PRESS RELEASE Mexico City, November 19th, 2009.

APPROVAL OF THE ECONOMIC PROGRAM FOR 2010

- ***The Economic Package for 2010 approved by Congress is a firm and effective response to promote growth and to address the structural and cyclical challenges faced by public finances.***
- ***The approved fiscal package is based on an expected growth rate of 3.0% and an average export price of crude oil of 59 dollars per barrel.***
- ***A fiscal deficit equivalent to 0.7% was approved for 2010.***
- ***The measures approved by Congress will lead to higher non-oil tax revenues by Ps. 136.4 billion (1.1% of GDP).***
- ***The Income Law for 2010 approved by Congress considers public sector budgetary revenues of Ps. 2,797.0 billion and payable public expenditures of Ps. 2,887.0 billion, without considering PEMEX's investment by Ps. 263.4 billion.***
- ***Worth highlighting are the real increases of 4.9%, 3.7% and 14.9% in programmable expenditures allocated to social development, transport and communications and sustainable development, respectively, compared to those approved for 2009.***
- ***Budgetary physical investment and investment fostered by the public sector will increase 4.7% and 0.7%, respectively.***

On November 5th, 2009, Congress approved the Federation's Revenue Law for 2010 as well as changes to several tax laws. Subsequently on November 17th, the Federation's Expenditures Budget for 2010 was approved by the Lower Chamber. In this set of dispositions, which constitute the Economic Package for 2010, the following elements are worth highlighting:

- The Economic Package for 2010 approved by Congress aims at addressing the structural and cyclical challenges faced by public finances as well as fostering growth in Mexico. Within the structural challenges are the low level of public revenues compared to other countries and the high dependence on oil revenues, whose perspective has recently been affected by the declining production of hydrocarbons. The cyclical challenge is the temporary fall in non-oil revenues due to the unfavorable international environment.

- The characteristics of the package will promote growth because: i) it will ensure macroeconomic stability and the solvency of public finances, ii) revenues from the tax reforms will be injected into the economy leading to a higher domestic demand, and iii) the main lines of action regarding expenditures are to promote social development and protect low income households, continue to promote infrastructure investment, procure security and continue the fight against organized crime.

- All instruments available for public finances to address an environment of lower revenues are used in the approved package: i) a higher deficit and the use of non-recurrent revenues to compensate the cyclical reduction in income, and ii) to compensate for the permanent reduction in oil revenues, expenditure reductions and increases in taxes.

- The main changes made by Congress to the economic package proposed by the Federal Executive were: a moderate increase in the deficit; an upward revision by 5 dollars in the average oil price; the substitution of the contribution for poverty alleviation of 2% for a one percentage point increase in the VAT rate as the general rate is increased from 15 to 16% and the border region rate is increased from 10 to 11%; the range beyond which the increase in the income tax rate starts to apply was increased from 4 to 6 minimum wages; the transition in the fiscal consolidation regime was smoothed as the payment of deferred taxes out of the total requirable was reduced from 60 to 25% in the first year; in excise taxes, the reduction of one percentage point in the IEPS for telecommunications, the exemption of internet services, and the rate of IEPS applied to beer was reduced from 28 to 26.5%.

- The approved fiscal package implies a fiscal deficit equivalent to 0.7% of GDP for 2010 and an increase of non-oil tax revenues due to the reform to several taxes and to the fiscal code of Ps. 136.4 billion (1.1% of GDP).

- Total public sector revenues for 2010 approved by Congress, including those derived from financing, were Ps. 3,176.3 billion, amount lower by Ps. 15.6 billion with respect to the amount approved in 2009 (0.5% in real terms). Regarding the Executive's initiative, total approved revenues are higher by Ps. 4.0 billion; this difference is composed of Ps. 30.0 billion associated with a higher deficit, higher oil revenues by Ps. 30.3 billion and, in the opposite direction, lower non-oil tax revenues by Ps. 56.3 billion.

- Approved public expenditures in the Federation's Expenditure Budget for the 2010 fiscal exercise are Ps. 3,176.3 billion, amount lower by Ps. 15.6 billion (0.5% in real terms), with respect to the amount authorized by the Lower Chamber for 2009, but higher by Ps. 4.0 billion with respect to the Executive's Project.

- Resources derived from financing are Ps. 379.4 billion, amount equivalent to 3.0% of GDP, which are associated to PEMEX's investment (Ps. 263.4 billion), the public deficit (Ps. 90.0 billion excluding PEMEX's investment) and the deferred payments for 2011 by Ps. 26.0 billion.

- Approved programmable expenditures for 2010 are reduced by Ps. 6.4 billion (0.3% in real terms) with respect to those approved in 2009. This implies that programmable expenditures, without considering PEMEX's investment, will be 16.9% of GDP.

- Within programmable expenditures, worth highlighting are the real increases of 4.9%, 3.7% and 14.9% of expenditures for social development, transport and communications, and sustainable development, respectively, compared with those approved for 2009.

- As part of the effort to improve the efficiency of public expenditures, Luz y Fuerza del Centro was extinguished, which allowed the Federal Government to reallocate resources by Ps. 17.8 billion in 2010.[1]
- Physical budgetary investment and that fostered by the public sector will increase by 4.7% and 0.7%, respectively, with respect to those approved for 2009, and will reach 4% and 5% of GDP, respectively. This implies that public fostered investment during the 2007-2010 period will be 49% higher in real terms with respect to the one observed in the 2000-2006 period.
- The approved package implies that the increase in the ratio of debt to GDP will be moderate and transitory, and it will maintain a declining trajectory from 2011 onwards. Therefore, the approved package is consistent with the fiscal responsibility principles established in the Federal Budget and Fiscal Responsibility Law (LFPRH) and will contribute to achieve the objectives established in the General Economic Policy Guidelines (CGPE) for 2010.

[1] This amount corresponds to the difference between programmable expenditures in the Project for 2010 of Luz y Fuerza del Centro for Ps. 30.1 billion, less the obligations with pensioned and retired workers for 2010 for Ps. 12.3 billion.

Macroeconomic Framework for 2010

The approved economic program for 2010 maintains the macroeconomic framework established by the Executive in the General Economic Policy Guidelines for 2010 (CGPE10), except for the revision made by the Legislative Power to the reference price for the Mexican oil mix which was increased from an annual average of 53.9 to 59.0 dollars per barrel. This revision is the result of the updating of the variables used to determine the reference price of oil according to the LFPRH. In addition, the revision of some of the tax measures implied a moderate increase in the deficit with respect to the Federal Executive's proposal.

Macroeconomic Framework, 2010

	CGPE10	Approved
GDP		
Nominal (billion pesos)	12,793.2	12,793.2
Real annual growth, %	3.0	3.0
GDP Deflator	4.8	4.8
Inflation		
Dec. /Dec. (%)	3.3	3.3
Average nominal Exchange rate		
Pesos per dollar	13.8	13.8
Average interest rate		
CETES 28 days (%)	4.5	4.5
Fiscal Balance		
Total	-2.5	-2.8
Excluding PEMEX's investment	-0.5	-0.7
Oil		
Average price (dpb)	53.9	59.0
Production platform (mbd)	2,500.0	2,500.0
Export platform (mbd)	1,108.0	1,108.0

SECRETARÍA DE HACIENDA Y CRÉDITO PÚBLICO

PRESS RELEASE Mexico City, November 19th, 2009.

Federation's Revenue Law for 2010

For the 2010 fiscal exercise, Congress approved total public sector revenues —without considering the resources coming from financing— of Ps. 2,797.0 billion. This amount is lower by Ps. 26.0 billion with respect to the Federal Executive's Initiative, and 4.4% in real terms with respect to those approved for 2009.

Incorporating the resources coming from financing, total approved resources are Ps. 3,176.3 billion, amount higher by Ps. 4.0 billion with respect to those in the Federal Executive's Initiative, and are lower by 0.5% in real terms with respect to those approved for 2009. With respect to the Federal Executive's Initiative, the increase in total resources for 2010 is explained by the following:

Federation's Revenue Law for 2010 (Million pesos)	
I. LIF initiative	3,172,359.9
II. Modifications (1+2-3)	3,972.1
1. Higher Public deficit	30,000.0
2. Revision oil revenues due to higher oil price	30,272.1
3. Revision tax revenues due to fiscal reform	56,300.0
III. Approved LIF 2010 (I+II)	3,176,332.0

Oil revenues are estimated to reach Ps. 913.6 billion, with a real decrease of 14.2% with respect to those approved for 2009, though higher by Ps. 88.3 billion and Ps. 30.3 billion with respect to the expected value for 2009 and the Federal Executive's Initiative for 2010, respectively, as a result of the increase in the reference price of oil. Non-oil tax revenues are Ps. 1,320.5 billion, which implies a downward revision by Ps. 56.3 billion with respect to the Federal Executive's Initiative, but it is an amount equivalent to that approved in 2009 and implies an increase by Ps. 169.2 billion with respect to the expected value for 2009.

Budgetary Revenues, 2009-2010
(Million pesos of 2010)

	2009		2010		Differences 2010 vs.2009			
	Approved (1)	Estimated (2)	Project (3)	Approved (4)	(3-1)	(3-2)	(4-1)	(4-2)
Total	2,926,278.8	2,785,263.2	2,822,990.0	2,796,962.1	-103,288.8	37,726.8	-129,316.7	11,698.9
Oil revenues	1,064,731.5	825,240.2	883,293.9	913,566.0	-181,437.6	58,053.7	-151,165.5	88,325.8
Non-oil revenues	1,861,547.3	1,960,023.1	1,939,696.1	1,883,396.1	78,148.8	-20,327.0	21,848.8	-76,627.0
Tax	1,322,019.7	1,151,310.9	1,376,806.9	1,320,506.9	54,787.2	225,496.0	-1,512.8	169,196.0
Non tax	57,503.8	394,234.0	120,315.2	120,315.2	62,811.4	-273,918.8	62,811.4	-273,918.8
Entities under direct control	482,023.8	414,478.1	442,574.0	442,574.0	-39,449.8	28,095.9	-39,449.8	28,095.9

As a result of the fiscal revenues expected for 2010, shareable federal contributions will reach Ps. 1,655.5 billion, amount 1.0% below that approved for 2009, but higher by Ps. 14.9% than the expected amount at the end of 2009.

Regarding net public sector indebtedness, the approved Federation's Revenue Law for 2010 authorizes the Federal Executive a net debt issuance of up to Ps. 380.0 billion, amount equivalent to the level of indebtedness requested for 2009. An external net debt issuance of USD 8.0 billion was approved, which includes financing from international financial institutions. A level of indebtedness of Ps. 5.0 billion was authorized for the Federal District (DF).

Among different elements included in the Federation's Revenue Law for 2010, the following are worth highlighting:

- In case a deficit higher than Ps. 40.0 billion is approved for 2011, which is the level consistent with the proposed strategy in the General Economic Policy Guidelines for 2010, the amount exceeding this level should be compensated with a lower deficit in 2010.
- For 2010, the maximum reserve level of the stabilization funds will be eliminated, with the purpose of accumulating a higher amount of resources in case an unanticipated increase in revenues occurs. This in order to face future shocks like the one currently observed.
- The Public Sector Borrowing Requirements will be equivalent to Ps. 421.8 billion or 3.3% of GDP.

Fiscal Reform

The measures proposed by the Federal Executive and approved with some modifications by Congress are aimed at improving the tax structure by increase revenues from all non-oil revenue sources –excise, consumption and income taxes–. Thus, the design of the tax proposal was based on the following principles:

- To use all tax bases, minimize distortions and protect investment and job creation.
- Increase tax progressivity.
- Reduce the possibility that taxpayers apply successfully aggressive fiscal strategies and reducing tax evasion.
- Increase tax revenues from the consumption base in order to strengthen this pillar of taxation as it is the one where there is the largest gap in terms of rate and base.
- Focus excise taxes on the production of goods and services with adverse effects on the health of individuals and on the environment.

Tax Changes Approved by Congress for 2010		
Concept	Modification in rate	Characteristics
A. Excise Taxes		
Beer	25 to 26.5%	
Alcoholic Beverages	50 to 53%	Only for alcoholic beverages with more than 20° GL
Tobaccos	$0.80 per gram of tobacco or cigarette.	It will reach 2 pesos per pack in 2013 The obligation of printing the security code on cigarette packs is established in order to combat smuggling
Games and Lotteries	20 to 30%	
Telecommunications	3%	On services provided through a public telecommunications network Internet, public and rural telephony, and interconnection services are exempt
B. Value Added Tax		
General Tax	15 to 16%	Remains at 0% in food and medicine
Border Area	10 to 11%	
C. Income Tax		
Individuals	30% maximum	Temporary increase, returns to 28% in 2014 Does not affect individuals with income of up to 6.18 minimum wages, i.e. 10,298 pesos per month, which covers 69.1% of workers
Firms	30% maximum	Temporary increase, returns to 28% in 2014
Fiscal consolidation		Balances older than five years of deferred income tax by the groups subject to fiscal consolidation become payable through a payment scheme whereby the payment in the first year is 25% of the deferred tax balances and the remaining 75% takes place in four payments of 25, 20, 15 and 15% in each subsequent year
Primary Sector	19 to 21%	
D. Tax on cash deposits		
IDE	2 to 3%	Exempt limit is reduced from 25,000 to 15,000 pesos per month
E. PEMEX tax regime		
Royalty on the extraction of hydrocarbons	15% flat	Replaces the previous rate which ranged between 10 and 20%
Special royalty on hydrocarbons	30% flat, for moderate prices	Replaces the previous rate which ranged between 60 and 71.5% Deductible limit is increased from 19.5 dpb (11 dpb in Chicontepec) to 32.5 dpb
	36% for favorable price and costs	For the production of a field that is over 240 million barrels
Additional royalty on mineral oils	52%	It applies to the difference between the crude oil price and 60 dpb, multiplied by the extracted volume of crude, if the oil price is higher than 60 dpb

The changes made by Congress to the Federal Executive's tax proposal were: the substitution of the contribution for poverty alleviation of 2.0% for a one percentage point increase in the VAT rate as the general rate is increased from 15.0 to 16.0% and the border region rate is increased from 10.0 to 11.0%; the range beyond which the increase in the income tax rate starts to apply was increased from 4 to 6 minimum wages; the transition in the fiscal consolidation regime was smoothed as it was reduced from 60.0 to 25.0% in the first year; in excise taxes, the reduction of one percentage point in the IEPS for telecommunications, the exemption of internet services, and the IEPS applied to beer was reduced from 28.0 to 26.5%.

Tax Administration

In terms of tax administration, actions will be taken along two lines:

1. Simplification measures: taxpayers will be allowed to use their bank accounts and digital invoices as tax receipts; to pay their taxes using credit cards and to process returns via internet; and the interest tax calculation for individuals will be simplified from 2011 onwards.

2. Fighting tax evasion: the precautionary seizure process will be strengthened, allowing tax authorities to perform the relevant actions for the recovery of tax credits once a court has determined that the assets can be seized or frozen without hindering the operation of the taxpayer; additionally, the life insurance instruments which have a component of savings or investment or of any other deposit in national or foreign currency are incorporated into the list of sizeable assets.

The actions in matter of tax administration will increase efficiency and improve the results in the fight against tax evasion. It is expected that the measures approved will allow an increase in tax collection by Ps. 20.4, 27.5 and 36.5 billion in 2010, 2011 and 2012, respectively. This is in addition to the increase of Ps. 26.0 billion associated to improvements in tax administration due to the 2007 tax reform.

The Federation's Expenditures Budget for 2010

Public expenditures approved in the Federation Expenditures Budget for the fiscal year 2010 are Ps. 3,176.3 billion, an amount 0.5% lower in real terms than that approved by the Lower Chamber for 2009 but Ps. 4.0 billion higher than the Executive's proposal.

The approved programmable expenditures for 2010 are reduced by 0.3% in real terms with respect to those approved for 2009. This implies that programmable expenditures, excluding PEMEX's investment, will represent 16.9% of GDP.

Within programmable expenditures, worth highlighting are the increases of 4.9%, 3.7% and 14.9% in programmable expenditures allocated to social development, transport and communications, and sustainable development, respectively, in comparison with those approved for 2009.

The extinction of Luz y Fuerza del Centro was carried out as part of the efforts to improve the efficiency of public expenditures, which will allow the reallocation of resources by Ps. 17.8 billion in 2010.

In the approved Economic Package for 2010, a variety of mechanisms that exist to promote higher transparency and accountability in the exercise of the public expenditures were strengthened. Among them, worth highlighting are the following elements:

- PEMEX will have to inform the Lower House, on a quarterly basis, about the exercised investment expenditures as well as the advances of their main projects.
- The information requirement regarding the results associated with the expenditures carried out by Federal Entities with federal resources is strengthened by establishing the obligation to inform about the evolution of different indicators and results in quarterly reports and internet pages.
- The performance evaluation system is strengthened by requiring Federal Entities to update their indicators of results (March 2010) and to adopt performance based budgeting.
- New information requirements for the FAEB are established: more detail about teaching, administrative and managerial positions; movements that are made to those positions; personnel expenditures by workplace and the number of workers in each school; as well as analytic reports on employees, wages and deductions for each state.
- A "National Program to reduce Public Spending", about which a report should be sent to the Lower House on March 15th, 2010.
- Political parties may not employ or refer to budget programs in their propaganda.
- Requirements for higher transparency in the evaluations carried out are included, such as publishing studies and surveys, as well as the survey databases related to performance evaluations.

With respect to the Executive's initiative, the approved budget for 2010 implied expenditure reallocations by Ps. 109.5 billion as a result of higher revenues by Ps. 4.0 billion and reductions on expenditures by Ps. 105.5 billion. Of these reductions, Ps. 23.7 billion correspond to non-programmable expenditures and Ps. 81.8 billion to programmable expenditures. Within the latter, worth highlighting are: Ps. 53.8 billion from expenditures of the public entities under direct budgetary control (Ps. 30.1 billion correspond to the programmable expenditures assigned to Luz y Fuerza del Centro); Ps. 6.0 billion from the Judicial Power; Ps. 4.4 billion from Health; Ps. 3.9 from contributions linked to the federal shareable tax revenues; Ps. 3.8 billion from SEDESOL and Ps. 2.9 billion from SEP.

Regarding the expansions authorized by the Chamber of Deputies, the following are worth highlighting:

Ps. 19.5 billion to SCT; Ps. 17.3 billion to SEP; Ps. 14.8 billion to Budget Line 19th (Ps. 12.3 billion for the obligations with pensioned and retired workers of Luz y Fuerza del Centro for 2010); Ps. 13.3 billion to SAGARPA; Ps. 6.5 billion to SEMARNAT and Ps. 4.6 billion to Health. Also, federalism was strengthened by increasing the resources for Budget Line 23th by Ps. 22.5 billion, of which Ps. 13.5 billion were allocated to an investment fund for Federal Entities, Ps. 4.0 billion to metropolitan funds, Ps. 2.0 billion to the Regional Fund, and Ps. 2.0 billion to pavement works in municipalities, among others.

The Federation's Expenditures Budget for 2010 will lead to an increase, in real terms, of the expenditures associated with the following functions: Education, 2.5%; Social Security, 18.4%; Social Assistance, 17.0%; Transports and Communications, 3.7%; and Sustainable Development, 14.9%; all of them with respect to those approved for 2009. At the level of economic classification of expenditures, worth highlighting are the real increases in the resources allocated to the payments of pensions and retired workers, current subsidies and physical investment of 16.1%, 12.0% and 4.7%, respectively, with respect to those approved for 2009; in addition, personnel services and other current expenditures will decrease by 1.8% and 7.9%, respectively.

Approved Programmable Expenditures, 2009-2010
(Billion pesos of 2010)

	2009 Approved	2010 Project	2010 Modifications Reductions	2010 Modifications Expansions	2010 Approved	Difference PEF 2010 vs. 2010	Real growth PEF 2010 vs. PEF 2009
Total (1+2+3+4+5-6)	2,431,964.5	2,397,871.1	81,796.6	109,478.2	2,425,552.7	27,681.6	-0.3
1. Autonomous Branches	57,580.6	60,529.9	7,350.0	0.0	53,179.9	-7,350.0	-7.6
1. Administrative Branches	830,658.6	767,692.4	51,741.9	71,395.9	787,346.5	19,654.0	-5.2
Presidency	1,884.6	1,727.6	49.7	0.0	1,677.8	-49.7	-11.0
Interior	10,055.5	8,640.9	337.2	67.0	8,370.6	-270.2	-16.8
Foreign Affairs	5,604.9	6,094.5	154.1	5.0	5,945.4	-149.1	6.1
Finance and Public Credit	38,447.9	34,087.1	963.8	3,295.0	36,418.3	2,331.2	-5.3
Defense	45,721.7	42,531.3	148.9	1,250.0	43,632.4	1,101.1	-4.6
Agriculture	74,106.4	60,785.1	671.6	13,255.0	73,368.5	12,583.4	-1.0
Transport and Communications	75,971.5	61,587.0	589.9	19,487.9	80,485.0	18,898.0	5.9
Economy	14,834.2	13,246.1	230.8	1,339.4	14,354.7	1,108.6	-3.2
Public Education	210,595.6	196,415.6	2,868.9	17,286.0	210,832.7	14,417.1	0.1
Health	89,126.8	89,363.7	4,410.1	4,639.4	89,592.9	229.3	0.5
Navy	16,831.8	15,887.1	145.2	250.0	15,991.9	104.8	-5.0
Labor	4,287.4	3,769.4	91.6	0.0	3,677.9	-91.6	-14.2
Agrarian Reform	6,083.5	4,387.6	112.4	920.0	5,195.1	807.6	-14.6
Environment	47,227.3	40,485.9	721.6	6,471.9	46,236.2	5,750.3	-2.1
General Attorney	12,902.0	12,090.9	327.7	18.3	11,781.5	-309.4	-8.7
Energy*/	45,923.6	38,251.7	35,088.1	0.0	3,163.6	-35,088.1	-93.1
Social Development	71,424.5	84,243.3	3,766.4	0.0	80,476.9	-3,766.4	12.7
Tourism	4,193.7	3,000.8	70.0	1,005.0	3,935.8	935.0	-6.2
Public Function	1,643.5	1,310.4	61.6	0.0	1,248.8	-61.6	-24.0
Agrarian Courts	970.6	775.1	24.4	0.0	750.7	-24.4	-22.7
Fiscal and Administrative federal court	1,578.1	1,608.5	39.1	150.0	1,719.4	110.9	9.0
Public Security	34,500.2	31,802.8	581.0	1,216.0	32,437.8	635.0	-6.0
Judicial Council	524.2	101.7	5.6	0.0	96.1	-5.6	-81.7
CONACYT	16,219.1	15,498.5	281.9	740.0	15,956.6	458.1	-1.6
3. INEGI	8,016.5	8,765.7	0.0	0.0	8,765.7	0.0	9.3
4. General Expenditures	790,663.0	797,153.8	9,189.2	38,082.3	826,046.8	28,893.1	4.5
5. Public Entities Under Direct Budgetary Control	1,016,134.6	1,067,639.3	53,800.7	0.0	1,013,838.6	-53,800.7	-0.2
PEMEX	366,196.5	384,423.9	8,489.9	0.0	375,934.0	-8,489.9	2.7
CFE	208,614.1	220,298.0	9,838.6	0.0	210,459.4	-9,838.6	0.9
LFC	35,333.6	30,049.1	30,049.1	0.0	0.0	-30,049.1	-100.0
IMSS	313,382.3	320,379.6	0.0	0.0	320,379.6	0.0	2.2
ISSSTE	92,608.1	112,488.7	5,423.1	0.0	107,065.6	-5,423.1	15.6
6. Subsidies, transfers and contributions to IMSS*/	271,088.8	303,910.0	40,285.2	0.0	263,624.8	-40,285.2	-2.8

*/ In the Executive's project SENER expenditures include the transfer to Luz y Fuerza del Centro for Ps. 35 billion to cover operation expenditures, which is compensated with expenditures contemplated in item "subsidies, transfers and contributions to social security" that are deduced from total expenditures and, therefore, this operation does not affect the level of programmable expenditures of the Public Sector.

Federalized expenditures for 2010 will be higher by Ps. 6.3 billion with respect to the Executive's proposal. This increase is obtained through resources different from the shared revenues and contributions established by Law. In addition, federalized expenditures approved for 2010 are similar in real terms to the ones approved for 2009.

Federalized Expenditures, 2009-2010 (Billion pesos of 2010)								
	2009	2010		Differences			Growth	
	Approved (1)	Project (2)	Approved (3)	(2-1)	(3-1)	(3-2)	(2/1)	(3/1)
Total	**938,015.4**	**928,405.0**	**934,656.3**	**-9,610.4**	**-3,359.1**	**6,251.3**	**-1.0**	**-0.4**
Shared Revenues	450,874.4	453,612.2	441,579.2	2,737.8	-9,295.3	-12,033.1	0.6	-2.1
Contributions	466,718.2	466,322.7	463,152.1	-395.4	-3,566.1	-3,170.6	-0.1	-0.8
Others (Budget Item 23th)	20,422.8	8,470.0	29,925.0	-11,952.8	9,502.2	21,455.0	-58.5	46.5

Conclusions

The sustainability of public finances is a pillar of macroeconomic stability and growth; without a solvent public sector, financial stability cannot be sustained. Due to the fiscal reform that was approved, we will have the highest level of non-oil tax revenues in at least two decades. This is what is needed to cope with falling oil revenues.

The fiscal reform is part of the comprehensive reform agenda that the Administration of President Calderon is pursuing in order to accelerate economic development and job creation. The approved reform constitutes a structural change that will contribute to the future development of the country. Stronger foundations for public revenues are established by the reform, reducing the uncertainty associated with the effect of future shocks on public finances.

In the past two months we have advanced decisively and in a timely fashion in this development agenda, with the fiscal reform, the reform to accelerate investment in infrastructure and with the extinction of Luz y Fuerza del Centro.