

Report on Public Finance and Public Debt First Quarter of 2007

- *During the first quarter of 2007 there was a more moderate expansion of economic activity due to lower external economic growth. Domestic demand maintained its dynamism.*
- *During the first quarter 256,277 formal jobs were created.*
 - *Direct banking credit and all its components continued growing at high rates.*
 - *Interest rates and country risk were at levels similar to their historical minima.*
 - *Public Finances recorded a surplus. Public sector revenues registered significant real growth mainly due to non-oil tax collection. Also, a significant increase in social expenditure was observed.*
- ✓ *The Federal Government's net domestic debt was 20.8 percent of the GDP. Several prepayment and external-for-internal debt exchange operations were carried out. The average maturity of the government's debt increased.*

The results of the Report on Public Finances and Public Debt for the first quarter of 2007 were published today. The following results stand out:

- **During the first quarter of 2007 the rate of expansion of the economic activity in Mexico moderated as consequence, fundamentally, of the deceleration of manufacturing production in the U.S. and the evolution of the automotive sector. It is estimated that the economy grew at an annual rate close to 3.0 percent. It is anticipated that GDP growth in 2007 will be 3.3 percent in annual real terms.**
- **During January-February 2007, the most dynamic productive sector was that of services, posting an annual growth rate of 3.9 percent. At more moderate growth rates, industrial and agricultural production increased 0.8 and 0.7 percent in annual real terms, respectively.**
- **During the quarter, 256,277 formal jobs were created. This implies an annual increase of 869,011 jobs (6.5 percent increase).**

- The sales of the main departmental and supermarket stores, leading indicators of consumption in the economy, grew at rates higher than 10.0 percent in real terms during the quarter. This is a signal of the dynamism of domestic demand.
- Annual inflation was 4.21 percent in March 2007, a level 16 basis points higher than that registered in December 2006 (4.05 percent). On the other hand, interest rates, both domestic and external, have been reduced substantially. At the end of the quarter the one year- CETES rate was 7.31 percent and country risk, measured by the EMBI+ index, was 97 basis points.
- Direct banking credit to the private sector increased at an annual rate of 27.8 percent in February 2007. Within, housing credit grew 36.4 percent, consumption credit expanded 31.7 percent and banking credit to businesses and people with entrepreneurial activities increased 24.7 percent, all in real annual terms.
- In the first quarter of 2007, the public balance recorded a surplus of Ps. 102.4 billion, amount that almost doubled in real terms the one registered in the same period of the previous year.
- The Public Sector's Borrowing Requirements posted a surplus of Ps. 71.3 billion, which represents 0.8 percent of GDP.
- Public sector revenues increased 4.1 percent in real terms with respect to the first quarter of 2006, reflecting the dynamism of non-oil revenues (10.0 percent in real terms). Within them, income tax, VAT, and vehicle property tax collection stand out with annual increases of 10.4, 10.6 and 18.0 percent, respectively. Non-tax revenues of the Federal Government registered a real increase of 48.9 percent due to non-recurrent revenues during the period. Oil-related revenues decreased 3.4 percent in real terms as a result of lower production and prices, as well as the decrease in the domestic price of natural gas, fuel oil and petrochemicals.
- Net budgetary expenditures of the public sector were 5.1 percent lower in real terms compared with the amount observed in the same period of 2006. Primary expenditures, defined as total expenditure net of financing

costs, posted a decrease of 3.1 percent in real terms with respect to the one observed in same period of the previous year. Programmable expenditures expanded 3.7 percent in real terms. Within them, those channeled to social development posted a real increase of 6.2 percent with respect to the one observed in the first quarter of 2006. It is worth noting that both social security and education expenditures increased at 14.9 percent in real terms.

- Federal resources transferred to States and Municipalities were lower by 2.9 percent in real terms. Revenue sharing to Federal Entities and Municipalities decreased 15.0 percent due to the real reduction in the Federal Shareable Revenue and a negative adjustment in the third fourth-month adjustment of 2006. The rest of the resources allocated through contributions, decentralization agreements and reallocations increased by 7.4 percent in real terms.
- By the end of the quarter the Public Sector's net debt, which includes the PEDBCs and Development Banks, was 21.1 percent of GDP, 0.1 percent lower than the one registered at the end of 2006. The Federal Government's debt was 20.8 percent of GDP, an amount that is 0.3 percentage points lower than the one registered at the end of the previous year.
- Worth noting during this quarter is the revision in the debt rating given by "Fitch Ratings". The agency changed the rating on the long term debt, both in foreign and domestic currency, to a "positive" outlook.
- At the end of the first quarter of 2007, the Historical Balance of the Public Sector's Borrowing Requirements, which constitutes the broadest version of public sector liabilities, reached 35.7 percent of GDP.

Economic Outlook

During the first quarter of 2007, the Mexican economy moderated its rate of expansion. This was mainly due to the deceleration of U.S. manufacturing production and the behavior of the automotive sector. However, the performance of services and of domestic demand continued to provide a fundamental support to economic growth.

It is estimated that during the first quarter of 2007 the Mexican economy grew at an annual rate of 3.0 percent. A 3.3 percent growth of the economy is anticipated for 2007.

The main economic analysts forecast that growth of the U.S. economy will increase throughout 2007, which support the expectation that Mexican industrial production will increase during the year. This implies that the current deceleration will be transitory.

These estimations rest on the following results:

- In January-February of 2007, the Global Economic Activity Index (IGAE), the GDP proxy, grew 2.8 percent in real annual terms. It implies a bimonthly rate increase of 0.1 percent considering seasonally adjusted data. Within, the different productive sectors behaved according to the following:
 - ✓ Primary activities increased at an annual rate of 0.7 percent. Considering seasonally adjusted data, the agricultural sector grew at a bimonthly rate of 0.5 percent.
 - ✓ The real value of industrial production grew at an annual rate of 0.8 percent, which is a bimonthly decrease of 1.2 percent according to seasonally adjusted data. Within, the results are the following:
 - Mining production grew at an annual rate of 0.1 percent.
 - Manufacturing production registered annual growth of 0.1 percent.
 - Electricity, gas and water sector expanded 5.4 percent in annual terms.
 - Construction increased at an annual rate of 2.4 percent.
 - ✓ The real value of services grew 3.9 percent annually, which in terms of seasonally adjusted data implies a 0.6 percent bimonthly increase.
- Domestic aggregate demand continued favoring economic growth, compensating the deceleration observed in external demand:
 - ✓ During the first quarter of 2007, household consumption continued growing at high rates. The real sales value of the main retail and departmental stores grew at an annual rate higher than 10.0 percent.

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- ✓ In January 2007, fixed capital investment grew 7.3 percent in real annual terms.
- ✓ During the first quarter of 2007, the nominal US dollar value of total exports grew at an annual rate of 2.2 percent. On the other hand, imports increased at an annual rate of 8.0 percent.

During March of 2007, the number of employees registered at IMSS grew to 14 million 221 thousand 835, which implies an increase of 256 thousand 277 formal jobs with respect to the end of 2006. In annual terms, the number of employees affiliated to the Institute grew by 869 thousand 11 people (6.5 percent).

Annual headline inflation was 4.21 percent at the end of the first quarter of 2007, a higher figure than the rate of 4.05 percent registered at the end of 2006. This result is due to an increase observed in the inflation rate in food items, both in those processed as in meat and eggs.

In the middle of the first quarter of 2007, international financial markets registered a greater volatility. Nevertheless, this volatility was transitory and by the middle of March financial markets had stabilized. Medium and long term interest rates reached levels close to their historical minima and Mexico's country-risk (measured by the EMBI+ index) was 97 basis points on March 30.

The stock market index (IPyC) posted an 8.7 percent increase with respect to the closing of December of 2006, reaching a historical maximum. The volatility observed in the international financial markets had a transitory effect thanks to the credibility of the fiscal and monetary policies followed in Mexico.

The exchange rate was 11.04 pesos per USD at the end of the quarter, which implied a nominal depreciation of 2.2 percent with respect to the closing value of 2006.

Banking and non-banking credit to households and firms continued registering high growth, posting an increase of 27.8 percent in real annual terms in February of 2007, that is a Ps. 289.8 billion increase. All of its components grew: housing credit increased by 36.4 percent, consumption credit grew by 31.7 percent and credit to firms and people with entrepreneurial activities grew 24.7 percent, all in real annual terms.

Public Finance

During the first quarter of 2007, the public balance recorded a surplus of Ps.102.4 billion, an amount Ps. 50.5 billion higher than the surplus observed in the same period of 2006. The accumulated primary surplus in March was Ps. 154.6 billion, a Ps. 39.2 billion increase with respect to the one registered in the first quarter of 2006.

The public sector's budgetary revenues were Ps. 611.6 billion, 4.1 percent higher in real terms than that ones registered in the January-March period of 2006. With respect to the amount approved in the calendar published on January 17, 2007 in the Official Gazette of the Federation, budgetary revenues registered an increase of Ps. 27.1 billion (4.6 percent) in the first quarter of 2007.

Excess Revenues, January-March 2007 (Million pesos)			
	Program	Actual	Difference
Revenues	584,517.5	611,629.5	27,112.0
Oil related	208,378.9	197,241.5	-11,137.4
Non-Oil Related	376,138.6	414,388.0	38,249.4
Tax	267,111.8	278,575.2	11,463.4
Non-tax	18,246.0	41,741.6	23,495.6
PEDBC's other than Pemex	90,780.8	94,071.2	3,290.4

Non-oil tax revenues grew by 10.0 percent in real annual terms. Within them, worth noting are real growth rates of 10.4, 10.6 and 18.0 percent in the income tax, VAT and vehicle property tax collection, all compared to the figures of the same quarter of 2006. The Federal Government non-tax revenues increased by 48.9 percent in real terms due to higher non-recurring revenues collected during the period. On the other hand, revenues from public entities under budgetary control other than PEMEX reported a 7.7 percent real reduction. This is explained because until February 2006, the public sector's revenues included the operations of the Housing Fund of ISSSTE, which since March 2006 were excluded according to the reform in article 174 of ISSSTE's law. Oil revenues posted a 3.4 percent decrease in real terms as result of both lower oil production and prices, as well as the decrease in the domestic price of natural gas, fuel oil and petrochemicals.

During the first quarter of 2007, the level of public expenditures was consistent with the availability of resources and with the objective of a balanced budget approved by Congress. At the same time, public spending was oriented towards

government programs for reducing poverty, employment creation and public security.

During the January-March period of 2007, the net budgetary expenditures of the public sector totaled Ps. 506.5 billion, 5.1 percent lower in real terms compared with the amount observed in the same period of 2006. Primary expenditure, defined as total expenditure net of financing costs, was lower by 3.1 percent in real terms with respect to the ones observed in the same period of the previous year. Programmable expenditures grew by 3.7 percent in real terms. In relation to public expenditures up to March 2007, the following stand out:

- Programmable expenditures channeled to social development posted a real increase of 6.2 percent with respect to 2006. Within, the real increases of expenditure on social security and education (14.9 percent in both cases) stand out.
- Investment fostered by the public sector decreased at real annual rate of 10.4 percent. It is worth noting that in the first quarter of 2006 an important amount of resources were allocated to cover the damages from hurricanes observed in late 2005 and to construction works for Terminal Two of the Mexico City's International Airport.
- Federal resources transferred to States and Municipalities through federal contributions, shared revenue, agreements of decentralization and reallocation decreased 2.9 percent in real terms. Shared revenues decreased 15.0 percent in real terms due to the real reduction in the Federal Shareable Revenue collection and because of a negative third fourth-month adjustment of 2006. The rest of the resources transferred to the Federal Entities and municipalities increased 7.4 percent in real terms.
- Expenditures on personnel services during the first quarter of 2007 increased 8.5 percent due mainly to increases in expenditures related to sovereign, education and energy functional activities. In contrast, expenditures in administrative and government functional activities decreased 10.2 percent in real terms.
- Pension expenditures registered a real increase of 12.6 percent.
- The public sector's financing cost decreased 21.7 percent in real terms compared to the same period of last year.

In December of 2006, the Official Gazette of the Federation contained the decree that establishes the austerity and the spending discipline measures for the Federal Public Administration, which sets a Ps. 25.5 billion saving goal for 2007. It is worth noting that the budget approved by Congress considers a reduction in expenses in

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those areas established by the austerity decree, reason why the saving goal mentioned before has already been achieved.

In March, the proposal for the Performance Evaluation System was sent to Congress, in accordance to what is established in the Federal Budget and Fiscal Responsibility Law. General Guidelines for the evaluation of the Federal Programs of the Federal Public Administration were published in the Official Gazette of the Federation in order to strengthen the execution and evaluation of expenditure programs within a result-oriented policy.

Finally, according to what is established in the Fiscal Coordination Law and the Budget Decree, the Ministry informs since the first quarter of 2007 on the execution, allocation and results obtained with federal budgetary resources transferred to the Federal Entities, municipalities and to the Distrito Federal, through federal contributions and coordination agreements related to decentralization or reallocations and subsidies.

Public Debt

In line with the Annual Financing Program for 2007, the main objective of public debt policy has been to meet the financing needs at the most favorable cost conditions, subject to a level of risk that is compatible with a healthy evolution of public finances and the development of local financial markets. During the first quarter of 2007, public debt management actions were focused to strengthen the Federal Government's liability structure.

In January, the Ministry of Finance reported the successful conclusion of a USD 2.8 billion operation which consisted in: i) Global Bonds were exchanged by similar instruments with greater maturity and ii) a cash repurchase of external debt. Additionally, in March an emission of Warrants for the exchange of foreign currency denominated debt for peso-denominated debt was carried out. This operation issued one euro-denominated series by 500 million euros and two dollar-denominated series by USD 2 billion. In the case that investors decide to exert their right to exchange global bonds in dollars by instruments denominated in pesos issued in Mexico, the composition between external and internal debt will be improved.

It is also worth noting the change made by Fitch Ratings on the outlook for long-term public debt denominated in pesos and foreign currency from "neutral" to "positive".

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At the end of the first quarter of 2007, the net Federal Government's debt balance posted Ps.1,969.9 billion. Of this amount, 77.1 percent is internal debt and the rest (22.9 percent) is external. As percentage of GDP, the Federal Government debt posted 20.8 percent ratio, this is 0.3 percentage points lower than the level observed at the end of 2006. Within, 16.0 percentage points was internal debt and 4.8 percentage points was external debt.

In the same period, the internal net Federal Government's debt balance posted Ps. 1,519.17 billion, amount smaller by Ps. 27.93 billion than the one posted at the end of 2006. This has been the result of: a) a net indebtedness of Ps. 40.16 billion, b) an increase in the Federal Government's assets by Ps. 71.43 billion, and c) accounting adjustments by Ps. 3.3 billion, derived from the indexed internal debt inflationary effects.

The share of nominal fixed interest rate Government securities increased from 49.9 percent at the end of 2006 to 51.0 percent at the end of the first quarter of 2007. The average maturity of the internal debt increased 0.36 years (130 days), from 4.27 to 4.63 years in the same period.

At the end of the first quarter, the net external Federal Government's debt was USD 40.68 billion, a larger amount in USD 875.6 million than the one registered at the end of 2006. As percentage of GDP, this balance represented the 4.8 percent.

At the end of the same period, the net Federal Public Sector's debt balance, which includes debt from the Federal Government, Public Entities under Direct Budgetary Control and the Development Banks, reached 21.1 percent of GDP, 0.1 percentage points lower than the one posted at the end of 2006. The internal component as a percentage of GDP was 15.4 percent, 0.3 percentage points lower than the one observed at the end of 2006. With respect to external net debt to GDP ratio, this recorded a level of 5.7 percent, amount that is 0.2 percentage points lower than the level at the end of 2006.

At the end of the first quarter of 2007 the Historical Balance of the Public Sector's Borrowing Requirements, which includes the broadest payment obligations of the Public Sector, were Ps. 3,381.74 billion, which represents 35.7 percent of GDP.

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ANNEX

PUBLIC SECTOR OVERALL BALANCE					
(Million pesos)					
Concept	January-March		Real % real	Composition %	
	2006 p./	2007 p./		2006	2007
PUBLIC BALANCE (I+II)	49,908.2	102,436.3	97.2		
I. Budgetary Balance (a-b)	51,447.6	105,092.1	96.2		
a) Budgetary Revenues	564,203.4	611,629.5	4.1	100.0	100.0
Oil related	196,178.1	197,241.4	-3.4	34.8	32.2
Federal Government	128,479.9	128,488.0	-3.9	22.8	21.0
PEMEX	67,698.1	68,753.5	-2.4	12.0	11.2
Non-oil related	368,025.3	414,388.1	8.2	65.2	67.8
Federal Government	270,166.0	320,316.8	13.9	47.9	52.4
Tax	243,232.5	278,575.3	10.0	43.1	45.5
Non-tax	26,933.5	41,741.6	48.9	4.8	6.8
PEDBC	97,859.3	94,071.2	-7.7	17.3	15.4
b) Net Budgetary Expenditures	512,755.8	506,537.4	-5.1	100.0	100.0
Programmable	340,526.4	367,615.3	3.7	66.4	72.6
Non programmable	172,229.4	138,922.1	-22.5	33.6	27.4
II. PEIBC	-1,539.4	-2,655.7	65.7		
Primary Balance	110,797.5	154,561.5	34.0		

Note: Figures may not add up due to rounding.

p./ Preliminary figures.

Source: Ministry of Finance and Public Credit.

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PUBLIC SECTOR REVENUES					
(Million pesos)					
Concept	January-March		Real % Growth	Composition %	
	2006p_/	2007 p_/		2006 p/	2007 p_/
TOTAL (I+II)	564,203.4	611,629.5	4.1	100.0	100.0
I. Oil related (a+b)	196,178.1	197,241.4	-3.4	34.8	32.2
a) PEMEX	67,698.1	68,753.5	-2.4	12.0	11.2
b) Federal Government	128,479.9	128,488.0	-3.9	22.8	21.0
Rights and royalties on oil products	132,835.4	140,149.8	1.4	23.5	22.9
Excise taxes	-5,556.8	-13,555.1	134.3	-1.0	-2.2
Tax on Oil Returns	1,201.3	1,893.2	51.4	0.2	0.3
II. Non-oil related (c+d)	368,025.3	414,388.1	8.2	65.2	67.8
c) Federal Government	270,166.0	320,316.8	13.9	47.9	52.4
Tax	243,232.5	278,575.3	10.0	43.1	45.5
Income tax	117,388.7	134,867.1	10.4	20.8	22.1
VAT	96,729.1	111,413.0	10.6	17.1	18.2
Excise taxes	9,164.4	10,177.8	6.7	1.6	1.7
Import taxes	7,241.0	7,202.5	-4.4	1.3	1.2
Others ^{1/}	12,709.2	14,914.7	12.7	2.3	2.4
Non-tax	26,933.5	41,741.6	48.9	4.8	6.8
Rights	5,202.1	4,850.7	-10.4	0.9	0.8
Fees	20,194.7	35,137.7	67.1	3.6	5.7
Others	1,536.8	1,753.1	9.6	0.3	0.3
d) PEDBC ^{2/}	97,859.3	94,071.2	-7.7	17.3	15.4
Memorandum items:					
Total tax related	238,877.0	266,913.4	7.3	42.3	43.6
Total non-tax related	325,326.4	344,716.1	1.8	57.7	56.4

Note: Figures may not add up due to rounding.

p_/ Preliminary figures.

1_/ Includes new vehicle, vehicle ownership, luxury goods and services and accessory taxes.

2_/ Public entities under direct budgetary control. Excludes Federal Government transfers to ISSSTE.

Source: Ministry of Finance and Public Credit.

Mexico City, April 30th 2007.**BUDGETARY REVENUES, JANUARY-MARCH OF 2007**

(Million pesos)

	Programmed	Observed ^{p./}	Difference
TOTAL (I+II)	584,517.5	611,629.5	27,112.0
I. Oil related (a+b)	208,378.9	197,241.4	-11,137.5
a) PEMEX	85,505.8	68,753.5	-16,752.3
b) Federal Government	122,873.1	128,488.0	5,614.9
Rights and royalties on oil products	122,218.2	140,149.8	17,931.6
Excise taxes	54.3	-13,555.1	-13,609.4
Tax on Oil Returns	600.6	1,893.2	1,292.6
II. Non-oil related (c+d)	376,138.6	414,388.1	38,249.5
c) Federal Government	285,357.8	320,316.8	34,959.0
Tax	267,111.8	278,575.3	11,463.5
Income tax	127,166.2	134,867.1	7,700.9
VAT	110,409.0	111,413.0	1,004.0
Excise taxes	9,727.9	10,177.8	449.9
Import taxes	6,865.3	7,202.5	337.2
Others ^{1./}	12,943.4	14,914.7	1,971.3
Non-tax	18,246.0	41,741.6	23,495.6
Rights	2,843.4	4,850.7	2,007.3
Fees	13,714.3	35,137.7	21,423.4
Others	1,688.3	1,753.1	64.8
d) PEDBC ^{2./}	90,780.8	94,071.2	3,290.4
Memorandum items:			
Total tax related	267,766.7	266,913.4	-853.3
Total non-tax related	316,750.8	344,716.1	27,965.3

Note: Figures may not add up due to rounding.

p./ Preliminary figures.

1./ Includes new vehicle, vehicle property, luxury goods and services and other.

2./ Public entities under direct budgetary control. Excludes Federal Government transfers to ISSSTE.

Source: Ministry of Finance and Public Credit.

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PUBLIC SECTOR BUDGETARY EXPENDITURES					
(Million pesos)					
Concept	January- March		Real % Growth	Composition %	
	2006p_/	2007 p_/		2006p_/	2007 p_/
TOTAL (I+II)	512.755.8	506.537.4	-5.1	100.0	100.0
I. Primary expenditures (a+b)	457.263.4	461.326.4	-3.1	89.2	91.1
a) Programmable	340.526.4	367.615.3	3.7	66.4	72.6
b) Non-programmable	116.737.0	93.711.0	-22.9	22.8	18.5
II. Financing Cost ^{1/}	55.492.4	45.211.1	-21.7	10.8	8.9

Note: Figures may not add up due to rounding.

p_/ Preliminary figures.

^{1/} Includes interests, commissions and other public debt expenditures associated to debt support programs.

Source: Ministry of Finance and Public Credit

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FEDERAL GOVERNMENT DEBT*									
Concept	Outstanding as of			% of GDP			Structure (%)		
	Dec-05	Dec-06	Mar-07 ^{p/}	Dec-05	Dec-06	Mar-07 ^{p/}	Dec-05	Dec-06	Mar-07 ^{p/}
INTERNAL DEBT :									
NET (Million Pesos) ^{1/}	1,183,310.7	1,547,112.1	1,519,175.3	13.2	16.5	16.0 #	67.0	78.1	77.1
GROSS (Million Pesos)	1,242,154.1	1,672,782.4	1,716,281.0	13.8	17.8	18.1 #	66.4	78.6	79.0
EXTERNAL DEBT:									
NET (Million USD) ^{1/}	53,970.6	39,806.6	40,682.2	6.5	4.6	4.8 #	33.0	21.9	22.9
GROSS (Million USD)	58,373.6	41,936.3	41,071.7	7.0	4.9	4.8 #	33.6	21.4	21.0
TOTAL DEBT:									
NET (Million Pesos) ^{1/}	1,764,989.6	1,980,247.7	1,969,986.9	19.7	21.1	20.8 #	100.0	100.0	100.0
(Million USD) ^{1/}	163,763.1	181,991.3	177,775.8						
GROSS (Million Pesos)	1,871,287.2	2,129,091.3	2,171,408.8	20.8	22.7	22.9 #	100.0	100.0	100.0
(Million USD)	173,625.8	195,670.6	195,952.5						

Note: Figures may not add-up due to rounding.

^{1/} Figures subject to revisions due to changes and methodological modifications.

p/ Preliminary.

^{1/} The Net Debt results from subtracting the Federal Government's financial assets from the Gross Debt.

Source: Ministry of Finance and Public Credit.

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FEDERAL GOVERNMENT DOMESTIC DEBT
FIRST QUARTER 2007
 (Million Pesos*)

Concept	Outstanding Dec-06	Indebtedness			Adjustments	Outstanding Mar-07 ^{p./}
		Disp.	Amort.	Net		
NET DOMESTIC DEBT BALANCE	1,547,112.1					1,519,175.3
ASSETS ^{1/}	-125,670.3					-197,105.7
GROSS DOMESTIC DEBT BALANCE	1,672,782.4	376,320.4	336,156.1	40,164.3	3,334.3	1,716,281.0
Government Securities	1,569,926.4	351,191.3	313,005.3	38,186.0	2,016.9	1,610,129.3
Cetes	346,004.6	256,257.7	252,353.0	3,904.7	0.0	349,909.3
Bondes	214,822.0	0.0	31,026.3	-31,026.3	0.0	183,795.7
Bondes "D"	144,801.4	16,350.0	0.0	16,350.0	0.0	161,151.4
Fixed Rate Development Bonds	708,971.5	60,837.5	29,626.0	31,211.5	0.0	740,183.0
Udibonos	155,326.9	17,746.1	0.0	17,746.1	2,016.9	175,089.9
Udibonos (million UDI's)	41,014.4	4,650.0	0.0	4,650.0	0.0	45,664.4
SAR	59,499.5	25,044.3	22,983.1	2,061.2	992.5	62,553.2
Siefores (Pesos)	0.2	0.0	0.0	0.0	0.0	0.2
Siefores UDI's	0.1	0.0	0.0	0.0	0.0	0.1
Others	43,356.3	84.8	167.7	-82.9	324.9	43,598.3

*./ Figures subject to revisions due to changes and methodological modifications.

p./ Preliminary.

1./ Includes the balance, denominated in pesos, of the General Account of the Federal Treasury and deposits in the national banking system

2./ Adjustment for debt exchange

3./ Adjustment for inflation

Source: Ministry of Finance and Public Credit

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FEDERAL GOVERNMENT EXTERNAL DEBT
FIRST QUARTER 2007
 (Million USD*)

Concept	Outstanding Dec-06	Indebtedness			Adjustments	Outstanding Mar-07 ^{p./}
		Disp.	Amort.	Net		
Net Debt	39,806.6					40,682.2
Assets ^{1./}	-2,129.7					-389.5
Gross Debt	41,936.3	2,504.5	4,795.1	-2,290.6	1,426.0	41,071.7
Publicly placed Bonds	36,212.5	2,266.6	4,645.7	-2,379.1	1,417.8	35,251.2
IFI's	5,389.2	237.9	145.7	92.2	5.6	5,487.0
Bilateral Credit	203.2	0.0	3.7	-3.7	2.9	202.4
Others	131.4	0.0	0.0	0.0	-0.3	131.1

*./ Figures subject to revisions due to changes and methodological modifications.

p./ Preliminary.

1./ Includes the balance, denominated in USD, of the General Account of the Federal Treasury and other assets denominated in foreign currency.

Source: Ministry of Finance and Public Credit

Mexico City, April 30th 2007.

FEDERAL PUBLIC SECTOR DEBT ^{1/}									
Concept	Outstanding as of			% of GDP			Structure (%)		
	Dec-05	Dec-06	Mar-07 ^{p./}	Dec-05	Dec-06	Mar-07 ^{p./}	Dec-05	Dec-06	Mar-07 ^{p./}
INTERNAL DEBT :									
NET (Million Pesos) ^{2/}	1,250,046.0	1,471,714.9	1,465,287.0	13.9	15.7	15.4	63.8	74.1	73.1
GROSS (Million Pesos)	1,339,420.2	1,741,407.6	1,787,766.4	14.9	18.6	18.8	63.4	74.5	73.3
EXTERNAL DEBT:									
NET (Million USD) ^{2/}	65,722.5	47,247.2	48,605.2	7.9	5.5	5.7	36.2	25.9	26.9
GROSS (Million USD)	71,674.5	54,766.3	58,674.2	8.6	6.3	6.9	36.6	25.5	26.7
TOTAL DEBT:									
NET (Million Pesos) ^{2/}	1,958,383.1	1,985,812.1	2,003,895.9	21.8	21.2	21.1	100.0	100.0	100.0
(Million USD) ^{2/}	181,707.0	182,502.7	180,835.8	0.0	0.0	0.0	0.0	0.0	0.0
GROSS (Million Pesos)	2,111,906.5	2,337,319.7	2,437,952.8	23.5	24.9	25.7	100.0	100.0	100.0
(Million USD)	195,951.5	214,807.4	220,006.0	0.0	0.0	0.0	0.0	0.0	0.0

Note: Figures may not add-up due to rounding.

^{*/} Figures subject to revisions due to changes and methodological modifications.^{p./} Preliminary.^{1/} Includes the Liabilities of of the Federal Government, PEDBC's and Development Banks.^{2/} The Net Debt results from subtracting the financial assets of the Federal Government, PEDBC's and Development Banks from the Gross Debt.

Source: Ministry of Finance and Public Credit

Mexico City, April 30th 2007.

FEDERAL PUBLIC SECTOR DOMESTIC DEBT, JANUARY-MARCH 2007

(Million pesos*)

Concept	Outstanding Dec-06	Indebtedness			Adjust.	Outstanding Mar-07 ^{P/J}
		Disp.	Amort.	Net		
NET DEBT	1,471,714.9					1,465,287.0
Assets ^{1/}	-269,692.7					-322,479.4
GROSS DEBT	1,741,407.6	409,623.2	354,061.3	55,561.9	-9,203.1	1,787,766.4
STRUCTURE BY TERM	1,741,407.6	409,623.2	354,061.3	55,561.9	-9,203.1	1,787,766.4
Long-term	1,460,601.5	139,148.7	96,405.7	42,743.0	-9,204.0	1,494,140.5
Short-term	280,806.1	270,474.5	257,655.6	12,818.9	0.9	293,625.9
STRUCTURE BY USER	1,741,407.6	409,623.2	354,061.3	55,561.9	-9,203.1	1,787,766.4
Federal Government	1,672,782.4	376,320.4	336,156.1	40,164.3	3,334.3	1,716,281.0
Long-term	1,400,725.3	139,148.7	96,362.1	42,786.6	3,334.3	1,446,846.2
Short-term	272,057.1	237,171.7	239,794.0	-2,622.3	0.0	269,434.8
PEDBC's	19,353.0	19,002.8	1,793.2	17,209.6	-12,646.0	23,916.6
Long-term	19,353.0	0.0	42.3	-42.3	-12,646.0	6,664.7
Short-term	0.0	19,002.8	1,750.9	17,251.9	0.0	17,251.9
Development Banks	49,272.2	14,300.0	16,112.0	-1,812.0	108.6	47,568.8
Long-term	40,523.2	0.0	1.3	-1.3	107.7	40,629.6
Short-term	8,749.0	14,300.0	16,110.7	-1,810.7	0.9	6,939.2
STRUCTURE BY SOURCE	1,741,407.6	409,623.2	354,061.3	55,561.9	-9,203.1	1,787,766.4
Bonds placed in the local market	1,618,589.6	365,491.3	329,105.3	36,386.0	2,107.5	1,657,083.1
SAR	59,499.5	25,044.3	22,983.1	2,061.2	992.5	62,553.2
Commercial Banks	1,170.3	0.0	54.3	-54.3	18.0	1,134.0
Others	62,148.2	19,087.6	1,918.6	17,169.0	-12,321.1	66,996.1

Note: Figures may not add-up due to rounding.

*./ Figures subject to revisions due to changes and methodological modifications.

p./ Preliminary.

1./ Includes the balance, denominated in pesos, of the General Account of the Federal Treasury and deposits in the national banking system as well as assets from PEDBC's and Development Banks.

Source: Ministry of Finance and Public Credit

Mexico City, April 30th 2007.
FEDERAL PUBLIC SECTOR EXTERNAL DEBT, JANUARY-MARCH 2007
 (Million Dollars*)

Concept	Outstanding Dec-06	Indebtedness			Adjust.	Outstanding Mar-07 ^{p./}
		Disp.	Amort.	Net		
NET DEBT	47,247.2	0.0	0.0	0.0	0.0	48,605.2
Financial Assets Denominated in Foreign Currency 1_/	-7,519.1	0.0	0.0	0.0	0.0	-10,069.0
GROSS DEBT	54,766.3	8,097.1	6,683.6	1,413.5	2,494.4	58,674.2
STRUCTURE BY TERM	54,766.3	8,097.1	6,683.6	1,413.5	2,494.4	58,674.2
Long-term	53,921.6	3,399.8	5,042.5	-1,642.7	2,483.7	54,762.6
Short-term	844.7	4,697.3	1,641.1	3,056.2	10.7	3,911.6
STRUCTURE BY USER	54,766.3	8,097.1	6,683.6	1,413.5	2,494.4	58,674.2
Federal Government	41,936.3	2,504.5	4,795.1	-2,290.6	1,426.0	41,071.7
Long-term	41,936.3	2,504.5	4,795.1	-2,290.6	1,426.0	41,071.7
Short-term	0.0	0.0	0.0	0.0	0.0	0.0
PEDBC's	7,212.0	4,110.8	589.5	3,521.3	1,053.6	11,786.9
Long-term	7,202.8	857.8	111.8	746.0	1,051.5	9,000.3
Short-term	9.2	3,253.0	477.7	2,775.3	2.1	2,786.6
Development Banks	5,618.0	1,481.8	1,299.0	182.8	14.8	5,815.6
Long-term	4,782.5	37.5	135.6	-98.1	6.2	4,690.6
Short-term	835.5	1,444.3	1,163.4	280.9	8.6	1,125.0
STRUCTURE BY SOURCE	54,766.3	8,097.1	6,683.6	1,413.5	2,494.4	58,674.2
Publicly Placed Bonds	38,558.0	2,266.6	4,645.7	-2,379.1	1,422.3	37,601.2
IFI's	8,255.4	270.4	216.0	54.4	3.7	8,313.5
Commercial Banks	1,578.0	1,876.7	967.5	909.2	9.5	2,496.7
Bilateral	3,139.2	457.8	377.0	80.8	11.8	3,231.8
Restructured 1989-1990	76.5	0.0	0.0	0.0	0.0	76.5
Spanish Bank Bonds	76.5	0.0	0.0	0.0	0.0	76.5
Other 2_/	3,159.2	3,225.6	477.4	2,748.2	1,047.1	6,954.5

Note: Figures may not add-up due to rounding.

*_/ Figures subject to revisions due to changes and methodological modifications.

p./ Preliminary.

1_/ Includes the balance, denominated in pesos, of the General Account of the Federal Treasury and deposits in the national banking system as well as assets from PEDBC's and Development Banks.

2_/ Refers to movements of direct debt associated to the PIDIREGA projects.

Source: Ministry of Finance and Public Credit