



REPORT ON PUBLIC FINANCES AND PUBLIC DEBT FOURTH QUARTER OF 2008

- *The Mexican economy is expected to have grown close to 1.5 percent during 2008. The observed slowdown was the result of the deterioration of the economic and financial conditions in industrialized countries.*
- *By the end of December 2008, a public deficit of 0.1 percent of GDP was recorded, consistent with the balanced budget target.*
- *Government revenues grew 9.3 percent in real terms due, mainly, to oil related revenues and non-oil tax revenues.*
- *Programmable expenditures expanded 10.5 percent in real terms. Significant increases were observed in budgetary physical investment (15.4 percent), shared revenues allocated to Federal Entities (21.1 percent) and expenditures on economic development (16.0 percent).*
- *By the end of the fourth quarter of 2008, the Public Sector net debt was 18.5 percent of GDP, 1.1 percentage points lower than the one observed at the end of 2007. During the same period, the average maturity of domestic debt increased by 282 days.*
- *By December 31st of 2008, the **Historical Balance of the Public Sector's Borrowing Requirements** was 32.3 percent of GDP, 2.5 percentage points higher than the one observed at the end of 2007.*

The Report on Public Finances and Public Debt for the fourth quarter of 2008 was published today. The following are worth noting:

- GDP is estimated to have decreased at an annual rate close to 1.0 percent during the fourth quarter of the year. This implies GDP growth of close to 1.5 percent for 2008.
- During the October-November period of 2008, primary activities and the supply of services decreased at annual rates of 0.9 percent, in both cases, while industrial production declined by 3.8 percent.
- During the fourth quarter, sales of the main departmental and supermarket stores grew by 1.7 percent in real annual terms, while the nominal value of manufacturing exports decreased by 8.0 percent in real annual terms. In October 2008, gross fixed capital investment increased by 3.0 percent in annual terms.



- By the end of 2008, the number of workers registered at the IMSS was 14 million 62 thousand 552, implying an annual decrease of 37 thousand 535 formal jobs (0.3 percent).
- Direct bank credit to households and firms grew by 4.2 percent in real annual terms in December 2008.
- During 2008, a public deficit of Ps. 9.6 billion was recorded, amount equivalent to 0.1 percent of GDP, and consistent with the target of a balanced budget established for the fiscal year of 2008.
- The **Public Sector's Borrowing Requirements** were Ps. 250.5 billion, amount equivalent to 2.1 percent of the estimated GDP for 2008.
- **During 2008, the Public Sector's revenues increased 9.3 percent** in real annual terms with respect to 2007. Oil-related and non-oil tax revenues increased by 13.5 and 9.8 percent in real annual terms, respectively.
- The increase in oil revenues from higher oil prices was partially compensated for by lower oil production, lower exports, the appreciation of the exchange rate, and higher gasoline imports.
- Regarding non-oil tax revenues, Excise Taxes, the Income Tax-Unique Rate Corporate Tax and VAT collection stand out with annual increases of 13.0, 9.9 and 6.5 percent, respectively. Collection of the Tax on cash deposits was Ps. 17.8 billion.
- Budgetary revenues in 2008 were Ps. 311.7 billion (12.2 percent) higher than those **established in the Federation's Revenues Law for 2008**. Of the increase, 59.5 percent was from oil revenues, 29.6 percent from Federal Government non-tax revenues and 10.9 percent from public entities under budgetary control other than PEMEX.
- Excess revenues were allocated according to what is established in the current guidelines for the fiscal year of 2008: Ps. 196.2 billion of non-tax revenues and own-revenues of public entities under budgetary control were channeled to ministries, public entities under direct budgetary control and Federal Entities; and, Ps. 115.5 billion were channeled to the stabilization funds and programs and projects of infrastructure investment of Federal Entities.
- Total budgetary expenditures of the public sector were 9.8 percent higher in real annual terms than those registered during the same period in 2007. Programmable expenditures expanded by 10.5 percent in real annual terms. Within, economic and social development



expenditures posted real annual increases of 16.0 and 7.0 percent, respectively, as compared to same period of 2007.

- Physical investment fostered by the public sector increased 10.5 percent in real terms and physical budgetary investment grew by 15.4 percent with respect to 2007.
- Federal resources transferred to states and municipalities increased 13.0 percent in real terms. In particular, shared revenues increased 21.1 percent in annual terms.
- **The public sector's financial cost** decreased 9.6 percent with respect to 2007. Adjusting for the change in methodology for the recording of the financial cost of public entities under direct budgetary control, the financial cost was 2.4 percent higher with respect to 2007.¹
- By the end of the fourth quarter, the **Public Sector's net debt, which includes the Federal Government's net debt, PEDBC's and development bank's net debt, was 18.5 percent of GDP.** Domestic debt was 15.9 percent of GDP, while external debt was 2.6 percent of GDP.²
- As of December 31st, the **Historical Balance of the Public Sector's Borrowing Requirements, the broadest definition of the Public Sector's liabilities, was 32.3 percent of GDP, 2.5 percentage points higher than the one observed at the end of 2007.**

¹ As of 2008, the financial cost of entities under direct budgetary control started to be reported net of financial revenues associated to liquid financial assets, the same methodology applied to the financial cost of the Federal Government.

² These GDP proportions are calculated using the series of GDP with a new base year (2003), published in May 2008 by the National Institute of Statistics, Geography and Informatics (INEGI).



Economic Outlook

During the fourth quarter of 2008, the deterioration in global economic and financial conditions worsened. Several industrialized countries acknowledged that their economies were experiencing a severe recession and they rated the current financial crisis as the worst since the Great Depression. In the United States, production, consumption and investment levels fell considerably.

This situation led to a slowdown of economic activity in Mexico. During the fourth quarter of 2008, real GDP is estimated to have decreased at an annual rate of close to 1.0 percent. This implies GDP growth of close to 1.5 percent for 2008.

This estimation is based on the following results:

- During the October-November bimonthly period of 2008 the Global Economic Activity Index (IGAE), the GDP proxy, decreased 1.7 percent in real annual terms. The evolution by sector was the following:
 - ✓ Primary activities decreased by 0.9 percent.
 - ✓ Industrial production decreased 3.8 percent. Within:
 - Mining production decreased at an annual rate of 4.7 percent.
 - Manufacturing production registered a negative growth rate of 4.0 percent.
 - Construction decreased at an annual rate of 3.4 percent.
 - The electricity, gas, and water sectors expanded 0.5 percent in annual terms.
 - ✓ The real supply of services declined 0.9 percent in annual terms.
- The components of aggregate demand have recorded the following results:
 - ✓ During the fourth quarter of 2008, the real value of sales of stores affiliated to ANTAD grew 1.7 percent in annual terms.
 - ✓ In October 2008, gross fixed capital investment grew 3.0 percent in annual terms.
 - ✓ During the fourth quarter of 2008, the nominal US dollar value of total exports decreased by 13.7 percent in annual terms. Oil exports decreased 42.3 percent, while agricultural, mining and manufacturing exports contracted by 2.8, 2.9 and 8.0 percent, respectively. Imports of goods posted an annual decrease of 6.4 percent; consumer and intermediate goods imports decreased 8.0 and 8.9 percent, respectively. By contrast, capital imports increased 10.7 percent.



By the end of December 2008, the number of workers registered at the IMSS was 14 million 62 thousand 552 people, implying an annual decrease of 37 thousand 535 formal jobs (0.3 percent).

In December 2008, annual headline inflation was 6.53 percent, 1.06 percentage points higher than the one registered at the end of the third quarter of the year (5.47 percent).

During the fourth quarter of 2008, the stock market index (IPyC) of the Mexican Stock Market (BMV) maintained a downward trend, due to the volatility observed in global international stock markets, higher risk aversion, the collapse in investor confidence, and the deterioration of global economic perspectives. By the end of the fourth quarter, the stock market index (IPyC) posted a 10.1 percent nominal decrease with respect to the closing value of September 2008, reaching 22,380 units.

The exchange rate was 13.82 pesos per US dollar on December 31st, which implied a nominal depreciation of 26.2 percent with respect to the closing value of September 2008.

Banking credit to households and firms posted an increase of 4.2 percent in real annual terms in December (a Ps. 160.7 billion expansion in flow terms). Within, credit for housing, firms and individuals with entrepreneurial activities grew 8.1 and 16.1 percent in real annual terms, respectively, while consumer credit decreased 11.2 percent in real annual terms.

Public Finances

During 2008 the public balance recorded a deficit of Ps. 9.6 billion, amount equivalent to 0.1 percent of GDP, and consistent with the target of a balanced budget established for the fiscal year.³ The primary surplus up to December was Ps. 222.4 billion, amount 14.5 percent lower than the one registered in 2007. Worth noting is that to allow a more accurate comparison with the public balance, expenditures and public debt levels of 2008, the public finances and public debt results reported in this press release exclude the effect that results from the issuance of bonds associated **with the ISSSTE's Law Reform**. This emission took place according to what was established in the **21st transitory article of the ISSSTE's Law and the articles 1 and 2 of the Federation's Revenues Law for 2008**. The emission of this bond was by Ps. 292.0 billion, equivalent to 2.4% of GDP. It is worth highlighting that it is a one time emission and it does not constitute a new liability but a preexistent one associated with the pension benefits accrued by workers that becomes budgetary debt.

³ Due to the uncertainty that exists at the end of the fiscal exercise on the precise levels of revenues and expenditures, the regulation of the Federal Budget and Fiscal Responsibility Law establishes that when the absolute value of the budgetary deficit is lower than 0.75 percent of the net expenditures approved in the PEF, net expenditures are considered to have contributed to the balanced budget.



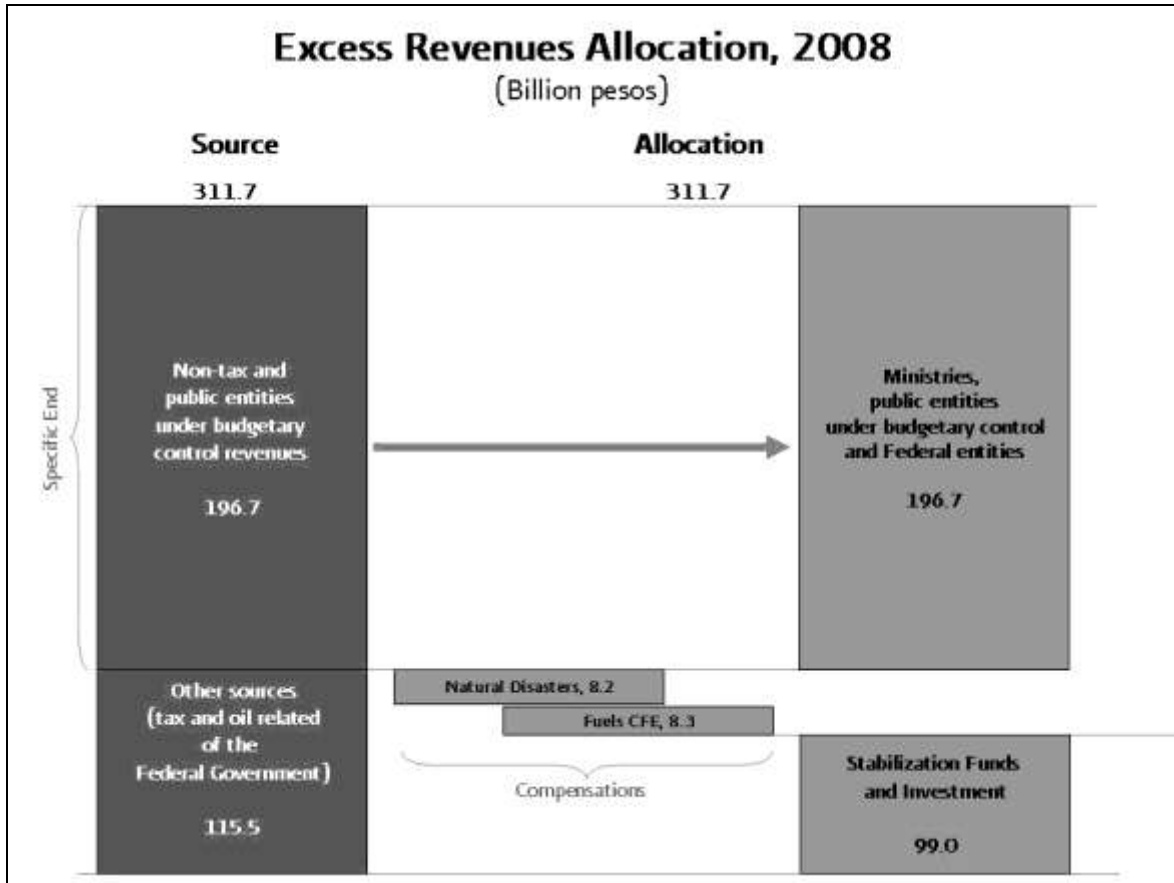
The public sector's budgetary revenues were Ps. 2,857.2 billion, 9.3 percent higher in real terms than the ones registered in 2007, and Ps. 311.7 billion higher with respect to those programmed in the Federation's Revenues Law for 2008.

Oil revenues increased 13.5 percent in real annual terms due to the following factors: an increase in oil prices of 51.4 percent which compensated the decrease in the oil export platform of 16.1 percent and a real increase of 42.5 percent in the value of fuel imports.

Non-oil tax revenues grew by 9.8 percent in real annual terms with respect to 2007. Worth noting are the real growth rates of 13.0, 9.9 and 6.5 percent in Excise Taxes, the Income Tax-Unique Rate Corporate tax and the Value-Added Tax, respectively. Collection of the Tax on cash deposits was Ps. 17.8 billion. Revenues from public entities under direct budgetary control other than PEMEX had a real increase of 6.8. **The Federal Government's non-tax non-oil revenues were 10.4 percent lower, in real terms, mainly due to significantly higher non-recurrent revenues obtained in 2007.**

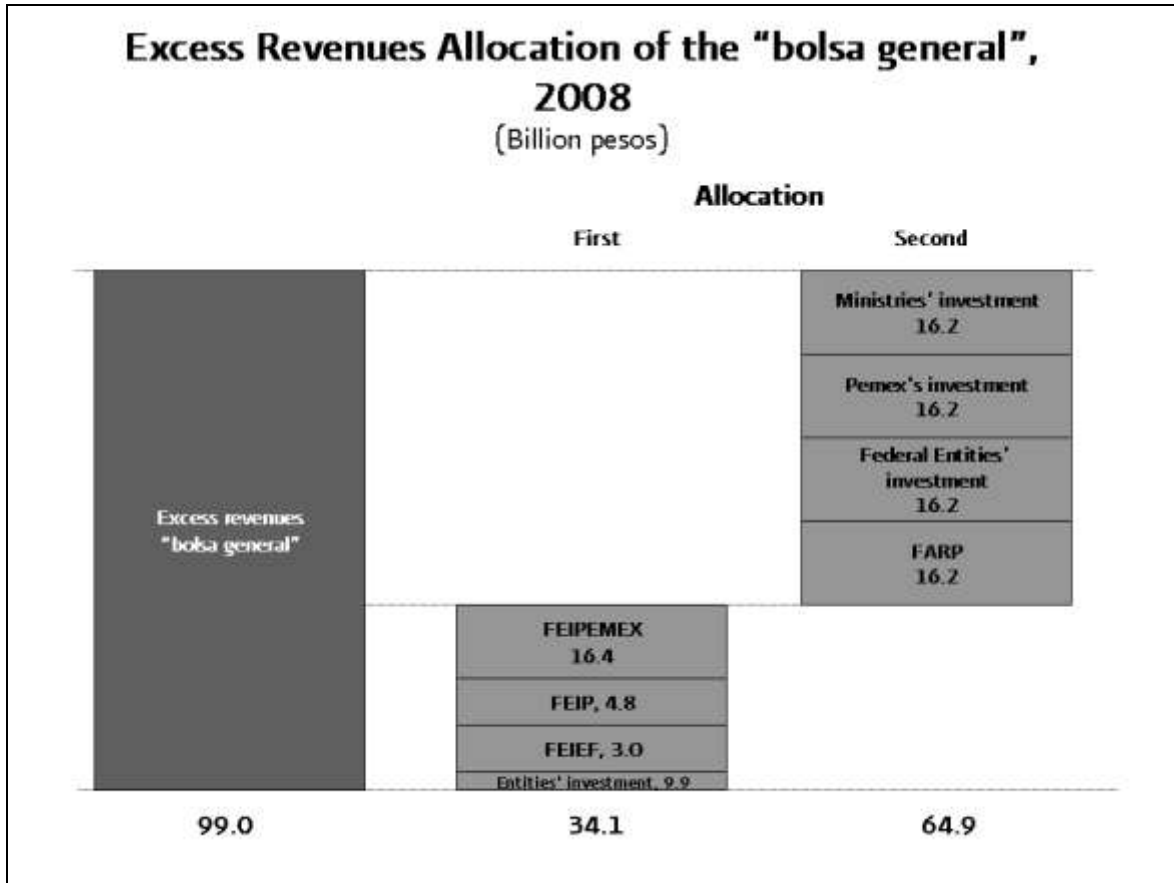
The excess revenues were allocated according to the precepts established in the Federal Budget and Fiscal Responsibility Law (LFPRH):

- Ps. 196.2 billion of non-tax revenues and own revenues of public entities under direct budgetary control were channeled to ministries, public entities under direct budgetary control and Federal Entities.
- Ps. 115.5 billion from other sources (tax and oil revenues of the Federal Government) were allocated as follows: Ps. 8.2 billion for additional expenditures to cover natural disasters, Ps. 8.3 billion to cover the increase of fuel costs of CFE that could not be translated in the corresponding electric tariff, and Ps. 99.5 billion to the stabilization funds and investment.



Worth noting is that during the fiscal year 2008, the Oil Revenues Stabilization Fund (FEIP), the Federal Entities Revenues Stabilization Fund (FEIEF), and the Stabilization Fund for PEMEX's Infrastructure Investment (FEIPEMEX) reached their maximum reserves limit, therefore, additional resources were allocated in accordance with that established in the LFPRH:

- Out of the Ps. 99.5 billion of additional resources from other sources, Ps. 34.1 billion were allocated as follows: Ps. 4.8 billion for the FEIP, Ps. 3.0 billion for the FEIEF, Ps. 16.4 billion for the FEIPEMEX and Ps. 9.9 billion for investment by Federal Entities. The rest of the resources, Ps. 64.9 billion, were channeled in four equal parts to infrastructure investment programs and projects on the Federation's Expenditures Budget; to infrastructure investment programs and projects of the Federal Entities; to PEMEX's investment programs and projects, and to the Fund to Support Pension Restructuring (FARP).



In addition, Ps. 5.2 billion from the collection of the royalty on hydrocarbons for the stabilization fund (DFEIP) were allocated to the FEIP and Ps. 38.3 billion to the FARP. From the collection of the extraordinary royalty on oil exports (DEEP), Ps. 3.2 billion were allocated to the FEIEF and Ps. 22.9 billion to the FARP.

Worth noting is that up to December 31st 2008, the balances of the stabilization funds total Ps. 145.1 billion.



Stabilization Funds Balances December 31 st , 2008 (Million pesos)	
FEIP	85,781
FEIEF	30,321
FEIPEMEX	29,024

In 2008, the exercise of public expenditures was consistent with the available resources and the target of a balanced budget approved by Congress. The expenditures policy gave priority to the programs to overcome poverty, improve welfare, expand and maintain infrastructure, support job creation and strengthen public security.

During 2008, the budgetary expenditures of the public sector totaled Ps. 2,865.3 billion, 9.8 percent higher in real terms compared with the amount observed in 2007. Programmable expenditures were Ps. 2,200.6 billion, which implies a 10.5 percent real increase with respect to 2007. Regarding public sector expenditures during 2008, the following elements are worth highlighting:

- Expenditures channeled to social development were 7.0 percent higher in real terms with respect to 2007; worth noting are the real increases in urbanization, housing and regional development, social assistance expenditures, and drinkable water and sewerage (20.3, 14.6 and 13.0 percent, respectively).
- Expenditures on economic development increased 16.0 percent in real annual terms.
- Budgetary physical investment expenditures increased at a real annual rate of 15.4 percent, and the physical investment fostered by the public sector grew by 10.5 percent in real annual terms.
- Federal resources transferred to states and municipalities through Federal contributions, shared revenues, wage and economic provisions, agreements of decentralization and reallocations increased 13.0 percent in real terms. In particular, shared revenues increased 21.1 percent in real terms.
- Expenditures on personnel services grew 3.3 percent as a result of the increases in activities to attend functions of social security, order, security and justice and education (32.2, 20.7 and 4.7 percent, respectively); expenditures on other governmental activities decreased by 14.8 percent in real terms.
- Pension expenditures registered a real increase of 4.2 percent with respect to 2007.
- **The public sector's financing cost decreased 9.6 percent** in real terms compared to the same period of last year. Worth noting is that from 2008, the concept of financial cost for entities under direct budgetary control is treated in the same way as that of the Federal Government (interest on financial liabilities minus interest on available financial assets). **The public sector's financing cost would be 2.4 percent higher** adjusting for the effect of this methodological change.



As a result of the Savings and Rationalization Measures for the 2008 fiscal year and with effects that will apply to **the Federation's Expenditures Budget for 2009**, at the end of 2008 the ministries and entities of the Federal Public Administration (APF) saved up to Ps. 3.8 billion.

Regarding the implementation of the Results based Budget (PbR), up to December 2008, advances were made in the elaboration of the indicators matrices for results (MIR) in 398 budgetary programs that give subsidies to low income households, provide goods and public services, and in programs where functions of planning, evaluation, promotion, support and regulation of public activities are fulfilled. Additionally, in the budget, 265 performance indicators were created and incorporated for 217 budgetary programs that are executed by 27 ministries and entities of the APF. Moreover, the gender perspective was included in 216 indicators, in the terms established in the **Federation's Expenditures Budget Decree**.

Regarding the Annual Evaluation Program of 2008, the following evaluations were completed: the Gender Equality Diagnosis in 17 programs of 9 sectors, the beneficiaries' perception evaluation of the Rural Supply Program, 21 design evaluations, indicators evaluations, and complementary evaluations in education, primary activities, economic and social development programs. The **strategic evaluation to the "Ramo 33"** and 4 impact evaluations are currently taking place.

It is important to highlight that, for the first time, the Annual Evaluation Program of 2009 was included in the Statement of Purpose **of the Federation's Expenditures Budget for the fiscal year of 2009**.

Public Debt

During 2008, the actions in terms of public debt management were aimed at further strengthening the structure of public debt and create a liabilities portfolio with the cost and term conditions necessary to ensure the strength of Government finances, which becomes especially relevant considering the current economic environment of volatility in international financial markets.

The strategy of the Federal Government favored the use of long-term debt denominated in domestic currency to finance the deficit of the Federal Government and a public liabilities policy aimed at improving the cost and term structure of the external debt in order to reduce net indebtedness through market debt.

More specifically, during 2008, the actions in terms of domestic debt management were aimed at improving the efficiency of local debt markets, seeking to strengthen the liquidity and efficiency of fixed rate bonds in their different terms, developing the market of inflation indexed bonds (Udibonos) to consolidate the real interest rate yield curve, and in general improve the efficiency of the local debt market through the strengthening of its microstructure. As to external debt, the actions undertaken were focused on maintaining a regular presence in international markets to guarantee the adequate operation of the dollar yield curve seeking to improve the terms and



conditions of external debt, develop and strengthen reference bonds and widen the investor base of external bonds.

Among the main actions carried out during 2008 in terms of domestic debt management, worth highlighting are the implementation of swap operations, and the instrumentation of a securities repurchase program since April. In terms of external debt management, worth mentioning are the emission and exercise of warrants, the emission in January of a 30 year bond in international capital markets by 1.5 billion dollars, repurchase operations and prepayment of sovereign bonds during the first quarter of the year, and the emission in December of a global bond for 2.0 billion dollars.

In addition, worth noting is that since the last quarter of the year, when the volatility in global financial markets increased due to the financial crisis, the actions in terms of public debt management were aimed at reducing liquidity problems in domestic financial markets and ensuring their orderly operation. Thus, a proactive policy was implemented to ensure the strength and liquidity of financial markets with measures like the modification of the government securities' auction program (with these program, the emission of long-term securities was reduced and the emission of short-term securities was increased), and the instrumentation of a repurchase program of Bonos and Udibonos.

Domestic net debt of the Federal Government at the end of the fourth quarter of 2008 amounted to Ps. 2,062.1 billion, a level higher by Ps. 273.9 billion than the one at the end of 2007. This was the result of: a) Ps. 208.2 billion of net borrowing, b) a decrease in Federal Government assets by Ps. 39.3 billion, and c) upward accounting adjustments by Ps. 26.3 billion, derived from mainly from the impact due to inflation on indexed domestic debt.

The share of long-term fixed-rate Government securities increased from 54.2 percent at the end of 2007 to 57.5 percent at the end of 2008 and the average maturity of domestic debt increased by 0.77 years (282 days), from 5.59 to 6.36 years.

At the end of the fourth quarter of 2008, the net external debt of the Federal Government stood at USD 37.7 billion (4.1 percent of GDP), USD 3.6 billion lower than at the end of 2007.

At the end of the fourth **quarter of 2008, the Federal Public Sector's net** debt -which includes debt from the Federal Government, Public Entities under Direct Budgetary Control and the Development Banks-, stood at 18.5 percent of GDP, 1.1 percentage points higher than the one at the end of 2007. Domestic debt stood at 15.9 of GDP, 1.7 percentage points higher than the one observed at the end of 2007. The ratio of net external debt to GDP was 2.6 percent, 0.6 percentage points lower than the one observed at the end of 2007.

At the end of the fourth **quarter of 2008, the Historical Balance of the Public Sector's** Borrowing Requirements, the broadest definition of **the Public Sector's** liabilities, was Ps. 4,062.6 billion, amount equivalent to 32.3 percent of GDP.



Press Release

Mexico City, January 30th 2009.

ANNEX

PUBLIC SECTOR OVERALL BALANCE (Million pesos)					
Concept	January - December		Real % Growth	Composition %	
	2007	2008 ^{p_} /		2007	2008 ^{p_} /
PUBLIC BALANCE (I+II)	4,809.9	-9,578.1	n.s.		
I. Budgetary Balance (a-b)	3,281.5	-8,148.6	n.s.		
a) Budgetary Revenues	2,485,785.0	2,857,148.9	9.3	100.0	100.0
Oil related	880,698.1	1,051,150.2	13.5	35.4	36.8
Federal Government	505,858.3	692,069.6	30.1	20.4	24.2
PEMEX	374,839.9	359,080.6	-8.9	15.1	12.6
Non-oil related	1,605,086.9	1,805,998.7	7.0	64.6	63.2
Federal Government	1,205,362.3	1,357,158.1	7.1	48.5	47.5
Tax	1,047,255.7	1,208,300.9	9.8	42.1	42.3
Non-tax	158,106.6	148,857.2	-10.4	6.4	5.2
PEDBC	399,724.6	448,840.6	6.8	16.1	15.7
b) Net Budgetary Expenditures	2,482,503.5	2,865,297.5	9.8	100.0	100.0
Programmable	1,894,952.9	2,200,603.6	10.5	76.3	76.8
Non programmable	587,550.6	664,693.9	7.6	23.7	23.2
II. PEIBC	1,528.4	-1,429.5	n.s.		
Primary Balance	247,004.0	222,044.1	-14.5		
Public Balance with ISSSTE's Reform	4,809.9	-301,577.8	n.s.		
Primary Balance with ISSSTE's Reform	247,004.0	-69,955.6	n.s.		

Note: Figures may not add up due to rounding.

p_ / Preliminary figures.

n.s.: not significant

Fuente: SHCP.



Press Release

Mexico City, January 30th 2009.

PUBLIC SECTOR REVENUES (Million pesos)					
Concept	January - December		Real % Growth	Composition %	
	2007	2008 ^{p_}		2007	2008 ^{p_}
BUDGETARY REVENUES (I+II)	2,485,785.0	2,857,148.9	9.3	100.0	100.0
I. Oil related (a+b)	880,698.1	1,051,150.2	13.5	35.4	36.8
a) PEMEX	374,839.9	359,080.6	-8.9	15.1	12.6
b) Federal Government	505,858.3	692,069.6	30.1	20.4	24.2
Rights and royalties on oil products	550,443.9	905,264.0	56.5	22.1	31.7
Excise taxes	-48,324.0	-217,635.2	n.s.	-1.9	-7.6
Tax on Downstream Returns	3,738.4	4,440.8	13.0	0.2	0.2
II. Non-oil related (c+d)	1,605,086.9	1,805,998.7	7.0	64.6	63.2
c) Federal Government	1,205,362.3	1,357,158.1	7.1	48.5	47.5
Tax	1,047,255.7	1,208,300.9	9.8	42.1	42.3
Income Tax and IETU	527,183.6	608,889.1	9.9	21.2	21.3
Income tax	511,513.6	560,816.0	4.3	20.6	19.6
IMPAC	15,670.0	1,278.7	-92.2	0.6	0.0
IETU (Unique Rate Corporate Tax)	0.0	46,794.4	n.a.	0.0	1.6
VAT	409,012.5	457,697.7	6.5	16.5	16.0
Excise taxes	41,532.2	49,325.6	13.0	1.7	1.7
Import taxes	32,188.0	35,782.9	5.8	1.3	1.3
IDE (Tax on cash deposits)	0.0	17,756.1	n.a.	0.0	0.6
Others ^{1_}	37,339.4	38,849.5	-1.0	1.5	1.4
Non-tax	158,106.6	148,857.2	-10.4	6.4	5.2
Rights	24,830.4	28,506.2	9.2	1.0	1.0
Fees	126,490.8	113,890.3	-14.3	5.1	4.0
Others	6,785.4	6,460.7	-9.4	0.3	0.2
d) PEDBC ^{2_}	399,724.6	448,840.6	6.8	16.1	15.7
Memorandum items:					
Total tax related	1,002,670.0	995,106.4	-5.6	40.3	34.8
Total non-tax related	1,483,115.0	1,862,042.4	19.4	59.7	65.2

Note: Figures may not add up due to rounding.

p_ / Preliminary figures.

n.s: not significant, n.a.: not available

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

2_ / Excludes Federal Government transfers to ISSSTE.

Source: Ministry of Finance and Public Credit.



BUDGETARY REVENUES, JANUARY-DECEMBER OF 2008
(Million Pesos)

	Programmed	Observed ^{p_}	Difference
BUDGETARY REVENUES (I+II)	2,545,450.2	2,857,148.9	311,698.7
I. Oil related (a+b)	865,666.8	1,051,150.2	185,483.4
a) PEMEX	344,642.9	359,080.6	14,437.7
b) Federal Government	521,023.9	692,069.6	171,045.7
Rights and royalties on oil products	503,675.6	905,264.0	401,588.4
Excise taxes	12,348.3	-217,635.2	-229,983.5
Tax on Downstream Returns	5,000.0	4,440.8	-559.2
II. Non-oil related (c+d)	1,679,783.4	1,805,998.7	126,215.3
c) Federal Government	1,264,763.2	1,357,158.1	92,394.9
Tax	1,208,428.6	1,208,300.9	-127.7
Income Tax and IETU	651,412.8	608,889.1	-42,523.7
Income tax	580,983.8	560,816.0	-20,167.8
IMPAC	741.5	1,278.7	537.2
IETU (Unique Rate Corporate Tax)	69,687.5	46,794.4	-22,893.1
VAT	448,359.9	457,697.7	9,337.8
Excise taxes	44,474.4	49,325.6	4,851.2
Import taxes	24,346.4	35,782.9	11,436.5
IDE (Tax on cash deposits)	2,906.3	17,756.1	14,849.8
Others ^{1_}	36,928.8	38,849.5	1,920.7
Non-tax	56,334.6	148,857.2	92,522.6
Rights	12,051.7	28,506.2	16,454.5
Fees	38,011.7	113,890.3	75,878.6
Others	6,271.2	6,460.7	189.5
d) PEDBC ^{2_}	415,020.2	448,840.6	33,820.4
Memorandum items:			
Total tax related	1,225,776.9	995,106.4	-230,670.5
Total non-tax related	1,319,673.3	1,862,042.4	542,369.1

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_ / Excludes Federal Government transfers to ISSSTE.

Source: Ministry of Finance and Public Credit.



Press Release

Mexico City, January 30th 2009.

PUBLIC SECTOR BUDGETARY EXPENDITURES
(Million pesos)

Concept	January - December		Real % Growth	Composition %	
	2007	2008 ^{p_} / _^		2007	2008 ^{p_} / _^
TOTAL (I+II)	2,482,503.5	2,865,297.5	9.8	100.0	100.0
I. Primary expenditures (a+b)	2,243,547.5	2,638,182.5	11.9	90.4	92.1
a) Programmable	1,894,952.9	2,200,603.6	10.5	76.3	76.8
b) Non-programmable	348,594.6	437,579.0	19.4	14.0	15.3
II. Financing Cost ^{1_} / _^	238,956.0	227,115.0	-9.6	9.6	7.9

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.



Press Release

Mexico City, January 30th 2009.

FEDERAL GOVERNMENT DEBT BALANCE, DECEMBER^{*_/}

CONCEPT	Outstanding as of			% of GDP			Structure (%)		
	Dec. 06	Dec. 07	Dec. 08 ^{p_/}	Dec. 06	Dec. 07	Dec. 08	Dec. 06	Dec. 07 [/]	Dec. 08
DOMESTIC DEBT :									
NET (Mill. pesos) Without ISSSTE's Law obligations	1,547,112.1	1,788,339.0	2,062,214.5	14.5	15.1	16.4	78.1	79.9	80.2
NET (Mill. pesos) With ISSSTE's Law obligations	1,547,112.1	1,788,339.0	2,332,748.5	14.5	15.1	18.5	78.1	79.9	82.0
GROSS (Mill. pesos)	1,672,782.4	1,896,260.8	2,401,328.2	15.6	16.0	19.1	78.6	80.5	81.0
EXTERNAL DEBT:									
NET (Million USD)	39,806.6	41,281.4	37,705.6	4.0	3.8	4.1	21.9	20.1	18.0
GROSS (Million USD)	41,936.3	42,251.4	41,733.6	4.3	3.9	4.5	21.4	19.5	19.0
TOTAL DEBT:									
NET (Mill. pesos) Without ISSSTE's Law obligations	1,980,247.7	2,236,911.0	2,572,684.2	18.5	18.9	20.5	100.0	100.0	100.0
NET (Mill. pesos) With ISSSTE's Law obligations	1,980,247.7	2,236,911.0	2,843,218.2	18.5	18.9	22.6	100.0	100.0	100.0
(Million USD)	181,991.3	205,859.5	210,012.9						
GROSS (Mill. pesos)	2,129,091.3	2,355,373.0	2,966,330.2	19.9	19.9	23.6	100.0	100.0	100.0
(Million USD)	195,670.6	216,761.4	219,106.5						

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

The Net Debt results from subtracting the Federal Government's financial assets from the Gross Debt.

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

p_/ Preliminary

Source: Ministry of Finance and Public Credit.



Press Release

Mexico City, January 30th 2009.

FEDERAL GOVERNMENT DOMESTIC DEBT, JANUARY-DECEMBER ^{*_/}

(Million pesos)

Concept	Outstanding December 2007	Indebtedness			Adjustments ^{1_/}	Outstanding December 2008 ^{p_/}
		Disp.	Amort.	Net		
1. NET DEBT (3-2) Without ISSSTE's Law obligations	1,788,339.0					2,062,214.5
1. NET DEBT (3-2) With ISSSTE's Law obligations	1,788,339.0					2,332,748.5
2. Assets ^{2_/}	107,921.8					68,579.7
3. GROSS DEBT	1,896,260.8	1,935,806.0	1,457,725.3	478,080.7	26,986.7	2,401,328.2
Government Securities	1,795,833.3	1,470,405.2	1,265,679.1	204,726.1	20,655.5	2,021,214.9
Cetes	340,453.7	1,037,645.9	1,021,034.9	16,611.0	0.0	357,064.7
Bondes	137,509.1	0.0	79,509.1	-79,509.1	0.0	58,000.0
Bondes "D"	187,490.3	32,189.2	34,103.4	-1,914.2	0.0	185,576.1
Fixed rate development bonds	895,052.9	314,072.3	125,789.6	188,282.7	2,309.4	1,085,645.0
Udibonos	235,327.3	86,497.8	5,242.1	81,255.7	18,346.1	334,929.1
<i>Udibonos udi's</i>	<i>59,834.3</i>	<i>21,423.8</i>	<i>1,284.5</i>	<i>20,139.3</i>	<i>70.3</i>	<i>80,043.9</i>
S.A.R. saving funds	62,937.8	160,175.7	148,169.2	12,006.5	4,106.1	79,050.4
Siefores (pesos)	879.2	13.2	773.4	-760.2	29.4	148.4
<i>Siefores udi's</i>	<i>223.5</i>	<i>3.4</i>	<i>191.4</i>	<i>-188.0</i>	<i>0.0</i>	<i>35.5</i>
Others	0.0	302,143.4	32,266.2	269,877.2	656.8	270,534.0
Government Securities	36,610.5	3,068.5	10,837.4	-7,768.9	1,538.9	30,380.5

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

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

p_/ Preliminary..

1_/ Adjustment for inflation. For the Fixed rate development bonds concept it refers to the debt exchange adjustment. For the Udibonos concept it includes an adjustment by Ps. 241.4 million for exchange debt.

2_/ Includes the balance, denominated in pesos, of the General Account of the Federal Treasury and deposits in the national banking system.

Source: Ministry of Finance and Public Credit



Press Release

Mexico City, January 30th 2009.

FEDERAL GOVERNMENT EXTERNAL DEBT, JANUARY-DECEMBER*_/ (Million USD)

Concept	Outstanding December 2007	Indebtedness			Adjustments	Outstanding December 2008 ^{p_/_}
		Disp.	Amort.	Net		
1. NET DEBT (3-2)	41,281.4					37,705.6
2. Assets ^{1_/_}	970.0					4,028.0
3. GROSS DEBT	42,251.4	5,521.9	6,059.4	-537.5	19.7	41,733.6
Capital Markets	35,352.3	3,500.0	5,552.4	-2,052.4	-51.3	33,248.6
IFI'S	6,622.7	2,021.9	489.9	1,532.0	62.0	8,216.7
Bilateral Credit	199.9	0.0	17.1	-17.1	9.0	191.8
Others	76.5	0.0	0.0	0.0	0.0	76.5

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

Source: Ministry of Finance and Public Credit



Press Release

Mexico City, January 30th 2009.

FEDERAL PUBLIC SECTOR DEBT BALANCE, DECEMBER^{1/}

CONCEPT	Outstanding as of			% of GDP			Structure (%)		
	Dec. 06	Dec. 07	Dec. 08 ^{P_}	Dec. 06	Dec. 07	Dec. 08	Dec. 06	Dec. 07	Dec. 08
DOMESTIC DEBT: 2/									
NET (Mill. pesos) Without ISSSTE's Law obligations	1,471,714.9	1,686,787.0	1,997,964.4	13.8	14.2	15.9	74.1	81.8	85.9
NET (Mill. pesos) With ISSSTE's Law obligations	1,471,714.9	1,686,787.0	2,268,498.4	13.8	14.2	18.0	74.1	81.8	87.3
GROSS (Mill. pesos)	1,741,407.6	1,957,992.3	2,498,688.9	16.3	16.6	19.9	74.5	76.5	76.4
EXTERNAL DEBT:									
NET (Mill. USD)	47,247.2	34,532.5	24,319.4	4.8	3.2	2.6	25.9	18.2	12.7
GROSS (Mill. USD)	54,766.3	55,354.9	56,939.2	5.5	5.1	6.0	25.5	23.5	23.6
TOTAL DEBT: 1/									
NET (Mill. pesos) Without ISSSTE's Law obligations	1,985,812.1	2,062,023.8	2,327,208.3	18.6	17.4	18.5	100.0	100.0	100.0
NET (Mill. pesos) With ISSSTE's Law obligations	1,985,812.1	2,062,023.8	2,597,742.3	18.6	17.4	20.6	100.0	100.0	100.0
(Million USD)	182,502.7	189,765.0	191,880.9						
GROSS (Million pesos)	2,337,319.7	2,559,489.7	3,269,548.9	21.8	21.7	25.9	100.0	100.0	100.0
(Million USD)	214,807.4	235,546.0	241,503.7						

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

The Net Debt results from **subtracting the Federal Government's financial assets from the Gross Debt., public entities and Development Banks assets.**

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

P_/ Preliminary.

1_/ Includes liabilities from the Federal Government, PEDBC's and Development Banks.

Source: Ministry of Finance and Public Credit.



Press Release

Mexico City, January 30th 2009.

FEDERAL PUBLIC SECTOR DOMESTIC DEBT, JANUARY-DECEMBER ^{*/}

(Million pesos)

Concept	Outstanding Dec. 2007	Indebtedness			Adjusts	Outstanding Dec. 2008
		Disp.	Amort.	Net		
NET DEBT (3-2) Without ISSSTE's Law obligations	1,686,787.0					1,997,964.0
NET DEBT (3-2) With ISSSTE's Law obligations	1,686,787.0					2,268,498.0
Assets ^{1/}	271,205.3					230,190.0
Gross Debt	1,957,992.3	2,112,633.9	1,623,852.2	488,781.7	51,914.9	2,498,688.0
Structure by Term	1,957,992.3	2,112,633.9	1,623,852.2	488,781.7	51,914.9	2,498,688.0
Long-term	1,690,521.3	997,525.8	528,440.1	469,085.7	42,947.8	2,202,554.0
Short-term	267,471.0	1,115,108.1	1,095,412.1	19,696.0	8,967.1	296,134.0
Structure by User	1,957,992.3	2,112,633.9	1,623,852.2	488,781.7	51,914.9	2,498,688.0
Federal Government	1,896,260.8	1,935,806.0	1,457,725.3	478,080.7	26,986.7	2,401,328.0
Long-term	1,634,957.6	979,356.3	521,249.6	458,106.7	26,986.7	2,120,051.0
Short-term	261,303.2	956,449.7	936,475.7	19,974.0	0.0	281,277.0
PEDBC's	21,120.1	32,041.0	32,217.5	-176.5	-1,462.6	19,481.0
Long-term	21,120.1	0.0	176.5	-176.5	-1,462.6	19,481.0
Short-term	0.0	32,041.0	32,041.0	0.0	0.0	0.0
Development Banks	40,611.4	144,786.9	133,909.4	10,877.5	26,390.8	77,879.0
Long-term	34,443.6	18,169.5	7,014.0	11,155.5	17,423.7	63,022.0
Short-term	6,167.8	126,617.4	126,895.4	-278.0	8,967.1	14,856.0
Structure by Source	1,957,992.3	2,112,633.9	1,623,852.2	488,781.7	51,914.9	2,498,688.0
Bonds placed in the local market	1,835,828.8	1,602,170.6	1,394,575.4	207,595.2	46,905.6	2,090,329.0
SAR	62,937.8	160,175.7	148,169.2	12,006.5	4,106.1	79,050.0
Commercial Banks	974.5	36,521.5	28,689.6	7,831.9	140.7	8,947.0
ISSSTE's Law obligations	0.0	302,143.4	32,266.2	269,877.2	656.8	270,534.0
Others	58,251.2	11,622.7	20,151.8	-8,529.1	105.7	49,827.0

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

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

^{2/} Preliminary.

^{3/} 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



Press Release

Mexico City, January 30th 2009.

FEDERAL PUBLIC SECTOR EXTERNAL DEBT, JANUARY-DECEMBER*_/

(Million USD)

Concept	Outstanding Dec. 2007	Disp.	Indebtedness Amort.	Net	Adjusts	Outstanding Dec. 2008 ^{P_/_}
1. Net Debt (3-2)	34,532.5					24,319.4
2. Financial Assets Denominated in Foreign Currency ^{1_/_}	20,822.4					32,619.8
3. Gross Debt	55,354.9	20,960.8	20,583.5	377.3	1,207.0	56,939.2
Structure by Term	55,354.9	20,960.8	20,583.5	377.3	1,207.0	56,939.2
Long-term	54,435.0	10,049.3	10,017.0	32.3	1,196.6	55,663.9
Short-term	919.9	10,911.5	10,566.5	345.0	10.4	1,275.3
Structure by User	55,354.9	20,960.8	20,583.5	377.3	1,207.0	56,939.2
Federal Government	42,251.4	5,521.9	6,059.4	-537.5	19.7	41,733.6
Long-term	42,251.4	5,521.9	6,059.4	-537.5	19.7	41,733.6
Short-term	0.0	0.0	0.0	0.0	0.0	0.0
PEDBC's	7,857.3	8,123.2	7,210.1	913.1	1,097.7	9,868.1
Long-term	7,857.3	3,817.8	2,904.7	913.1	1,097.7	9,868.1
Short-term	0.0	4,305.4	4,305.4	0.0	0.0	0.0
Development Banks	5,246.2	7,315.7	7,314.0	1.7	89.6	5,337.5
Long-term	4,326.3	709.6	1,052.9	-343.3	79.2	4,062.2
Short-term	919.9	6,606.1	6,261.1	345.0	10.4	1,275.3
Structure by Source	55,354.9	20,960.8	20,583.5	377.3	1,207.0	56,939.2
Capital Markets	36,964.0	3,500.0	5,804.3	-2,304.3	27.8	34,687.5
IFI'S	9,154.7	2,619.7	1,129.4	1,490.3	27.6	10,672.6
Bilateral	2,932.6	1,046.6	1,037.5	9.1	123.1	3,064.8
Commercial Banks	1,553.5	9,489.3	8,307.1	1,182.2	18.7	2,754.4
Restructured	76.5	0.0	0.0	0.0	0.0	76.5
Pidiregas	4,673.6	4,305.2	4,305.2	0.0	1,009.8	5,683.4

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