1)
	2019 (1)	2020 Program (2)	2020 Observed ^{p./} (3)		
Total	1,295,375.1	1,437,555.8	1,462,899.4	25,343.6	9.2
Oil	179,060.7	229,892.1	135,070.7	-94,821.4	-27.0
State productive enterprises (Pemex)	64,186.9	127,408.1	45,269.0	-82,139.1	-31.8
Federal Government ^{2./}	114,873.9	102,484.0	89,801.7	-12,682.3	-24.4
Mexican Oil Fund	114,873.9	102,484.0	89,797.7	-12,686.3	-24.4
Income Tax from contractors and assignees	0.0	0.0	3.9	3.9	n.s.
Non-oil	1,116,314.4	1,207,663.7	1,327,828.7	120,165.0	15.0
Federal Government	923,535.0	1,008,205.4	1,123,689.2	115,483.8	17.7
Tax	857,996.4	956,515.0	1,004,729.3	48,214.3	13.3
Income Tax	463,946.8	538,358.4	542,062.2	3,703.8	13.0
Value Added Tax ^{1./}	243,418.4	257,874.4	297,757.9	39,883.5	18.3
Excise Tax	121,594.6	129,390.3	131,510.9	2,120.6	4.6
Imports	16,836.2	16,766.9	14,564.4	-2,202.5	-16.3
Tax on hydrocarbon exploration and extraction activities	1,583.2	1,700.5	1,616.6	-83.9	-1.2
Others	10,617.2	12,424.5	17,217.4	4,792.9	56.8
Non tax	65,538.6	51,690.4	118,959.8	67,269.4	75.6
Entities under direct budgetary control	98,926.8	104,602.2	108,082.5	3,480.3	5.7
IMSS	89,634.0	95,087.4	98,281.4	3,194.0	6.0
ISSSTE	9,292.8	9,514.8	9,801.1	286.3	2.0
State productive enterprises (CFE)	93,852.6	94,856.1	96,057.0	1,200.9	-1.0
Memorandum items					
Tax revenues excluding fuels excise tax (IEPS)	780,613.9	873,062.2	922,774.4	49,712.2	14.3

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

p./ Preliminary figures.

n.s.: Not significant.

^{1./} Own income includes net income from internal and external sales, as well as miscellaneous income derived from services and equity contributions, among others.

^{2./} It includes the revenues that the government receives through the Mexican Petroleum Stabilization Fund (FMP, by its Spanish acronym) 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-March			Nominal difference (3-2)	Real Growth % (1)
	2019 (1)	2020 Program (2)	2020 Observed P./ (3)		
Total	1,349,091.1	1,511,098.9	1,480,969.6	-30,129.3	6.2
Primary expenditure	1,210,758.7	1,358,095.5	1,333,324.7	-24,770.8	6.5
Programmable	964,641.5	1,095,710.0	1,074,598.9	-21,111.2	7.7
Federal Government	703,109.6	823,796.8	838,615.0	14,818.2	15.4
Autonomous branches	22,547.6	39,954.7	28,243.0	-11,711.7	21.1
Administrative branches	229,775.9	267,053.3	311,964.7	44,911.3	31.3
General branches	450,786.1	516,788.8	498,407.3	-18,381.4	6.9
Entities under direct budgetary control	250,401.4	280,519.6	265,463.8	-15,055.8	2.5
IMSS	147,568.6	167,438.7	164,875.2	-2,563.4	8.1
ISSSTE	102,832.9	113,080.9	100,588.6	-12,492.3	-5.4
State productive enterprises	234,505.5	249,146.2	225,143.7	-24,002.5	-7.1
Pemex	102,550.1	143,171.0	119,421.1	-23,749.8	12.6
CFE	131,955.4	105,975.3	105,722.6	-252.7	-22.5
(-) Compensated operations	223,375.0	257,752.6	254,623.7	-3,128.9	10.2
Non-programmable	246,117.2	262,385.5	258,725.8	-3,659.7	1.7
Non-earmarked transfers	232,362.1	240,885.4	239,406.2	-1,479.2	-0.4
Debits of Previous Fiscal Years and others	13,755.1	21,500.2	19,319.7	-2,180.5	35.8
Financial cost	138,332.4	153,003.4	147,644.9	-5,358.4	3.2
Memorandum items					
Total net expenditure without outlays on financial investments, pension payments, non-earmarked transfers and financial cost ^{1./}	727,644.0	818,141.5	811,965.7	-6,175.7	7.9
Total net expenditure without outlays on financial investments, pension payments and non-earmarked transfers	865,976.5	971,144.8	959,610.7	-11,534.2	7.2
Total net expenditure without outlays on financial investments	1,317,683.7	1,457,654.4	1,443,165.4	-14,489.0	5.9
Current structural expenditure	504,708.9	585,679.0	587,947.9	2,268.9	12.7

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

P./ Preliminary figures.

Source: Ministry of Finance.





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

Concept	January-march		Real Growth % (2/1)	Annual			% advance with respect to:		
	2019 ^{p./} (1)	2020 ^{p./} (2)		2019 ^{p./} (3)	2020 Program ^{1./} (4)	2020 Estimated ^{2./} (5)	2019 (1/3)	2020 Program ^{1./} (2/4)	2020 Estimated ^{2./} (2/5)
1. Budgetary revenues	1,295.4	1,462.9	9.2	5,385.0	5,523.3	5,205.5	24.1	26.5	28.1
2. Tax revenues	858.0	1,004.7	13.3	3,202.6	3,505.8	3,350.8	26.8	28.7	30.0
3. Tax revenues without fuels excise tax (IEPS)	780.6	922.8	14.3	2,905.1	3,163.8	3,011.2	26.9	29.2	30.6
4. Total net expenditure without outlays on financial investments, pension payments, non-earmarked transfers and financial cost	727.6	812.0	7.9	3,203.7	3,319.5	3,344.3	22.7	24.5	24.3
5. Total net expenditure without outlays on financial investments pension payments and non-earmarked transfers	866.0	959.6	7.2	3,870.1	4,046.9	4,064.6	22.4	23.7	23.6
6. Total net expenditure without outlays on financial investments	1,317.7	1,443.2	5.9	5,626.0	5,963.5	5,918.5	23.4	24.2	24.4
7. Total net expenditure	1,349.1	1,481.0	6.2	5,792.6	6,070.4	6,019.5	23.3	24.4	24.6
8. Current structural expenditure	504.7	587.9	12.7	2,341.6	2,415.2	2,429.7	21.6	24.3	24.2
9. Primary balance	93.6	137.7	42.2	268.0	180.7	-93.2	34.9	76.2	n.a.
10. PSBR	-9.6	-49.7	n.a.	-567.2	-678.5	-1,085.3	1.7	7.3	4.6
11. HBPSBR	10,520.2	11,860.1	9.0	10,870.0	11,961.6	12,692.8	96.8	99.2	93.4
12. Public debt	10,890.9	12,125.4	7.7	11,027.4	12,013.6	12,852.8	98.8	100.9	94.3

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

^{p./} Preliminary figures.

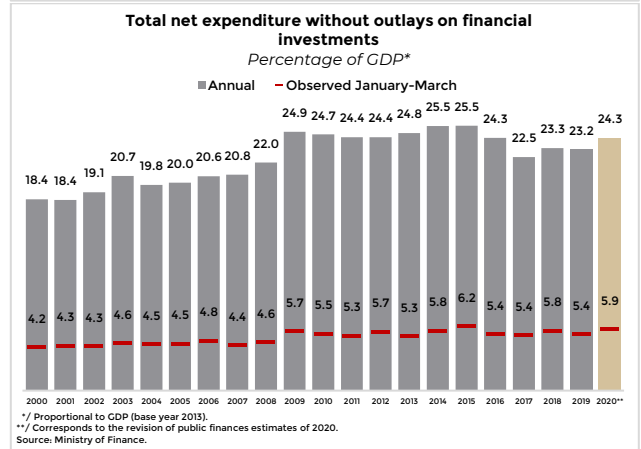
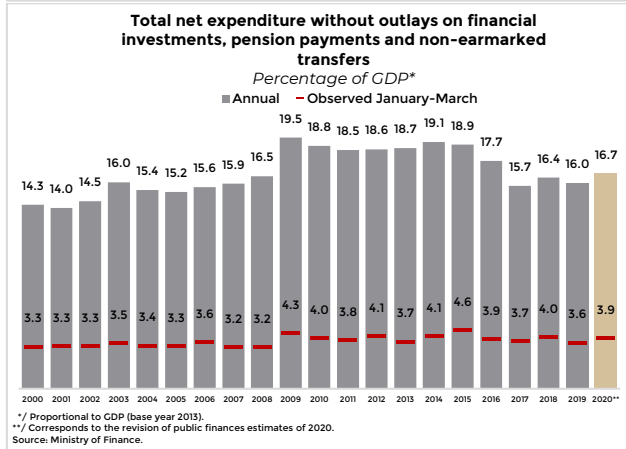
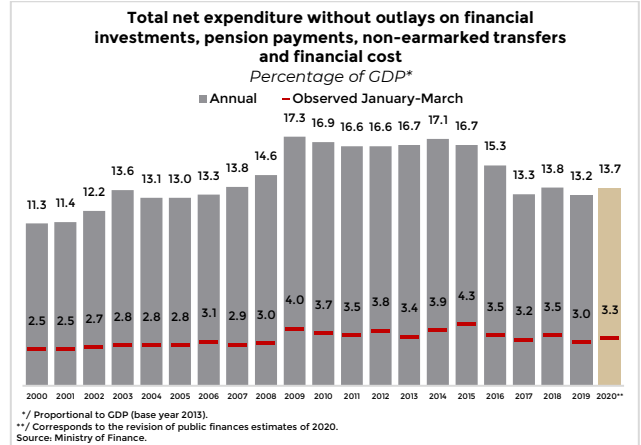
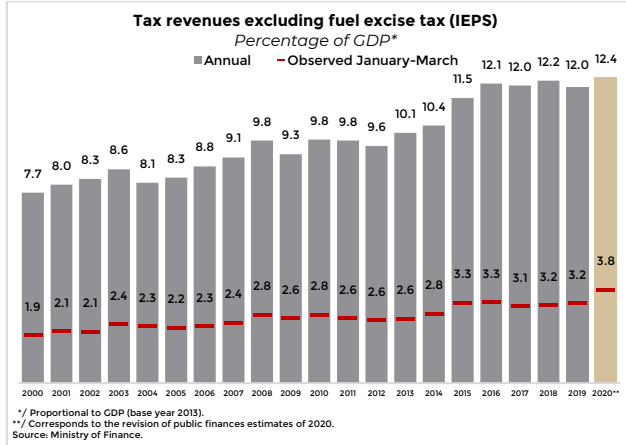
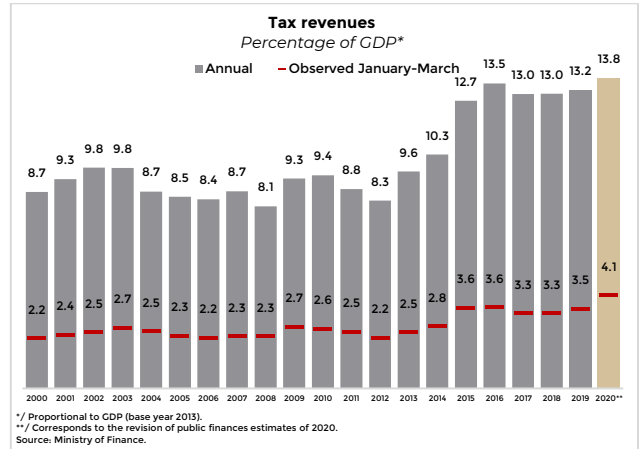
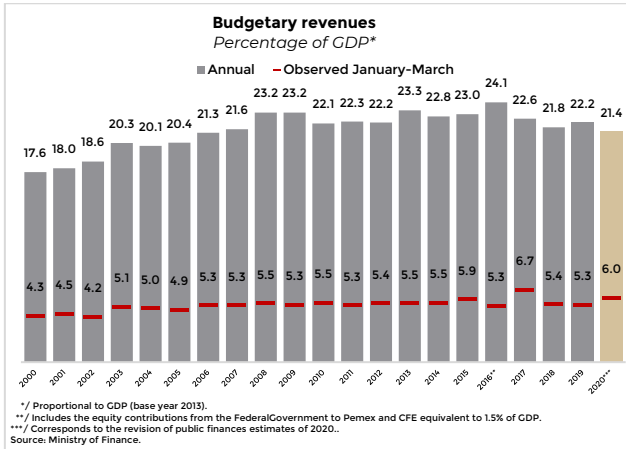
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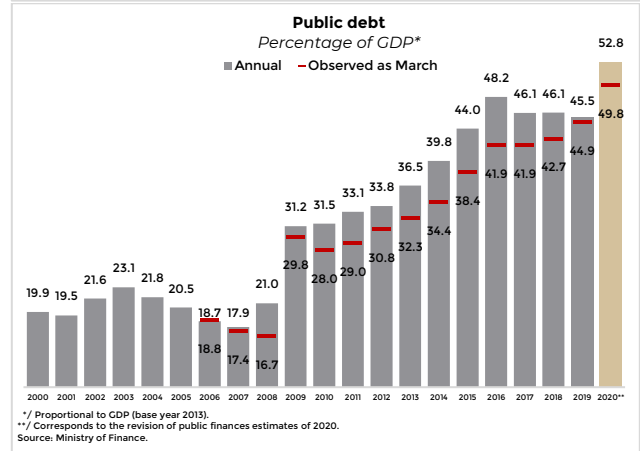
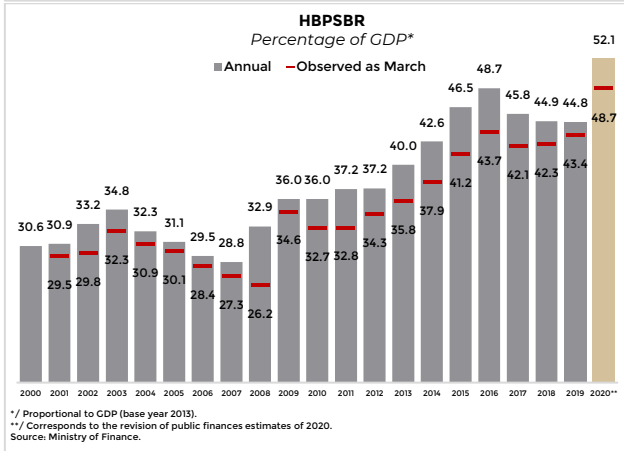
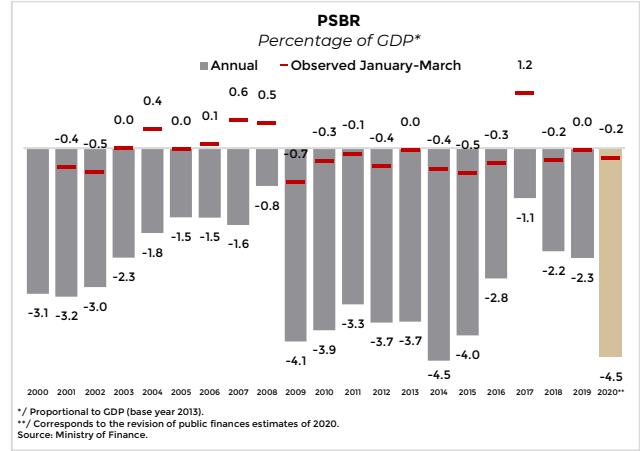
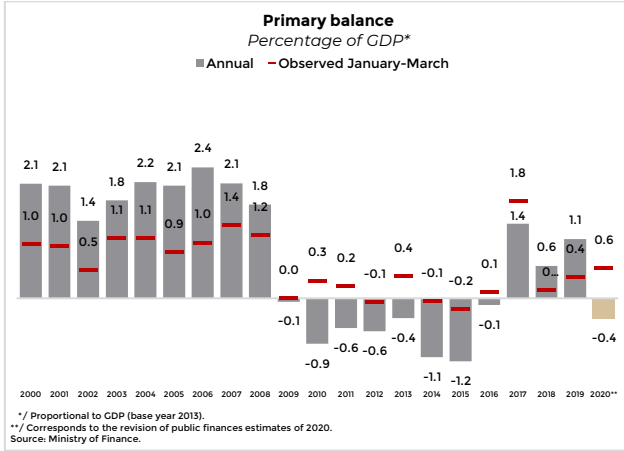
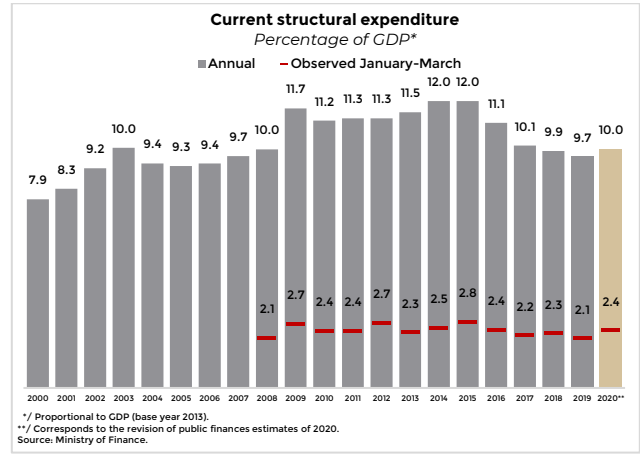
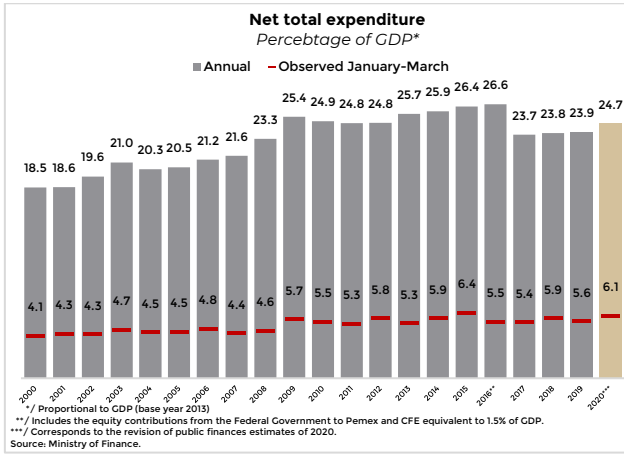
^{1./} Corresponds to the Federal Income Law and the Federal Budget for the fiscal year 2020 approved by the Congress.

^{2./} Corresponds to the revision of public finances estimates of 2020.

Source: Ministry of Finance.









Balance of Stabilization funds, 2019-2020

(Million pesos)

	Dec-19	Mar-20	Difference
Total	239,765	264,111	24,346
Budgetary Revenues Stabilization Fund (FEIP)	158,544	174,959	16,416
Federal Entities Revenues Stabilization Fund (FEIEF)	60,461	63,316	2,856
Mexican Oil Fund for Stabilization and Development (FMP)	20,760	25,835	5,075

Source: Ministry of Finance.





**Federal Public Sector Debt Balances,
March 2020 *_/**

Concept	Balance			% of annual GDP ^{2_/}			% of GDP QoQ Annualized ^{3_/}			Percentage Structure (%)		
	dic-18	dic-19 ^{p_/}	mar-20 ^{p_/}	dic-18	dic-19	mar-20	dic-18	dic-19	mar-20	dic-18	dic-19	mar-20
Domestic debt:												
Net (Million pesos)	6,867,594.7	7,188,473.0	7,253,002.3	29.2	29.7	29.8	28.3	29.1	29.9	63.4	65.2	59.8
Gross (Million pesos)	7,036,273.2	7,570,648.4	7,665,720.3	29.9	31.2	31.5	28.9	30.7	31.6	63.9	66.2	60.8
External debt:												
Net (Million dollars)	201,307.3	203,708.2	207,227.7	16.9	15.8	20.0	16.3	15.5	20.1	36.6	34.8	40.2
Gross (Million dollars)	202,355.3	204,684.3	210,399.9	17.0	15.9	20.3	16.4	15.6	20.4	36.1	33.8	39.2
Total Debt: ^{1_/}												
Net (Million pesos)	10,829,906.6	11,027,395.3	12,125,380.3	46.1	45.5	49.8	44.6	44.6	50.0	100.0	100.0	100.0
(Million dollars)	550,219.1	585,156.7	515,705.9									
Gross (Million pesos)	11,019,212.3	11,427,965.0	12,612,684.8	46.9	47.1	51.8	45.3	46.3	52.0	100.0	100.0	100.0
(Million dollars)	559,836.8	606,412.5	536,431.5									

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 2020, the annual GDP published in the Preliminary General Economic Policy Guidelines 2021 (PCGPE 2021) was used.

3_/ For the year 2020, 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)

Concepto	Balance as of December 2019 p._/	Indebtedness			Adj. ^{2._/}	Balance as of March 2020 p._/
		Obligations	Amort.	Net		
1. Net Debt (3-2)	7,188,473.0					7,253,002.3
2. Assets ^{1._/}	382,175.4					412,718.0
3. Gross Debt	7,570,648.4	1,054,522.8	996,964.8	57,558.0	37,513.9	7,665,720.3
Structure by Term	7,570,648.4	1,054,522.8	996,964.8	57,558.0	37,513.9	7,665,720.3
Long-term	6,885,271.4	536,405.7	365,783.8	170,621.9	36,608.5	7,092,501.8
Short-term	685,377.0	518,117.1	631,181.0	-113,063.9	905.4	573,218.5
Structure by User	7,570,648.4	1,054,522.8	996,964.8	57,558.0	37,513.9	7,665,720.3
Federal Government	6,955,385.1	897,665.4	838,308.8	59,356.6	35,064.7	7,049,806.4
Long-term	6,339,559.8	530,279.2	338,557.3	191,721.9	35,064.7	6,566,346.4
Short-term	615,825.3	367,386.2	499,751.5	-132,365.3	0.0	483,460.0
State Productive Enterprises ^{3._/}	369,714.2	72,539.7	65,291.7	7,248.0	731.3	377,693.5
Long-term	318,214.2	0.0	17,279.8	-17,279.8	731.3	301,665.7
Short-term	51,500.0	72,539.7	48,011.9	24,527.8	0.0	76,027.8
Development Banks	245,549.1	84,317.7	93,364.3	-9,046.6	1,717.9	238,220.4
Long-term	227,497.4	6,126.5	9,946.7	-3,820.2	812.5	224,489.7
Short-term	18,051.7	78,191.2	83,417.6	-5,226.4	905.4	13,730.7
Structure by Source of Financing	7,570,648.4	1,054,522.8	996,964.8	57,558.0	37,513.9	7,665,720.3
Issuance of Securities	6,880,137.6	817,616.0	772,935.3	44,680.7	31,496.0	6,956,314.3
Savings Fund	142,186.5	83,332.0	82,713.4	618.6	2,642.8	145,447.9
Commercial Banks	117,143.6	121,204.4	107,302.9	13,901.5	1,198.9	132,244.0
ISSSTE's Law obligations ^{4._/}	134,347.9	45.9	694.6	-648.7	2,078.2	135,777.4
PEMEX Pension bonds ^{5._/}	101,501.6	0.0	4,080.5	-4,080.5	0.0	97,421.1
CFE Pension bonds ^{6._/}	158,993.0	0.0	0.0	0.0	0.0	158,993.0
Others	36,338.2	32,324.5	29,238.1	3,086.4	98.0	39,522.6

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 swap operations, 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-March *_/
(Million dollars)

Concept	Balance as of December 2019 ^{p_/}	Indebtedness			Adj. ^{2_/}	Balance as of March 2020 ^{p_/}
		Obligations	Amort.	Net		
1. Net Debt (3-2)	203,708.2					207,227.7
2. Financial assets in foreign currencies ^{1_/}	976.1					3,172.2
3. Gross debt	204,684.3	19,718.5	12,591.7	7,126.8	-1,411.2	210,399.9
Structure by term	204,684.3	19,718.5	12,591.7	7,126.8	-1,411.2	210,399.9
Long-term	200,969.9	14,056.3	6,685.7	7,370.6	-1,416.5	206,924.0
Short-term	3,714.4	5,662.2	5,906.0	-243.8	5.3	3,475.9
Structure by user	204,684.3	19,718.5	12,591.7	7,126.8	-1,411.2	210,399.9
Federal Government	99,573.7	6,422.8	3,305.7	3,117.1	-485.9	102,204.9
Long-term	99,573.7	6,422.8	3,305.7	3,117.1	-485.9	102,204.9
Short-term	0.0	0.0	0.0	0.0	0.0	0.0
State Productive Enterprises ^{3_/}	93,705.7	11,033.2	5,867.3	5,165.9	-453.1	98,418.5
Long-term	93,035.7	7,633.5	3,215.8	4,417.7	-453.1	97,000.3
Short-term	670.0	3,399.7	2,651.5	748.2	0.0	1,418.2
Development Banks	11,404.9	2,262.5	3,418.7	-1,156.2	-472.2	9,776.5
Long-term	8,360.5	0.0	164.2	-164.2	-477.5	7,718.8
Short-term	3,044.4	2,262.5	3,254.5	-992.0	5.3	2,057.7
Structure by Source of Financing	204,684.3	19,718.5	12,591.7	7,126.8	-1,411.2	210,399.9
Capital markets	157,581.9	13,407.7	6,205.8	7,201.9	-823.6	163,960.2
International Financing Institutions	31,453.7	615.1	268.4	346.7	-539.2	31,261.2
International Trade	5,365.8	11.2	168.7	-157.5	-28.0	5,180.3
Commercial Banks	10,013.8	5,414.8	5,897.3	-482.5	-7.4	9,523.9
Pidiregas	269.1	269.7	51.5	218.2	-13.0	474.3

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 and Development Banks.

Enterprises.

2_/ Mainly corresponds to the effect of the exchange rate variation, debt repurchase and prepayment operations, and others.

3_/ Includes only PEMEX and CFE.

Source: Ministry of Finance.

