



## PUBLIC FINANCE AND PUBLIC DEBT REPORT, FEBRUARY 2011

The public finance and public debt preliminary results as of February 2011 were released today.

The main results for the January-February period are the following:

- The total Public Sector surplus and the surplus excluding investment by Pemex were Ps. 11.3 and Ps. 35.0 billion, respectively, results consistent with the approved public deficit for the year.
- Budgetary revenues were higher by 0.4% in real annual terms. As previously mentioned, the decrease in total revenues observed in January 2011 was due to temporary factors that would be reverted in the following months.
- Revenues of public entities under direct budgetary control other than PEMEX and oil revenues increased by 5.7% and 0.4% in real annual terms. The moderate increase in oil revenues and the decline in non-oil tax revenues by 0.9% in real annual terms are due to the previously mentioned temporary factors.
- Net expenditures were higher by 4.1% in real annual terms. Programmable expenditures increased by 5.2% in real terms and worth highlighting are the increases in resources allocated to social security; education; drinking water and sewerage; social assistance; urbanization, housing and regional development, and health.
- Shared revenues increased by 8.2% in real annual terms.
- The Federal Public **sector's** net domestic debt decreased by Ps. 2.1 billion while net external debt increased by USD 4.1 billion, both with respect to the end of 2010.

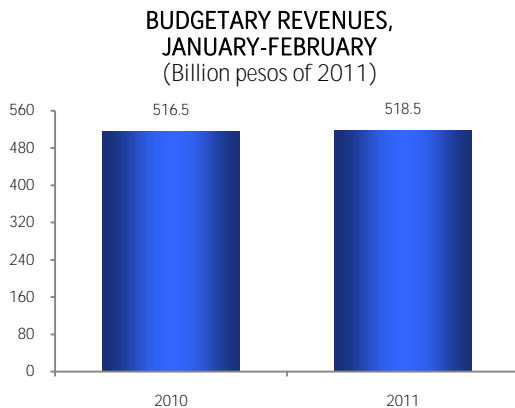
### *Evolution of the Public Finances during January-February*

As of February 2011, the balance of the Public Sector posted a surplus of Ps. 11.3 billion. The primary balance posted a surplus of Ps. 33.5 billion. If investment by PEMEX is excluded, the balance of the Public Sector would register a surplus of Ps. 35.0 billion. These results are

consistent with the approved deficit for 2011, in compliance with Article 17 of the Federal Budget and Fiscal Responsibility Law.

## Public Sector Budgetary Revenues during January-February

The Public Sector's budgetary revenues were Ps. 518.5 billion, amount 0.4% higher in real terms. As was mentioned in the January report, the decrease in total revenues that was observed in that month was due to temporary factors and it would be reverted in the following months. Total revenues for the January-February period already post positive growth which, while still moderate, will increase during the year. The evolution of the main components of budgetary revenues was the following:



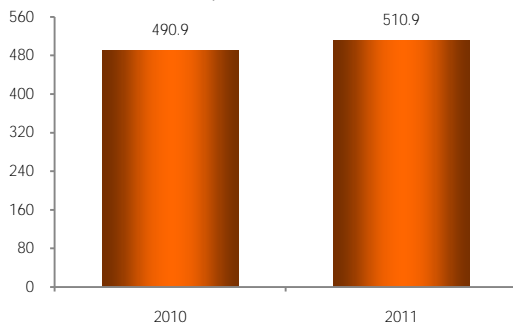
- Oil related revenues (which include **PEMEX's own revenues, royalties and fees**, excise tax collection on gasoline and diesel, and the tax on oil returns) totaled Ps. 154.1 billion, amount that is 0.4% higher in real annual terms. This result is explained mainly by the higher price of the Mexican oil mix (83.1 dpb compared with 71.0 dpb observed in the same period of last year), that was partially offset by the real appreciation of the exchange rate by 7.7%, the higher value of imports of hydrocarbons by 43.8% in real terms, a lower oil production platform by 1.0% and the use of resources from the Stabilization Fund of PEMEX (FEIPEMEX) by Ps. 20.0 billion in February 2010. If the use of resources from the FEIPEMEX is excluded from the comparison base, an increase of 16.1% in real terms is observed.
- Revenues of public entities under direct budgetary control other than PEMEX were Ps. 73.9 billion, which represented an increase of 5.7% in real annual terms. This is mainly explained by higher social security contributions to the IMSS and higher revenues from electricity sales.
- Non-tax non-oil revenues totaled Ps. 29.8 billion, amount lower by 0.8% in real annual terms due to the high non-recurrent revenues that were observed in January 2010.
- Non-oil tax revenues were Ps. 260.7 billion, amount lower by 0.9% in real annual terms. In the first bimester of 2011, excise tax collection and Income tax collection (which includes the IETU and the Tax on Cash Deposits) increased by 14.1 and 3.1% in real terms, respectively; VAT collection decreased by 5.9% in real terms. Moderate growth in the Income tax and the annual decline in VAT revenues mainly reflect the high revenues that were observed at the beginning of 2010 due to the tax payments that were anticipated to December 2009, before the fiscal reform started to apply in 2010.

## Net Budgetary Public Sector Expenditures during January-February

During the first two months of the year, net budgetary expenditures of the Public Sector totaled Ps. 510.9 billion, amount higher by 4.1% in real annual terms.

Paid programmable expenditures totaled Ps. 375.2 billion, amount higher by 5.2% in real annual terms. Within this item, worth highlighting are the increases in resources allocated to social security; education; drinking water and sewerage; social assistance; urbanization, housing and regional development, and health.

**BUDGETARY NET EXPENDITURES,  
JANUARY-FEBRUARY**  
(Billion pesos of 2011)



Resources transferred to federal entities and municipalities through shared revenues, decentralization agreements and reallocations increased by 8.5% in real terms. Shared revenues increased by 8.2% in real terms due to higher federal shareable revenues, while the remainder of the resources transferred to federal entities and municipalities increased by 8.7% in real annual terms.

The Public Sector's financial cost was Ps. 22.7 billion, amount 15.2% lower in real terms than the one registered in the same period of last year.

### *Stock of Public Debt as of February*

At the end of February, the Federal Government's net domestic debt was Ps. 2,783.9 billion, amount Ps. 25.0 billion lower than that observed at the end of 2010. The change in the stock is explained by net indebtedness of Ps. 52.4 billion, by upward adjustments to the inflation indexed debt by Ps.

8.9 billion and an increase in the Federal Government's financial assets by Ps. 86.3 billion.

The stock of the Federal Government's net external debt in February was USD 56.9 billion, amount USD 4.6 billion higher than the one observed at the end of 2010. This result is explained by a net disindebtedness by USD 0.3 billion, by upward accounting adjustments by USD 0.1 billion and a decrease in financial assets in foreign currency by USD 4.8 billion.

The stock of the Federal Public Sector's net domestic debt (Federal Government, PEDBC's and development banks) at the end of February was Ps. 2,918.2 billion, which implies a decrease of Ps. 2.1 billion with respect to the stock recorded at the end of 2010. This is due to net domestic indebtedness during the period of Ps. 70.5 billion, upward accounting adjustments by Ps. 9.7 billion and an increase in domestic financial assets by Ps. 82.4 billion.

The stock of the Federal Public Sector's net external debt was USD 108.8 billion, amount that is higher by USD 4.1 billion than the one registered at the end of 2010. This result is explained by net external disindebtedness by USD 0.4 billion, upward accounting adjustments by USD 0.3 billion and a decrease in foreign financial assets by USD 4.2 billion.

More details on public finance and public debt statistics can be obtained in the Ministry of Finance's web page at:

<http://t.co/pmRnBb1>

## ANNEX I

### PUBLIC SECTOR BALANCE (Million pesos)

Concept	January-February		Real % Growth	Composition %	
	2010 <sup>p./</sup>	2011 <sup>p./</sup>		2010 <sup>p./</sup>	2011 <sup>p./</sup>
<b>PUBLIC BALANCE</b>	22,906.2	11,257.7	-52.6		
<b>PUBLIC BALANCE EXCLUDING PEMEX'S INVESTMENT<sup>1/</sup></b>	63,954.0	34,993.7	-47.2		
Budgetary Balance	24,724.9	7,606.6	-70.3		
Budgetary Revenues	498,209.1	518,539.4	0.4	100.0	100.0
Oil Related	148,007.0	154,091.4	0.4	29.7	29.7
Federal Government	105,995.8	114,866.7	4.5	21.3	22.2
PEMEX	42,011.3	39,224.7	-9.9	8.4	7.6
Non-oil related	350,202.0	364,448.0	0.4	70.3	70.3
Federal Government	282,742.8	290,537.9	-0.9	56.8	56.0
Tax	253,735.1	260,696.3	-0.9	50.9	50.3
Non-tax	29,007.6	29,841.6	-0.8	5.8	5.8
PEDBC	67,459.3	73,910.1	5.7	13.5	14.3
Net Budgetary Expenditures	473,484.2	510,932.9	4.1	100.0	100.0
Programmable	344,010.8	375,245.6	5.2	72.7	73.4
Non programmable	129,473.4	135,687.3	1.1	27.3	26.6
PEIBC	-1,818.7	3,651.1	n.s.		
Primary Balance	53,465.7	33,471.9	-39.6		

Note: Figures may not add up due to rounding.

p./ Preliminary figures.

n.s.: No significant.

1\_/ PEMEX's physical investment is excluded.

Source: Ministry of Finance and Public Credit.



Press Release

Mexico City, March 30<sup>th</sup>, 2011.

### PUBLIC SECTOR REVENUES (Million pesos)

Concept	January-February		Real % Growth	Composition %	
	2010 <sup>p./</sup>	2011 <sup>p./</sup>		2010 <sup>p./</sup>	2011 <sup>p./</sup>
<b>Budgetary Revenues(I+II)</b>	<b>498,209.1</b>	<b>518,539.4</b>	<b>0.4</b>	<b>100.0</b>	<b>100.0</b>
I. Oil Related (a+b)	148,007.0	154,091.4	0.4	29.7	29.7
a) PEMEX	42,011.3	39,224.7	-9.9	8.4	7.6
b) Federal Government	105,995.8	114,866.7	4.5	21.3	22.2
Rights and royalties	116,832.1	125,784.8	3.8	23.5	24.3
Excise taxes <sup>1_/</sup>	-11,099.5	-11,085.1	n.s	-2.2	-2.1
Tax on Oil Returns	263.1	167.1	-38.7	0.1	0.0
II. Non-oil related (c+d)	350,202.0	364,448.0	0.4	70.3	70.3
c) Federal Government	282,742.8	290,537.9	-0.9	56.8	56.0
Tax	253,735.1	260,696.3	-0.9	50.9	50.3
Income Tax, IETU and IDE	132,235.2	141,351.2	3.1	26.5	27.3
Income Tax	118,256.0	129,211.4	5.4	23.7	24.9
IMPAC	-159.8	-228.4	n.s	0.0	0.0
IETU (Unique Rate Corporate Tax)	11,312.6	10,559.6	-10.0	2.3	2.0
IDE (Tax on Cash Deposits)	2,826.3	1,808.6	-38.3	0.6	0.3
VAT	95,344.4	93,015.2	-5.9	19.1	17.9
Excise taxes	12,407.4	14,681.6	14.1	2.5	2.8
Import taxes	3,803.1	4,025.3	2.1	0.8	0.8
Others <sup>2_/</sup>	9,945.2	7,623.1	-26.1	2.0	1.5
Non-tax	29,007.6	29,841.6	-0.8	5.8	5.8
Rights	6,457.2	7,230.1	8.0	1.3	1.4
Fees	21,948.0	22,082.1	-3.0	4.4	4.3
Others	602.4	529.5	-15.2	0.1	0.1
d) PEDBC <sup>3_/</sup>	67,459.3	73,910.1	5.7	13.5	14.3
<b>Memorandum items:</b>					
Total tax related	242,898.8	249,778.2	-0.8	48.8	48.2
Total non-tax related	255,310.3	268,761.2	1.5	51.2	51.8

Note: Figures may not add up due to rounding.

p./ Preliminary figures.

n.s.: No significant.

1\_/ The negative sign implies that tax compensations were greater than receipts.

2\_/ Includes new vehicle, vehicle ownership, exports, those which do not belong to these concepts and accessory taxes.

3\_/ Excludes federal government transfers to the ISSSTE.

Source: Ministry of Finance and Public Credit.



Press Release

Mexico City, March 30<sup>th</sup>, 2011.

### PUBLIC SECTOR NET EXPENDITURES (Million pesos)

Concept	January-February		Real % Growth	Composition %	
	2010 <sup>p./</sup>	2011 <sup>p./</sup>		2010 <sup>p./</sup>	2011 <sup>p./</sup>
<b>TOTAL (I+II)</b>	473,484.2	510,932.9	4.1	100.0	100.0
I. Primary Expenditures (a+b)	447,713.5	488,282.1	5.2	94.6	95.6
a) Programmable	344,010.8	375,245.6	5.2	72.7	73.4
b) Non- programmable	103,702.7	113,036.5	5.1	21.9	22.1
II. Financial Cost <sup>1_</sup>	25,770.7	22,650.7	-15.2	5.4	4.4

Note: Figures may not add up due to rounding.

p./ Preliminary figures.

1\_ Includes interests, commissions and other public debt expenditures associated to debtor support programs, as well as expenditures to support savers and bank debtors.

Source: Ministry of Finance and Public Credit.



Press Release

Mexico City, March 30<sup>th</sup>, 2011.

FEDERAL GOVERNMENT DOMESTIC DEBT, JANUARY-FEBRUARY\*<sub>1</sub>  
(Million pesos)

Concept	Outstanding as of December 2010 <sup>p_1</sup>	Indebtedness			Adjustments <sup>1_1</sup>	Outstanding as of February 2011 <sup>p_1</sup>
		Originations	Amort.	Net		
<b>I. Net Debt (III-II)</b>	<b>2,808,920.2</b>					<b>2,783,880.7</b>
II. Assets <sup>2_1</sup>	79,357.0					165,696.0
<b>III. Gross Domestic Debt</b>	<b>2,888,277.2</b>	<b>313,747.6</b>	<b>261,371.5</b>	<b>52,376.1</b>	<b>8,923.4</b>	<b>2,949,576.7</b>
Government Securities	2,553,925.8	251,623.3	217,097.6	34,525.7	5,295.2	2,593,746.7
Cetes	393,977.2	160,933.8	183,467.1	-22,533.3	0.0	371,443.9
Bondes "D"	183,056.1	5,472.2	0.0	5,472.2	0.0	188,528.3
Fixed Rate Bonds	1,446,781.0	71,821.0	9,218.8	62,602.2	312.5	1,509,695.7
Udibonos	530,111.5	13,396.3	24,411.7	-11,015.4	4,982.7	524,078.8
<i>Udibonos udi's</i>	117,117.9	2,942.7	5,389.4	-2,446.7	0.0	114,671.2
S.A.R.	110,308.6	21,866.3	19,114.9	2,751.4	1,453.7	114,513.7
Obligations from ISSSTE Law	193,033.0	14.9	24,978.5	-24,963.6	1,629.4	169,698.8
Others	31,009.8	40,243.1	180.5	40,062.6	545.1	71,617.5

Note: Figures may not add up due to rounding.

\*\_1/ Figures subject to revisions and methodological changes.

p\_1/ Preliminary figures.

1\_1/ Refers to adjustment for inflation.

2\_1/ Represents the balance, denominated in pesos, of the General Account of the Federal Treasury.

Source: Ministry of Finance and Public Credit.



Press Release

Mexico City, March 30<sup>th</sup>, 2011.

**FEDERAL GOVERNMENT EXTERNAL DEBT, JANUARY-FEBRUARY\*\_/**  
(Million Dollars)

Concept	Outstanding as of December 2010 <sup>p_/</sup>	Indebtedness			Adjustments	Outstanding as of February 2011 <sup>p_/</sup>
		Originations	Amort.	Net		
<b>I. Net Debt (III-II)</b>	<b>52,339.0</b>					<b>56,907.9</b>
II. Assets <sup>1_/</sup>	4,848.0					74.0
<b>III. Gross Debt</b>	<b>57,187.0</b>	<b>1,309.0</b>	<b>1,637.2</b>	<b>-328.2</b>	<b>123.1</b>	<b>56,981.9</b>
Public Bonds	39,563.8	1,000.0	1,545.6	-545.6	113.0	39,131.2
<b>IFI's</b>	<b>16,995.2</b>	<b>309.0</b>	<b>91.5</b>	<b>217.5</b>	<b>0.6</b>	<b>17,213.3</b>
Bilateral	628.0	0.0	0.1	-0.1	9.5	637.4

Note: Figures may not add up due to rounding.

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

p\_/ Preliminary figures.

1\_/ Considers the US Dollar denominated balance of the General Account of the Federal Treasury.

Source: Ministry of Finance and Public Credit.





Press Release

Mexico City, March 30<sup>th</sup>, 2011.

**PUBLIC SECTOR DOMESTIC DEBT, JANUARY-FEBRUARY\*<sup>1/</sup>**  
(Million Pesos)

Concept	Outstanding as of December 2010 <sup>p/</sup>	Indebtedness			Adjustments	Outstanding as of February 2011 <sup>p/</sup>
		Originations	Amort.	Net		
<b>I. Net Debt (3-2)</b>	<b>2,920,348.3</b>					<b>2,918,207.0</b>
II. Assets <sup>2/</sup>	160,536.7					242,943.2
<b>III. Gross Debt</b>	<b>3,080,885.0</b>	<b>339,915.0</b>	<b>269,376.2</b>	<b>70,538.8</b>	<b>9,726.4</b>	<b>3,161,150.2</b>
<b>By Term</b>	<b>3,080,885.0</b>	<b>339,915.0</b>	<b>269,376.2</b>	<b>70,538.8</b>	<b>9,726.4</b>	<b>3,161,150.2</b>
Long-term	2,781,973.5	186,663.6	103,222.8	83,440.8	9,725.1	2,875,139.4
Short-term	298,911.5	153,251.4	166,153.4	-12,902.0	1.3	286,010.8
<b>By User</b>	<b>3,080,885.0</b>	<b>339,915.0</b>	<b>269,376.2</b>	<b>70,538.8</b>	<b>9,726.4</b>	<b>3,161,150.2</b>
Federal Government	2,888,277.2	313,747.6	261,371.5	52,376.1	8,923.4	2,949,576.7
Long-term	2,593,865.7	167,913.0	96,186.2	71,726.8	8,923.4	2,674,515.9
Short-term	294,411.5	145,834.6	165,185.3	-19,350.7	0.0	275,060.8
<b>PEDBC's</b>	<b>166,863.5</b>	<b>19,166.8</b>	<b>8,001.5</b>	<b>11,165.3</b>	<b>804.6</b>	<b>178,833.4</b>
Long-term	162,363.5	11,750.0	7,033.4	4,716.6	803.3	167,883.4
Short-term	4,500.0	7,416.8	968.1	6,448.7	1.3	10,950.0
Development Banks	25,744.3	7,000.6	3.2	6,997.4	-1.6	32,740.1
Long-term	25,744.3	7,000.6	3.2	6,997.4	-1.6	32,740.1
Short-term	0.0	0.0	0.0	0.0	0.0	0.0
<b>By Financing Source</b>	<b>3,080,885.0</b>	<b>339,915.0</b>	<b>269,376.2</b>	<b>70,538.8</b>	<b>9,726.4</b>	<b>3,161,150.2</b>
Bonds Placed in Domestic Markets	2,693,867.6	266,623.3	217,097.6	49,525.7	5,487.0	2,748,880.3
SAR	110,308.6	21,866.3	19,114.9	2,751.4	1,453.7	114,513.7
Commercial Banks	46,033.1	4,250.6	7,036.6	-2,786.0	-21.3	43,225.8
<b>ISSSTE's Law obligations</b>	<b>193,033.0</b>	<b>14.9</b>	<b>24,978.5</b>	<b>-24,963.6</b>	<b>1,629.4</b>	<b>169,698.8</b>
Others	37,642.7	47,159.9	1,148.6	46,011.3	1,177.6	84,831.6

Note: Figures may not add up due to rounding.

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

p\_/ Preliminary figures.

1\_/ Including the federal government, PEDBC's and Development Banks Debt.

2\_/ Includes the balance, denominated in pesos, of the General Account of the Federal Treasury and deposits in the national banking system as well as assets from PEDB's and Developments Banks.

Source: Ministry of Finance and Public Credit.



Press Release

Mexico City, March 30<sup>th</sup>, 2011.

**PUBLIC SECTOR EXTERNAL DEBT, JANUARY-FEBRUARY<sup>\*\_/\_1\_/\_</sup>**  
(Million Dollars)

Concept	Outstanding as of December 2010 <sup>p_/_</sup>	Indebtedness			Adjustments	Outstanding as of February 2011 <sup>p_/_</sup>
		Originations	Amort.	Net		
<b>I. Net Debt (3-2)</b>	<b>104,679.1</b>					<b>108,757.8</b>
II. Financial Assets in Foreign Currency <sup>2_/_</sup>	5,748.9					1,532.1
<b>III. Gross Debt</b>	<b>110,428.0</b>	<b>3,558.9</b>	<b>3,998.9</b>	<b>-440.0</b>	<b>301.9</b>	<b>110,289.9</b>
<b>By Term</b>	<b>110,428.0</b>	<b>3,558.9</b>	<b>3,998.9</b>	<b>-440.0</b>	<b>301.9</b>	<b>110,289.9</b>
Long-term	108,088.9	1,367.4	2,024.2	-656.8	301.4	107,733.5
Short-term	2,339.1	2,191.5	1,974.7	216.8	0.5	2,556.4
<b>By User</b>	<b>110,428.0</b>	<b>3,558.9</b>	<b>3,998.9</b>	<b>-440.0</b>	<b>301.9</b>	<b>110,289.9</b>
Federal Government	57,187.0	1,309.0	1,637.2	-328.2	123.1	56,981.9
Long-term	57,187.0	1,309.0	1,637.2	-328.2	123.1	56,981.9
Short-term	0.0	0.0	0.0	0.0	0.0	0.0
<b>PEDBC's</b>	<b>45,577.3</b>	<b>366.5</b>	<b>373.8</b>	<b>-7.3</b>	<b>186.3</b>	<b>45,756.3</b>
Long-term	45,557.3	33.4	323.1	-289.7	186.3	45,453.9
Short-term	20.0	333.1	50.7	282.4	0.0	302.4
<b>Development Banks</b>	<b>7,663.7</b>	<b>1,883.4</b>	<b>1,987.9</b>	<b>-104.5</b>	<b>-7.5</b>	<b>7,551.7</b>
Long-term	5,344.6	25.0	63.9	-38.9	-8.0	5,297.7
Short-term	2,319.1	1,858.4	1,924.0	-65.6	0.5	2,254.0
<b>By Financing Source</b>	<b>110,428.0</b>	<b>3,558.9</b>	<b>3,998.9</b>	<b>-440.0</b>	<b>301.9</b>	<b>110,289.9</b>
Public Bonds	63,591.1	1,000.0	1,545.6	-545.6	284.2	63,329.7
<b>IFI's</b>	<b>21,133.6</b>	<b>334.0</b>	<b>130.6</b>	<b>203.4</b>	<b>6.3</b>	<b>21,343.3</b>
Bilateral	15,151.0	287.9	526.1	-238.2	91.2	15,004.0
Commercial Banks	10,219.2	1,603.9	1,745.9	-142.0	-5.5	10,071.7
Pidiregas	333.1	333.1	50.7	282.4	-74.3	541.2

Note: Figures may not add up due to rounding.

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

p\_/\_ Preliminary figures.

1\_/\_ Including the federal government, PEDBC's and Development Banks Debt.

2\_/\_ Considers the US Dollar denominated balance of the federal treasury's General Account and other federal government assets in foreign currency, as well as other held by PEDBC's and Development Banks.

Source: Ministry of Finance and Public Credit.

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