



Mexico City, July 30th, 2020

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

- **During the second quarter of the year, the Mexican economy reached its lowest point, as a result of the closure of economic activities due to the contingency of COVID-19 and its impact on the economy.**
- **In the second quarter of the year, gradual and sustainable signs of economic recovery were observed in some essential activities.**
- **Given the current economic and financial situation, the Ministry of Finance reiterates that Mexico has a strong and resilient financial system, as well as its commitment to not use additional debt to that approved by Congress.**

Executive summary

- The position of public finances and debt at the end of the second quarter reflects the fiscal and financial policy actions established to mitigate the impact of the drastic economic contraction experienced in April and May, a direct consequence of the closure of activities to contain the spread of COVID-19, and to ensure a stable macroeconomic environment that contributes to recovery.
- Towards the end of the second quarter signs of partial recovery in the global economy were observed, in line with the reopening initiated by different countries. The pace of the reactivation is still uncertain, due among other factors to the persistence of the COVID-19 pandemic; the uncertainty about the time when a vaccine or treatment for the disease will be available, that allows a safe and wide reopening; and the resurgence of trade tensions between the United States and China.
- International financial markets recovered most of the losses in the first quarter and volatility decreased notably, as a result of the measures implemented by governments and central banks around the world.
- In Mexico, a significant decrease in economic activity was observed during the second quarter, although with signs of improvement in June, particularly in foreign trade and in the construction and manufacturing sectors, which, due to their characteristics were able to resume activities.





- On the financial side, during the second quarter, an appreciation of the Mexican coin was observed, besides a decrease in the risk premium of government bonds and an improvement in the stock markets, among other positive results that show both, the effect of the measures to provide liquidity to markets and to ensure the orderly functioning of the financial system, as well as the confidence in the macroeconomic fundamentals of our country.
- In this context, the management of the public finances of the Government of Mexico stands out, aimed at ensuring long-term sustainability and preserving stability, which is manifested in a primary surplus of 61.2 billion pesos and in a less public deficit compared to the program in 17.8 billion pesos.
- Tax revenues increased 0.1% in real annual terms in the first semester of 2020, in an extremely complex economic environment, a result that compares positively with that experienced in previous economic contractions, and which is explained by the changes implemented during this administration to permanently strengthen the compliance of taxpayers and combat evasion spaces, thus increasing collection while maintaining the fiscal framework.
- In the first semester of 2020, non-tax revenues increased 65.2% in real annual terms, derived from the use of financial assets to finance government activities without resorting to additional indebtedness.
- Oil revenues decreased 41.3% in real annual terms in January-June, due to the drastic price fall of oil and consumption of hydrocarbons and fuels, despite a 1.7% annual increase in oil production. This explains the 3.7% real annual contraction in the total budgetary revenues.
- The programmable expenditure of the Centralized Public Administration increased by 7.8% in real annual terms, while physical investment increased by 16.0%. This helped to address the health emergency and to protect the economy of households and companies, alongside a set of financial and regulatory measures.
- Non-programmable expenditure decreased by 3.2% in real annual terms in January-June, due to a fall of 7.4% in non-earmarked transfers to the states. These have received 21.1 billion pesos from the Federal Entities Revenues Stabilization Fund (FEIEF) to compensate the above and to allow the adequate execution of their programs and projects.
- The increase in programmable expenditure of 4.4% in real annual terms during the first semester of the year led to an increase in the total net paid expenditure of 2.1% in real annual terms during the same period.
- The proactive and flexible management of public debt made it possible to meet the financing needs of the Federal Government under favorable





conditions, improving the maturity profile and ensuring the proper functioning and liquidity in the debt markets. At the end of June, the net debt of the Federal Government stood at 9 trillion 300.1 billion pesos, in line with the objectives of fiscal policy for this year.

- o Additionally, the net debt of the Public Sector stood at 12 trillion 336.0 billion pesos, while the Historical Balance of the Public Sector Borrowing Requirements (SHRFSP) amounted to 12 trillion 73.4 billion pesos, where 68.0% of the increase compared to the 2019 figure was due to a valuation effect of the depreciation of the peso against the US dollar.
- o The Government of Mexico reiterates its commitment with economic, fiscal, and public debt management policies that contribute to preserving macroeconomic balances, as a means of protecting the well-being of Mexican households and the pillars of productive activity.

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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 second quarter of 2020.

Economic situation

Data from the end of the second quarter showed signs of a partial recovery in the global economy, as productive activities were reactivated after the closure measures implemented to mitigate the COVID-19 pandemic, although in general, the levels prior to the pandemic or those observed at the end of 2019 have not recovered.

After contractions in March and April, industrial production in the United States rebounded in May and again in June, with seasonally adjusted monthly growth rates of 1.4 and 5.4%, respectively.

Likewise, retail sales grew at seasonally adjusted rates of 18.2 and 7.5% in those months, respectively. In addition, non-agricultural employment recovered 7.5 million jobs during the May-June period, while the unemployment rate fell to 11.1% in June from 13.3% in May.

In the euro area, industrial production and retail sales rebounded in May, with seasonally adjusted monthly variation rates of 12.4 and 17.8%, respectively. In China, industrial production exhibited a monthly growth rate in June with seasonally adjusted figures of 1.3% and is at levels higher than 2019, as the annual rate was 4.8%. Retail sales also showed favorable growth in June, with a monthly rate of 1.3% with seasonally adjusted figures. Manufacturing and services PMIs recorded the highest levels so far this year, even higher than those observed at the end of 2019, at 50.9 and 54.4 points, respectively.

On the other hand, the main financial variables registered an improvement during the second quarter, as a result of the conventional and unconventional measures carried out by the central banks of advanced and emerging economies, as well as greater confidence in the economic outlook.

At the end of June, the MSCI indexes for stock markets of emerging and advanced economies had recovered 66 and 79%, respectively, of the losses recorded between the end of 2019 and March 23 of this year, at which point they registered a minimum.

In addition, the VIX financial markets volatility index registered a 63.2% decrease at the end of June from the maximum reached on March 16, of 82.7 points.





Furthermore, the country risk in emerging economies, measured by the EMBI global index, reduced 143.7 points in the second quarter of 2020, after it increased 300 points during the first quarter of 2020.

In line with the global context, the economic information available for Mexico indicates an improvement towards the latter part of the second quarter, associated with the gradual reopening of the economy. However, when considering the entire period, a significant decrease in economic activity was observed, derived from confinement and social distancing measures to prevent the spread of COVID-19.

The timely estimate of GDP for the second quarter with seasonally adjusted figures shows a contraction of 17.3% compared to the first quarter of 2020 and of 18.9% for the year. Together with the available data on occupation and employment, this figure shows the unprecedented situation that exists in Mexico and globally, and how it affects both demand and supply.

This implies an annual decrease in the first semester of 10.2%. Within, an increase of 0.3% was observed in the primary sector, while the secondary and tertiary sectors contracted by 14.4 and 8.2%, respectively.

Despite the drop in total production, during May and more sharply in June, a significant recovery was observed in key sectors for the economy. In this last month, with seasonality adjusted monthly figures, the production and internal sales of light vehicles and trucks increased as a result of the resumption of activities.

Oil, non-oil, and manufacturing exports showed a notable improvement in June, according to the timely information available, with seasonally adjusted monthly increases of 49.7, 76.9 and 83.6%, respectively.

In addition, imports increased 22.2% at a seasonally adjusted monthly rate, where the 27.2% increase in intermediate-use goods stands out, highly related to the rebound in manufacturing exports. This reflects the integration of value chains in North America, which has been reinforced by the entry into force on July 1 of the United States-Mexico-Canada Agreement (USMCA).

Regarding employment, in the construction sector 98 thousand 53 formal jobs were recovered in June compared to the previous month, 37.4% of those lost in the March-May period. Going forward, it faces the challenge of reintegrating formal and informal workers who were unemployed and those who reported having left the labor force, as well as better assigning to those who, due to involuntary causes, work less than they would like.

In the same month, 2 thousand 823 more employers enrolled in the IMSS, 28.3% of those who left in April and May. Finally, federal jurisdiction contractual salaries registered an annual nominal increase of 4.9% during April-June and were 2.0% higher compared to the same period of the previous year.





Supported by the above and by historical levels of remittances, which in January-May increased 10.4% compared to the same period in 2019, sales of department stores and self-service stores registered growth in May and June, with seasonally adjusted monthly figures.

Regarding prices, headline and core inflation registered annual rates of 3.3 and 3.7% at the end of June, respectively, which placed for 13 and 27 consecutive months within the variation range of Banco de México for the inflation target, respectively. The foregoing and the firm anchoring of medium and long-term inflation expectations provided space for a 150-basis points reduction in the reference rate, which ended at 5.0% at the end of the quarter.

In an environment of unprecedented monetary and fiscal expansion in advanced countries, in the second quarter there was a partial recovery of the appetite for risk assets in emerging markets in general and in Mexico in particular. The intervention of the Ministry of Finance, Banxico and the Foreign Exchange Commission was key to ensuring the orderly functioning of financial markets, providing liquidity to the foreign exchange market, and reducing its volatility.

The risk premium, measured by the credit default swap of the 5-year dollar government bond, decreased 151.4 basis points between the maximum of 309.9 points, registered on April 27, and the end of June. However, risk levels are still above the level observed at the beginning of the year. Also noteworthy is the 9.2% gain in the Price and Quotation Index (IPC) of the Mexican Stock Exchange during the second quarter, which shows a partial recovery after having decreased 20.6% in the previous quarter.

During the second quarter, the exchange rate continued to show high volatility, although this was decreasing towards the end of the quarter. The Mexican peso appreciated 10.3% against the US dollar between March 23, when it reached a maximum of 25.4, and the end of June. Likewise, international reserves reached a level of 189.6 billion dollars at the end of the quarter, higher by 8.7 billion dollars than that observed at the end of 2019.

In this context, during the year the estimates on the duration of the period of coexistence with COVID-19 and the partial closure of the global economy have been revised upwards, due to the acceleration in the number of cases of the disease or outbreaks in different parts of the world, as well as the uncertainty about when a safe and effective vaccine or effective treatment against the disease will be available.

The foregoing, added to the resurgence of tensions between the United States and China, make expectations about the rate of recovery of both the world and Mexican economies during the second half of the year and 2021 are subject to a high degree of uncertainty.





In turn, the disconnect between the improvement in international financial markets and that of the real economy, which has been relatively slower, generates the risk of new episodes of volatility in the former, if investors' confidence deteriorates and, with it, their appetite for risk.

Public finances

The results of the second quarter show solid public finances, derived from the increase in tax collection efficiency and the long-term management of public resources. The latter is particularly relevant in the environment of uncertainty that prevails regarding the duration of the COVID-19 pandemic and, therefore, the partial closure of activities.

During the first semester, the budgetary revenues of the Public Sector amounted to 2 trillion 603.0 billion pesos, lower by 169.0 billion pesos than that foreseen in the program and 3.7%, in real terms, with respect to the first semester of 2019. Within, 79.1% of the budgetary revenues correspond to the Federal Government; 12.5% to the State Productive Enterprises (Pemex and CFE); and the remaining 8.4% to entities under direct budget control (IMSS and ISSSTE). The decrease in Federal Government revenues will be offset by the usage of resources from the Budgetary Revenues Stabilization Fund (FEIP), in accordance with the applicable regulation.

Tax revenues amounted to 1 trillion 748.8 billion pesos in the first semester of 2020 and increased 0.1% in real annual terms, an outstanding result given the complex economic environment that is being experienced. This is mainly explained by a real growth of income tax of 1.3%, as a result of determined efforts to improve taxpayer compliance.

Non-tax revenues of the Federal Government were higher than those expected in the program by 109.0 billion pesos and higher by 65.2% in real terms compared to the first semester of 2019, as a result of the use of financial assets given the policy to avoid additional indebtedness and macroeconomic imbalances during a particularly uncertain period at a global level in economic and financial matters.

Oil revenues of the Public Sector were located at 249.8 billion pesos, lower by 208.8 billion pesos compared to what was programmed and in 41.3% in real annual terms compared to the figure observed in the first semester of 2019, due to the particularly adverse effects that mobility restrictions and uncertainty about the speed of recovery have had on the sector.

In the first semester of 2020, the net paid expenditure amounted to 2 trillion 922.1 billion pesos, an amount higher than that registered in the same period of the previous year in 2.1% in real annual terms but lower than the one foreseen in the program in 161.2 billion pesos.





The programmable expenditure of the Centralized Public Administration increased by 7.8% in real annual terms, while physical investment increased by 16.0%. Complemented with a set of financial and regulatory measures, these actions help the economy of households and companies without generating excessive pressure on public finances and macroeconomic imbalances.

Non-programmable expenditure decreased by 3.2% in real annual terms in January-June, due to a fall of 7.4% in non-earmarked transfers to the states. As of June, they have received 21.1 billion pesos from the Federal Entities Revenues Stabilization Fund (FEIEF) to compensate the above and to allow the adequate execution of their programs and projects.

At the end of the second quarter of 2020, the primary balance of the Public Sector, defined as the difference between total revenues and expenditures other than financial cost, registered a surplus of 61.2 billion pesos, less than the originally anticipated surplus of 81.8 billion pesos. In the same period, the Public Sector balance presented a deficit of 293.3 billion pesos, which compares favorably with the originally projected deficit for the period of 311.0 billion pesos.

The review of the year-end estimates of public finances for 2020 considers the information observed as of June, available data and projections on the main macroeconomic variables, and calculations regarding the impact of the measures to contain the spread of COVID-19 on the dynamism of the economy and the budget. However, there is still uncertainty about the magnitude of the final impact, as well as the effects of the mitigation measures that are carried out.

In 2020, it is estimated that the PSBR will reach a level of 5.4% of GDP, higher than the deficit of 2.6% of GDP originally considered. The HBPSBR is estimated at 55.4% of GDP instead of the 45.6% of GDP initially expected, a consequence of a higher deficit, the depreciation of the exchange rate and the lower dynamism of the economy. Likewise, the primary balance is expected to decrease from a surplus of 0.7% of GDP to a deficit of 0.6% of GDP, as a result of the implementation of several measures to face the economic and health emergency due to the COVID-19 pandemic.

Public debt

The policy for managing the public debt during the second quarter of 2020 has been characterized by being proactive and flexible, in order to implement the necessary measures to ensure the proper functioning and liquidity in the debt markets, considering the prevailing uncertainty of the effects of the COVID-19 pandemic. The actions have achieved to maintain a good functioning of the market. This has been making it possible to meet the financing needs of the





Federal Government under favorable conditions and to carry out liability management operations to smooth the debt maturity profile and to increase market liquidity when required.

Regarding the foreign debt management, the financing operation carried out on April 22 stands out, where the Federal Government placed new benchmark bonds in the dollar market for an amount of 6 billion dollars. Despite the volatility observed at that time in the international financial markets, Mexico continued to have broad access to the world's capital markets. In addition, this was the bond placement with the highest demand carried out by the Federal Government in the history of the country.

Regarding the domestic market, during the second quarter three government securities swap operations were carried out, two of them exclusively for Market Makers for a total amount of 101.9 billion pesos. In these operations, long-term bonds were exchanged for short and medium-term instruments. With these liability management operations, the Ministry of Finance contributed to preserve the orderly functioning of the local debt market, to provide liquidity and to improve the maturity profile of the domestic Federal Government debt.

At the end of the second quarter of 2020, 74.3% of the Federal Government's net debt was denominated in pesos and 25.7% in foreign currency. The average term of the domestic debt in government securities was 7.8 years and 79.8% of these are at a fixed rate and long term. The average term of the foreign market debt is 18.7 years, while 100.0% of it is at a fixed rate.

The evolution of the debt balances during the second quarter of 2020 is in line with the fiscal policy objectives for this year. At the end of the reporting period, the balance of the Federal Government's net debt amounted to 9 trillion 300.1 billion pesos. The net domestic component stood at 6.913.4 billion pesos, while the balance of the net external debt amounted to 103.9 billion dollars.

Regarding the net debt of the Federal Public Sector, which includes the net debt of the Federal Government, the State Productive Enterprises and the development banks, at the end of the second quarter of 2020, it stood at 12 trillion 336.0 billion pesos. The domestic component of this net debt amounted to 7 trillion 442.5 billion pesos, while the external component amounted to 213.0 billion dollars.

Finally, at the end of the second quarter of 2020, the HBPSBR, an indicator that includes the obligations of the Public Sector in its broadest version, amounted to 12 trillion 73.4 billion pesos. The domestic component amounted to 7 trillion 263.6 billion pesos and the external component amounted to 209.4 billion dollars.

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ANNEX

Public Sector Financial Situation (Million pesos)

Concept	January-June			Nominal difference (3-2)	Growth % real (3/1)
	2019 (1)	2020 Program (2)	2020 Observed ^{P./} (3)		
Public balance	-119,921.5	-311,003.8	-293,250.8	17,753.0	n.s.
Public balance excluding investment ^{1/}	152,065.1	13,849.9	28,762.8	14,912.9	-81.7
Budgetary balance	-153,460.0	-311,303.8	-319,090.6	-7,786.8	n.s.
Budgetary revenues	2,622,499.0	2,771,972.9	2,603,006.5	-168,966.4	-3.7
Net budgetary expenditure	2,775,959.0	3,083,276.7	2,922,097.2	-161,179.5	2.1
Programmable expenditure	1,925,902.7	2,173,934.3	2,073,599.7	-100,334.7	4.4
Non-programmable expenditure	850,056.3	909,342.4	848,497.5	-60,844.9	-3.2
Entities under indirect budgetary control	33,538.5	300.0	25,839.8	25,539.8	-25.3
Primary balance	227,229.4	81,839.4	61,195.7	-20,643.7	-73.9
Public balance by entity	-119,921.5	-311,003.8	-293,250.8	17,753.0	n.s.
Budgetary balance	-153,460.0	-311,303.8	-319,090.6	-7,786.8	n.s.
Federal Government balance	-155,892.8	-336,319.9	-284,072.9	52,247.0	n.s.
State productive enterprises	-94,000.1	-68,039.7	-139,058.4	-71,018.7	n.s.
Pemex	-70,491.3	-81,677.9	-160,575.1	-78,897.2	n.s.
CFE	-23,508.8	13,638.2	21,516.7	7,878.5	n.s.
Entities under direct budgetary control	96,432.9	93,055.8	104,040.6	10,984.9	4.7
IMSS	93,336.9	90,602.6	88,272.0	-2,330.6	-8.3
ISSSTE	3,096.0	2,453.1	15,768.6	13,315.5	394.1
Entities under indirect budgetary control	33,538.5	300.0	25,839.8	25,539.8	-25.3
Memorandum items					
PSBRs	-68,851.7		-338,745.2		n.s.
Primary PSBRs	407,200.2		140,501.3		-66.5

Note: Figures may not add up due to rounding.

^{P./} Preliminary figures.

n.s.: not significant.

^{1/} Excludes up to 2.0 percent of the GDP of both State productive enterprises and Federal Government's physical investment as per the Article 1 of the 2020 Federal Income Law.

Source: Ministry of Finance.





Public Sector Budgetary Revenues
(Million pesos)

Concept	January-June			Nominal difference (3-2)	Growth % real (3/1)
	2019 (1)	2020 Program (2)	2020 Observed ^{P./} (3)		
Total	2,622,499.0	2,771,972.9	2,603,006.5	-168,966.4	-3.7
Oil	412,626.6	458,605.7	249,794.8	-208,810.9	-41.3
State productive enterprise (Pemex) ^{1/}	179,182.4	261,312.9	134,824.5	-126,488.4	-27.0
Federal Government ^{2/}	233,444.2	197,292.8	114,970.2	-82,322.6	-52.2
Mexican Oil Fund	233,401.7	197,292.8	114,917.5	-82,375.3	-52.2
Income tax from contractors and assignees	42.5	0.0	52.7	52.7	20.4
Non-oil	2,209,872.4	2,313,367.2	2,353,211.8	39,844.6	3.3
Federal Government	1,808,321.3	1,901,713.9	1,943,358.7	41,644.8	4.3
Tax	1,694,056.8	1,816,189.7	1,748,785.5	-67,404.2	0.1
Income tax	926,722.9	993,545.7	967,706.2	-25,839.5	1.3
Value added tax	477,932.7	504,862.5	489,798.4	-15,064.1	-0.6
Excise tax	228,458.8	255,380.8	226,130.3	-29,250.5	-4.0
Imports	31,959.8	32,908.4	27,502.8	-5,405.6	-16.5
Tax on hydrocarbon exploration and extraction activities	3,183.8	3,417.1	2,898.4	-518.7	-11.7
Others	25,798.7	26,075.2	34,749.4	8,674.2	30.7
Non-tax	114,264.5	85,524.2	194,573.2	109,049.0	65.2
Entities under direct budgetary control	206,367.6	216,926.4	219,432.5	2,506.0	3.2
IMSS	184,252.8	194,856.7	191,015.4	-3,841.3	0.6
ISSSTE	22,114.9	22,069.7	28,417.1	6,347.4	24.7
State productive enterprise (CFE)	195,183.5	194,726.9	190,420.6	-4,306.3	-5.4
Memorandum items					
Tax revenues excluding fuels excise tax	1,546,183.2	1,647,618.8	1,602,539.1	-45,079.7	0.5

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

^{P./} Preliminary figures.

^{1/} Pemex's own revenues include net revenues from internal and external sales, as well as miscellaneous revenues derived from services and equity contributions, among others.

^{2/} Includes revenues received by the government through the Mexican Oil Fund and the collection of the Income tax from new contracts and allocations in the field of hydrocarbons.

Source: Ministry of Finance.





Public Sector Total Budgetary Expenditures
(Million pesos)

Concept	January-June			Nominal difference (3-2)	Growth % real (3/1)
	2019 (1)	2020 Program (2)	Observed ^{P./} (3)		
Total	2,775,959.0	3,083,276.7	2,922,097.2	-161,179.5	2.1
Primary expenditure	2,414,009.4	2,690,383.1	2,547,370.9	-143,012.2	2.4
Programmable	1,925,902.7	2,173,934.3	2,073,599.7	-100,334.7	4.4
Federal Government	1,416,840.6	1,600,241.5	1,572,758.8	-27,482.6	7.7
Autonomous branches	50,292.0	72,252.0	54,847.3	-17,404.7	5.8
Administrative branches	522,613.1	580,818.5	607,276.4	26,458.0	12.7
General branches	843,935.4	947,171.0	910,635.1	-36,535.9	4.7
Entities under direct budgetary control	492,650.3	548,910.9	536,099.0	-12,811.8	5.6
IMSS	312,240.9	352,889.0	350,211.5	-2,677.4	8.8
ISSSTE	180,409.3	196,021.9	185,887.5	-10,134.4	0.0
State productive enterprises	425,170.3	491,822.2	427,449.0	-64,373.2	-2.5
Pemex	192,600.6	282,951.1	228,844.3	-54,106.9	15.3
CFE	232,569.7	208,871.1	198,604.7	-10,266.3	-17.2
(-) Compensated operations	408,758.4	467,040.2	462,707.2	-4,333.0	9.8
Non-programmable	488,106.7	516,448.8	473,771.2	-42,677.5	-5.8
Non-earmarked transfers	476,749.3	494,948.6	455,108.2	-39,840.4	-7.4
Debits of previous fiscal years (Adefas)	11,357.4	21,500.2	18,663.0	-2,837.1	59.4
Financial cost	361,949.6	392,893.6	374,726.3	-18,167.3	0.4
Memorandum items					
Total net expenditure without outlays on financial investments, pension payments, non-earmarked transfers, and financial cost	1,466,951.4	1,627,592.9	1,546,127.5	-81,465.4	2.2
Total net expenditure without outlays on financial investments, pension payments and non-earmarked transfers	1,828,901.0	2,020,486.5	1,920,853.8	-99,632.7	1.9
Total net expenditure without outlays on financial investments	2,732,984.9	2,989,230.1	2,847,604.6	-141,625.4	1.1
Current structural expenditure	1,052,043.9	1,166,039.0	1,126,520.2	-39,518.9	3.9

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-June		Growth % real (2/1)	Annual			% advance with respect to a:		
	2019 ^{p./} (1)	2020 ^{p./} (2)		2019 ^{p./} (3)	2020		2019 (1/3)	2020	
					Program ^{1./} (4)	Estimated ^{2./} (5)		Program ^{1./} (2/4)	Estimated ^{2./} (2/5)
1. Budgetary revenues	2,622.5	2,603.0	-3.7	5,385.0	5,523.3	5,235.6	48.7	47.1	49.7
2. Tax revenues	1,694.1	1,748.8	0.1	3,202.6	3,505.8	3,103.3	52.9	49.9	56.4
3. Tax revenues without fuels excise tax (IEPS)	1,546.2	1,602.5	0.5	2,905.1	3,163.8	2,817.0	53.2	50.7	56.9
4. Total net expenditure without outlays on financial investments, pension payments, non- earmarked transfers, and financial cost	1,467.0	1,546.1	2.2	3,203.7	3,319.5	3,456.8	45.8	46.6	44.7
5. Total net expenditure without outlays on financial investments pension payments and non- earmarked transfers	1,828.9	1,920.9	1.9	3,870.1	4,046.9	4,184.4	47.3	47.5	45.9
6. Total net expenditure without outlays on financial investments	2,733.0	2,847.6	1.1	5,626.0	5,963.5	5,990.3	48.6	47.8	47.5
7. Total net expenditure	2,776.0	2,922.1	2.1	5,792.6	6,070.4	6,091.2	47.9	48.1	48.0
8. Current structural expenditure	1,052.0	1,126.5	3.9	2,341.6	2,415.2	2,429.7	44.9	46.6	46.4
9. Primary balance	227.2	61.x2	-73.9	268.0	180.7	-127.5	84.8	33.9	-48.0
10.PSBRs	-68.9	-338.7	n.a.	-569.3	-678.5	-1,258.5	12.1	49.9	26.9
11. HBPSBR	10,559.8	12,073.4	10.9	10,870.0	11,961.6	12,838.2	97.1	100.9	94.0
12.Public debt	10,964.7	12,336.0	9.1	11,027.4	12,013.6	12,701.4	99.4	102.7	97.1

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

^{p./} Preliminary figures.

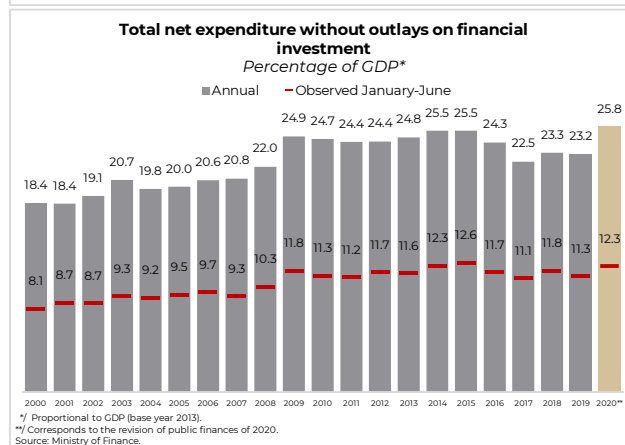
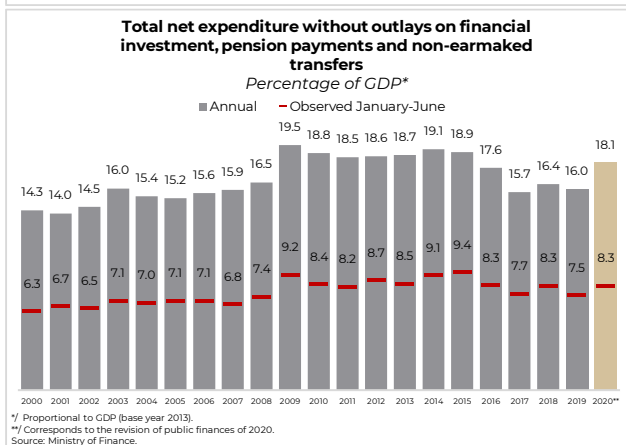
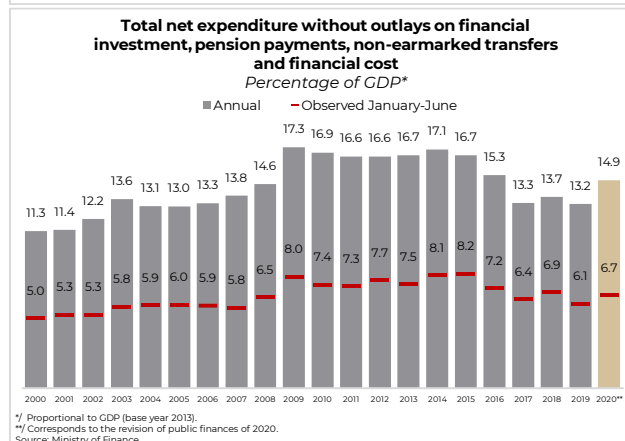
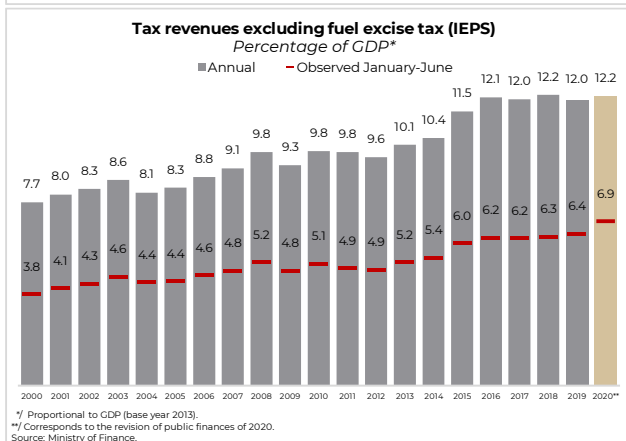
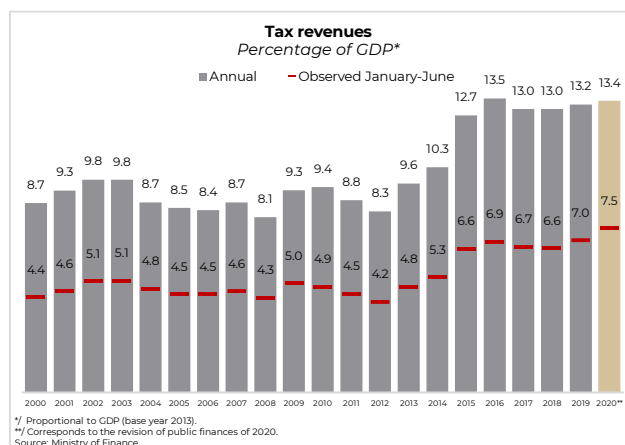
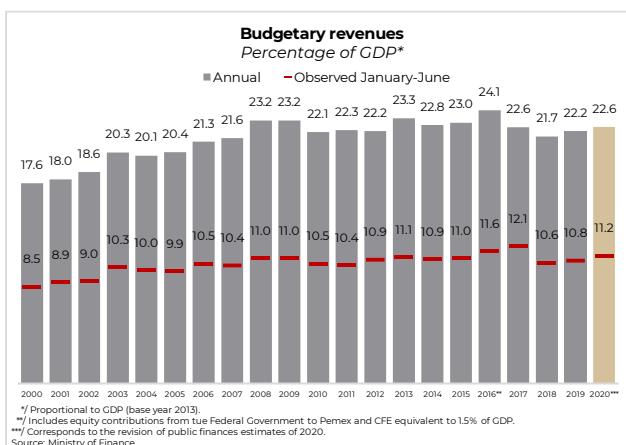
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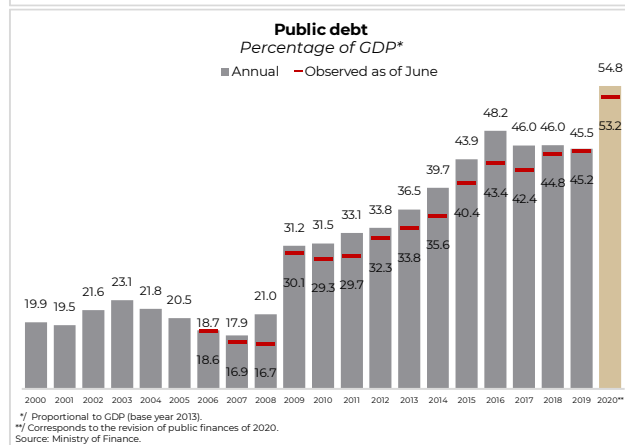
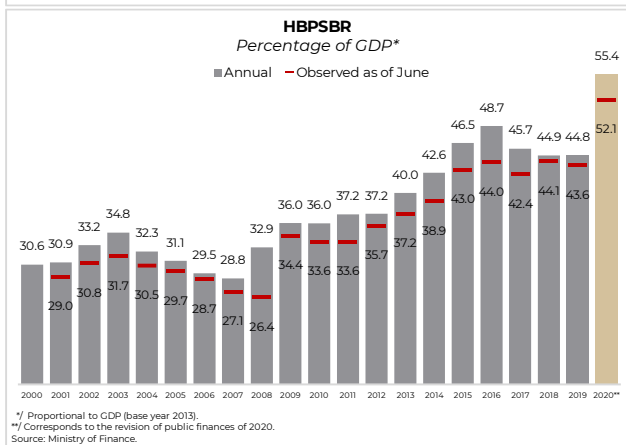
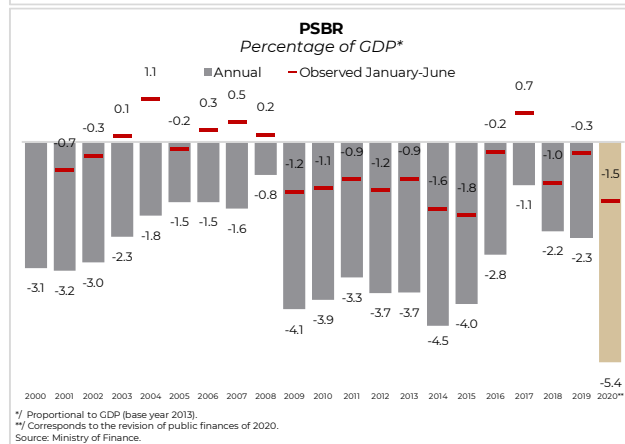
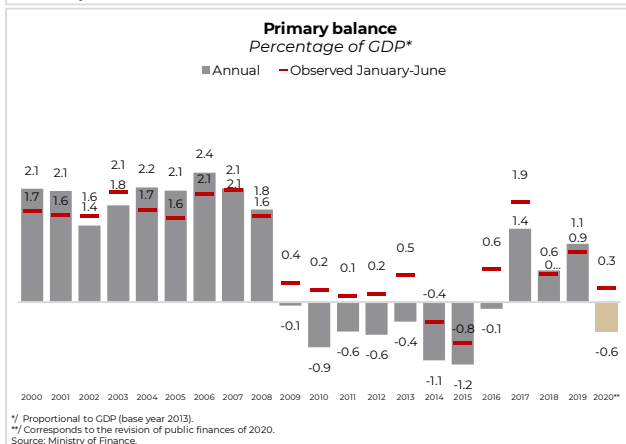
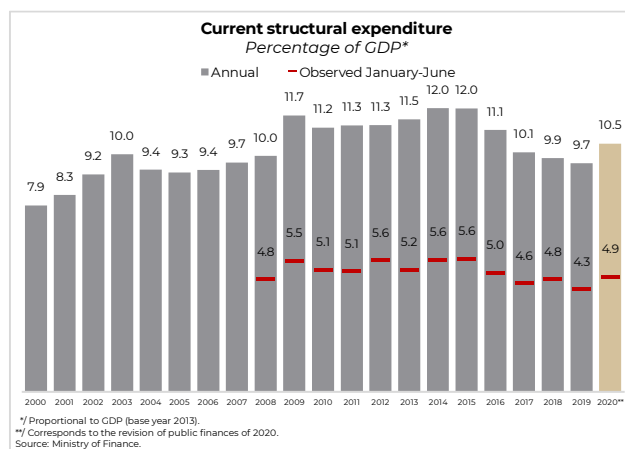
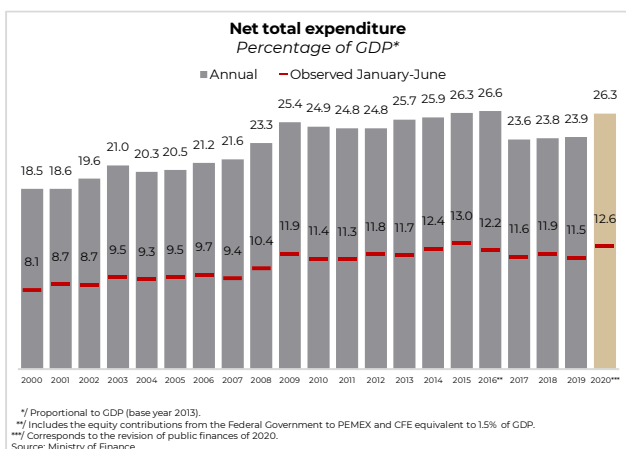
^{1/} Corresponds to the Federal Income Law and the Federal Budget for the fiscal year 2020 approved by the Congress.

^{2/} Corresponds to the update of the 2020 public finance estimates.

Source: Ministry of Finance.









Balance of the Stabilization funds, 2019-2020

(Million pesos)

	Dec-19	Jun-20	Difference
Total	239,765	267,535	27,770
Budgetary Revenues Stabilization Fund (FEIP)	158,544	176,963	18,420
Federal Entities Revenues Stabilization Fund (FEIEF)	60,461	63,633	3,173
Mexican Oil Fund for Stabilization and Development (FMP)	20,760	26,938	6,178

Source: Ministry of Finance.





**Federal Public Sector Debt Balances
June 2020 ^{*/}**

Concept	Balance			% of annual GDP ^{2/}			% of GDP QoQ Annualized ^{3/}			Percentage Structure (%)		
	dec-18	dec-19	jun-20 ^{p/}	dec-18	dec-19	jun-20	dec-18	dec-19	jun-20	dec-18	dec-19	jun-20
Domestic Debt:												
Net (Million pesos)	6,867,594.7	7,188,473.0	7,442,520.9	29.2	29.7	32.1	28.2	29.1	34.4	63.4	65.2	60.3
Gross (Million pesos)	7,036,273.2	7,570,648.4	7,804,246.1	29.9	31.2	33.7	28.8	30.7	36.0	63.9	66.2	60.8
External Debt:												
Net (Million dollars)	201,307.3	203,708.2	213,022.3	16.8	15.8	21.1	16.3	15.6	22.6	36.6	34.8	39.7
Gross (Million dollars)	202,355.3	204,684.3	219,273.0	16.9	15.9	21.7	16.4	15.6	23.3	36.1	33.8	39.2
Total Debt: ^{1/}												
Net (Million pesos)	10,829,906.6	11,027,395.3	12,335,962.4	46.0	45.5	53.2	44.5	44.7	57.0	100.0	100.0	100.0
(Million dollars)	550,219.1	585,156.7	537,011.6									
Gross (Million pesos)	11,019,212.3	11,427,965.0	12,841,275.8	46.8	47.1	55.4	45.2	46.3	59.3	100.0	100.0	100.0
(Million dollars)	559,836.8	606,412.5	559,009.0									

Notes: Figures 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 the Federal Government, Productive Enterprises of the State, and the 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 Public Sector Domestic Debt, January-June *_/
(Million pesos)

Concept	Balance as of December 2019	Indebtedness			Adj. ^{2/_}	Balance as of June 2020 ^{P/_}
		Obligations	Amort.	Net		
1. Net debt (3-2)	7,188,473.0					7,442,520.9
2. Assets ^{1/_}	382,175.4					361,725.2
3. Gross debt	7,570,648.4	2,166,401.1	1,957,528.6	208,872.5	24,725.2	7,804,246.1
Structure by term	7,570,648.4	2,166,401.1	1,957,528.6	208,872.5	24,725.2	7,804,246.1
Long-term	6,885,271.4	887,377.6	699,560.6	187,817.0	24,029.8	7,097,118.2
Short-term	685,377.0	1,279,023.5	1,257,968.0	21,055.5	695.4	707,127.9
Structure by user	7,570,648.4	2,166,401.1	1,957,528.6	208,872.5	24,725.2	7,804,246.1
Federal Government	6,955,385.1	1,830,062.3	1,573,969.3	256,093.0	22,879.9	7,234,358.0
Long-term	6,339,559.8	879,942.8	656,232.0	223,710.8	22,879.9	6,586,150.5
Short-term	615,825.3	950,119.5	917,737.3	32,382.2	0.0	648,207.5
State Productive Enterprises	369,714.2	108,938.5	135,954.2	-27,015.7	238.9	342,937.4
Long-term	318,214.2	0.0	20,889.2	-20,889.2	238.9	297,563.9
Short-term	51,500.0	108,938.5	115,065.0	-6,126.5	0.0	45,373.5
Development banks	245,549.1	227,400.3	247,605.1	-20,204.8	1,606.4	226,950.7
Long-term	227,497.4	7,434.8	22,439.4	-15,004.6	911.0	213,403.8
Short-term	18,051.7	219,065.5	225,165.7	-5,200.2	695.4	13,546.9
Structure by source of financing	7,570,648.4	2,166,401.1	1,957,528.6	208,872.5	24,725.2	7,804,246.1
Issuance of securities	6,880,137.6	1,693,890.3	1,452,107.0	241,783.3	19,662.3	7,141,583.2
Savings fund	142,186.5	139,442.8	137,664.1	1,778.7	3,193.8	147,159.0
Commercial banks	117,143.6	246,926.9	266,684.4	-19,757.5	926.1	98,312.2
ISSSTE's Law obligations ^{3/_}	134,347.9	69.2	11,268.2	-11,199.0	1,003.1	124,152.0
Pemex pension bonds ^{4/_}	101,501.6	0.0	4,080.5	-4,080.5	0.0	97,421.1
CFE pension bonds ^{5/_}	158,993.0	0.0	0.0	0.0	0.0	158,993.0
Others	36,338.2	86,071.9	85,724.4	347.5	-60.1	36,625.6

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-June */
(Million dollars)

Concept	Balance as of December 2019	Indebtedness			Adj. ^{2/}	Balance as of June 2020 ^{p./}
		Obligations	Amort.	Net		
1. Net Debt (3-2)	203,708.2					213,022.3
2. Financial assets in foreign currencies ^{2/}	976.1					6,250.7
3. Gross Debt	204,684.3	31,941.3	16,960.7	14,980.6	-391.9	219,273.0
Structure by term	204,684.3	31,941.3	16,960.7	14,980.6	-391.9	219,273.0
Long-term	200,969.9	21,052.7	7,904.5	13,148.2	-259.9	213,858.2
Short-term	3,714.4	10,888.6	9,056.2	1,832.4	-132.0	5,414.8
Structure by user	204,684.3	31,941.3	16,960.7	14,980.6	-391.9	219,273.0
Federal Government	99,573.7	13,060.2	3,619.9	9,440.3	97.9	109,111.9
Long-term	99,573.7	13,003.4	3,563.1	9,440.3	97.9	109,111.9
Short-term	0.0	56.8 ^{4/}	56.8	0.0	0.0	0.0
State Productive Enterprises ^{3/}	93,705.7	14,048.0	6,747.2	7,300.8	-63.1	100,943.4
Long-term	93,035.7	8,048.2	4,024.9	4,023.3	-63.1	96,995.9
Short-term	670.0	5,999.8	2,722.3	3,277.5	0.0	3,947.5
Development Banks	11,404.9	4,833.1	6,593.6	-1,760.5	-426.7	9,217.7
Long-term	8,360.5	1.1	316.5	-315.4	-294.7	7,750.4
Short-term	3,044.4	4,832.0	6,277.1	-1,445.1	-132.0	1,467.3
Structure by source of financing	204,684.3	31,941.3	16,960.7	14,980.6	-391.9	219,273.0
Capital markets	157,581.9	19,407.7	6,352.7	13,055.0	-17.1	170,619.8
International Financing Institutions	31,453.7	923.1	592.2	330.9	-377.2	31,407.4
International Trade	5,365.8	677.0	465.7	211.3	7.2	5,584.3
Commercial Banks	10,013.8	10,606.9	9,371.0	1,235.9	8.1	11,257.8
Pidiregas	269.1	269.8	122.3	147.5	-12.9	403.7
Others	0.0	56.8 ^{4/}	56.8	0.0	0.0	0.0

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 and Development Banks.

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

^{3/} Includes only PEMEX and CFE.

^{4/} Corresponds to an acknowledgment of debt from the Federal Government from previous years.

Source: Ministry of Finance.

