

# PUBLIC FINANCE AND PUBLIC DEBT REPORT AS OF JANUARY 2013

The President of Mexico, Enrique Peña Nieto, has highlighted the commitment of his Administration to consolidate macroeconomic stability, maintain healthy public finances and manage debt responsibly. Thus, the Ministry of Finance releases the preliminary information on public finance and the public debt, as of January 2013.

**The main results for January 2013 are the following:**

- **Total public sector surplus was Ps. 21.1 billion. Excluding PEMEX's investment, a surplus of Ps. 44.8 billion was observed. Both figures are consistent with the approved budget deficit for the year.**
- **Budgetary revenues were 7.0% lower in real annual terms than the ones observed during the same period of 2012. This result is explained both by a reduction in oil-revenues due to a lower oil price and an appreciation of the exchange rate, as well as to a change in the seasonality of non-oil revenues since sales were lower in December 2012 due to the "Buen Fin" program which carried forward sales to November 2012.**
- **Net expenditures were 7.9% lower in real annual terms than the ones observed during the same period of 2012. Programmable expenditures decreased 7.1% in real terms.**
- **Resources transferred to states and municipalities decreased 1.9% in real terms.**
- **The stock of the net federal public sector's domestic debt decreased Ps. 19.3 billion while the stock of external debt increased USD 2.3 billion, both with respect to the end of 2012.**

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

As of January 2013, the public sector showed a surplus of Ps. 21.1 billion. The primary balance had a surplus of Ps. 36.9 billion. If PEMEX's investment is excluded, the public balance shows a surplus of Ps. 44.8 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***

The public sector's budgetary revenues were Ps. 311.8 billion, amount 7.0% lower in real annual terms. The evolution of the main elements of the budgetary revenues was the following:

- Non-oil tax revenues were Ps. 162.8 billion, lower by 1.9% in real annual terms. Collections from the the excise tax (IEPS) and VAT increased 7.3 and 1.5%, respectively, while the income tax (including IETU and tax on cash deposits) decreased 4.0% in real terms. This reduction is due to a change in the seasonality effect of retail sales, due to the "Buen Fin" program. However this does not imply a change in the estimation of the annual revenues within the Federal Revenues Law for 2013.
- 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. 89.4 billion, decreasing 20.9% in real annual terms. This result is explained mainly by the lower average price of the Mexican oil mix (95.7 dollars per barrel (dpb) compared with 104.9 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. 45.4 billion, which represented a 3.7% increase in real annual terms. This is mainly explained by higher social security contributions.
- Non-oil non-tax revenues added Ps. 14.3 billion, amount 14.6% higher in real annual terms due to higher non-recurrent revenues and royalties than those observed last year.

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

During the first month of the year, net public sector budgetary expenditures were Ps. 293.1 billion, amount 7.9% lower in real annual terms than in January of last year.

- Paid programmable expenditures were Ps. 217.6 billion, amount 7.1% lower in real annual terms.
- Resources transferred to states and municipalities through non-earmarked transfers, earmarked transfers, Ramo 23 and decentralization and reallocation agreements decreased 1.9% in real terms. Non-earmarked transfers decreased 10.1% in real terms due in part to the seasonality effect observed in tax and oil revenues, a tendency that will revert during 2013. The remaining resources transferred to states and municipalities increased 4.2% in real annual terms.
- The public sector's financial cost was Ps. 16.2 billion, amount 10.8% lower in real annual terms.

### ***Stock of public debt as of January***

The stock of the Federal Government's net domestic debt as of January was Ps. 3,492.1 billion, amount Ps. 8.9 billion lower than the observed at the end of 2012. The change in the stock is explained by a net indebtedness of Ps. 78.6 billion, upward accounting adjustments of Ps. 3.8 billion and an increase in the Federal Government's financial assets by Ps. 91.4 billion.

The stock of the Federal Government's net external debt at the end of January was USD 66.2 billion, amount USD 0.1 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 0.1 billion and by the use of Federal Government's financial assets by USD 0.1 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 January was Ps. 3,750.7 billion, which implies a Ps. 19.3 billion decrease with respect to the stock registered at the end of 2012. This is due to a net domestic indebtedness of Ps. 66.2 billion during the period, upward accounting adjustments of Ps. 19.9 billion and an increase in domestic financial assets by Ps. 105.5 billion.

The stock of the federal public sector's net external debt was USD 123.9 billion, amount USD 2.3 billion higher than the one registered at the end of 2012. This result is explained by a net indebtedness of USD 2.3 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/TcitQzU>

## ANNEX I

### PUBLIC SECTOR BALANCE

(Million pesos)

Concept	January		Real % Growth	Composition %	
	2012 P-/	2013 P-/		2012 P-/	2013 P-/
<b>PUBLIC BALANCE</b>	3,591.6	21,135.2	469.9		
<b>PUBLIC BALANCE EXCLUDING PEMEX'S INVESTMENT<sup>p_</sup></b>	18,829.3	44,757.1	130.2		
Budgetary Balance	16,251.5	18,676.3	11.3		
Budgetary Revenues	324,621.0	311,824.9	-7.0	100.0	100.0
Oil Related	109,397.8	89,382.0	-20.9	33.7	28.7
Federal Government	83,615.3	69,904.4	-19.0	25.8	22.4
PEMEX	25,782.4	19,477.5	-26.8	7.9	6.2
Non oil related	215,223.2	222,443.0	0.1	66.3	71.3
Federal Government	172,827.4	177,038.0	-0.8	53.2	56.8
Tax	160,775.6	162,772.3	-1.9	49.5	52.2
Non-tax	12,051.8	14,265.7	14.6	3.7	4.6
PEDBC	42,395.8	45,404.9	3.7	13.1	14.6
Net Budgetary Expenditures	308,369.5	293,148.6	-7.9	100.0	100.0
Programmable	226,806.9	217,589.8	-7.1	73.6	74.2
Non programmable	81,562.6	75,558.8	-10.3	26.4	25.8
PEIBC	-12,659.9	2,458.9	n. s.		
Primary Balance	36,181.3	36,862.1	-1.3		

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		Real % Growth	Composition %	
	2012 P_/	2013 P_/		2012 P_/	2013 P_/
<b>BUDGETARY REVENUES (I+II)</b>	<b>324,621.0</b>	<b>311,824.9</b>	<b>-7.0</b>	<b>100.0</b>	<b>100.0</b>
I. Oil Related (a+b)	109,397.8	89,382.0	-20.9	33.7	28.7
a) PEMEX	25,782.4	19,477.5	-26.8	7.9	6.2
b) Federal Government	83,615.3	69,904.4	-19.0	25.8	22.4
Rights and royalties	101,599.1	71,991.2	-31.4	31.3	23.1
Excise taxes <sup>1_/</sup>	-18,121.7	-2,208.2	n. s.	-5.6	-0.7
Tax on Oil Returns	137.9	121.5	-14.7	0.0	0.0
II. Non-oil related (c+d)	215,223.2	222,443.0	0.1	66.3	71.3
c) Federal Government	172,827.4	177,038.0	-0.8	53.2	56.8
Tax	160,775.6	162,772.3	-1.9	49.5	52.2
Income Tax, IETU and IDE	92,452.7	91,609.3	-4.0	28.5	29.4
Income Tax	92,445.4	88,427.9	-7.4	28.5	28.4
IMPAC	-216.1	-54.6	n. s.	-0.1	0.0
IETU	3,965.7	4,613.8	12.7	1.2	1.5
IDE	-3,742.4	-1,377.8	n. s.	-1.2	-0.4
VAT	56,305.3	59,013.0	1.5	17.3	18.9
Excise taxes	6,732.0	7,461.0	7.3	2.1	2.4
Import taxes	2,409.6	2,433.2	-2.2	0.7	0.8
Others <sup>2_/</sup>	2,876.1	2,255.8	-24.0	0.9	0.7
Non-tax	12,051.8	14,265.7	14.6	3.7	4.6
Rights	4,589.3	4,857.8	2.5	1.4	1.6
Fees	7,055.5	8,903.4	22.2	2.2	2.9
Others	407.0	504.5	20.1	0.1	0.2
d) PEDBC <sup>3_/</sup>	42,395.8	45,404.9	3.7	13.1	14.6
Memorandum items:					
Total tax related	142,791.9	160,685.6	9.0	44.0	51.5
Total non-tax related	181,829.1	151,139.3	-19.5	56.0	48.5

Note: Figures may not add up due to rounding.

p\_/ Preliminary figures.

n.s.: Not significant.

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

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

<sup>3\_/</sup> Excludes Federal Government's transfers to the ISSSTE.

Source: Ministry of Finance and Public Credit.

**PUBLIC SECTOR NET EXPENDITURES**

(Million pesos)

Concept	January		Real % Growth	Composition %	
	2012 p_/	2013 p_/		2012	2013 p_/
<b>TOTAL (I+II)</b>	308,369.5	293,148.6	-7.9	100.0	100.0
I. Primary expenditures (a+b)	290,761.7	276,935.7	-7.8	94.3	94.5
a) Programmable	226,806.9	217,589.8	-7.1	73.6	74.2
b) Non programmable	63,954.7	59,345.9	-10.1	20.7	20.2
II. Financial Cost <sup>1/</sup>	17,607.8	16,212.9	-10.8	5.7	5.5

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, JANUARY \*\_/

(Million pesos)

Concept	Outstanding as of December 2012 p_/	Indebtedness			Adjustments <sup>1_/</sup>	Outstanding as of January 2013 p_/
		Originations	Amort.	Net		
<b>1. Net Debt (3-2)</b>	<b>3,501,071.6</b>					<b>3,492,128.0</b>
2. Assets <sup>2_/</sup>	74,247.0					165,624.0
<b>3. Gross Domestic Debt</b>	<b>3,575,318.6</b>	<b>222,732.0</b>	<b>144,083.7</b>	<b>78,648.3</b>	<b>3,785.1</b>	<b>3,657,752.0</b>
Government Securities	3,257,765.7	202,069.2	121,643.1	80,426.1	2,462.7	3,340,654.5
Cetes	531,320.8	134,469.9	117,643.1	16,826.8	0.0	548,147.6
Bondes "D"	200,353.9	3,000.3	4,000.0	-999.7	0.0	199,354.2
Fixed Rate Bonds	1,777,929.6	46,715.4	0.0	46,715.4	0.0	1,824,645.0
Udibonos	747,183.8	17,883.6	0.0	17,883.6	2,459.5	767,526.9
<i>Udibonos udi's</i>	153,280.3	3,661.3	0.0	3,661.3	0.0	156,941.6
Segregated Udibonos	977.6	0.0	0.0	0.0	3.2	980.8
... <i>Segregated Udibonos</i>	200.6	0.0	0.0	0.0	0.0	200.6
S.A.R.	85,523.2	20,054.0	17,034.7	3,019.3	582.3	89,124.8
Obligations by ISSSTE´s Law	168,993.9	0.6	5,282.2	-5,281.6	536.0	164,248.3
Others	63,035.8	608.2	123.7	484.5	204.1	63,724.4

Note: Figures may not add up due to rounding.

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

p\_/ Preliminary figures

<sup>1\_/</sup> Refers to adjustments for inflation. For fixed rate bonds, it refers to swap adjustments.

<sup>2\_/</sup> 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, JANUARY \*\_/**

(Million dollars)

Concept	Outstanding as of December 2012 <sup>p_/</sup>	Indebtedness			Adjustments <sup>2_/</sup>	Outstanding as of January 2013 <sup>p_/</sup>
		Originations	Amort.	Net		
<b>1. Net Debt (3-2)</b>	<b>66,016.5</b>					<b>66,166.2</b>
2. Assets <sup>1_/</sup>	1,444.0					1,515.0
<b>3. Gross Debt</b>	<b>67,460.5</b>	<b>1,500.9</b>	<b>1,152.</b>	<b>348.3</b>	<b>-127.6</b>	<b>67,681.2</b>
Public Bonds	44,588.8	1,500.0	1,079.1	420.9	-145.3	44,864.4
IFI's	21,199.4	0.9	70.5	-69.6	0.2	21,130.0
Bilateral	1,672.3	0.0	3.0	-3.0	17.5	1,686.8

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.

2\_/ Includes debt exchange adjustments.

Source: Ministry of Finance and Public Credit.



**PUBLIC SECTOR DOMESTIC DEBT, JANUARY \*-/1-/**

(Million pesos)

Concept	Outstanding as of December 2012 p-/	Indebtedness			Adjustments	Outstanding as of January 2013 p-/
		Originations	Amort.	Net		
<b>1. Net Debt (3-2)</b>	<b>3,769,999.1</b>					<b>3,750,675.2</b>
2. Assets 2-/	91,093.3					196,568.9
<b>3. Gross Debt</b>	<b>3,861,092.4</b>	<b>238,065.6</b>	<b>171,846.8</b>	<b>66,218.8</b>	<b>19,932.9</b>	<b>3,947,244.1</b>
<b>By Term</b>	<b>3,861,092.4</b>	<b>238,065.6</b>	<b>171,846.8</b>	<b>66,218.8</b>	<b>19,932.9</b>	<b>3,947,244.1</b>
Long-term	3,457,336.9	104,724.1	45,541.7	59,182.4	19,947.7	3,536,467.0
Short-term	403,755.5	133,341.5	126,305.1	7,036.4	-14.8	410,777.1
<b>By User</b>	<b>3,861,092.4</b>	<b>238,065.6</b>	<b>171,846.8</b>	<b>66,218.8</b>	<b>19,932.9</b>	<b>3,947,244.1</b>
Federal Government	3,575,318.6	222,732.0	144,083.7	78,648.3	3,785.1	3,657,752.0
Long-term	3,178,613.6	100,223.8	26,397.0	73,826.8	3,785.1	3,256,225.5
Short-term	396,705.0	122,508.2	117,686.7	4,821.5	0.0	401,526.5
PEDBC's	223,342.6	9,383.3	18,589.2	-9,205.9	-34.3	214,102.4
Long-term	218,342.6	0.0	12,820.8	-12,820.8	-34.3	205,487.5
Short-term	5,000.0	9,383.3	5,768.4	3,614.9	0.0	8,614.9
Development Banks	62,431.2	5,950.3	9,173.9	-3,223.6	16,182.1	75,389.7
Long-term	60,380.7	4,500.3	6,323.9	-1,823.6	16,196.9	74,754.0
Short-term	2,050.5	1,450.0	2,850.0	-1,400.0	-14.8	635.7
<b>By Financing Source</b>	<b>3,861,092.4</b>	<b>238,065.6</b>	<b>171,846.8</b>	<b>66,218.8</b>	<b>19,932.9</b>	<b>3,947,244.1</b>
Bonds Placed in Domestic SAR	3,485,997.0	206,569.2	140,451.0	66,118.2	18,774.2	3,570,889.4
Commercial Banks	85,523.2	20,054.0	17,034.7	3,019.3	582.3	89,124.8
ISSSTE's Law obligations	46,873.6	0.3	5,336.8	-5,336.5	-45.2	41,491.9
Others	168,993.9	0.6	5,282.2	-5,281.6	536.0	164,248.3
	73,704.7	11,441.5	3,742.1	7,699.4	85.6	81,489.7

Note: Figures may not add up due to rounding.

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

p-/ Preliminary figures.

1-/ Including 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, JANUARY \*\_/ 1\_/**

(Million dollars)

Concept	Outstanding as of December 2012 <i>p_/</i>	Indebtedness			Adjustments	Outstanding as of January 2013 <i>p_/</i>
		Originations	Amort.	Net		
<b>1. Net Debt (3-2)</b>	<b>121,659.0</b>					<b>123,910.8</b>
2. Financial Assets in Foreign Currency <i>2_/</i>	4,067.0					3,979.8
<b>3. Gross Debt</b>	<b>125,726.0</b>	<b>5,028.5</b>	<b>2,682.6</b>	<b>2,345.9</b>	<b>-181.3</b>	<b>127,890.6</b>
<b>By Term</b>	<b>125,726.0</b>	<b>5,028.5</b>	<b>2,682.6</b>	<b>2,345.9</b>	<b>-181.3</b>	<b>127,890.6</b>
Long-term	122,601.4	3,655.2	1,381.8	2,273.4	-181.6	124,693.2
Short-term	3,124.6	1,373.3	1,300.8	72.5	0.3	3,197.4
<b>By User</b>	<b>125,726.0</b>	<b>5,028.5</b>	<b>2,682.6</b>	<b>2,345.9</b>	<b>-181.3</b>	<b>127,890.6</b>
Federal Government	67,460.5	1,500.9	1,152.6	348.3	-127.6	67,681.2
Long-term	67,460.5	1,500.9	1,152.6	348.3	-127.6	67,681.2
Short-term	0.0	0.0	0.0	0.0	0.0	0.0
PEDBC's	50,064.0	2,470.7	219.5	2,251.2	-31.6	52,283.6
Long-term	50,064.0	2,154.3	199.2	1,955.1	-31.6	51,987.5
Short-term	0.0	316.4	20.3	296.1	0.0	296.1
Development Banks	8,201.5	1,056.9	1,310.5	-253.6	-22.1	7,925.8
Long-term	5,076.9	0.0	30.0	-30.0	-22.4	5,024.5
Short-term	3,124.6	1,056.9	1,280.5	-223.6	0.3	2,901.3
<b>By Financing Source</b>	<b>125,726.0</b>	<b>5,028.5</b>	<b>2,682.6</b>	<b>2,345.9</b>	<b>-181.3</b>	<b>127,890.6</b>
Public Bonds	79,393.5	3,600.0	1,079.1	2,520.9	-126.1	81,788.3
IFI's	25,309.4	0.9	77.5	-76.6	9.1	25,241.9
Bilateral	12,311.9	52.8	212.0	-159.2	-15.5	12,137.2
Commercial Banks	8,394.8	1,058.4	1,293.7	-235.3	-12.6	8,146.9
Pidiregas	316.4	316.4	20.3	296.1	-36.2	576.3

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 assets held by PEDBC's and Development Banks.

Source: Ministry of Finance and Public Credit.

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