



APPROVAL OF THE ECONOMIC PROGRAM FOR 2011

- *The Economic Package for 2011 which was approved by Congress maintains healthy and sustainable public finances, at the same time that it promotes economic recovery and development.*
- *The approved fiscal package is based on expected growth of 4.8% in 2010 and 3.9% in 2011, and on an average export price of crude oil of 65.4 dollars per barrel for 2011.*
 - *A fiscal deficit equivalent to 0.5% of GDP was approved for 2011.*
- *For the second time in the present Administration, no tax bill was submitted. This had not been observed since the 1964-1970 Administration.*
- *The simplification measures with respect to fees and royalties that were proposed by the Executive were approved.*
- *Worth noting among the measures approved by Congress are the increase of the Excise Tax on tobacco and a new Excise Tax on energizing beverages.*
- ***The Federation's** Revenue Law for 2011 approved by Congress considers public sector revenues of Ps. 3,055.3 billion, amount higher by 5.0% than those approved for 2010.*
- *Within public sector revenues, oil and non-oil tax revenues increase by 5.8% and 7.2% in real terms, respectively, with respect to those approved for 2010.*
- *Non-oil tax revenues will reach 10.4% of GDP, the highest registered ratio.*
 - ***The approved Federation's Expenditures Budget contemplates total paid expenditures of Ps. 3,125.5 billion, excluding PEMEX's investment by Ps. 286.3 billion. This implies a real increase of 4.1% with respect to those approved for 2010.***
 - *Worth highlighting are the real increases of 2.6%, 8.2% and 17.2% in programmable expenditures allocated to Social Development, National Security and Tourism, respectively, compared with those approved for 2010.*
- *Budgetary and fostered investment by the public sector will increase by 6.5% and 6.4%, respectively, with respect to those approved for 2010. Fostered investment will represent 4.5% of GDP on average during the 2007-2011 period.*
- ***Approved shared revenues** increased by 7.5% with respect to those approved in 2010, which represents a historical maximum for an approved amount.*
- *We developed a comprehensive strategy to face the natural disasters that took place in 2010 and those that will occur in the future, using budgetary resources, financing and insurance leading to Ps. 50.0 billion in available funds for reconstruction expenditures.*



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- *The Expenditures Budget Decree for 2011 includes rules to increase the transparent and accountability of federal contributions in Budget Line 33, mainly transfers for education and health.*
- *The Executive's proposal to strengthen the austerity process that has taken place since 2006 was approved, aiming at reducing administrative and operative expenditures as well as personnel services.*



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On October 20th, 2010, Congress approved the Federation's Revenue Law for 2011 (LIF2011) as well as changes to several tax laws. Subsequently, on November 15th, 2010, the Federation's Expenditures Budget for 2011 (PEF2011) was approved by the Lower Chamber. In this set of dispositions, which constitute the Economic Package for 2011, the following elements are worth highlighting:

- The changes made by Congress to the macroeconomic assumptions underlying the Economic Package were the following: economic growth for 2010 was increased from 4.5% to 4.8% and from 3.8% to 3.9% for 2011; the forecast for the annual average price of oil for 2011 increased from 63.0 to 65.4 dollars per barrel.
- A fiscal deficit equivalent to 0.5% of GDP, **excluding PEMEX's** investment, was approved for 2011. This implies that a downward trend for the deficit is maintained, while preserving the counter-cyclical stimulus in order to continue promoting economic recovery.
- On the revenue side, tax stimuli were established to promote first-time employment and for theatrical production; the IEPS tax applicable to tobacco was increased from 1.2 to 7.0 pesos per package, and a IEPS tax on energizing beverages was established.
- For the second time in the present Administration, no tax bill (miscelánea fiscal) was submitted to Congress. This had not been observed since the 1964-1970 Administration.
- For the 2011 fiscal exercise, the Federal Royalties and Fees Law (Ley Federal de Derechos) includes the simplification and reduction of several fees. In addition, a list of marginal fields approved by the SHCP was included in the special fiscal regime of PEMEX, subject to their compliance with a number of objective criteria such as their economic profitability before taxes and lack of profitability under the regular fiscal regime. Additionally, a new royalty on oil and natural gas production was established, and its collection will be allocated to the supervision of the exploration and exploitation of hydrocarbons.
- Congress approved budgetary revenues of Ps. 3,055.3 billion for 2011 and resources derived from financing of Ps. 383.6 billion, leading to total resources available for the public sector of Ps. 3,438.9 billion, amount higher by 2011Ps. 135.5 billion with respect to those approved for 2010 (4.1% in real terms). With respect to **the Executive's initiative**, **total approved** resources are higher by Ps. 60.6 billion. This increase is composed of Ps. 28.0 billion associated with a higher deficit, higher non-oil revenues by Ps. 20.7 billion and higher oil revenues by Ps. 11.9 billion.
- Within the approved revenues, worth highlighting are the increases in oil and non-oil tax revenues of 5.8% and 7.2% in real terms, respectively. Non-oil tax revenues reached 10.4% of GDP, the highest registered ratio.
- Resources derived from financing are equivalent to 2.7% of GDP and are associated with investment by PEMEX (Ps. 286.3 billion), to the public deficit excluding investment by PEMEX (Ps. 70.2 billion), and to the deferred payments for 2011 (Ps. 27.0 billion).



- Public sector accrued expenditures approved in the PEF2011 are Ps. 3,438.9 billion, amount higher by Ps. 135.5 billion (4.1% in real terms) with respect to the amount authorized by the Lower Chamber for 2010. Excluding investment by PEMEX, total public expenditures stand at Ps. 3,152.6 billion, amount higher by Ps. 123.1 billion (4.1%) with respect to the amount approved for 2010. Both aggregates are higher by Ps. 60.6 billion with respect to the **Executive's initiative**.
- Approved programmable expenditures for 2011 increased by Ps. 100.0 billion with respect to those approved for 2010 (4.0% in real terms). Excluding investment by PEMEX, programmable expenditures are higher by Ps. 87.5 billion (3.9% in real terms) and are equivalent to 16.5% of GDP in 2011, the same ratio as the one approved for 2010.
- Within programmable expenditures, worth highlighting are the real increases of 2.6%, 8.2% and 17.2% in expenditures for Social Development, National Security and Tourism, respectively, compared with those approved for 2010.
- Physical budgetary investment and that fostered by the public sector will increase by 6.5% and 6.4%, respectively, with respect to those approved for 2010. With this, fostered investment by the public sector will represent 4.5% of GDP on average during the 2007-2011 period, implying that it will be 46.6% higher in real terms with respect to that observed in the 2000-2006 period.
- Shared revenues amount to Ps. 493.7 billion, which implies an increase of 7.5% in real terms with respect to those approved for 2010 and represent a historical maximum for approved amounts.
- We developed a comprehensive strategy to face the natural disasters observed in 2010 and those that will occur in the future, using budgetary revenues, financing and insurance leading to Ps. 50.0 billion in available resources for reconstruction expenditures.
- Regarding transparency and accountability, Congress approved a set of rules that will lead to better control of the spending of federal resources that are transferred to the federal entities and municipalities, in particular of those classified in Budget Line 33 Federal Contributions to Federal Entities and Municipalities.
- The approved package will lead to a reduction between 2010 and 2011 in the ratio of public debt to GDP, being consistent with the fiscal responsibility principles established in the Federal Budget and Fiscal Responsibility Law (LFPRH).



Macroeconomic Framework for 2011

The approved economic program for 2011 modified the macroeconomic framework proposed by the Executive in the General Economic Policy Guidelines for 2011 (CGPE11) by incorporating the additional information that was observed since the submission date. It incorporates an economic performance that was better than anticipated, and the updating of the variables used to determine the reference oil price according to the LFPRH. In addition, the public deficit, excluding investment by PEMEX, was revised upwards by Ps. 28.0 billion, from 0.3% to 0.5% of GDP, in order to reconcile two objectives: to maintain a slightly higher degree of counter-cyclical stimulus, while at the same time maintaining a downward trend in the public deficit that allows us to return to a balanced budget that ensures the sustainability of public finances.

Macroeconomic Framework, 2011		
	CGPE11	Approved
GDP		
Nominal (billion pesos)	14,140.6	14,178.4
Real annual growth % ^{1/}	3.8	3.9
GDP deflator	4.0	4.0
Inflation		
Dec./Dec. (%)	3.0	3.0
Average nominal exchange rate		
Pesos per dollar	12.9	12.9
Average interest rate		
CETES 28 days (%)	5.0	5.0
Fiscal balance		
Total (%GDP)	-2.3	-2.5
Excluding PEMEX's investment	-0.3	-0.5
Oil		
Average price (dpb)	63.0	65.4
Export platform (mbd)	1,149	1,149
Production platform (mbd)	2,550	2,550

^{1/} Expected growth for 2010 was revised from 4.5% to 4.8%.



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Federation's Revenue Law for 2011

For the 2011 fiscal exercise, Congress approved total public sector revenues —without considering the resources obtained through financing operations— of Ps. 3,055.3 billion. This amount is higher **by Ps. 32.6 billion with respect to the Federal Executive's initiative**, and 5.0% in real terms with respect to those approved for 2010.

Incorporating the resources obtained through financing operations, total approved resources are Ps. **3,438.9 billion, amount higher by Ps. 60.6 billion with respect to those in the Federal Executive's initiative**, and 4.1% in real terms with respect to those approved for 2010. With respect to the **Federal Executive's initiative**, the increase in total resources for 2011 is explained by the following:

Federation's Revenue Law for 2011 (Million pesos)	
I. LIF initiative	3,378,345.3
II. Modifications (1+2+3+4+5+6)	60,550.2
1. Higher economic growth and tax efficiency	16,181.7
2. Revision of oil revenues due to higher oil price	11,903.8
3. "First Employment" stimulus	-7,629.9
4. Theatrical production stimulus	-50.0
5. IEPS tax reforms (tobacco and energizing beverages)	12,144.6
6. Higher public deficit	28,000.0
III. Approved LIF 2011 (I+II)	3,438,895.5

Oil revenues are estimated to reach Ps. 1,005.2 billion, which represents a real increase of 5.8% with respect to those approved for 2010. The upward revision of the reference price of oil implies that these revenues increased **by Ps. 11.9 billion with respect to the Federal Executive's initiative** for 2011. Non-oil tax revenues are Ps. 2,050.2 billion, which implies a real increase of 4.7% with respect to those approved for 2010 and an upward revision by Ps. 20.7 billion with respect to the **Federal Executive's initiative**. Within, non-oil tax revenues reached 10.4% of GDP, the highest registered ratio.

Budgetary Revenues, 2010-2011 (Million pesos of 2011)							
	2010 LIF (1)	2011		Differences			Real growth (3/1)
		Project (2)	Approved (3)	2011 vs. 2010		2011 (3-2)	
				(2-1)	(3-1)		
Total	2,908,842.0	3,022,791.3	3,055,341.5	113,949.3	146,499.5	32,550.2	5.0
Oil revenues	950,109.1	993,253.6	1,005,157.4	43,144.5	55,048.3	11,903.8	5.8
Non-oil revenues	1,958,732.9	2,029,537.7	2,050,184.1	70,804.8	91,451.2	20,646.4	4.7
Tax	1,373,327.8	1,461,442.5	1,472,488.9	88,114.7	99,161.1	11,046.4	7.2
Non tax	125,127.9	78,543.7	88,143.7	-46,584.2	-36,984.2	9,600.0	-29.6
Entities under direct control	460,277.2	489,551.5	489,551.5	29,274.3	29,274.3	0.0	6.4



The LIF2011 authorizes a net debt issuance by Federal Government of up to Ps. 375.0 billion, amount 5.1% lower in real terms than the one authorized for 2010 and higher by Ps. 35.0 billion with respect to the level requested in the initiative. An external net debt issuance of USD 5.0 billion was approved, including financing from international financial institutions. A level of net indebtedness of Ps. 4.0 billion was authorized for Mexico City (DF).

The following elements from the approved Federation's Revenue Law for 2011 are worth highlighting, stemming both from the Federal Government's initiative as well as from the changes made by Congress:

- A list of marginal fields approved by the SHCP will be included in the special tax regime of PEMEX which applies to deep water projects and Chicontepec. These fields will have to meet a set of objective criteria, such as economic profitability before taxes and no profitability under the ordinary tax regime. A new royalty whose collection will go to the National Hydrocarbons Commission was established to support its supervision activities on the exploration and exploitation of hydrocarbons. The royalty is of 0.03% of crude oil and natural gas production and will be applied from 2012 onwards.
- Forty one fees associated with obtaining a variety of services provided by the State were eliminated, most notably those related to some public registries such as the National Registry of Foreign Investment and the Mercantile and Brokerage Registry; to the notification of concentrations in accordance with the Federal Competition Law; to visit islands in the national territory and for photographic snapshots in protected natural areas, and those associated with temporary imports of medical devices.
- Regarding the excise tax on cigarettes, a specific quota of 7.0 pesos per package was approved as of 2011 and the transition period legislated last year was eliminated. Considering that this transition established a quota of 1.2 pesos for 2011 and of 2.0 pesos as of 2013, the reform approved by Congress means an increase of 5.8 and 5.0 pesos per package with respect to these provisions for 2011 and 2013, respectively.
- A 25% IEPS tax on sales and imports of energizing beverages as well as the concentrates, powders or syrups to prepare these beverages was approved. The tax will not apply to hydrating and rehydrating beverages.
- Aiming at promoting first time formal employment, Congress approved a fiscal stimulus in the income tax which implies that firms will be able to make a deduction related with the hiring of workers that have a formal job for the first time, as long as those positions are maintained for a minimum of 36 months and they remain occupied during 18 consecutive months. The stimulus will only be applicable for workers who earn up to 8 times the minimum wage, and the maximum amount of the additional deduction is 40% of the payroll cost of these employees; being reduced to 25% as of the second year that his benefit applies.



- A fiscal stimulus to promote theatrical production was approved. This consists of an income tax credit equivalent to the amount that is invested in theatrical production projects. The amount of the stimulus cannot exceed Ps. 50.0 million per fiscal exercise or Ps. 2.0 million per taxpayer. An interinstitutional committee will be created for the administration of this stimulus, which will operate in a similar fashion as the stimulus for movie production.
- The provision that eliminates the maximum reserve level of the stabilization funds will be maintained, with the purpose of accumulating a higher amount of resources in order to face future shocks.

The Federation's Expenditures Budget for 2011

Approved public expenditures in the PEF2011 are Ps. 3,438.9 billion, amount higher by Ps. 135.5 billion (4.1% in real terms) with respect to the amount authorized by the Lower Chamber for 2010. Excluding investment by PEMEX, public accrued expenditures stand at Ps. 3,152.6 billion, amount higher by Ps. 123.1 billion (4.1%) with respect to that approved for 2010. Both aggregates are higher by Ps. 60.6 billion with respect to the Executive's initiative.

The approved programmable expenditures for 2011 increased by 4.0% in real terms with respect to those approved for 2010. Programmable expenditures, without considering investment by PEMEX, will represent 16.5% of GDP in 2011, the same ratio as the one approved for 2010 and a higher amount by Ps. 87.5 billion (3.9% in real terms).

With respect to the Executive's initiative, the approved budget for 2011 implied expenditure increases by Ps. 96.0 billion that will be financed by higher resources in the Income Law by Ps. 60.6 billion and expenditure reductions by Ps. 35.4 billion. Of these reductions, Ps. 14.0 billion correspond to non-programmable expenditures and Ps. 21.5 billion to programmable expenditures. Within the latter, worth highlighting are: Ps. 8.8 billion from the public entities under direct budgetary control; Ps. 4.0 billion from Autonomous Entities and the INEGI, and Ps. 5.2 billion from the Administrative Budget Lines and Ps. 3.5 billion from the General Budget Lines.

Regarding the expansions authorized by the Lower Chamber, the following are worth highlighting: Ps. 20.0 billion for Highways and Communications (SCT); Ps. 14.9 billion to Agriculture (SAGARPA); Ps. 12.6 billion to Education (SEP); Ps. 9.3 billion to Natural Resources and the Environment (SEMARNAT) and Ps. 9.2 billion to Health. Resources for Budget Line 23 Economic and Wage Provisions increased by Ps. 15.8 billion, of which Ps. 4.5 billion were allocated to a reconstruction fund for Federal Entities, Ps. 2.2 billion to a pavement and sport premises fund for municipalities, Ps. 3.0 billion to the regional fund, and Ps. 4.8 billion to the metropolitan funds, among others. Shared revenues and federal contributions associated to the federal shareable tax collection increased by Ps. 4.0 billion.

The PEF2011 will lead to an increase, in real terms, of the expenditures associated with the following functions: National Security 8.2%; Order, Security and Justice 13.2%; Drinkable Water and Sewerage 23.0%; Health 5.1%; Education 0.6%; Tourism 17.2%; Science and Technology 6.3%, and Transports and Communications 3.8%; all of them with respect to those approved for



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2010. In the economic classification of expenditures, worth highlighting are the real increases in the resources allocated to the payment of pensions and current subsidies of 3.6% and 5.3%, respectively, with respect to those approved for 2010; as well as the real increase in physical investment by 6.5%.

Approved Programmable Expenditures, 2010-2011 (Billion pesos of 2011)						
	2010 Approved	2011			Variation Approved 2011 vs. 2010	
		Project	Approved	Appr. – Proj.	Absolute	%
Total (1+2+3+4+5-6)	2,522,576.0	2,551,311.7	2,622,527.9	71,216.2	99,951.9	4.0
1. Autonomous Branches	55,218.7	63,361.3	59,806.7	-3,554.6	4,588.1	8.3
Legislative Power	9,932.0	10,237.9	10,170.3	-67.6	238.3	2.4
Judicial Power	35,384.5	41,522.8	38,035.8	-3,487.0	2,651.3	7.5
Federal Electoral Institute	8,977.0	10,499.0	10,499.0	0.0	1,522.0	17.0
National Human Rights Commission (CNDH)	925.2	1,101.7	1,101.7	0.0	176.6	19.1
2. Administrative Branches	819,006.4	792,127.8	862,146.9	70,019.1	43,140.5	5.3
Presidency	1,745.0	1,816.3	1,786.6	-29.8	41.6	2.4
Interior	8,705.5	15,503.4	15,987.0	483.5	7,281.5	83.6
Foreign Affairs	6,183.2	5,899.9	5,823.5	-76.5	-359.7	-5.8
Finance and Public Credit	37,914.6	35,307.9	39,111.3	3,803.4	1,196.7	3.2
Defense	45,377.7	50,039.5	50,039.5	0.0	4,661.7	10.3
Agriculture	76,303.2	59,529.1	73,896.3	14,367.2	-2,406.9	-3.2
Transport and Communications	83,473.3	67,092.2	86,392.3	19,300.1	2,919.0	3.5
Economy	14,928.9	15,939.9	16,519.5	579.5	1,590.5	10.7
Public Education	219,633.7	218,825.9	230,583.2	11,757.3	10,949.5	5.0
Health	93,488.7	96,808.7	105,617.3	8,808.6	12,128.6	13.0
Navy	16,631.6	18,270.2	18,270.2	0.0	1,638.6	9.9
Labor	3,825.0	3,744.7	3,704.7	-40.0	-120.3	-3.1
Agrarian Reform	5,402.9	4,822.7	5,609.6	786.9	206.7	3.8
Environment	48,085.7	42,727.9	51,293.8	8,566.0	3,208.2	6.7
General Attorney	12,252.7	12,070.1	11,997.8	-72.3	-254.9	-2.1
Energy	3,290.2	2,993.2	3,093.2	100.0	-196.9	-6.0
Social Development	83,384.0	79,489.3	80,284.0	794.7	-3,100.0	-3.7
Tourism	4,093.2	4,165.8	4,818.3	652.5	725.1	17.7
Public Function	1,298.7	1,291.1	1,346.1	55.0	47.4	3.6
Agrarian Courts	780.7	826.9	871.9	45.0	91.2	11.7
Fiscal and Administrative Federal Court	1,788.2	1,849.6	1,849.6	0.0	61.4	3.4
Public Security	33,735.3	35,732.6	35,519.1	-213.4	1,783.8	5.3
Judicial Council	99.9	101.4	101.4	0.0	1.5	1.5
CONACYT	16,584.5	17,279.6	17,630.9	351.4	1,046.5	6.3
3. INEGI	9,116.3	4,824.6	4,551.1	-273.5	-4,565.2	-50.1
4. General Expenditures	859,011.8	858,130.6	869,928.5	11,797.9	10,916.7	1.3
5. Public Entities Under Direct Budgetary Control	1,054,392.7	1,116,433.3	1,107,660.6	-8,772.7	53,267.9	5.1
PEMEX	390,971.6	420,328.9	418,328.9	-2,000.0	27,357.3	7.0
CFE	218,877.9	243,316.0	238,543.3	-4,772.7	19,665.4	9.0
IMSS	333,194.9	338,240.0	338,240.0	0.0	5,045.1	1.5
ISSSTE	111,348.3	114,548.4	112,548.4	-2,000.0	1,200.1	1.1
6. Subsidies, transfers and contributions to IMSS	274,169.9	283,565.9	281,565.9	-2,000.0	7,396.0	2.7



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Federalized expenditures for 2011 will be higher by Ps. 40.0 billion with respect to those approved for 2010 and increased by Ps. 20.0 billion with respect to the Executive's initiative. It is worth mentioning that shared revenues for 2011 will increase by 4.1% in real terms, reaching the highest approved level in history.

Federalized Expenditures, 2010-2011 (Billion pesos of 2011)								
	2010 Approved (1)	2011		Differences			Growth	
		Project (2)	Approved (3)	(2-1)	(3-1)	(3-2)	(2/1)	(3/1)
Total	972,037.8	992,032.6	1,012,048.1	19,994.9	40,010.3	20,015.4	2.1	4.1
Shared Revenues	459,242.5	490,383.0	493,664.4	31,140.5	34,421.8	3,281.3	6.8	7.5
Contributions	481,678.4	494,469.6	495,601.7	12,791.2	13,923.3	1,132.1	2.7	2.9
Others (Budget Item 23)	31,116.8	7,180.0	22,782.0	-23,936.8	-8,334.8	15,602.0	-76.9	-26.8

We established a comprehensive strategy to face the natural disasters that took place in 2010 and those that occur in the future, using budgetary resources, financing and insurance to add up to around Ps. 50.0 billion in available funds for reconstruction. This is composed of contributions by Ps. 10.0 billion to the Fonden in 2010, and for 2011, Ps. 10.0 billion of approved contributions. Additionally for 2011, resources by Ps. 4.5 billion were approved for the Federal Entities Reconstruction Fund in order to constitute a financing scheme that will potentiate resources up to Ps. 20.0 billion, as well as an excess-loss insurance that will cover Fonden expenditures by up to Ps. 10.0 billion on top of the Ps. 10.0 billion already contemplated. Additional to the Ps. 50.0 billion aforementioned, Banobras will put in place a credit program that will allow affected federal entities to have access to financing by Ps. 20.0 billion.

Congress approved the Executive's proposals to continue with the austerity efforts carried out since 2006, aiming at reducing administrative and operational expenditures as well as personnel services. These include savings by Ps. 20.6 billion with respect to those approved in PEF2010. Regarding the reduction in items included in the National Program of Public Expenditures Reduction (PNRGP), savings with respect to those approved in PEF2010 stand at Ps. 6.7 billion. Additional to those included in the PNRGP, savings of Ps. 4.4 billion are registered in administrative and operative expenditures items. Regarding personnel services, savings for 2011 stand at Ps. 6.8 billion. Through measures contained in the PNRGP, entities under direct budgetary control will generate savings by Ps. 2.8 billion for 2011 in their administrative and operational expenditures. Additionally, additional savings by Ps. 3.5 billion were included during the budget approval process, with which total savings will amount to Ps. 24.1 billion for 2011.

The Expenditures Budget Decree for 2011 includes rules to increase transparency and accountability of federal contributions to states, which are included in Budget Line 33. For instance, the following requirements are envisaged for all these funds: to maintain specific registries for each of the Funds which receive federal contributions; to prohibit the transfer of resources between



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Funds and into different accounts; to initiate actions for the local treasuries to deliver resources through electronic and banking channels; and to increase transparency with respect to personnel services payments. For the funds allocated to Basic and Normal, Technical and Adult Education, as well as the Health Services Fund, additional transparency requirements are established regarding: the information on personnel that is on commission or not working temporarily; the starting and conclusion dates for each job; to identify and conciliate the number, type and hours of teaching and administrative positions; the preparation of accounts on positions and salaries, and a list of temporary workers.

Final Remarks

The Economic Package for 2011 approved by Congress promotes higher development in a context of responsibility in the public finances. On the one hand, it continues promoting the recovery of the economy maintaining a counter-cyclical impulse through a moderate public deficit and, on the other hand, ensures the sustainability of public finances preserving a downward trajectory for the deficit, as well as the tax modifications approved for 2009 and whose proposal is to compensate the permanent reduction in public revenues which resulted from the decline in the oil production platform.

With the measures adopted, we continue with the actions to increase the competitiveness of the Mexican economy in order to create favorable conditions that result in higher economic growth, more dynamic job creation and lower poverty levels.