

# **PUBLIC FINANCE AND PUBLIC DEBT AS OF NOVEMBER 2012**

Today, the preliminary information on public finance and public debt as of November 2012 was released.

The main results for the January–November period are the following:

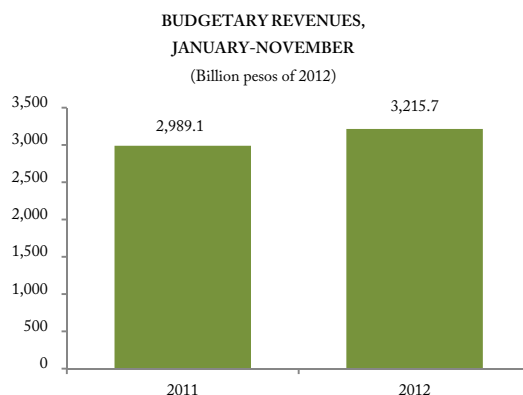
- Total public sector deficit was PS. 204.5 billion. Excluding PEMEX's investment, a surplus of Ps. 51.9 billion is observed. Both figures are consistent with the approved budget deficit for the year.
- Budgetary revenues were 7.6% higher in real terms than the ones observed during the same period of 2011. Revenues of public entities under direct budgetary control (PEDBC) other than PEMEX, oil revenues and non-oil tax revenues increased 9.7, 3.8, and 2.7% in real terms, respectively.
- Net expenditures were higher by 6.5% in real annual terms. Programmable expenditures increased 7.4% in real terms.
- Resources transferred to states and municipalities increased 2.0% in real terms.
- Stocks of the net federal public sector's domestic and external debt increased Ps. 309.4 billion and USD 9.5 billion, respectively, both with respect to the end of 2011.

### *Evolution of the public finances during January–November*

As of November 2012, the public sector showed a deficit of Ps. 204.5 billion. The primary balance had a surplus of Ps. 6.2 billion. If PEMEX's investment is excluded, the public balance shows a surplus of Ps. 51.9 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–November*

The public sector's budgetary revenues were Ps. 3,215.7 billion, amount 7.6% higher in real annual terms. The evolution of the main elements of budgetary revenues was the following:



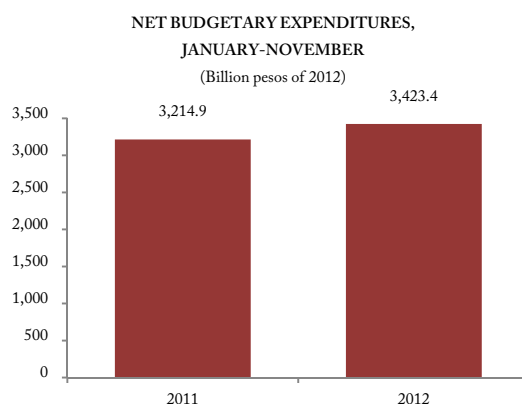
- Non-oil tax revenues were Ps. 1,386.2 billion, higher by 2.7% in real annual terms. By adjusting revenues for the vehicle ownership tax elimination, non-oil tax revenues increase by 3.7% in real terms. Collections from the VAT, taxes on imports, the excise tax and the income tax (including IETU and tax on cash deposits) increased 6.9, 3.7, 2.6 and 1.7% 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 – added Ps. 1,080.9 billion, increasing 3.8% in real annual terms. This result is explained mainly by the

higher average price of the Mexican oil mix (103.3 dollars per barrel (dpb) compared with 98.4 dpb observed during the same period of 2011) and the 4.4% depreciation of the exchange rate, these effects were partially offset by a 34.2% lower average natural gas price and a 0.3% lower oil production platform, all with respect to the same period of 2011.

- Revenues of public entities under direct budgetary control other than PEMEX were Ps. 544.4 billion, which represented a 9.7% increase in real annual terms. This is mainly explained by higher revenues from electricity sales, higher social security contributions and other revenues.
- Non-oil non-tax revenues added Ps. 204.2 billion, amount 101.8% higher in real annual terms due to higher non-recurrent revenues and to royalties than those observed last year, as well as for a seasonal adjustment of these.

### *Net public sector budgetary expenditures during January–November*

During the first eleven months of the year, net public sector budgetary expenditures added Ps. 3,423.4 billion, amount 6.5% higher in real annual terms.



Paid programmable expenditures added Ps. 2,745.3 billion, amount 7.4% higher in real annual terms. Within them, expenditures allocated to communications; economy, trade and labor; fuel and energy; social protection and healthcare and education sectors stand out.

Resources transferred to states and municipalities through non-earmarked transfers, federal contributions, Ramo 23 and decentralization and reallocation agreements increased 2.0% in real terms. Non-earmarked transfers were kept at the same level in real terms as last year while the remaining resources transferred to states and municipalities increased 3.5% in real annual terms. By removing the revenue from the vehicle ownership tax in order to adjust the base of comparison by the effect of the elimination of this burden, total resources transferred to states and municipalities and non-earmarked transfers would increase 3.3 and 3.0% in real terms, respectively.

Public sector's financial cost was Ps. 205.8 billion, amount 9.9% higher in real annual terms due to the depreciation of the exchange rate and a change in PEMEX's financial cost seasonality.

### *Stock of public debt as of November*

The stock of the Federal Government's net domestic debt as of November was Ps. 3,384.6 billion, Ps. 272.5 billion higher than the amount observed at the end of 2011. The change in the stock is explained by a net indebtedness of Ps. 452.5 billion, upward accounting adjustments of Ps. 38.6 billion (Ps. 35.9 billion from inflation-indexed debt and Ps. 2.7 billion from debt swap operations) and an increase in the Federal Government's financial assets by Ps. 218.6 billion.

The stock of the Federal Government's net external debt at the end of November was USD 65.8 billion, amount USD 6.1 billion higher than the one observed at the end of 2011. This result is explained by a net indebtedness of USD 4.2 billion, upward accounting

adjustments of USD 0.4 billion (USD 0.7 billion from debt swaps and USD -0.3 billion from the revaluation of other currencies with respect to the USD) and by the use of Federal Government's financial assets by USD 1.5 billion.

The stock of the federal public sector's net domestic debt (Federal Government, public entities under direct budgetary control and development banks) at the end of November was Ps. 3,567.8 billion, which implies a Ps. 309.4 billion increase with respect to the stock registered at the end of 2011. This is due to net domestic indebtedness of Ps. 484.3 billion during the period, upward accounting adjustments of Ps. 40.4 billion and an increase in domestic financial assets by Ps. 215.3 billion.

The stock of the federal public sector's net external debt was USD 123.1 billion, amount USD 9.5 billion higher than the one registered at the end of 2011. This result is explained by net indebtedness of USD 8.1 billion, upward accounting adjustments of USD 0.3 billion and the accumulation of Public Sector assets by USD 1.1 billion.

More details on public finance and public debt statistics can be retrieved from the Ministry of Finance's web page at: <http://t.co/TcitOzU>

## ANNEX I

### PUBLIC SECTOR BALANCE

(Million pesos)

Concept	January-November		Real % Growth	Composition %	
	2011	2012 <sup>p-/</sup>		2011	2012 <sup>p-/</sup>
<b>PUBLIC BALANCE</b>	-213,090.7	-204,460.7	n.s.		
<b><i>PUBLIC BALANCE EXCLUDING PEMEX'S INVESTMENT<sup>1/</sup></i></b>	-9,504.1	51,857.8	n.s.		
Budgetary Balance	-216,798.9	-207,647.5	n.s.		
Budgetary Revenues	2,869,664.5	3,215,721.1	7.6	100.0	100.0
Oil Related	999,561.7	1,080,884.7	3.8	34.8	33.6
Federal Government	644,825.7	664,614.0	-1.0	22.5	20.7
PEMEX	354,736.0	416,270.7	12.7	12.4	12.9
Non oil related	1,870,102.8	2,134,836.4	9.6	65.2	66.4
Federal Government	1,393,475.8	1,590,394.9	9.6	48.6	49.5
Tax	1,296,320.6	1,386,203.0	2.7	45.2	43.1
Non-tax	97,155.2	204,191.9	101.8	3.4	6.3
PEDBC	476,627.0	544,441.5	9.7	16.6	16.9
Net Budgetary Expenditures	3,086,463.4	3,423,368.6	6.5	100.0	100.0
Programmable	2,452,951.1	2,745,327.2	7.4	79.5	80.2
Non programmable	633,512.2	678,041.4	2.8	20.5	19.8
PEIBC	3,708.2	3,186.8	-17.5		
Primary Balance	-24,636.3	6,216.7	n.s.		

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.

## PUBLIC SECTOR REVENUES

(Million pesos)

Concept	January-October		Real % Growth	Composition %	
	2011	2012 <sup>p./</sup>		2011	2012 <sup>p./</sup>
<b>BUDGETARY REVENUES (I+II)</b>	<b>2,869,664.5</b>	<b>3,215,721.1</b>	<b>7.6</b>	<b>100.0</b>	<b>100.0</b>
I. Oil Related (a+b)	999,561.7	1,080,884.7	3.8	34.8	33.6
a) PEMEX	354,736.0	416,270.7	12.7	12.4	12.9
b) Federal Government	644,825.7	664,614.0	-1.0	22.5	20.7
Rights and royalties	770,498.2	852,151.7	6.2	26.8	26.5
Excise taxes <sup>1./</sup>	-128,571.5	-187,975.1	n.s.	-4.5	-5.8
Tax on Oil Returns	2,899.1	437.3	-85.5	0.1	0.0
II. Non-oil related (c+d)	1,870,102.8	2,134,836.4	9.6	65.2	66.4
c) Federal Government	1,393,475.8	1,590,394.9	9.6	48.6	49.5
Tax	1,296,320.6	1,386,203.0	2.7	45.2	43.1
Income Tax, IETU and IDE	690,120.4	730,749.6	1.7	24.0	22.7
Income Tax	657,590.3	691,216.1	0.9	22.9	21.5
IMPAC	-1,046.5	-1,152.5	n.s.	0.0	0.0
IETU	44,400.8	38,627.9	-16.5	1.5	1.2
IDE	-10,824.2	2,058.1	n.s.	-0.4	0.1
VAT	477,336.5	531,422.7	6.9	16.6	16.5
Excise taxes	62,950.8	67,291.8	2.6	2.2	2.1
Import taxes	24,533.6	26,511.1	3.7	0.9	0.8
Others <sup>2./</sup>	41,379.4	30,227.8	-29.9	1.4	0.9
Non-tax	97,155.2	204,191.9	101.8	3.4	6.3
Rights	34,531.0	40,860.0	13.6	1.2	1.3
Fees	58,382.4	157,575.6	159.1	2.0	4.9
Others	4,241.7	5,756.3	30.3	0.1	0.2
d) PEDBC <sup>3./</sup>	476,627.0	544,441.5	9.7	16.6	16.9
Memorandum items:					
Total tax related	1,170,648.2	1,198,665.2	-1.7	40.8	37.3
Total non-tax related	1,699,016.3	2,017,055.9	14.0	59.2	62.7

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's transfers to the ISSSTE.

Source: Ministry of Finance and Public Credit.

**PUBLIC SECTOR NET EXPENDITURES**

(Million pesos)

Concept	January-November		Real % Growth	Composition %	
	2011	2012 <sup>p/_</sup>		2011	2012 <sup>p/_</sup>
<b>TOTAL (I+II)</b>	3,086,463.4	3,423,368.6	6.5	100.0	100.0
I. Primary expenditures (a+b)	2,906,719.4	3,217,563.6	6.3	94.2	94.0
a) Programmable	2,452,951.1	2,745,327.2	7.4	79.5	80.2
b) Non programmable	453,768.3	472,236.4	-0.1	14.7	13.8
II. Financial Cost <sup>1/_</sup>	179,744.0	205,805.0	9.9	5.8	6.0

Note: Figures may not add up due to rounding.

p/\_ Preliminary figures.

1/\_ Includes interests, commissions and other public debt expenditures to support savers and bank debtors.

Source: Ministry of Finance and Public Credit.



FEDERAL GOVERNMENT DOMESTIC DEBT, NOVEMBER <sup>\*\_/</sup>  
(Million pesos)

Concept	Outstanding as of December 2011	Indebtedness			Adjustments <sup>1_/</sup>	Outstanding as of November 2012 <sup>p_/</sup>
		Originations	Amort.	Net		
<b>1. Net Debt (3-2)</b>	<b>3,112,093.2</b>					<b>3,384,567.1</b>
2. Assets <sup>2_/</sup>	85,610.0					304,241.0
<b>3. Gross Domestic Debt</b>	<b>3,197,703.2</b>	<b>2,147,256.9</b>	<b>1,694,742.9</b>	<b>452,514.0</b>	<b>38,590.9</b>	<b>3,688,808.1</b>
Government Securities	2,882,799.6	1,995,346.7	1,535,400.8	459,945.9	26,800.9	3,369,546.4
Cetes	456,600.8	1,409,217.1	1,323,555.1	85,662.0	0.0	542,262.8
Bonds "D"	202,473.1	36,119.2	41,238.9	-5,119.7	0.0	197,353.4
Fixed Rate Bonds	1,581,580.5	401,356.6	135,987.1	265,369.5	2,711.0	1,849,661.0
Udibonos	642,145.2	147,670.6	34,619.7	113,050.9	24,087.5	779,283.6
<i>Udibonos udi's</i>	136,922.7	30,962.7	7,311.6	23,651.1	0.1	160,573.9
Segregated Udibonos	0.0	983.2	0.0	983.2	2.4	985.6
<i>Segregated Udibonos udi's</i>	0.0	203.1	0.0	203.1	0.0	203.1
S.A.R.	81,193.5	148,694.0	146,117.1	2,576.9	3,975.7	87,746.1
Obligations by ISSSTE's Law	171,932.8	30.4	9,018.5	-8,988.1	5,701.6	168,646.3
Others	61,777.3	3,185.8	4,206.5	-1,020.7	2,112.7	62,869.3

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. For fixed rate bonds, it refers to swap adjustments.

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

Source: Ministry of Finance and Public Credit.

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

Concept	Outstanding as of December 2011	Indebtedness			Adjustments <sup>2/</sup>	Outstanding as of November 2012 <sup>p/</sup>
		Originations	Amort.	Net		
<b>1. Net Debt (3-2)</b>	<b>59,642.5</b>					<b>65,787.6</b>
2. Assets <sup>1/</sup>	1,709.0					175.0
<b>3. Gross Debt</b>	<b>61,351.5</b>	<b>8,424.9</b>	<b>4,222.5</b>	<b>4,202.4</b>	<b>408.7</b>	<b>65,962.6</b>
Public Bonds	40,668.5	7,206.2	3,571.1	3,635.1	410.4	44,714.0
IFF's	19,606.7	1,076.1	612.8	463.3	0.1	20,070.1
Bilateral	1,076.3	142.6	38.6	104.0	-1.8	1,178.5

Note: Figures may not add up due to rounding.

<sup>\*/</sup> Figures subject to revisions and methodological changes.

<sup>p/</sup> Preliminary figures.

<sup>1/</sup> Considers the net US Dollar denominated balance of the General Account of the Federal Treasury.

<sup>2/</sup> Includes debt exchange adjustments.

Source: Ministry of Finance and Public Credit.

PUBLIC SECTOR DOMESTIC DEBT, NOVEMBER <sup>1/</sup>

(Million pesos)

Concept	Outstanding as of December 2011	Indebtedness			Adjustments	Outstanding as of November 2012 <sup>p/</sup>
		Originations	Amort.	Net		
<b>1. Net Debt (3-2)</b>	<b>3,258,479.5</b>					<b>3,567,842.1</b>
2. Assets <sup>2/</sup>	188,329.1					403,669.1
<b>3. Gross Debt</b>	<b>3,446,808.6</b>	<b>2,235,913.0</b>	<b>1,751,592.9</b>	<b>484,320.1</b>	<b>40,382.5</b>	<b>3,971,511.2</b>
<b>By Term</b>	<b>3,446,808.6</b>	<b>2,235,913.0</b>	<b>1,751,592.9</b>	<b>484,320.1</b>	<b>40,382.5</b>	<b>3,971,511.2</b>
Long-term	3,092,803.3	919,006.3	487,452.3	431,554.0	40,427.5	3,564,784.8
Short-term	354,005.3	1,316,906.7	1,264,140.6	52,766.1	-45.0	406,726.4
<b>By User</b>	<b>3,446,808.6</b>	<b>2,235,913.0</b>	<b>1,751,592.9</b>	<b>484,320.1</b>	<b>40,382.5</b>	<b>3,971,511.2</b>
Federal Government	3,197,703.2	2,147,256.9	1,694,742.9	452,514.0	38,590.9	3,688,808.1
Long-term	2,847,897.4	874,501.1	468,870.6	405,630.5	38,590.9	3,292,118.8
Short-term	349,805.8	1,272,755.8	1,225,872.3	46,883.5	0.0	396,689.3
PEDBC's	203,641.0	43,032.8	26,479.2	16,553.6	1,849.4	222,044.0
Long-term	200,141.0	29,501.8	17,833.4	11,668.4	1,849.4	213,658.8
Short-term	3,500.0	13,531.0	8,645.8	4,885.2	0.0	8,385.2
Development Banks	45,464.4	45,623.3	30,370.8	15,252.5	-57.8	60,659.1
Long-term	44,764.9	15,003.4	748.3	14,255.1	-12.8	59,007.2
Short-term	699.5	30,619.9	29,622.5	997.4	-45.0	1,651.9
<b>By Financing Source</b>	<b>3,446,808.6</b>	<b>2,235,913.0</b>	<b>1,751,592.9</b>	<b>484,320.1</b>	<b>40,382.5</b>	<b>3,971,511.2</b>
Bonds Placed in Domestic Markets	3,081,872.3	2,035,348.5	1,548,563.4	486,785.1	27,630.5	3,596,287.9
SAR	81,193.5	148,694.0	146,117.1	2,576.9	3,975.7	87,746.1
Commercial Banks	42,243.9	10,155.3	6,573.6	3,581.7	-148.1	45,677.5
ISSSTE's Law obligations	171,932.8	30.4	9,018.5	-8,988.1	5,701.6	168,646.3
Others	69,566.1	41,684.8	41,320.3	364.5	3,222.8	73,153.4

Note: Figures may not add up due to rounding.

<sup>\*/</sup> Figures subject to revisions and methodological changes.

<sup>p/</sup> Preliminary figures.

<sup>1/</sup> Including Federal Government, PEDBC's and Development Banks debt.

<sup>2/</sup> Includes the net balance, denominated in pesos, of the General Account of the Federal Treasury and assets from PEDBC's and Development Banks.

Source: Ministry of Finance and Public Credit

**PUBLIC SECTOR EXTERNAL DEBT, NOVEMBER <sup>\*/1/</sup>**

(Million dollars)

Concept	Outstanding	Indebtedness			Adjustments	Outstanding
	as of December 2011	Originations	Amort.	Net		as of November 2012 <sup>p./</sup>
<b>1. Net Debt (3-2)</b>	<b>113,631.6</b>					<b>123,132.7</b>
2. Financial Assets in Foreign Currency <sup>2./</sup>	2,788.6					1,700.9
<b>3. Gross Debt</b>	<b>116,420.2</b>	<b>33,715.8</b>	<b>25,609.7</b>	<b>8,106.1</b>	<b>307.3</b>	<b>124,833.6</b>
<b>By Term</b>	<b>116,420.2</b>	<b>33,715.8</b>	<b>25,609.7</b>	<b>8,106.1</b>	<b>307.3</b>	<b>124,833.6</b>
Long-term	113,650.9	16,907.4	8,812.6	8,094.8	304.8	122,050.5
Short-term	2,769.3	16,808.4	16,797.1	11.3	2.5	2,783.1
<b>By User</b>	<b>116,420.2</b>	<b>33,715.8</b>	<b>25,609.7</b>	<b>8,106.1</b>	<b>307.3</b>	<b>124,833.6</b>
Federal Government	61,351.5	8,424.9	4,222.5	4,202.4	408.7	65,962.6
Long-term	61,351.5	8,424.9	4,222.5	4,202.4	408.7	65,962.6
Short-term	0.0	0.0	0.0	0.0	0.0	0.0
PEDBC's	47,439.5	8,639.7	4,636.0	4,003.7	-87.5	51,355.7
Long-term	47,439.5	8,343.4	4,378.5	3,964.9	-87.5	51,316.9
Short-term	0.0	296.3	257.5	38.8	0.0	38.8
Development Banks	7,629.2	16,651.2	16,751.2	-100.0	-13.9	7,515.3
Long-term	4,859.9	139.1	211.6	-72.5	-16.4	4,771.0
Short-term	2,769.3	16,512.1	16,539.6	-27.5	2.5	2,744.3
<b>By Financing Source</b>	<b>116,420.2</b>	<b>33,715.8</b>	<b>25,609.7</b>	<b>8,106.1</b>	<b>307.3</b>	<b>124,833.6</b>
Public Bonds	68,913.6	14,492.8	3,575.4	10,917.4	339.4	80,170.4
IFT's	23,427.8	1,188.5	743.4	445.1	27.3	23,900.2
Bilateral	14,013.9	1,197.6	2,765.7	-1,568.1	-53.2	12,392.6
Commercial Banks	9,778.6	16,540.6	18,267.7	-1,727.1	-15.2	8,036.3
Pidiregas	286.3	296.3	257.5	38.8	9.0	334.1

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 assets held by PEDBC's and Development Banks.

Source: Ministry of Finance and Public Credit.

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