

PUBLIC FINANCE AND PUBLIC DEBT REPORT AS OF JANUARY 2014

In line with the commitment of maintaining sound public finances and make a responsible use of public indebtedness assumed by President Enrique Peña Nieto's Administration, the Ministry of Finance releases the preliminary information on the financial situation and the debt of the public sector as of January 2014. The main results are the following:

- In compliance with the expenditures program, net budgetary expenditures in January were 19.8% higher in real terms with respect to the same period of last year.
- Programmable expenditures increased 19.9% in real terms. In particular, expenditures by ministries from the Federal Government increased 25.6%. Transport and Communications, SAGARPA, Tourism, CONACYT, PEMEX, Finance and Public Credit, and Social Development observed a significant dynamism. Non-earmarked transfers to states increased 12.5% in real terms with respect to January 2013.
- During January, total budgetary revenues of the public sector were 11.1% higher in real terms than the ones observed during the same period of 2013.
- Non-oil tax revenues increased 22.9% in real terms with respect to the same period of 2013. Within, collections from the excise tax, the income tax and the value added tax increased 79.5, 26.2 and 12.4% in real terms, respectively.
- The public deficit as of January was Ps. 4.9 billion. Excluding PEMEX's investment, a surplus of Ps. 37.6 billion was observed, while Public Sector Borrowing Requirements (PSBR) amounted to Ps. 11.3 billion, which is consistent with the objectives for 2014 that were approved by Congress.
- The stock of the federal public sector's domestic debt decreased by Ps. 50.5 billion and the stock of external debt increased by USD 4.9 billion, both with respect to December 2013.

Evolution of public finances during January

As of January 2014, the public balance registered a deficit of Ps. 4.9 billion. The primary balance presented a surplus of Ps. 19.5 billion. Excluding PEMEX's investment, a surplus of Ps. 37.6 billion was observed in the public balance.

Public Sector Borrowing Requirements, which add borrowing needs from IPAB, debt and highway rescue programs, deferred registration of PIDIREGAS and expected loss in development banks due to its operation and credit risk, amounted to Ps. 11.3 billion.

These results are consistent with the objectives for 2014 that were approved by Congress.

Public sector budgetary revenues during January

The public sector's budgetary revenues were Ps. 362.8 billion, amount higher by 11.1% in real terms than the one observed in the same period of last year. The evolution of the main elements of the budgetary revenues was the following:

- Non-oil tax revenues were Ps. 209.1 billion, higher by 22.9% in real terms than the ones observed in the same period of last year. Within, collections from the excise tax, the income tax and the value added tax increased 79.5, 26.2 and 12.4% in real terms, respectively.
- Oil related revenues –which include PEMEX's own revenues, excise tax collections on gasoline and diesel, royalties and fees on hydrocarbons, and tax on oil returns– amounted to Ps. 93.7 billion, decreasing 0.5% in real terms with respect to the ones observed in the same period of 2013. This result is mainly explained by a lower average price of the Mexican oil mix (91.8 dollars per barrel (dpb) compared with 95.7 dpb observed during the same period of last year) and lower oil and gas production platforms by 1.8 and 2.6%, respectively. These effects were partially offset by a price of natural gas that was 3.2% higher during the reference period.
- Revenues from public entities under direct budgetary control other than PEMEX were Ps. 47.9 billion, which represented a 1.1% increase in real terms with respect to the ones observed in the same period of last year. This was mainly due to higher electricity sales and social security contributions from IMSS.

- Non-oil non-tax revenues amounted to Ps. 12.1 billion, amount 18.6% lower in real terms than the one observed in the same period of last year, due to lower fees and duties.

Net public sector budgetary expenditures during January

In compliance with the expenditures program, during January of 2014 net budgetary expenditures amounted to Ps. 368 billion, which represented a 19.8% increase in real terms with respect to the previous year.

- Paid programmable expenditures amounted to Ps. 274.6 billion and were 19.9% higher in real terms than the figures from the same period of the previous year. In particular, expenditures in entities from the Federal Government increased 25.6%. In January, the dynamism in allocations towards Transport and Communications, SAGARPA, Tourism, CONACYT, PEMEX, Finance and Public Credit and Social Development registered significant increases in real terms.
- Resources allocated towards states and municipalities through non-earmarked transfers, contributions and other transfers increased 4.8% in real terms. In particular, non-earmarked transfers increased 12.5% in real terms.

Stock of public debt as of January

The stock of the Federal Government's net domestic debt as of January was Ps. 3,893.7 billion, amount lower by Ps. 0.3 billion than the one observed at the end of 2013. The change in the stock is explained by a net indebtedness of Ps. 81.8 billion, upward accounting adjustments of Ps. 10.3 billion and an increase in the Federal Government's financial assets of Ps. 92.3 billion.

The stock of the Federal Government's net external debt at the end of January was USD 70.7 billion, amount USD 0.8 billion higher than the one observed at the end of 2013. This result is explained by a net indebtedness of USD 1.2 billion, by upward accounting adjustments of USD 0.2 billion and by an accumulation of the Federal Government's financial assets of USD 0.7 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. 4,180.4 billion, which implies a Ps. 50.5 billion decrease with respect to the stock registered at the end of 2013. This is due to a net domestic indebtedness of Ps. 96.7 billion during the period, upward accounting adjustments of Ps. 9.9 billion and an increase in domestic financial assets of the federal public sector of Ps. 157.1 billion.

The stock of the federal public sector's net external debt was USD 135.9 billion, amount USD 4.9 billion higher than the one registered at the end of 2013. This result is explained by a net indebtedness of USD 6.3 billion and by an accumulation in the federal public sector's financial assets of USD 1.4 billion.

The Historical Balance of the Public Sector Borrowing Requirements amounted to Ps. 6,580.2 billion, which represents an increase of Ps. 83.2 million pesos with respect to December 2013.

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		Real % Growth	Composition %	
	2013 ^{p./}	2014 ^{p./}		2013 ^{p./}	2014 ^{p./}
PUBLIC BALANCE	21,135.2	-4,907.9	n.s.		
<i>PUBLIC BALANCE EXCLUDING PEMEX'S INVESTMENT^{1/}</i>	44,760.7	37,554.0	-19.7		
Budgetary Balance	18,493.6	-5,148.2	n.s.		
Budgetary Revenues	312,545.0	362,830.0	11.1	100.0	100.0
Oil Related	90,114.6	93,729.5	-0.5	28.8	25.8
Federal Government	69,909.2	67,515.1	-7.6	22.4	18.6
PEMEX	20,205.4	26,214.4	24.2	6.5	7.2
Non oil related	222,430.4	269,100.4	15.8	71.2	74.2
Federal Government	177,058.3	221,178.3	19.6	56.7	61.0
Tax	162,808.9	209,059.2	22.9	52.1	57.6
Non-tax	14,249.4	12,119.0	-18.6	4.6	3.3
PEDBC	45,372.1	47,922.1	1.1	14.5	13.2
Net Budgetary Expenditures	294,051.4	367,978.2	19.8	100.0	100.0
Programmable	219,195.5	274,607.3	19.9	74.5	74.6
Non programmable	74,855.9	93,370.9	19.4	25.5	25.4
PEIBC	2,641.6	240.3	-91.3		
Primary Balance	36,273.9	19,454.8	-48.7		

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 %	
	2013 P./	2014 P./		2013 P./	2014 P./
BUDGETARY REVENUES (I+II)	312,545.0	362,830.0	11.1	100.0	100.0
I. Oil Related (a+b)	90,114.6	93,729.5	-0.5	28.8	25.8
a) PEMEX	20,205.4	26,214.4	24.2	6.5	7.2
b) Federal Government	69,909.2	67,515.1	-7.6	22.4	18.6
Rights and royalties	71,991.2	68,530.6	-8.9	23.0	18.9
Excise taxes ^{1/}	-2,203.4	-1,137.0	n.s.	-0.7	-0.3
Tax on Oil Returns	121.5	121.5	-4.3	0.0	0.0
II. Non-oil related (c+d)	222,430.4	269,100.4	15.8	71.2	74.2
c) Federal Government	177,058.3	221,178.3	19.6	56.7	61.0
Tax	162,808.9	209,059.2	22.9	52.1	57.6
Income Tax, IETU and IDE	91,620.6	120,905.3	26.3	29.3	33.3
Income Tax	88,439.6	116,647.8	26.2	28.3	32.1
IMPAC	-57.5	-15.2	n.s.	0.0	0.0
IETU ^{2/}	4,616.4	4,419.4	-8.4	1.5	1.2
IDE ^{2/}	-1,377.8	-146.7	n.s.	-0.4	0.0
VAT	59,028.6	69,304.6	12.4	18.9	19.1
Excise taxes	7,461.0	13,990.6	79.5	2.4	3.9
Import taxes	2,426.5	2,826.0	11.5	0.8	0.8
Others ^{3/}	2,272.2	2,032.8	-14.4	0.7	0.6
Non-tax	14,249.4	12,119.0	-18.6	4.6	3.3
Rights	4,842.6	4,178.4	-17.4	1.5	1.2
Fees	8,903.7	7,327.0	-21.2	2.8	2.0
Others	503.1	613.6	16.7	0.2	0.2
d) PEDBC ^{4/}	45,372.1	47,922.1	1.1	14.5	13.2
Memorandum items:					
Total tax related	160,726.9	208,043.8	23.9	51.4	57.3
Total non-tax related	151,818.0	154,786.2	-2.4	48.6	42.7

Note: Figures may not add up due to rounding.

p_/ Preliminary figures.

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

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

2_/ The Fiscal and Social Security Reform approved at the end of 2013 eliminated IETU and IDE starting on January 1st, 2014. For 2014, tax collections presented in this report were paid in January 2014, but were generated in December 2013 when these taxes were active.

3_/ Includes taxes on new vehicles, exports and those not included in the aforementioned and accessories.

4_/ Excludes Federal Government's transfers to ISSSTE.

Source: Ministry of Finance and Public Credit.

PUBLIC SECTOR NET EXPENDITURES

(Million pesos)

Concept	January		Real % Growth	Composition %	
	2013 P ₋	2014 P ₋		2013 P ₋	2014 P ₋
TOTAL (I+II)	294,051.4	367,978.2	19.8	100.0	100.0
I. Primary expenditures (a+b)	277,836.6	348,403.7	20.0	94.5	94.7
a) Programmable	219,195.5	274,607.3	19.9	74.5	74.6
b) Non programmable	58,641.0	73,796.4	20.4	19.9	20.1
II. Financial Cost ^{1/-}	16,214.9	19,574.5	15.5	5.5	5.3

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

Concept	Outstanding as of December 2013 ^{p_/}	Indebtedness			Adjustments ^{1_/}	Outstanding as of January 2014 ^{p_-/}
		Originations	Amort.	Net		
1. Net Debt (3-2)	3,893,929.4					3,893,650.6
2. Assets ^{2_/}	169,255.0					261,563.0
3. Gross Domestic Debt	4,063,184.4	273,425.9	191,664.7	81,761.2	10,268.0	4,155,213.6
Government Securities	3,734,084.5	250,017.2	172,853.8	77,163.4	7,438.2	3,818,686.1
Cetes	635,638.8	178,070.9	163,695.9	14,375.0	0.0	650,013.8
Bondes "D"	216,594.6	5,600.1	9,157.9	-3,557.8	0.0	213,036.8
Fixed Rate Bonds	1,989,572.8	47,819.6	0.0	47,819.6	0.0	2,037,392.4
Udibonos	888,664.5	18,012.1	0.0	18,012.1	7,405.5	914,082.1
<i>Udibonos udi's</i>	175,669.5	3,547.7	0.0	3,547.7	0.0	179,217.2
Segregated Udibonos	3,613.8	514.5	0.0	514.5	32.7	4,161.0
<i>Segregated Udibonos udi's</i>	714.4	101.4	0.0	101.4	0.0	815.8
S.A.R.	99,920.1	22,625.0	18,527.6	4,097.4	950.9	104,968.4
Obligations by ISSSTE's Law	165,506.3	0.7	138.4	-137.7	1,356.7	166,725.3
Others	63,673.5	783.0	144.9	638.1	522.2	64,833.8

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.

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

Concept	Outstanding as of December 2013 ^{p_/}	Indebtedness			Adjustments	Outstanding as of January 2014 ^{p_/}
		Originations	Amort.	Net		
1. Net Debt (3-2)	69,910.4					70,666.6
2. Assets ^{1_/}	2,270.0					2,982.0
3. Gross Debt	72,180.4	4,001.0	2,759.0	1,242.0	226.2	73,648.6
Public Bonds	47,380.3	4,000.0	2,685.9	1,314.1	243.4	48,937.8
IFT's	22,837.2	1.0	70.1	-69.1	-0.2	22,767.9
Bilateral	1,962.9	0.0	3.0	-3.0	-17.0	1,942.9

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, JANUARY ^{*_/_}1/_
(Million pesos)

Concept	Outstanding as of December 2013 ^{p/_}	Indebtedness			Adjustments	Outstanding as of January 2014 ^{p/_}
		Originations	Amort.	Net		
1. Net Debt (3-2)	4,230,924.9					4,180,420.5
2. Assets ^{2/_}	177,953.6					335,096.5
3. Gross Debt	4,408,878.5	295,863.2	199,165.6	96,697.6	9,940.9	4,515,517.0
By Term	4,408,878.5	295,863.2	199,165.6	96,697.6	9,940.9	4,515,517.0
Long-term	3,921,591.7	120,978.5	52,360.2	68,618.3	9,926.3	4,000,136.3
Short-term	487,286.8	174,884.7	146,805.4	28,079.3	14.6	515,380.7
By User	4,408,878.5	295,863.2	199,165.6	96,697.6	9,940.9	4,515,517.0
Federal Government	4,063,184.4	273,425.9	191,664.7	81,761.2	10,268.0	4,155,213.6
Long-term	3,582,551.4	108,476.9	52,023.4	56,453.5	10,268.0	3,649,272.9
Short-term	480,633.0	164,949.0	139,641.3	25,307.7	0.0	505,940.7
PEDBC's	267,290.2	22,437.0	1,497.4	20,939.6	-374.2	287,855.6
Long-term	267,290.2	12,501.3	333.3	12,168.0	-374.2	279,084.0
Short-term	0.0	9,935.7	1,164.1	8,771.6	0.0	8,771.6
Development Banks	78,403.9	0.3	6,003.5	-6,003.2	47.1	72,447.8
Long-term	71,750.1	0.3	3.5	-3.2	32.5	71,779.4
Short-term	6,653.8	0.0	6,000.0	-6,000.0	14.6	668.4
By Financing Source	4,408,878.5	295,863.2	199,165.6	96,697.6	9,940.9	4,515,517.0
Bonds Placed in Domestic Markets	4,013,747.1	262,518.5	172,853.8	89,664.7	7,663.3	4,111,075.1
SAR	99,920.1	22,625.0	18,527.6	4,097.4	950.9	104,968.4
Commercial Banks	50,101.8	0.3	336.8	-336.5	42.5	49,807.8
ISSSTE's Law obligations	165,506.3	0.7	138.4	-137.7	1,356.7	166,725.3
Others	79,603.2	10,718.7	7,309.0	3,409.7	-72.5	82,940.4

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, JANUARY ^{*/1/}
(Million dollars)

Concept	Outstanding as of December 2013 ^{p_/}	Indebtedness			Adjustments	Outstanding as of January 2014 ^{p_/}
		Originations	Amort.	Net		
1. Net Debt (3-2)	130,949.7					135,852.2
2. Financial Assets in Foreign Currency ^{2_/}	3,486.2					4,897.4
3. Gross Debt	134,435.9	10,675.3	4,329.4	6,345.9	-32.2	140,749.6
By Term	134,435.9	10,675.3	4,329.4	6,345.9	-32.2	140,749.6
Long-term	130,908.7	9,293.5	3,045.0	6,248.5	-32.4	137,124.8
Short-term	3,527.2	1,381.8	1,284.4	97.4	0.2	3,624.8
By User	134,435.9	10,675.3	4,329.4	6,345.9	-32.2	140,749.6
Federal Government	72,180.4	4,001.0	2,759.0	1,242.0	226.2	73,648.6
Long-term	72,180.4	4,001.0	2,759.0	1,242.0	226.2	73,648.6
Short-term	0.0	0.0	0.0	0.0	0.0	0.0
PEDBC's	53,358.1	5,550.8	275.2	5,275.6	-206.7	58,427.0
Long-term	53,358.1	5,266.1	259.0	5,007.1	-206.7	58,158.5
Short-term	0.0	284.7	16.2	268.5	0.0	268.5
Development Banks	8,897.4	1,123.5	1,295.2	-171.7	-51.7	8,674.0
Long-term	5,370.2	26.4	27.0	-0.6	-51.9	5,317.7
Short-term	3,527.2	1,097.1	1,268.2	-171.1	0.2	3,356.3
By Financing Source	134,435.9	10,675.3	4,329.4	6,345.9	-32.2	140,749.6
Public Bonds	90,301.7	8,000.0	2,685.9	5,314.1	128.4	95,744.2
IFT's	27,350.1	1.0	78.8	-77.8	-66.3	27,206.0
Bilateral	10,321.3	39.0	129.9	-90.9	-6.2	10,224.2
Commercial Banks	6,178.1	2,350.6	1,418.6	932.0	6.3	7,116.4
Pidiregas	284.7	284.7	16.2	268.5	-94.4	458.8

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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