



## PUBLIC FINANCE AND PUBLIC DEBT REPORT, MAY 2012

The public finance and public debt preliminary results as of May 2012 were released today.

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

- The total deficit of the Public Sector was Ps. 58.2 billion. Excluding investment by PEMEX a surplus of Ps. 35.9 billion is observed. These results are consistent with the approved budget deficit for the year.
- Budgetary revenues were higher by 7.4% in real annual terms. Oil revenues, revenues of public entities under direct budgetary control other than PEMEX and non-oil tax revenues increased by 16.9, 10.7, and 0.8%, respectively.
- Net expenditures were higher by 10.2% in real annual terms. Programmable expenditures increased by 11.2% in real terms.
- Federal resources transferred to federal entities and municipalities increased by 6.1% in real terms. Shared revenues increased by 4.3% in real terms.
- The Federal Public Sector's net domestic debt increased by Ps. 111.7 billion while **the Federal Public Sector's** net external debt increased by USD 2.6 billion, both with respect to the end of 2011.

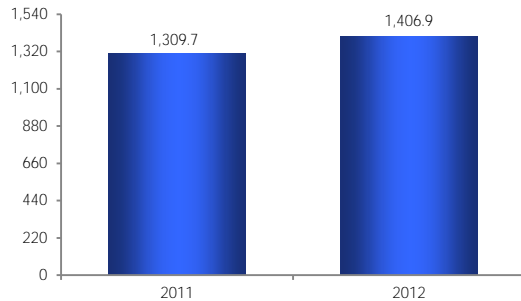
### *Evolution of the Public Finances during January-May*

As of May 2012, the Public Sector posted a deficit of Ps. 58.2 billion. The primary balance posted a surplus of Ps. 9.2 billion. If investment by PEMEX is excluded, the public balance is a surplus of Ps. 35.9 billion. These results are consistent with the approved deficit for 2012, in compliance with Article 17 of the Federal Budget and Fiscal Responsibility Law.

### *Public Sector Budgetary Revenues during January-May*

The Public Sector's **budgetary revenues** were Ps. 1,406.9 billion, amount 7.4% higher in real annual terms. The evolution of the main components of budgetary revenues was the following:

**BUDGETARY REVENUES,  
JANUARY-MAY**  
(Billion pesos of 2012)



- Non-oil tax revenues were Ps. 638.5 billion, which were higher by 0.8% in real annual terms. The moderate growth is mainly explained by the change in seasonality associated to 'El Buen Fin' which caused some tax payments that are usually made in January to be carried out in December 2011 as well as by the elimination of the vehicle ownership tax. By adjusting collections by the latter effect, tax revenues increased by 2.5% in real terms. Collections from the taxes on imports, excise taxes (IEPS), the VAT, and the income tax (including the IETU and the Tax on Cash Deposits) increased by 4.4, 4.3, 2.1 and 2.0% in real terms, respectively.
- Oil related revenues –which include **PEMEX's own revenues, excise tax** collection on gasoline and diesel, royalties and fees, and taxes on oil returns – totaled Ps. 498.7 billion, increasing by 16.9% in real annual terms. This result is explained mainly by the higher price of the Mexican oil mix (109.5 dpb compared with 94.0 dpb observed in the same period of last year), that was partially offset by a lower price of natural gas by 32.3%, a higher value of hydrocarbon imports by 11.1% in real terms and a lower oil production platform

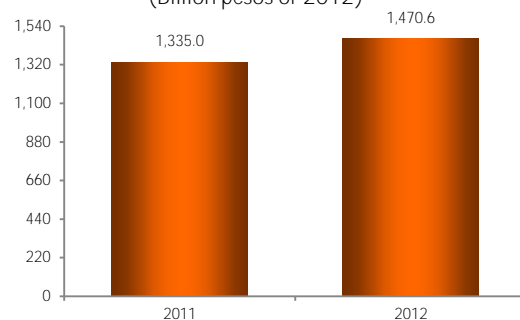
by 1.2%, all with respect to the same period of 2011.

- Revenues of public entities under direct budgetary control other than PEMEX were Ps. 223.1 billion, which represents an increase of 10.7% in real annual terms. This is mainly explained by higher revenues from electricity sales and higher social security contributions.
- Non-tax non-oil revenues totaled Ps. 46.6 billion, amount lower by 4.1% in real annual terms due to the high non-recurrent revenues obtained in January-May of 2011.

**Net Budgetary Public Sector  
Expenditures during January-May**

During the first five months of the year, net budgetary expenditures of the Public Sector totaled Ps. 1,470.6 billion, amount higher by 10.2% in real annual terms.

**BUDGETARY NET EXPENDITURES,  
JANUARY-MAY**  
(Billion pesos of 2012)



Paid programmable expenditures totaled Ps. 1,161.8 billion, amount higher by 11.2% in real annual terms.

Resources transferred to federal entities and municipalities through shared revenues, federal contributions, decentralization agreements and



reallocations increased by 6.1% in real terms. Shared revenues increased by 4.3% in real terms due to higher federal shareable revenues, while the remainder of the resources transferred to the government of federal entities and municipalities increased by 7.5% in real annual terms.

The Public Sector's financial cost was Ps. 60.0 billion, higher by 14.0% in real annual terms. This increase is explained mainly by changes in the seasonality of Pemex's debt service.

### *Stock of Public Debt as of May*

The Federal Government's net domestic debt balance as of May was Ps. 3,213.4 billion, amount Ps. 101.3 billion higher than that observed at the end of 2011. The change in the stock is explained by net indebtedness of Ps. 283.3 billion, upward adjustments to the inflation indexed debt by Ps. 12.2 billion and an increase in the Federal Government's financial assets by Ps. 194.2 billion.

The stock of the Federal Government's net external debt at the end of May was USD 62.6 billion, amount USD 2.9 billion higher than the one observed at the end of 2011. This result is explained by a net indebtedness of USD 3.4 billion, downward accounting adjustments by Ps. 0.3 billion and an increase in domestic financial assets by Ps. 0.2 billion.

The stock of the Federal Public Sector's net domestic debt (Federal Government, PEDBC's and development banks) at the end of May was Ps. 3,370.2 billion, which implies an increase of Ps. 111.7 billion with respect to the stock recorded at the end of 2011. This is due to net domestic indebtedness during the period of Ps. 280.6 billion, upward accounting adjustments by Ps. 13.0 billion and an increase in domestic financial assets by Ps. 181.9 billion.

The stock of the Federal Public Sector's net external debt was USD 116.3 billion, amount that is higher by USD 2.6 billion than the one registered at the end of 2011. This result is explained by net indebtedness of USD 3.9 billion, downward accounting adjustments by USD 0.6 billion and an increase in financial assets by USD 0.7 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-May		Real % Growth	Composition %	
	2011	2012 <sup>p_/</sup>		2011	2012 <sup>p_/</sup>
<b>PUBLIC BALANCE</b>	-17,805.6	-58,177.2	n.s.		
<b>PUBLIC BALANCE EXCLUDING PEMEX'S INVESTMENT<sup>1_/</sup></b>	51,818.5	35,895.1	-33.3		
Budgetary Balance	-24,312.1	-63,643.9	n.s.		
Budgetary Revenues	1,262,020.5	1,406,936.9	7.4	100.0	100.0
Oil Related	410,931.3	498,740.3	16.9	32.6	35.4
Federal Government	296,623.6	325,750.3	5.8	23.5	23.2
PEMEX	114,307.7	172,989.9	45.8	9.1	12.3
Non-oil related	851,089.2	908,196.6	2.8	67.4	64.6
Federal Government	656,900.5	685,065.6	0.5	52.1	48.7
Tax	610,069.2	638,479.0	0.8	48.3	45.4
Non-tax	46,831.3	46,586.5	-4.1	3.7	3.3
PEDBC	194,188.7	223,131.1	10.7	15.4	15.9
Net Budgetary Expenditures	1,286,332.5	1,470,580.8	10.2	100.0	100.0
Programmable	1,006,248.1	1,161,773.1	11.2	78.2	79.0
Non programmable	280,084.5	308,807.6	6.2	21.8	21.0
PEIBC	6,506.5	5,466.6	-19.0		
Primary Balance	36,539.6	9,244.1	-75.6		

Note: Figures may not add up due to rounding.

p\_/ Preliminary figures.

n.s.: Not significant.

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

Source: Ministry of Finance and Public Credit.



Press Release

Mexico City, June 29<sup>th</sup>, 2012.

### PUBLIC SECTOR REVENUES (Million pesos)

Concept	January-May		Real % Growth	Composition %	
	2011	2012 <sup>p./</sup>		2011	2012 <sup>p./</sup>
<b>BUDGETARY REVENUES(I+II)</b>	<b>1,262,020.5</b>	<b>1,406,936.9</b>	<b>7.4</b>	<b>100.0</b>	<b>100.0</b>
I. Oil Related (a+b)	410,931.3	498,740.3	16.9	32.6	35.4
a) PEMEX	114,307.7	172,989.9	45.8	9.1	12.3
b) Federal Government	296,623.6	325,750.3	5.8	23.5	23.2
Rights and royalties	337,720.9	415,834.1	18.6	26.8	29.6
Excise taxes <sup>1./</sup>	-43,244.5	-89,769.4	n.s.	-3.4	-6.4
Tax on Oil Returns	2,147.3	-314.3	n.s.	0.2	0.0
II. Non-oil related (c+d)	851,089.2	908,196.6	2.8	67.4	64.6
c) Federal Government	656,900.5	685,065.6	0.5	52.1	48.7
Tax	610,069.2	638,479.0	0.8	48.3	45.4
Income Tax, IETU and IDE	337,634.9	357,451.2	2.0	26.8	25.4
Income Tax	312,248.2	338,999.6	4.6	24.7	24.1
IMPAC	-479.8	-470.4	n.s.	0.0	0.0
IETU (Unique Rate Corporate Tax)	23,284.8	19,958.4	-17.4	1.8	1.4
IDE (Tax on Cash Deposits)	2,581.7	-1,036.4	n.s.	0.2	-0.1
VAT	212,489.1	225,233.1	2.1	16.8	16.0
Excise taxes	27,738.5	30,024.9	4.3	2.2	2.1
Import taxes	10,097.1	10,937.7	4.4	0.8	0.8
Others <sup>2./</sup>	22,109.7	14,832.2	-35.4	1.8	1.1
Non-tax	46,831.3	46,586.5	-4.1	3.7	3.3
Rights	15,226.8	17,684.4	11.9	1.2	1.3
Fees	30,074.9	25,940.4	-16.9	2.4	1.8
Others	1,529.5	2,961.7	86.6	0.1	0.2
d) PEDBC <sup>3./</sup>	194,188.7	223,131.1	10.7	15.4	15.9
<b>Memorandum items:</b>					
Total tax related	568,972.0	548,395.3	-7.1	45.1	39.0
Total non-tax related	693,048.5	858,541.6	19.4	54.9	61.0

Note: Figures may not add up due to rounding.

p./ Preliminary figures.

n.s.: Not significant.

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

2./ Includes taxes on new vehicles, on vehicle ownership, exports, those that do not belong to the aforementioned and accessories.

3./ Excludes federal government transfers to the ISSSTE.

Source: Ministry of Finance and Public Credit.



**PUBLIC SECTOR NET EXPENDITURES  
(Million pesos)**

Concept	January-May		Real % Growth	Composition %	
	2011	2012 <sup>p./</sup>		2011	2012 <sup>p./</sup>
<b>TOTAL (I+II)</b>	1,286,332.5	1,470,580.8	10.2	100.0	100.0
I. Primary Expenditures (a+b)	1,235,615.8	1,410,565.4	10.0	96.1	95.9
a) Programmable	1,006,248.1	1,161,773.1	11.2	78.2	79.0
b) Non- programmable	229,367.7	248,792.3	4.5	17.8	16.9
II. Financial Cost <sup>1_</sup>	50,716.7	60,015.4	14.0	3.9	4.1

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, June 29<sup>th</sup>, 2012.

FEDERAL GOVERNMENT DOMESTIC DEBT, MAY \*\_/ (Million pesos)

Concept	Outstanding as of December 2011	Indebtedness			Adjustments <sup>1_</sup>	Outstanding as of May 2012 <sup>p_</sup>
		Originations	Amort.	Net		
<b>1. Net Debt (3-2)</b>	<b>3,112,093.2</b>					<b>3,213,418.8</b>
2. Assets <sup>2_</sup>	85,610.0					279,803.0
<b>3. Gross Domestic Debt</b>	<b>3,197,703.2</b>	<b>963,403.1</b>	<b>680,119.7</b>	<b>283,283.4</b>	<b>12,235.2</b>	<b>3,493,221.8</b>
Government Securities	2,882,799.6	891,579.6	607,579.5	284,000.1	7,187.2	3,173,986.9
Cetes	456,600.8	643,495.3	593,878.6	49,616.7	0.0	506,217.5
Bondes "D"	202,473.1	16,617.4	13,700.1	2,917.3	0.0	205,390.4
Fixed Rate Bonds	1,581,580.5	163,942.8	0.3	163,942.5	-0.1	1,745,522.9
Udibonos	642,145.2	67,524.1	0.5	67,523.6	7,187.3	716,856.1
<i>Udibonos udi's</i>	136,922.7	14,227.8	0.1	14,227.7	0.1	151,150.5
S.A.R.	81,193.5	71,274.7	62,907.9	8,366.8	2,460.6	92,020.9
Obligations from ISSSTE Law	171,932.8	29.2	8,728.6	-8,699.4	1,897.8	165,131.2
Others	61,777.3	519.6	903.7	-384.1	689.6	62,082.8

Note: Figures may not add up due to rounding.

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

p\_/ Preliminary figures.

1\_/ Refers to adjustment for inflation.

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

Source: Ministry of Finance and Public Credit.



Press Release

Mexico City, June 29<sup>th</sup>, 2012.

FEDERAL GOVERNMENT EXTERNAL DEBT, MAY <sup>\*\_/\_</sup>  
(Million dollars)

Concept	Outstanding as of December 2011	Indebtedness			Adjustments	Outstanding as of May 2012 <sup>p_/_</sup>
		Originations	Amort.	Net		
<b>1. Net Debt (3-2)</b>	<b>59,642.5</b>					<b>62,564.7</b>
<b>2. Assets <sup>1_/_</sup></b>	<b>1,709.0</b>					<b>1,871.0</b>
<b>3. Gross Debt</b>	<b>61,351.5</b>	<b>4,409.2</b>	<b>1,029.4</b>	<b>3,379.8</b>	<b>-295.6</b>	<b>64,435.7</b>
Public Bonds	40,668.5	4,000.0	743.5	3,256.5	-261.9	43,663.1
IFI's	19,606.7	370.1	272.3	97.8	-0.6	19,703.9
Bilateral	1,076.3	39.1	13.6	25.5	-33.1	1,068.7

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.

Source: Ministry of Finance and Public Credit.



**PUBLIC SECTOR DOMESTIC DEBT, MAY <sup>\*\_/\_1\_/\_</sup>**  
(Million pesos)

Concept	Outstanding as of December 2011	Indebtedness		Adjustments Net	Outstanding as of May 2012 <sup>p_/_</sup>	
		Originations	Amort.			
<b>1. Net Debt (3-2)</b>	<b>3,258,479.5</b>				<b>3,370,225.5</b>	
<b>2. Assets <sup>2_/_</sup></b>	188,329.1				370,184.5	
<b>3. Gross Debt</b>	<b>3,446,808.6</b>	<b>993,902.1</b>	<b>713,263.6</b>	<b>280,638.5</b>	<b>12,962.9</b>	<b>3,740,410.0</b>
<b>By Term</b>	<b>3,446,808.6</b>	<b>993,902.1</b>	<b>713,263.6</b>	<b>280,638.5</b>	<b>12,962.9</b>	<b>3,740,410.0</b>
Long-term	3,092,803.3	395,687.1	150,903.0	244,784.1	12,966.6	3,350,554.0
Short-term	354,005.3	598,215.0	562,360.6	35,854.4	-3.7	389,856.0
<b>By User</b>	<b>3,446,808.6</b>	<b>993,902.1</b>	<b>713,263.6</b>	<b>280,638.5</b>	<b>12,962.9</b>	<b>3,740,410.0</b>
Federal Government	3,197,703.2	963,403.1	680,119.7	283,283.4	12,235.2	3,493,221.8
Long-term	2,847,897.4	389,485.5	136,048.7	253,436.8	12,235.2	3,113,569.4
Short-term	349,805.8	573,917.6	544,071.0	29,846.6	0.0	379,652.4
PEDBC's	203,641.0	9,579.4	19,138.4	-9,559.0	713.0	194,795.0
Long-term	200,141.0	1,200.0	14,766.8	-13,566.8	713.0	187,287.2
Short-term	3,500.0	8,379.4	4,371.6	4,007.8	0.0	7,507.8
Development Banks	45,464.4	20,919.6	14,005.5	6,914.1	14.7	52,393.2
Long-term	44,764.9	5,001.6	87.5	4,914.1	18.4	49,697.4
Short-term	699.5	15,918.0	13,918.0	2,000.0	-3.7	2,695.8
<b>By Financing Source</b>	<b>3,446,808.6</b>	<b>993,902.1</b>	<b>713,263.6</b>	<b>280,638.5</b>	<b>12,962.9</b>	<b>3,740,410.0</b>
Bonds Placed in Domestic Markets	3,081,872.3	896,579.6	620,124.0	276,455.6	7,450.4	3,365,778.3
SAR	81,193.5	71,274.7	62,907.9	8,366.8	2,460.6	92,020.9
Commercial Banks	42,243.9	1,201.6	2,809.8	-1,608.2	-13.9	40,621.8
ISSSTE's Law obligations	171,932.8	29.2	8,728.6	-8,699.4	1,897.8	165,131.2
Others	69,566.1	24,817.0	18,693.3	6,123.7	1,168.0	76,857.8

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 net 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.

**PUBLIC SECTOR EXTERNAL DEBT, MAY <sup>\*\_/\_</sup>1\_/\_**  
(Million dollars)

Concept	Outstanding as of December 2011	Indebtedness			Adjustments	Outstanding as of May 2012 <sup>p_/_</sup>
		Originations	Amort.	Net		
<b>1. Net Debt (3-2)</b>	<b>113,631.6</b>					<b>116,261.7</b>
<b>2. Financial Assets in Foreign Currency <sup>2_/_</sup></b>	<b>2,788.6</b>					<b>3,476.3</b>
<b>3. Gross Debt</b>	<b>116,420.2</b>	<b>15,165.5</b>	<b>11,250.5</b>	<b>3,915.0</b>	<b>-597.2</b>	<b>119,738.0</b>
<b>By Term</b>	<b>116,420.2</b>	<b>15,165.5</b>	<b>11,250.5</b>	<b>3,915.0</b>	<b>-597.2</b>	<b>119,738.0</b>
Long-term	113,650.9	8,058.0	4,031.5	4,026.5	-598.4	117,079.0
Short-term	2,769.3	7,107.5	7,219.0	-111.5	1.2	2,659.0
<b>By User</b>	<b>116,420.2</b>	<b>15,165.5</b>	<b>11,250.5</b>	<b>3,915.0</b>	<b>-597.2</b>	<b>119,738.0</b>
Federal Government	61,351.5	4,409.2	1,029.4	3,379.8	-295.6	64,435.7
Long-term	61,351.5	4,409.2	1,029.4	3,379.8	-295.6	64,435.7
Short-term	0.0	0.0	0.0	0.0	0.0	0.0
PEDBC's	47,439.5	3,884.1	3,001.3	882.8	-292.6	48,029.7
Long-term	47,439.5	3,598.0	2,903.1	694.9	-292.6	47,841.8
Short-term	0.0	286.1	98.2	187.9	0.0	187.9
Development Banks	7,629.2	6,872.2	7,219.8	-347.6	-9.0	7,272.6
Long-term	4,859.9	50.8	99.0	-48.2	-10.2	4,801.5
Short-term	2,769.3	6,821.4	7,120.8	-299.4	1.2	2,471.1
<b>By Financing Source</b>	<b>116,420.2</b>	<b>15,165.5</b>	<b>11,250.5</b>	<b>3,915.0</b>	<b>-597.2</b>	<b>119,738.0</b>
Public Bonds	68,913.6	7,336.6	743.5	6,593.1	-558.4	74,948.3
IFI's	23,427.8	415.7	335.5	80.2	2.0	23,510.0
Bilateral	14,013.9	293.3	1,195.2	-901.9	-56.3	13,055.7
Commercial Banks	9,778.6	6,833.8	8,878.1	-2,044.3	-3.6	7,730.7
Pidiregas	286.3	286.1	98.2	187.9	19.1	493.3

Note: Figures may not add up due to rounding.

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

p\_/\_ Preliminary figures.

1\_/\_ Includes the federal government, PEDBC's and Development Banks debt.

2\_/\_ Considers the net 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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