

PUBLIC FINANCE AND PUBLIC DEBT

REPORT AS OF MAY 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 May 2013. The main results are the following:

- During the January – May period, total budgetary revenues were 2.5% higher in real terms than the ones observed during the same period of 2012.
- Tax revenues reverted the trend observed until April and are now in line with the Federal Government's Revenue Law. During January-May, a real growth of 6.7% in tax revenues was observed.
- In May, net expenditures increased 3.2% in real terms. Within, Transport and Communications showed a 5.1% increase, entities under direct budgetary control registered a 4.0% increase and non-earmarked transfers to federal entities presented a 1.8% increase, all in real terms.
- Based on this trend, programmable expenditures during May were carried out in compliance with the established calendar.
- Public surplus as of May was Ps. 56 billion. Excluding PEMEX's investment, a surplus of Ps. 162.5 billion is observed. Both figures are consistent with the balanced budget target approved by Congress.
- The stock of the federal public sector's domestic debt decreased Ps. 49.3 billion with respect to December 2012. Similarly, the financial cost of the public sector stood at Ps. 62.2 billion, amount 0.3% lower in real terms than the one registered during the same period of last year.

Evolution of public finances during January–May

As of May 2013, the public sector showed a surplus of Ps. 56 billion. The primary balance had a surplus of Ps. 122.1 billion. If PEMEX's investment is excluded, the public balance shows a surplus of Ps. 162.5 billion. These results are consistent with the balanced budget target approved by Congress.

Public sector budgetary revenues during January–May

The public sector's budgetary revenues were Ps. 1,501 billion, amount 2.5% higher in real terms than the one observed in the same period of 2012. The evolution of the main elements of the budgetary revenues was the following:

- Tax revenues reverted the trend observed until April and are now in line with the Federal Government's Revenue Law. Non-oil tax revenues were Ps. 708.9 billion, higher by 6.7% in real terms than the ones observed in the same period of last year. This result is evidence of the favorable effect of the program for the regularization of tax liabilities for 2013, "*Ponte al Corriente*". Within, collections from the excise tax (IEPS) and income tax (including IETU and tax on cash deposits) increased 10.1 and 10% 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 – amounted to Ps. 473.9 billion, decreasing 8.6% in real terms with respect to the ones observed in the same period of 2012. This result is explained mainly by the lower average price of the Mexican oil mix (101 dollars per barrel (dpb) compared with 109 dpb observed during the same period of 2012) and an appreciation of the exchange rate observed during this period.
- Revenues of public entities under direct budgetary control other than PEMEX were Ps. 224.8 billion, which represented a 3.2% decrease in real terms with respect to the ones observed in the same period of last year. This is mainly due to lower electricity sales.
- Non-oil non-tax revenues amounted to Ps. 93.3 billion, amount 92.5% higher in real terms than the ones observed in the same period of last year, due to higher fees and duties.

Net public sector budgetary expenditures during January–May

During the first five months of the year, net public sector budgetary expenditures were Ps. 1,450.5 billion. On the other hand, programmable expenditures amounted to Ps. 1,143.3 billion.

- During May, net paid expenditures increased 3.2% in real terms. Within, Transport and Communications increased 5.1%, entities under direct budgetary control increased 4% and non-earmarked transfers to federal entities increased 1.8%, all in real terms. Based on this trend, programmable expenditure has been carried out in compliance with the Federal Government's Expenditures Budget.
- During January–May, the public sector's financial cost was Ps. 62.2 billion, amount 0.3% lower in real terms than the one observed in the same period of last year, primarily due to the appreciation of the exchange rate parity.

PUBLIC SECTOR NET EXPENDITURES

(Million pesos)

Concept	May		Real
	2012	2013 ^{p./}	% change
TOTAL (I+II)	269,650.0	291,297.3	3.2
I. Programmable expenditures	234,573.2	242,519.6	-1.2
a) Transport and communications	4,665.4	5,128.2	5.1
b) PEDBC	96,577.8	105,095.8	4.0
c) Other	133,330.0	132,295.6	-5.2
II. Non-programmable	35,076.8	48,777.7	32.9
a) Financial cost	6,769.7	8,479.8	19.7
b) Non- earmarked transfers	38,979.8	41,515.4	1.8
c) Adefas and other	-10,672.6	-1,217.5	n.s.

Note: Figures may not add up due to rounding.

p./ Preliminary figures.

n.s.: not significant

Source: Ministry of Finance and Public Credit.

Stock of public debt as of May

The stock of the Federal Government's net domestic debt as of May was Ps. 3,500.8 billion, amount Ps. 0.3 billion lower than the one observed at the end of 2012. The change in the stock is explained by a net indebtedness of Ps. 272.2 billion, upward accounting adjustments of Ps. 21.7 billion and an increase in the Federal Government's financial assets by Ps. 294.1 billion.

The stock of the Federal Government's net external debt at the end of May was USD 66.9 billion, amount USD 0.9 billion higher than the one observed at the end of 2012. This result is explained by a net indebtedness of USD 1.5 billion, downward accounting adjustments of USD 0.7 billion and by a decrease of the 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 May was Ps. 3,720.7 billion, which implies a Ps. 49.3 billion decrease with respect to the stock registered at the end of 2012. This is due to a net domestic indebtedness of Ps. 272.6 billion during the period, upward accounting adjustments of Ps. 22.3 billion and an increase in domestic financial assets of the Federal Public Sector by Ps. 344.2 billion.

The stock of the Federal Public Sector's net external debt was USD 123.3 billion, amount USD 1.6 billion higher than the one registered at the end of 2012. This result is explained by a net indebtedness of USD 1.2 billion, by downward accounting adjustments of USD 1.1 billion and by a decrease in the Federal Public Sector's financial assets of USD 1.5 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-May		Real % Growth	Composition %	
	2012	2013 ^{p./}		2012	2013 ^{p./}
PUBLIC BALANCE	-58,177.2	56,041.5	n.s.		
<i>PUBLIC BALANCE EXCLUDING PEMEX'S INVESTMENT^{1/}</i>	35,845.7	162,538.1	335.7		
Budgetary Balance	-61,775.0	50,444.0	n.s.		
Budgetary Revenues	1,406,555.8	1,500,970.1	2.5	100.0	100.0
Oil Related	498,413.5	473,937.8	-8.6	35.4	31.6
Federal Government	325,762.7	308,290.6	-9.1	23.2	20.5
PEMEX	172,650.8	165,647.3	-7.8	12.3	11.0
Non oil related	908,142.3	1,027,032.3	8.7	64.6	68.4
Federal Government	685,049.5	802,202.7	12.5	48.7	53.4
Tax	638,464.8	708,891.5	6.7	45.4	47.2
Non-tax	46,584.7	93,311.1	92.5	3.3	6.2
PEDBC	223,092.8	224,829.6	-3.2	15.9	15.0
Net Budgetary Expenditures	1,468,330.8	1,450,526.2	-5.1	100.0	100.0
Programmable	1,167,250.8	1,143,341.0	-5.9	79.5	78.8
Non programmable	301,080.0	307,185.2	-2.0	20.5	21.2
PEIBC	3,597.8	5,597.5	49.5		
Primary Balance	10,132.5	122,058.2	-o-		

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-May		Real %	Composition %	
	2012	2013 p./	Growth	2012	2013 p./
BUDGETARY REVENUES (I+II)	1,406,555.8	1,500,970.1	2.5	100.0	100.0
I. Oil Related (a+b)	498,413.5	473,937.8	-8.6	35.4	31.6
a) PEMEX	172,650.8	165,647.3	-7.8	12.3	11.0
b) Federal Government	325,762.7	308,290.6	-9.1	23.2	20.5
Rights and royalties	415,834.1	356,346.4	-17.7	29.6	23.7
Excise taxes ^{1./}	-89,757.1	-50,383.1	n.s.	-6.4	-3.4
Tax on Oil Returns	-314.3	2,327.2	n.s.	0.0	0.2
II. Non-oil related (c+d)	908,142.3	1,027,032.3	8.7	64.6	68.4
c) Federal Government	685,049.5	802,202.7	12.5	48.7	53.4
Tax	638,464.8	708,891.5	6.7	45.4	47.2
Income Tax, IETU and IDE	356,383.3	408,038.4	10.0	25.3	27.2
Income Tax	339,505.7	384,346.2	8.8	24.1	25.6
IMPAC	-472.4	-414.7	n.s.	0.0	0.0
IETU	19,967.7	24,928.4	20.0	1.4	1.7
IDE	-2,617.7	-821.5	n.s.	-0.2	-0.1
VAT	226,315.0	223,413.9	-5.1	16.1	14.9
Excise taxes	30,017.7	34,405.5	10.1	2.1	2.3
Import taxes	10,943.7	10,983.6	-3.6	0.8	0.7
Others ^{2./}	14,805.2	32,050.1	108.0	1.1	2.1
Non-tax	46,584.7	93,311.1	92.5	3.3	6.2
Rights	17,684.5	18,281.2	-0.7	1.3	1.2
Fees	25,940.6	70,262.6	160.3	1.8	4.7
Others	2,959.6	4,767.4	54.8	0.2	0.3
d) PEDBC ^{3./}	223,092.8	224,829.6	-3.2	15.9	15.0
Memorandum items:					
Total tax related	548,393.4	660,835.7	15.8	39.0	44.0
Total non-tax related	858,162.4	840,134.4	-5.9	61.0	56.0

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 revenues.

2./ Includes taxes on new vehicles, exports and those not included in the aforementioned and accessories.

3./ Excludes Federal Government's transfers to ISSSTE.

Source: Ministry of Finance and Public Credit.

PUBLIC SECTOR NET EXPENDITURES

(Million pesos)

Concept	January-May		Real % Growth	Composition %	
	2012	2013 ^{p./}		2012	2013 ^{p./}
TOTAL (I+II)	1,468,330.8	1,450,526.2	-5.1	100.0	100.0
I. Primary expenditures (a+b)	1,408,317.4	1,388,281.8	-5.3	95.9	95.7
a) Programmable	1,167,250.8	1,143,341.0	-5.9	79.5	78.8
b) Non programmable	241,066.6	244,940.8	-2.4	16.4	16.9
II. Financial Cost ^{1./}	60,013.4	62,244.4	-0.3	4.1	4.3

Note: Figures may not add up due to rounding.

p./ Preliminary figures.

1./ Includes interests, commissions and other public debt expenditures, as well as expenditures for financial restructuring and to support savers and bank debtors.

Source: Ministry of Finance and Public Credit.

FEDERAL GOVERNMENT DOMESTIC DEBT, MAY ^{*_/}
(Million pesos)

Concept	Outstanding as of December 2012	Indebtedness			Adjustments ^{1_/}	Outstanding as of May 2013 ^{p_/}
		Originations	Amort.	Net		
1. Net Debt (3-2)	3,501,071.6					3,500,808.7
2. Assets ^{2_/}	74,247.0					368,385.0
3. Gross Domestic Debt	3,575,318.6	1,003,045.5	730,857.5	272,188.0	21,687.1	3,869,193.7
Government Securities	3,257,765.7	926,108.0	652,524.8	273,583.2	15,355.3	3,546,704.2
Cetes	531,320.8	630,980.4	617,420.7	13,559.7	0.0	544,880.5
Bonds "D"	200,353.9	16,583.5	12,000.0	4,583.5	0.0	204,937.4
Fixed Rate Bonds	1,777,929.6	204,175.8	23,104.1	181,071.7	1,383.3	1,960,384.6
Udibonos	747,183.8	72,739.3	0.0	72,739.3	13,946.4	833,869.5
<i>Udibonos udi's</i>	153,280.3	14,759.1	0.0	14,759.1	0.0	168,039.4
Segregated Udibonos	977.6	1,629.0	0.0	1,629.0	25.6	2,632.2
<i>Segregated Udibonos udi's</i>	200.6	329.8	0.0	329.8	0.0	530.4
S.A.R.	85,523.2	76,304.2	68,329.4	7,974.8	2,299.5	95,797.5
Obligations by ISSSTE's Law	168,993.9	25.1	8,824.5	-8,799.4	2,906.4	163,100.9
Others	63,035.8	608.2	1,178.8	-570.6	1,125.9	63,591.1

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. In the concept of Fixed Rate Bonds the adjustment is due to swap operations.

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, MAY^{*/_}
(Million dollars)

Concept	Outstanding as of December 2012	Indebtedness			Adjustments	Outstanding as of May 2013 ^{p/_}
		Originations	Amort.	Net		
1. Net Debt (3-2)	66,016.5					66,885.8
2. Assets ^{1/_}	1,444.0					1,388.0
3. Gross Debt	67,460.5	3,911.2	2,372.3	1,538.9	-725.6	68,273.8
Public Bonds	44,588.8	3,609.6	2,084.0	1,525.6	-706.6	45,407.8
IFT's	21,199.4	181.9	273.7	-91.8	-0.5	21,107.1
Bilateral	1,672.3	119.7	14.6	105.1	-18.5	1,758.9

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 ^{*/1/}
(Million pesos)

Concept	Outstanding as of December 2012	Indebtedness			Adjustments	Outstanding as of May 2013 ^{p/}
		Originations	Amort.	Net		
1. Net Debt (3-2)	3,769,999.1					3,720,710.1
2. Assets ^{2/}	91,093.3					435,273.2
3. Gross Debt	3,861,092.4	1,045,966.	773,348.9	272,617.9	22,273.0	4,155,983.3
By Term	3,861,092.4	1,045,966.	773,348.9	272,617.9	22,273.0	4,155,983.3
Long-term	3,457,336.9	458,647.0	197,561.5	261,085.5	22,291.9	3,740,714.3
Short-term	403,755.5	587,319.8	575,787.4	11,532.4	-18.9	415,269.0
By User	3,861,092.4	1,045,966.	773,348.9	272,617.9	22,273.0	4,155,983.3
Federal Government	3,575,318.6	1,003,045.	730,857.5	272,188.0	21,687.1	3,869,193.7
Long-term	3,178,613.6	444,145.5	183,218.9	260,926.6	21,687.1	3,461,227.3
Short-term	396,705.0	558,900.0	547,638.6	11,261.4	0.0	407,966.4
PEDBC's	223,342.6	11,955.8	23,538.9	-11,583.1	596.1	212,355.6
Long-term	218,342.6	2,500.0	14,254.1	-11,754.1	596.1	207,184.6
Short-term	5,000.0	9,455.8	9,284.8	171.0	0.0	5,171.0
Development Banks	62,431.2	30,965.5	18,952.5	12,013.0	-10.2	74,434.0
Long-term	60,380.7	12,001.5	88.5	11,913.0	8.7	72,302.4
Short-term	2,050.5	18,964.0	18,864.0	100.0	-18.9	2,131.6
By Financing Source	3,861,092.4	1,045,966.	773,348.9	272,617.9	22,273.0	4,155,983.3
Bonds Placed in Domestic Markets	3,485,997.0	940,608.0	665,060.9	275,547.1	15,868.4	3,777,412.5
SAR	85,523.2	76,304.2	68,329.4	7,974.8	2,299.5	95,797.5
Commercial Banks	46,873.6	1.5	6,806.5	-6,805.0	-59.1	40,009.5
ISSSTE's Law obligations	168,993.9	25.1	8,824.5	-8,799.4	2,906.4	163,100.9
Others	73,704.7	29,028.0	24,327.6	4,700.4	1,257.8	79,662.9

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, MAY ^{*_ / 1_ /}

(Million dollars)

Concept	Outstanding as of December 2012	Indebtedness			Adjustments	Outstanding as of May 2013 ^{p_ /}
		Originations	Amort.	Net		
1. Net Debt (3-2)	121,659.0					123,281.6
2. Financial Assets in Foreign Currency ^{2_ /}	4,067.0					2,560.1
3. Gross Debt	125,726.0	12,264.8	11,097.1	1,167.7	-1,052.0	125,841.7
By Term	125,726.0	12,264.8	11,097.1	1,167.7	-1,052.0	125,841.7
Long-term	122,601.4	6,399.1	4,917.6	1,481.5	-1,053.4	123,029.5
Short-term	3,124.6	5,865.7	6,179.5	-313.8	1.4	2,812.2
By User	125,726.0	12,264.8	11,097.1	1,167.7	-1,052.0	125,841.7
Federal Government	67,460.5	3,911.2	2,372.3	1,538.9	-725.6	68,273.8
Long-term	67,460.5	3,911.2	2,372.3	1,538.9	-725.6	68,273.8
Short-term	0.0	0.0	0.0	0.0	0.0	0.0
PEDBC's	50,064.0	2,518.6	2,386.9	131.7	-528.6	49,667.1
Long-term	50,064.0	2,202.2	2,249.3	-47.1	-528.6	49,488.3
Short-term	0.0	316.4	137.6	178.8	0.0	178.8
Development Banks	8,201.5	5,835.0	6,337.9	-502.9	202.2	7,900.8
Long-term	5,076.9	285.7	296.0	-10.3	200.8	5,267.4
Short-term	3,124.6	5,549.3	6,041.9	-492.6	1.4	2,633.4
By Financing Source	125,726.0	12,264.8	11,097.1	1,167.7	-1,052.0	125,841.7
Public Bonds	79,393.5	5,709.6	2,084.0	3,625.6	-1,152.8	81,866.3
IFI's	25,309.4	458.9	535.8	-76.9	286.4	25,518.9
Bilateral	12,311.9	217.9	887.0	-669.1	-115.9	11,526.9
Commercial Banks	8,394.8	5,562.0	7,452.7	-1,890.7	-33.5	6,470.6
Pidiregas	316.4	316.4	137.6	178.8	-36.2	459.0

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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