

PUBLIC FINANCE AND PUBLIC DEBT REPORT AS OF FEBRUARY 2013

In line with this Administration's commitment with macroeconomic stability and the transparency of public finances, the Ministry of Finance releases the preliminary information on public finance and public debt as of February 2013.

The main results during the January – February 2013 period are the following:

- Total public sector surplus was Ps. 53.8 billion. Excluding PEMEX's investment, a surplus of Ps. 90.7 billion was observed. Both figures are consistent with the approved budget deficit for the year.
- Budgetary revenues were 0.2% higher in real terms than the ones observed during the same period of 2012. Tax revenues, revenues from public entities under direct budgetary control other than PEMEX, and non-oil non-tax revenues were higher by 3.4, 1.7, and 37.7% in real terms, respectively.
- Net expenditures were 10.0% lower in real terms than the ones observed during the same period of 2012. Programmable expenditures decreased 8.5% in real terms.
- Resources transferred to states and municipalities decreased 7.6% in real terms.
- The stock of the net federal public sector's domestic debt decreased Ps. 65.0 billion while the stock of external debt increased USD 3.1 billion, both with respect to the end of 2012.

Evolution of the public finances during January-February

As of February 2013, the public sector showed a surplus of Ps. 53.8 billion. The primary balance had a surplus of Ps. 76.8 billion. If PEMEX's investment is excluded, the public balance shows a surplus of Ps. 90.7 billion. These results are consistent with the approved deficit for 2013, 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. 603.7 billion, amount 0.2% higher in real terms than the ones observed in the same period of 2012. The evolution of the main elements of the budgetary revenues was the following:

- Non-oil tax revenues were Ps. 300.5 billion, higher by 3.4% in real terms than the ones observed in the same period of 2012. Collections from the excise tax (IEPS), income tax (including IETU and tax on cash deposits) and VAT increased by 10.6, 4.5 and 1.4%, 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 – amounted to Ps. 184.3 billion, decreasing 9.0% in real terms than the ones observed in the same period of 2012. This result is explained mainly by the lower average price of the Mexican oil mix (98.3 dollars per barrel (dpb) compared with 106.7 dpb observed during the same period of 2012) and an appreciation of the exchange rate.
- Revenues of public entities under direct budgetary control other than PEMEX were Ps. 88.5 billion, which represented a 1.7% increase in real terms than the ones observed in the same period of 2012. This is mainly explained by higher social security contributions.

- Non-oil non-tax revenues amounted to Ps. 30.3 billion, amount 37.7% higher in real terms than the ones observed in the same period of 2012, due to higher non-recurrent revenues and royalties.

Net public sector budgetary expenditures during January-February

During the first two months of the year, net public sector budgetary expenditures were Ps. 556.5 billion, amount 10.0% lower in real terms than the observed in the same period of 2012.

- Paid programmable expenditures were Ps. 420.4 billion, amount 8.5% lower in real terms than the observed in the same period of 2012.
- Expenditures in Justice, Social Protection, Science and Technology and National Security show real growth rates of 8.6, 5.5, 4.5 and 2.5% with respect to the same period of 2012.
- Resources transferred to states and municipalities through non-earmarked transfers, earmarked transfers, Ramo 23 and decentralization and reallocation agreements decreased 7.6% in real terms. Non-earmarked transfers were reduced by 12.0% in real terms due in part to the seasonality effect observed in tax and oil revenues, a tendency that will revert during this year, as well as a lower amount of the third triannual adjustment payment.
- The public sector's financial cost was Ps. 24.3 billion, amount 10.0% lower in real terms than the one observed in the same period of 2012, partially due to an appreciation of the exchange rate parity.

Stock of public debt as of February

The stock of the Federal Government's net domestic debt as of February was Ps. 3,493.6 billion, amount Ps. 7.5 billion lower than the one observed at the end of 2012. The change in the stock is explained by a net indebtedness of Ps. 109.0 billion, upward accounting adjustments of Ps. 9.5 billion and an increase in the Federal Government's financial assets by Ps. 126.0 billion.

The stock of the Federal Government's net external debt at the end of February was USD 66.2 billion, amount USD 0.2 billion higher than the one observed at the end of 2012. This result is explained by a net indebtedness of USD 0.3 billion, downward accounting adjustments of USD 0.4 billion and by the reduction of Federal Government's financial assets of USD 0.3 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 February was Ps. 3,705.0 billion, which implies a Ps. 65.0 billion decrease with respect to the stock registered at the end of 2012. This is due to a net domestic indebtedness of Ps. 102.5 billion during the period, upward accounting adjustments of Ps. 25.9 billion and an increase in domestic financial assets by Ps. 193.4 billion.

The stock of the federal public sector's net external debt was USD 124.8 billion, amount USD 3.1 billion higher than the one registered at the end of 2012. This result is explained by a net indebtedness of USD 2.1 billion, by downward accounting adjustments of USD 0.7 billion and by a decrease in Federal Public Sector's financial assets of USD 1.8 billion.

More details on public finance and public debt statistics can be retrieved from the Ministry of Finance's web page at: <http://bit.ly/14miwX2>.

ANNEX I

PUBLIC SECTOR BALANCE

(Million pesos)

Concept	January-February		Real % Growth	Composition %	
	2012 ^{p./}	2013 ^{p./}		2012 ^{p./}	2013 ^{p./}
PUBLIC BALANCE	-24,300.9	53,842.8	n.s.		
<i>PUBLIC BALANCE EXCLUDING PEMEX'S INVESTMENT^{p./}</i>	4,331.9	90,701.6	-o-		
Budgetary Balance	-15,542.6	47,226.0	n.s.		
Budgetary Revenues	582,403.3	603,724.3	0.2	100.0	100.0
Oil Related	195,796.3	184,302.1	-9.0	33.6	30.5
Federal Government	140,432.6	132,243.2	-8.9	24.1	21.9
PEMEX	55,363.7	52,058.9	-9.1	9.5	8.6
Non oil related	386,607.0	419,422.2	4.9	66.4	69.5
Federal Government	302,400.4	330,879.0	5.8	51.9	54.8
Tax	281,092.3	300,547.7	3.4	48.3	49.8
Non-tax	21,308.1	30,331.2	37.7	3.7	5.0
PEDBC	84,206.7	88,543.2	1.7	14.5	14.7
Net Budgetary Expenditures	597,946.0	556,498.3	-10.0	100.0	100.0
Programmable	444,372.4	420,441.6	-8.5	74.3	75.6
Non programmable	153,573.5	136,056.7	-14.3	25.7	24.4
PEIBC	-8,758.3	6,616.8	n.s.		
Primary Balance	15,341.8	76,843.6	384.4		

Note: Figures may not add up due to rounding.

p./ Preliminary figures.

n.s.: Not significant. -o-: greater than 500%.

1./ PEMEX's physical investment is excluded.

Source: Ministry of Finance and Public Credit.

PUBLIC SECTOR REVENUES

(Million pesos)

Concept	January-February		Real % Growth	Composition %	
	2012 P./	2013 P./		2012 P./	2013 P./
BUDGETARY REVENUES (I+II)	582,403.3	603,724.3	0.2	100.0	100.0
I. Oil Related (a+b)	195,796.3	184,302.1	-9.0	33.6	30.5
a) PEMEX	55,363.7	52,058.9	-9.1	9.5	8.6
b) Federal Government	140,432.6	132,243.2	-8.9	24.1	21.9
Rights and royalties	173,437.1	141,540.4	-21.1	29.8	23.4
Excise taxes ^{1/}	-33,259.8	-9,533.9	n.s.	-5.7	-1.6
Tax on Oil Returns	255.3	236.8	-10.3	0.0	0.0
II. Non-oil related (c+d)	386,607.0	419,422.2	4.9	66.4	69.5
c) Federal Government	302,400.4	330,879.0	5.8	51.9	54.8
Tax	281,092.3	300,547.7	3.4	48.3	49.8
Income Tax, IETU and IDE	154,271.3	166,779.1	4.5	26.5	27.6
Income Tax	148,416.7	153,203.7	-0.2	25.5	25.4
IMPAC	-294.4	-144.4	n.s.	-0.1	0.0
IETU	8,489.3	13,998.5	59.5	1.5	2.3
IDE	-2,340.4	-278.7	n.s.	-0.4	0.0
VAT	99,902.6	104,739.9	1.4	17.2	17.3
Excise taxes	16,993.9	19,427.0	10.6	2.9	3.2
Import taxes	4,558.1	4,716.5	0.1	0.8	0.8
Others ^{2/}	5,366.4	4,885.3	-12.0	0.9	0.8
Non-tax	21,308.1	30,331.2	37.7	3.7	5.0
Rights	8,243.8	8,570.0	0.5	1.4	1.4
Fees	12,254.6	20,846.5	64.5	2.1	3.5
Others	809.7	914.8	9.3	0.1	0.2
d) PEDBC ^{3/}	84,206.7	88,543.2	1.7	14.5	14.7
Memorandum items:					
Total tax related	248,087.8	291,250.6	13.5	42.6	48.2
Total non-tax related	334,315.5	312,473.7	-9.6	57.4	51.8

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-February		Real % Growth	Composition %	
	2012 ^{p./}	2013 ^{p./}		2012	2013 ^{p./}
TOTAL (I+II)	597,946.0	556,498.3	-10.0	100.0	100.0
I. Primary expenditures (a+b)	571,800.1	532,176.9	-10.0	95.6	95.6
a) Programmable	444,372.4	420,441.6	-8.5	74.3	75.6
b) Non programmable	127,427.6	111,735.3	-15.2	21.3	20.1
II. Financial Cost ^{1_/}	26,145.9	24,321.4	-10.0	4.4	4.4

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, FEBRUARY ^{*_/}
(Million pesos)

Concept	Outstanding as of December 2012 ^{p_/}	Indebtedness			Adjustments ^{1_/}	Outstanding as of February 2013 ^{p_/}
		Originations	Amort.	Net		
1. Net Debt (3-2)	3,501,071.6					3,493,572.3
2. Assets ^{2_/}	74,247.0					200,206.0
3. Gross Domestic Debt	3,575,318.6	388,250.6	279,292.4	108,958.2	9,501.5	3,693,778.3
Government Securities	3,257,765.7	359,831.8	248,674.1	111,157.7	6,729.4	3,375,652.8
Cetes	531,320.8	242,515.2	244,674.1	-2,158.9	0.0	529,161.9
Bondes "D"	200,353.9	6,082.0	4,000.0	2,082.0	0.0	202,435.9
Fixed Rate Bonds	1,777,929.6	80,442.1	0.0	80,442.1	0.0	1,858,371.7
Udibonos	747,183.8	30,106.7	0.0	30,106.7	6,717.5	784,008.0
<i>Udibonos udi's</i>	153,280.3	6,153.1	0.0	6,153.1	0.0	159,433.4
Segregated Udibonos	977.6	685.8	0.0	685.8	11.9	1,675.3
<i>Segregated Udibonos udi's</i>	200.6	140.1	0.0	140.1	0.0	340.7
S.A.R.	85,523.2	27,798.1	24,616.8	3,181.3	791.3	89,495.8
Obligations by ISSSTE's Law	168,993.9	12.5	5,776.7	-5,764.2	1,431.2	164,660.9
Others	63,035.8	608.2	224.8	383.4	549.6	63,968.8

Note: Figures may not add up due to rounding.

*_/ Figures subject to revisions and methodological changes.

p_/ Preliminary figures

1_/ Refers to adjustments 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, FEBRUARY ^{*_/}
(Million dollars)

Concept	Outstanding as of December 2012 ^{p_/}	Indebtedness			Adjustments ^{2_/}	Outstanding as of February 2013 ^{p_/}
		Originations	Amort.	Net		
1. Net Debt (3-2)	66,016.5					66,216.0
2. Assets ^{1_/}	1,444.0					1,151.0
3. Gross Debt	67,460.5	1,503.7	1,210.3	293.4	-386.9	67,367.0
Public Bonds	44,588.8	1,500.0	1,082.1	417.9	-376.6	44,630.1
IFI's	21,199.4	3.7	125.2	-121.5	-0.4	21,077.5
Bilateral	1,672.3	0.0	3.0	-3.0	-9.9	1,659.4

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, FEBRUARY ^{* / 1 /}

(Million pesos)

Concept	Outstanding as of December 2012 ^{p /}	Indebtedness			Adjustments	Outstanding as of February 2013 ^{p /}
		Originations	Amort.	Net		
1. Net Debt (3-2)	3,769,999.1					3,704,989.3
2. Assets ^{2 /}	91,093.3					284,543.0
3. Gross Debt	3,861,092.4	417,464.6	314,938.8	102,525.8	25,914.1	3,989,532.3
By Term	3,861,092.4	417,464.6	314,938.8	102,525.8	25,914.1	3,989,532.3
Long-term	3,457,336.9	185,325.0	82,461.0	102,864.0	25,921.2	3,586,122.1
Short-term	403,755.5	232,139.6	232,477.8	-338.2	-7.1	403,410.2
By User	3,861,092.4	417,464.6	314,938.8	102,525.8	25,914.1	3,989,532.3
Federal Government	3,575,318.6	388,250.6	279,292.4	108,958.2	9,501.5	3,693,778.3
Long-term	3,178,613.6	169,244.5	58,451.9	110,792.6	9,501.5	3,298,907.7
Short-term	396,705.0	219,006.1	220,840.5	-1,834.4	0.0	394,870.6
PEDBC's	223,342.6	9,296.5	19,221.1	-9,924.6	184.8	213,602.8
Long-term	218,342.6	0.0	12,820.8	-12,820.8	184.8	205,706.6
Short-term	5,000.0	9,296.5	6,400.3	2,896.2	0.0	7,896.2
Development Banks	62,431.2	19,917.5	16,425.3	3,492.2	16,227.8	82,151.2
Long-term	60,380.7	16,080.5	11,188.3	4,892.2	16,234.9	81,507.8
Short-term	2,050.5	3,837.0	5,237.0	-1,400.0	-7.1	643.4
By Financing Source	3,861,092.4	417,464.6	314,938.8	102,525.8	25,914.1	3,989,532.3
Bonds Placed in Domestic Markets	3,485,997.0	375,911.7	272,346.4	103,565.3	23,205.7	3,612,768.0
SAR	85,523.2	27,798.1	24,616.8	3,181.3	791.3	89,495.8
Commercial Banks	46,873.6	0.6	5,336.8	-5,336.2	-21.7	41,515.7
ISSSTE's Law obligations	168,993.9	12.5	5,776.7	-5,764.2	1,431.2	164,660.9
Others	73,704.7	13,741.7	6,862.1	6,879.6	507.6	81,091.9

Note: Figures may not add up due to rounding.

* / Figures subject to revisions and methodological changes.

p / Preliminary figures.

1 / Includes 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 assets from PEDBC's and Development Banks.

Source: Ministry of Finance and Public Credit

PUBLIC SECTOR EXTERNAL DEBT, FEBRUARY ^{*_/1_/}

(Million dollars)

Concept	Outstanding as of December 2012 ^{p_/}	Indebtedness			Adjustments	Outstanding as of February 2013 ^{p_/}
		Originations	Amort.	Net		
1. Net Debt (3-2)	121,659.0					124,803.8
2. Financial Assets in Foreign Currency ^{2_/}	4,067.0					2,273.7
3. Gross Debt	125,726.0	6,072.6	3,993.7	2,078.9	-727.4	127,077.5
By Term	125,726.0	6,072.6	3,993.7	2,078.9	-727.4	127,077.5
Long-term	122,601.4	3,666.6	1,599.1	2,067.5	-727.9	123,941.0
Short-term	3,124.6	2,406.0	2,394.6	11.4	0.5	3,136.5
By User	125,726.0	6,072.6	3,993.7	2,078.9	-727.4	127,077.5
Federal Government	67,460.5	1,503.7	1,210.3	293.4	-386.9	67,367.0
Long-term	67,460.5	1,503.7	1,210.3	293.4	-386.9	67,367.0
Short-term	0.0	0.0	0.0	0.0	0.0	0.0
PEDBC's	50,064.0	2,477.4	356.4	2,121.0	-306.9	51,878.1
Long-term	50,064.0	2,161.0	325.0	1,836.0	-306.9	51,593.1
Short-term	0.0	316.4	31.4	285.0	0.0	285.0
Development Banks	8,201.5	2,091.5	2,427.0	-335.5	-33.6	7,832.4
Long-term	5,076.9	1.9	63.8	-61.9	-34.1	4,980.9
Short-term	3,124.6	2,089.6	2,363.2	-273.6	0.5	2,851.5
By Financing Source	125,726.0	6,072.6	3,993.7	2,078.9	-727.4	127,077.5
Public Bonds	79,393.5	3,600.0	1,082.1	2,517.9	-626.0	81,285.4
IFT's	25,309.4	3.7	165.4	-161.7	3.7	25,151.4
Bilateral	12,311.9	58.0	333.8	-275.8	-54.0	11,982.1
Commercial Banks	8,394.8	2,094.5	2,381.0	-286.5	-14.9	8,093.4
Pidiregas	316.4	316.4	31.4	285.0	-36.2	565.2

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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