Mexico City, September 8th 2016.

PROPOSED 2017 ECONOMIC PROGRAM

- Following the four instructions from the President, today the Federal Revenue Law Initiative (ILIF), the Expenditure Budget Project (PPEF) and the General Economic Policy Guidelines (CGPE) for fiscal year 2017 were submitted to Congress. Also proposals for modifications to the tax framework were presented. These documents form the 2017 Economic Program, which main objectives are public finances consolidation and fiscal responsibility, both as fundamental pillars that ensure macroeconomic stability. Thus, for 2017 the aim is to achieve a primary surplus (defined as the difference between budget revenues and total expenditure without considering the financial cost) for the first time since 2008, and continue the deficit's downward trajectory by adjusting expenditure, which is consistent with the commitment not to create new taxes or increase the existing ones. It also seeks to improve efficiency in spending, prioritizing investment projects, more effective social programs and the reduction of current expenditure.
- Since the global financial crisis, a large number of countries have increased their expenditure in relation to their income, which has led to increase their debt levels. In Mexico, the increase in the debt level has been moderate relative to other countries. However, in recent years the adverse external environment, characterized by a weak recovery in global growth, high volatility in financial markets and a drop in oil prices, has created a dynamic where debt has continued to grow despite deficit reductions.
- The 2017 Economic Program preserves macroeconomic stability and is designed to face the challenge that this environment represents for public finances, based on prudent and realistic assumptions. To maintain the fiscal consolidation trajectory and avoid that debt continues to grow, the Program proposes a significant adjustment to programmable expenditure. Consequently, there was neither creation of new taxes nor increase in the rates of existing ones, in compliance with the Tax Certainty Agreement.
- It is estimated that during 2017 the Gross Domestic Product (GDP) will register an annual growth between 2.0% and 3.0%, in line with private sector projections. Also, it is projected an inflation of 3.0%, in line with Banco de Mexico's target, and a nominal average exchange rate of 18.2 pesos per dollar during 2017.To estimate oil revenues for 2017, an average Mexican oil mix price of 42 dollars per barrel (dpb) was used, ensured by the Federal Government oil hedging strategy for 2017, and production and export platforms of 1,928 and 775 thousand barrels per day (kbd), respectively. These platforms estimates do not consider the positive effects that the new Pemex Business Plan might imply.
- Based on the responsible macroeconomic framework, and the favorable evolution in tax revenues that has fully offset the decline in oil revenues, it is estimated that in 2017 budgetary revenues will amount to Ps. 4,309.5 billion, an increase of 0.4% in real terms compared to the 2016 Federal Revenue Law (LIF). Within, an increase of 9.7% for tax revenues in real terms is expected, due to the fiscal reform and the dynamism in the

domestic market. As for oil revenues, a reduction of 15.7% in real terms is projected respect to the 2016 Federal Revenue Law, due to lower oil prices and lower oil production.

- Considering the favorable evolution in tax revenues and a lower than expected decrease in the oil price, a substantial reduction of expenditure is proposed in the 2017 Economic Program, but lower than the one proposed in the General Economic Policy Preliminary Guidelines for 2017. The adjustment to programmable expenditure is greater because, within a slightly lower ceiling than last year's expenditure, the Ministry has to accommodate a significant increase in non-programmable expenditure. It is estimated that in 2017, net paid expenditure (which excludes deferred payments) will amount to Ps. 4,804.4 billion, 1.7% in real terms lower than approved for 2016. In addition, the accrued programmable expenditure is at Ps. 3,497.7 billion, which represents a decrease of 6.1% in real terms compared to the amount approved for 2016. Regarding non-programmable expenditure, it is estimated a 12.1% increase in real terms due to the real growth of 5.3% in non-earmarked transfers to states, as a result of the favorable performance in tax revenues, and the 18.9% increase in financial costs resulting from the deterioration in external conditions.

- In order to safeguard the favorable dynamics of the domestic market, the main engine of growth in recent years, the Federal Government remains committed not only to the fiscal consolidation established in 2013, but it presents a proposal for 2017 which implies an improvement from the originally committed trajectory. The 2017 Economic Program proposed a target for the Public Sector Borrowing Requirements (PSBRs) of 2.9% of GDP for 2017, 0.1 percentage points lower than originally anticipated. This trajectory will culminate in 2018, when the PSBRs reach 2.5% of GDP.

- The 2017 Economic Program proposes a surplus of 0.1% of GDP in the narrowest measure of the balance, which also implies a primary surplus for the first time since 2008, estimated at 0.4% of GDP. In order to achieve this goal, an expenditure containment with respect to the one approved for 2016 is required for an amount equivalent to 1.2% of GDP. Given that during 2016 an adjustment for 0.9% of GDP took place, which must be permanent, the additional effort for 2017 will be 0.3% of GDP.

- To continue with the implementation of the Energy Reform, the 2017 Economic Program proposes to move forward to January 2017 the gasoline and diesel price liberalization. To this end, it proposes that the Energy Regulatory Commission (CRE), the sector's regulator, together with the Federal Competition Commission (COFECE) determine the pace of price liberalization for different regions in the country. With this, the proposal seeks to ensure an orderly opening, based on the analysis of two institutions with deep technical capacity. With the liberalization of fuel prices, Mexico catches up with most OECD members and Latin American countries.

- Modifications to the tax legal framework are also proposed in order to boost strategic sectors for society and the economy. This includes creating a new fiscal framework for the philanthropic sector; and also establishing tax incentives to invest in charging stations for electric vehicles and high performance athletic training. In addition, it is proposed to create a simplified taxation scheme for small enterprises, recognize the exporting of information technology services for Value Added Tax (VAT) purposes, and introduce a tax incentive to invest in Research and Technology Development (RTD).

- The 2017 Economic Program reaffirms the commitment to macroeconomic stability and fiscal responsibility in the face of an adverse international environment. Thus, measures presented will continue with the structural change that has been proposed during this administration, contributing to protect the economy of the Mexican families.

Today, the Ministry of Finance and Public Credit submitted to Congress the Federal Revenue Law initiative (LIF), the Expenditure Budget Project (PPEF) and the General Economic Policy Guidelines (CGPE) for fiscal year 2017. Also, a new initiative to reform the Income Tax Law, the Law on Value Added Tax and the Federal Tax Code was included, as well as amendments to the Federal Law of Rights, the Income Law on Hydrocarbons, the Federal Law on Contentious-administrative Procedure and the Laws on Petroleos Mexicanos and the Federal Electricity Commission. These documents comprise the 2017 Economic Program, which highlights the following aspects:

I. Evolution of the economy and public finances during 2016

The 2017 Economic Program is presented amid an adverse external environment characterized by high volatility in international financial markets, negative growth of US industrial production, low oil prices and the increased likelihood of protectionist policies in the world.

In this context, Mexico's economic performance highlights compared to other emerging economies. The strengths and differentiating factors, among which are a long history of responsible macroeconomic policies, as well as a deep Structural Reforms agenda have enabled the country to keep a positive growth trajectory. It is worth noting the average annual growth of 2.5% recorded since the third quarter of 2014. This dynamism contrasts with the average of -0.9% observed in Latin America excluding Mexico, and -3.3%, -1.9% and 1.1% in Brazil, Russia and South Africa, respectively.

Thus, Mexico maintains its growth rate despite the deterioration in international economic conditions and preserves its acceleration prospects for the upcoming years. Recent data show that Mexico's economic performance has been sound and its main source of growth remains in the domestic market. As for the first half of 2016, GDP grew at a rate of 2.5% annually.

Also, the share of the Mexican economy that is not related to oil activities has shown a more favorable performance. The annual growth of GDP, excluding oil-related activities was 3.0% during the second quarter. With this figure, the average annual growth of non-oil GDP for the last eight quarters is 3.1%.

The prospects for greater dynamism in the forthcoming years are associated with, an improved performance in the global economy particularly in the US industrial production, the permanent benefits of Structural Reforms, and the stabilization and eventual increase in oil production, which will raise productivity substantially. Structural Reforms have also allowed Mexico to continue attracting more investment from abroad, at the time that economic competition is strengthened and legal barriers are removed, which has leaded to open strategic sectors to private investment. Together, these actions have allowed the current Administration to obtain USD 120.3 billion in foreign direct investment in the energy sector, telecommunications, food and beverages, among others. With preliminary numbers, this figure is 51.8% higher than the one observed during the same period of the previous administration.

Despite sound economic fundamentals, the financial markets in Mexico have not been immune to volatility episodes that have been observed globally in 2016. The Mexican peso free-floating regime has worked as a buffer mechanism to face external volatility, mitigating its effect on domestic financial variables, maintaining the competitiveness of foreign trade and without generating an impact on the price level. For instance, inflation remains below Banco de Mexico's target of 3.0%, reaching a level of 2.8% in the first half of August. As for interest rates, they have reacted in line with the measures implemented by Banco de Mexico in 2016 and still stand at historically low levels.

When considering the international economic environment and recent developments in economic activity in Mexico, it is estimated that GDP growth in 2016 will be between 2.0% and 2.6%. This growth will be underpinned by a dynamic domestic market.

Regarding public finances in 2016, the Federal Government has taken the necessary actions to preserve macroeconomic stability, sound public finances, and its commitment to the fiscal consolidation trajectory. Highlights include the implementation of two adjustments to public sector expenditure amounting to Ps. 164 billion, the responsible use of Banco de Mexico's Operating Surplus, as mandated in the Federal Budget and Fiscal Responsibility Law (LFPRH), in the amount of Ps. 239.1 billion to reduce debt incurred in previous fiscal years and to issue less debt this year, as well as the support given to Pemex to strengthen its financial position.

It is also important to remember that the implementation of the Fiscal Reform has enabled to change the structure of public sector revenues by making them more sound and stable. The Reform, along with improvements in tax collection efficiency, has caused tax revenues to be at record highs. For instance, between 2012 and 2015 revenue grew 62.0% in real terms, which allowed for tax revenues to represent 13.0% of GDP in 2015, 4.6 percentage points of GDP above the one observed in 2012. This evolution has also offset the decline observed in oil revenues, which has led to restructure budgetary revenues in the face of a lower share of oil revenues. In 2012, oil revenues accounted for 39.5% of total budgetary revenues, while in 2015 they only accounted for 19.8% of the total. This restructuring reduces variability and risk in the government's revenue.

Considering Banco de Mexico's operating surplus, the support given to Pemex and recent developments in public finances, it is estimated that the fiscal balance targets at the end of 2016 will improve, compared to the targets presented in the 2016 Economic Program. In particular, as released during the month of August, PSBRs are expected to be at 3.0% of GDP, 1.1% of GDP below the level registered in 2015.

As part of the sustained effort to improve fiscal transparency, the Ministry of Finance announces the regular publication of twelve indicators and projections to facilitate monitoring the trajectory of public finances. These indicators include updated projections for the close of the year that will be periodically published.

II. Economic and public finances outlook for 2017

For 2017, main analysts and international organizations expect a moderate acceleration of the global economy compared to 2016, driven mainly by emerging economies, which are expected to grow at a rate of 4.6% in 2017. As for the United States (US), growth is projected to be between 1.5% and 2.2% and industrial production growth is forecasted at 2.0% in contrast to a contraction of -0.9% expected for 2016. However, the balance of risks to global growth is negative due to financial conditions, the geopolitical environment and the possible implementation of protectionist measures. It is also estimated that uncertainty will persist regarding the pace of normalization of US monetary policy, as well as the recovery of US industrial production and its effects on the growth rate of its economy.

In this context, it is expected that Mexico's domestic market good dynamics will continue, driven by growth in formal employment, credit expansion, rising real wages, improved consumer confidence and increased investment. A higher dynamism in non-oil exports and services related to foreign trade is expected. Public finances estimates present a scenario where oil production continues a downward trajectory that began in 2004. The scenarios were presented by the Ministry of Energy (SENER), based on information provided by Pemex and the National Hydrocarbons Commission (CNH), do not consider the positive effects that the new Pemex Business Plan might imply. Therefore, it is estimated that GDP during 2017 will record an annual growth between 2.0% and 3.0%, slightly higher than expected for 2016.

Considering the existing economic scenario, the 2017 Economic Program preserves macroeconomic stability and is designed to address the challenges in public finances. First, prudent and realistic assumptions for revenue estimates are proposed. Second, the actions necessary to comply with the fiscal consolidation process will have to rest in programmable expenditure adjustments, as it will not resort to greater debt or modifications to the fiscal framework for revenue purposes.

In this sense, given the volatility recently observed, the uncertainty and medium term risks in the oil market, it is proposed to use a price of 42 dollars per barrel(dpb) for public finances estimates, ensured by the Federal Government oil hedging strategy for 2017. As in 2016, the oil hedging strategy included two complementary actions. On the one hand, the purchase of put options to an average export price of the Mexican oil mix of 38 dpb. On the other hand, to ensure an average price of 42 dpb in 2017, covering the difference of 4 dpb, a subaccount was created in the Budgetary Revenues Stabilization Fund (FEIP), called "Supplement Coverage 2017", with Ps. 18.2 billion. It is estimated that FEIP will have around Ps. 109 billion at the end of 2016, representing a real increase of 135% compared to the one observed on the balance at the end of 2015.

As for oil production, a level of 1,928 thousand barrels per day (kbd) is incorporated, which represents a lower level of production in 202 kbd compared to 2016. This level of oil platform production does not consider the positive effects that the new Pemex Business Plan might imply, which will be presented after the publication of the 2017 Economic Program.

Considering these assumptions in the macroeconomic framework, it is estimated that budgetary revenues amount to Ps. 4,309.5 billion, higher by Ps. 17.2 billion than the one approved in the 2016 Federal Revenue Law (LIF), which implies a growth of 0.4% in real terms with respect to the 2016 LIF. Regarding oil revenues, a reduction of 15.7% in real terms is estimated with respect to the amount approved in the 2016 LIF, due to lower than expected prices and production levels. Meanwhile, an increase of 9.7% in real terms is expected in tax revenues compared to the one approved for 2016, mainly due to higher revenues observed during 2016 associated to the effects of the Tax Reform. Therefore, the strength of tax revenues allows to fully offset the decline in oil revenues.

Regarding the 2017 Revenue Policy, the commitment contained in the Tax Certainty Agreement is maintained, so that the 2017 Federal Revenue Law Initiative (ILIF) neither proposes the creation of new taxes nor increases the existing rates. Consequently, for the third consecutive year, the tax structure will be preserved, only proposing specific measures to strengthen simplification efforts, promotion of investment and savings, and legal certainty, as well as boost to strategic sectors. The set of measures aim to address specific aspects of the tax legal framework, in order to detonate increased investment and economic growth without weakening public revenues.

Considering the potential of the philanthropic sector to improve the welfare of the population's most vulnerable sectors, a new tax scheme for grantee organizations is created. This scheme will include a certification process, in which favorably evaluated organizations will receive tax benefits. In order to promote health and environmental protection, a tax credit is introduced for projects related to high-performance athletic training and another tax credit for investments on charging stations for electric vehicles. To encourage savings for retirement, the deduction of contributions to personal retirement plans contracted collectively will be allowed.

In order to facilitate small companies to comply with their tax payment, the introduction of a simplified taxation scheme is proposed. In this scheme, a cash-basis principle will be used, and the calculation and payment of taxes will be done through an app developed by the Tax Administration System (SAT), which will assist taxpayers in their accounting. Within this scheme, legal entities with annual incomes of up to Ps. 5 million, which are constituted solely by individuals, will be able to participate.

With the aim to boost the exporting sector of the country, adjustments to the Value Added Tax Law are proposed, so that the services associated with information technology would be part of the list of services that can be exported at a zero Value Added Tax (VAT) rate. This adapts the legal framework to the technological progress in line with international best practices, and boosts the competitiveness of our economy.

Additionally, it is proposed to establish a stimulus to foster business spending on Research and Technology Development (RTD). The stimulus will consist of a tax credit in projects related to technology development.

To continue with the implementation of the Energy Reform, the 2017 Economic Program proposes to bring forward to January 2017 the gradually and orderly liberalization of gasoline and diesel prices. To this end, the proposal is that the Energy Regulatory Commission (CRE) and the Federal Competition Commission (COFECE) determine the pace of price liberalization for different regions of the country. With this process, the proposal seeks to ensure an orderly opening, giving a definitive market opening to fuel supply and leading to detonate a greater investment in the sector.

As mentioned in the "Document concerning the compliance with the provisions of Article 42, Fraction I of the LFPRH", presented in April 2016, also known as General Economic Policy Preliminary Guidelines (Pre-Criterios), the level of oil revenues, along with an increase in non-programmable expenditure due to higher non-earmarked transfers to states by the increase in tax revenues, higher financial cost, and the budget deficit reduction to meet the committed fiscal consolidation trajectory, together represent a challenge for public finances. In this regard, the necessary adjustments to accommodate these higher costs will come from a lower programmable expenditure, rather than an increased indebtedness or taxes. In Pre-Criterios, the estimated programmable expenditure adjustment, without considering the high economic and social impact investment, would be Ps. 311.8 billion compared to the 2016 Expenditure Budget (PEF).

However, considering a more favorable than expected evolution in tax revenues and a lower than anticipated oil price decline, the 2017 Economic Program proposes a lower than expected reduction in programmable expenditure than the one proposed in Pre-Criterios. Consequently, the adjustment amounts to Ps. 239.7 billion compared to the 2016 Expenditure Budget, 1.2% of GDP. Considering the adjustment by Ps. 169.4 billion in 2016, which must be permanent, the adjustment in additional expenditure for 2017 will represent Ps. 70.3 billion, equivalent to 0.3% of GDP.

In particular, it is estimated that net expenditure paid in 2017 will stand at Ps. 4,804.4 billion, amount lower by 1.7% in real terms with respect to the budget approved for the 2016 fiscal year. Within, the accrued programmable expenditure, that considers the estimate of deferral of payments, is placed at Ps. 3,497.7 billion, which implies a decrease of 6.1% in real terms compared to the one approved for 2016.

Regarding the non-programmable expenditure, an increase of 12.1% in real terms compared to 2016 Expenditure Budget is estimated. This is due, among other factors, to the increase in non-earmarked transfers to states, which is estimated to grow by 5.3% in real terms compared to the 2016 Expenditure Budget, due to the favorable performance of tax revenues. Meanwhile, a real increase of 18.9% in the financial cost, due to deteriorating external conditions and a higher debt level, is expected.

Considering the evolution of public finances diagnostic, there are challenges that must be addressed from the expenditure perspective. Thus, the 2017 Expenditure Budget Project represents not only the consolidation of the reengineering effort of public expenditure undertaken during the formation of the 2016 Expenditure Budget Project, but also an expenditure containment in personal services and a decrease in operating expenses, as well as the adoption of financing alternatives, especially on public investment such as Public-Private

Partnerships (PPP), in addition to resources allocation to the first development projects in the Special Economic Zones (SEZ).

Thus, the scenario presented in the 2017 Expenditure Budget Project is mainly based on four elements. The first consists in the containment of resources destined to personal services. The second is the reduction in operating expenses, continuing the austerity process started in 2016. The third is to prioritize programs that contribute to poverty reduction through the decrease of social deprivation, as well as increased effective access to social rights. To this end, the document took into account the “Budget Process Considerations for 2017”, prepared by the National Council for Evaluation of Social Development Policy (CONEVAL). As a last element, the 2017 Expenditure Budget Project, performed a prioritization of productive investment over the administrative one. As part of this strategy, it is proposed to facilitate private sector’s participation in infrastructure development through new investment schemes.

Likewise, the 2017 Economic Program renews and strengthens the Government’s commitment with Budgetary Transparency established since the beginning of this Administration. In that sense, Mexico becomes the first country to present budgetary information, including the one related to the 2017 Expenditure Budget Project, following the international standards on budgetary open data, which is promoted by the Global Initiative for Fiscal Transparency (GIFT) in collaboration with the Open Knowledge International (OKI) organization and the World Bank.

In addition, the contents of the Budgetary Transparency Website (PTP) are renewed, with the creation of the section "Programs" that links information of each program to its budget, its performance and also does geo-referencing of programs and investment projects, including those at local level with federal resources.

The 2017 Expenditure Budget Project proposes to integrate into the PTP, the public procurement data with budgetary information, as well as to create a repository in the PTP that systematizes information for the programs “Subject to Operating Rules”, to make easier to find the programs’ requirements to access the benefits and the characteristics of the supports. In addition, it is proposed that states provide the contracts information to the Ministry regarding projects undertaken with the Metropolitan and Regional Funds, including their geographical location, reports on their developments and evidence of their completion.

The 2017 Economic Program, in line with the fiscal consolidation trajectory, proposes a surplus of 0.1% of GDP in the narrowest measure of the balance, which also implies a primary surplus for the first time since 2008, estimated at 0.4 % of GDP, 0.2 percentage points higher than estimated in Pre-Criterios. The deficit reduction does not imply decrease in high social and economic impact investment, which seeks to promote inclusive development. When included, a deficit of 2.4% of GDP is proposed.

It is also proposed to make an extra effort to reduce the PSBRs to achieve a goal of 2.9% of GDP in 2017, an improvement compared to the originally committed trajectory, requiring a level of 3.0% of GDP.

It should be noted that the 2017 public balance targets will allow to stabilize the Historical Balance of Public Sector Borrowing Requirements (HBPSBR) to GDP ratio, if the observed economic growth is similar to the one expected and the exchange rate does not present volatility or some unexpected negative shock.

The process of fiscal consolidation will continue in 2018, when PSBRs reach 2.5% of GDP. This level of the PSBRs is consistent with a robust downward trajectory in the HBPSBR to GDP ratio. This ratio is expected to continue decreasing in 2018 and the following years, regardless of whether moderate shocks in the exchange rate, the financial cost and economic growth are observed, which are the factors, other than fiscal policy instruments, affecting the evolution of the HBPSBR.

In line with the outlined above, for 2017 it is proposed a Ps. 495 billion for Federal Government's net domestic debt ceiling and a USD 5.8 billion for Public Sector's net external debt ceiling. The Federal Government's net domestic debt ceiling is Ps. 40 billion lower than the one approved for 2016 and Public Sector's net external debt ceiling, including the Federal Government and the Development Banks, is lower by USD 200 million than the USD 6.0 billion ceiling approved for 2016. Meanwhile, Pemex and the Federal Electricity Commission (CFE) proposed debt ceilings approved by its Board of Directors, in line with the autonomy granted to them by the Energy Reform. For 2017 fiscal year, Pemex envisages a Ps. 28 billion net domestic debt ceiling and a USD 7.1 billion net external debt ceiling. The net domestic debt ceiling requested for 2017 is Ps. 82.5 billion lower than the one approved for 2016 and the net external debt ceiling is lower by USD 1.4 billion than the one approved for 2016. In addition, CFE proposed to lower its net domestic debt ceiling from Ps. 12.5 billion to Ps. 10.0 billion to meet its investment needs, while its net external debt ceiling remains zero, the same as in 2016.

The 2017 Economic Program reaffirms the commitment to macroeconomic stability amid an adverse international environment. The measures presented allow to continue with the structural change that has been proposed during this administration and contribute to keep protecting the economy of Mexican families.

Annex

Macroeconomic framework, 2016-2017 (estimated)

	2016	2017
Gross Domestic Product		
Growth % real	2.0 - 2.6	2.0 - 3.0
Nominal (billions of pesos, punctual)*	19,172.5	20,300.3
GDP deflator	3.3	3.3
Inflation		
Dec. / dec.	3.2	3.0
Nominal Exchange Rate (pesos per dollar)		
Average	18.3	18.2
Interest rate (CETES 28 days, %)		
Nominal end of period	4.5	5.3
Nominal average	3.9	4.9
Cumulative real	0.7	1.9
Current Account		
Million dollars	-33,202	-33,026
% of GDP	-3.2	-3.0
Support variables:		
Fiscal Balance (% of GDP)		
Traditional Balance	**-0.4**	**0.1**
Traditional balance including high impact investment	**-2.9**	**-2.4**
United States GDP		
Growth % real	1.5	2.2
United States Industrial Production		
Growth % real	-0.9	2.0
United States Inflation		
Average	1.3	2.3
International Interest Rate		
Libor 3 months (average)	0.7	0.9
Oil (Mexican basket)		
Average price (dollars / barrel)	36	42
Oil production platform (kbd)	2,130	1,928
Average Export Platform (kbd)	976	775
Gas		
Average price (dollars/MMBtu)	2.3	3.2

*Corresponds to the punctual growth scenario for public finances estimates.

Public Finances Estimates for 2017

	Million current pesos		% of GDP		Real Growth %
	2016	2017	Approved 2016	2017	
Economic Balance	**-577,192.0**	**-494,872.5**	**-3.0**	**-2.4**	**-17.0**
Excluding high-impact investment	-96,703.1	12,634.7	-0.5	0.1	n.a.
Non-budgetary balance	0.0	0.0	0.0	0.0	0.0
Budgetary balance	**-577,192.0**	**-494,872.5**	**-3.0**	**-2.4**	**-17.0**
Budgetary Revenues	**4,154,633.4**	**4,309,533.6**	**21.7**	**21.2**	**0.4**
Oil	884,439.6	769,947.4	4.6	3.8	-15.7
Federal Government	486,046.7	376,974.0	2.5	1.9	-24.9
Pemex	398,392.9	392,973.4	2.1	1.9	-4.5
Non-oil	3,270,193.8	3,539,586.1	17.1	17.4	4.8
Federal Government	2,616,393.6	2,842,844.0	13.6	14.0	5.2
Tax	2,407,206.0	2,729,347.9	12.6	13.4	9.7
Non-tax	209,187.6	113,496.1	1.1	0.6	-47.5
Institutions and enterprises[1]	653,800.2	696,742.1	3.4	3.4	3.1
Net paid expenditures	**4,731,825.4**	**4,804,406.1**	**24.7**	**23.7**	**-1.7**
Paid programmable	3,574,657.0	3,464,553.5	18.6	17.1	-6.2
Payment deferral	-32,048.6	-33,106.2	-0.2	-0.2	0.0
Accrued programmable	3,606,705.6	3,497,659.7	18.8	17.2	-6.1
Non programmable	1,157,168.4	1,339,852.6	6.0	6.6	12.1
Financial cost	462,372.5	568,197.6	2.4	2.8	18.9
Non-earmarked transfers	678,747.3	738,548.7	3.5	3.6	5.3
Adefas	16,048.6	33,106.2	0.1	0.2	99.7
Public Sector Financial Cost[2]	**462,872.5**	**568,697.6**	**2.4**	**2.8**	**18.9**
Primary Economic Surplus	**-114,319.5**	**73,825.1**	**-0.6**	**0.4**	**n.a.**
Public Sector Borrowing Requirements	**-664,202.9**	**-596,687.3**	**-3.5**	**-2.9**	**n.a.**

Note: Figures may not add up due to rounding.
1/ Includes IMSS, ISSSTE and CFE.
2/ Includes financial cost of entities under direct budget control.
Source: Ministry of Finance.

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