

Mexico City, January 30<sup>th</sup>, 2015.

**REPORT ON ECONOMIC ACTIVITY,  
PUBLIC FINANCES AND PUBLIC DEBT  
Actions and results as of the fourth quarter of 2014**

- During the fourth quarter of 2014, the Mexican economy accelerated its growth rate. During October-November of 2014, the GDP proxy (IGAE) increased 2.4% in annual terms, which implies a bimonthly increase of 1% in seasonally adjusted terms, the highest increase since August-September of 2011.
- Mexico continues to differentiate across emerging economies due to the orderly adjustment of its financial indicators within an environment of high volatility in international financial markets.
- During 2014, total net expenditure of the budgetary public sector increased 4.2% in real terms with respect to 2013. Within, expenditure towards physical investment increased 7.5% in real terms, subsidies, transfers and contributions, which include programs allocated to support the most vulnerable population, increased 12.2% in real annual terms.
- Operation expenditures other than personal services and pensions decreased 4.1% in real annual terms. These results reflect that during 2014, public expenditure was oriented towards supporting productive activity in the economy and the welfare of the most vulnerable population.
- Expenditure by administrative branches of the Federal Government increased 4.2% in real terms with respect to 2013. Within, increases in real terms were observed in Ministry of Interior, 31.6%; Sedesol, 24.4%; Transport and Communications, 24.0%; Conacyt, 20.2% and Tourism, 15.6%.
- Budgetary revenues increased 0.8% in real terms during 2014, due to a 6.1% increase in non-oil tax revenues in real terms, which offset the decrease in oil revenues. After adjusting budgetary revenues by the effect of the program for the regularization of tax liabilities “Ponte al Corriente”, applied in 2013, tax collections increased 8.7% in real annual terms. In contrast, oil revenues decreased 7.5% in real terms, due to a lower production platform and oil prices.

- **At the end of 2014, a total public deficit of Ps. 545 billion (3.2% of GDP) was observed. Excluding Pemex's investment, a deficit of Ps. 188 billion (1.1% of GDP) was observed. The public deficit is lower than the amount approved by Congress by approximately Ps. 75 billion, in both cases. Public Sector Borrowing Requirements stood at Ps. 678.3 billion, which is equivalent to 4.0% of GDP, in line with the objective established within Mexico's General Economic Policy Guidelines.**
- **At the end of 2014, the debt of the Federal Public Sector was kept at moderate and stable levels. The net debt of the Public Sector represented 38.3% of GDP, while the Historical Balance of the Public Sector Borrowing Requirements stood at 41.0% of GDP.**
- **For 2015, the Federal Government announced a multiannual expenditure adjustment and restraint, in benefit of economic stability and the Mexican households.**
- **The adjustment for 2015 amounts to approximately Ps. 124 billion and will consist of an adjustment in the Federal Government of Ps. 52 billion, and an estimated expenditure adjustment of Ps. 62 billion and Ps. 10 billion that Pemex and CFE, respectively, will have to carry out in order to comply with its financial balance objectives as a State Productive Enterprises.**

The Ministry of Finance and Public Credit submitted the Report on Economic Activity, Public Finances and Public Debt as of the Fourth Quarter of 2014 to Congress, in compliance with Article 107 of the Federal Budget and Fiscal Responsibility Law, which is also available in the Ministry's website. The following are the main results of this report.

## I. Economic Outlook

The results of the main macroeconomic indicators suggest that during the fourth quarter of 2014, the Mexican economy accelerated its growth rate. Economic activity and job creation strengthened in a complicated global environment.

### Output

The results of the main macroeconomic indicators suggest that, during the fourth quarter of 2014, economic activity in Mexico increased its growth rate, in spite of a deterioration of the external environment.

Volatility increased significantly in international markets, mainly due to the decrease in oil prices, the expectation that the Federal Reserve starts its interest rate normalization cycle and concerns regarding global economic growth, in particular in the euro area and emerging economies. As a result, the main stock exchange indexes fell and the United States' dollar strengthened with respect to other currencies. In this context, Mexico continues to stand out among emerging economies due to the orderly adjustment of its financial indicators.

In contrast, the United States' economy continued to grow at an elevated rate. Growth perspectives for the United States' GDP in 2015 have improved: according to the Blue Chip Economic Indicators survey, growth perspectives for the United States for 2015 amount to 3.2%, which would be the highest growth rate since 2005.

The robust growth in the United States' industrial production was reflected in an acceleration of Mexican non-oil exports. During the fourth quarter of 2014, non-oil merchandise exports increased at an annual rate of 9.3%, the highest growth since the fourth quarter of 2012.

Domestic demand continued to strengthen. Consumption and investment accelerated during the period January-September of 2014. In particular, construction registered a recovery, with production increasing 5.7% in annual terms in the period October-November. The increase in domestic demand was supported by higher formal job creation, a recovery in consumer confidence and credit growth.

Another indicator that confirms that economic activity continues to strengthen is the GDP proxy (IGAE) which increased 2.4% in real annual terms in October-November of 2014, which implies a bimonthly increase of 1% in seasonally adjusted terms, the highest increase since August-September of 2011.

### Employment

During the fourth quarter of 2014, formal job creation accelerated. As of December 31<sup>st</sup>, 2014, the number of workers affiliated at IMSS reached 17.2 million workers, which represent an annual growth of 715 thousand jobs (4.3%), the second highest increase since 1996. By type of contract, permanent jobs increased by 532 thousand workers - which represent 74.5% of the total amount- while temporary jobs increased by 182 thousand workers -which represent 25.5% of the total amount-.

### Prices

During the fourth quarter of 2014, headline inflation started to decrease due to a lower dynamism in the component of services and energy and fees authorized by the Government. As a result, in December 2014, headline annual inflation stood at 4.08%, which implied a decrease of 14 basis points compared to the figure observed in September (4.22%).

The stock market index (IPC) of the Mexican Stock Exchange had a decreasing trend as a result of higher risk aversion due to a deceleration of the global economy and the decrease in international oil prices. The IPC stood at 43,145.66 points at the end of the fourth quarter of 2014, which represented a decrease of 6.9% with respect to its historical highest level (46,357.24 points on September 8<sup>th</sup>, 2014). Its lowest level was observed on December 16<sup>th</sup>, 2014 standing at 40,225.08 points.

During the fourth quarter of 2014, the peso continued to depreciate with respect to the dollar as a consequence of the decrease in oil prices and the generalized strengthening of the US dollar. In this context, at the end of December of 2014, the exchange rate stood at 14.75 pesos per dollar, which implies a 9.9% depreciation with respect to the level observed at the end of September 30<sup>th</sup> (13.42 pesos per dollar).<sup>1</sup>

### Credit

In November 2014, total credit from commercial and development banks increased 4.9% in real annual terms. Within, credit to the private sector registered a 4.9% increase in real annual terms.

<sup>1</sup> 48 hours interbank exchange rate.

## II. Public Finances

The public finances preliminary results achieved during 2014 are consistent with this Administration's commitment with maintaining sound public finances. Results as of December reflect that public expenditure dynamism supports the economy and show sound public finances, observing a deficit that is lower than the amount approved by Congress due to a favorable evolution of tax revenues, which offset the decrease in oil revenues.

### Public balance

In 2014, total public deficit amounted to Ps. 545 billion. Excluding Pemex's investment, a deficit of Ps. 188.3 billion was observed. The public deficit is lower than the amount approved by Congress by approximately Ps. 75 billion, in both cases.

The Executive reports that PSBR amounted to 4.0% of GDP, below the amount of 4.2% approved by Congress, in compliance with its commitment to maintain sound public finances and transparency in fiscal information.

Also, in compliance with the aforementioned changes in the Federal Budget and Fiscal Responsibility Law, a broader measure of the fiscal situation denominated "Adjusted Public Sector Borrowing Requirements", which is calculated by subtracting the amount of non-recurring revenues received in the current year from traditional PSBRs, is published for the first time. In 2014, according to this new measure, "Adjusted PSBRs" amount to 4.7% of GDP.

### Revenues

Budgetary revenues of the public sector stood at Ps. 3,983.4 billion as of the fourth quarter of 2014, an amount 0.8% higher in real annual terms with respect to 2013. The evolution of the main revenue components was as follows:

- Non-oil tax revenues amounted to Ps. 1,815.5 billion, increasing 6.1% in real terms with respect to 2013. Once these revenues are adjusted by the effect of the program for the regularization of tax liabilities "Ponte al Corriente", applied in 2013, tax collections increased 8.7% in real annual terms.<sup>2</sup> Collections from the excise tax and the Value Added Tax observed real increases of 51.7 and 15.2%, respectively. Collections from the income tax system decreased 2.5% in real annual terms, reflecting the elimination of IETU and the tax on cash deposits, as well as the non-recurring revenues that were received in 2013 due to the "Ponte al Corriente" program, excluding these revenues, collections from the income tax system increased 0.4% in real terms, while collections from the income tax increased 7.7%. These favorable results are mainly explained by the implementation of the fiscal reform at the beginning of January, including the new provisions and measures in tax administration.

<sup>2</sup> During 2013, the "Ponte al Corriente" program increased the base of comparison for these revenues by Ps. 38.9 billion.

- Oil revenues amounted to Ps. 1,213.3 billion and were 7.5% lower in real annual terms than the ones observed in 2013. This result is mainly explained by a lower export price of the Mexican oil mix (9.1%) and a lower production platform (3.3%), all with respect to 2013, which was partially offset by a higher natural gas price (20.5% in dollars). Compared to the program, oil revenues were lower by Ps. 52.4 billion, mainly due to a lower production of crude oil and natural gas, as well as higher hydrocarbon imports.
- Revenues from public entities under direct budgetary control other than PEMEX (PEDBC's) stood at Ps. 654.7 billion, which represents a 2.5% increase in real terms with respect to 2013. This is mainly explained by higher electricity sales.
- Non-tax revenues of the Federal Government amounted to Ps. 299.8 billion, which represents an increase of 2.8% in real terms, with respect to 2013, due to higher revenues from fees.

With respect to the amount established in the Federation's Revenues Law for 2014, tax revenues were higher by Ps. 166.7 billion (4.4%). In compliance with the Federal Budget and Fiscal Responsibility Law, surplus revenues were allocated in the following manner: Ps. 6.3 billion from oil rights to its specific destinations (stabilization funds), Ps. 15.1 billion to entities under direct budgetary control and Ps. 145.3 billion to the entities that generated them.

The favorable evolution of collections has allowed for a positive evolution of the stabilization funds. The balance of stabilization funds as of the end of 2014 was Ps. 79 billion.

BALANCE OF STABILIZATION FUNDS AS OF DECEMBER 31 <sup>st</sup> , 2014 (Million pesos)	
<b>Total</b>	<b>78,972.2</b>
FEIP (Federal Government)	43,979.9
FEIEF (States)	34,140.0
FEIPEMEX (PEMEX)	39.2
FARP (Pensions)	813.1

### Expenditures

During 2014, total net expenditure of the public sector was timely executed and oriented towards supporting productive activity in the economy and the welfare of the most vulnerable population. In this sense, budgetary net expenditure of the public sector amounted to Ps. 4,530.6 billion, 4.2% higher in real terms than the amount observed

during 2013, and consistent with the public deficit approved by Congress within the Federal Government's Expenditures Budget for 2014.

Programmable expenditure amounted to Ps. 3,580.3 billion, which is higher by 3.8% in real terms compared to 2013. Within, the following should be noted:

- Physical budgetary investment increased 7.5% in real annual terms.
- Resources allocated towards the payment of subsidies and pensions increased 12.2 and 7.5% in real terms, respectively. Subsidies include social programs allocated to support the most vulnerable population.
- Other operation expenditures decreased 4.1% in real annual terms.
- Expenditure by administrative branches of the Federal Government increased 4.2% in real terms with respect to 2013. Within, increases in real terms were observed in Ministry of Interior, 31.6%; Sedesol, 24.4%; Transport and Communications, 24.0%; Conacyt, 20.2% and Tourism, 15.6%.
- Outlays towards social development increased 3.7% in real terms.
- Federalized expenditures increased 4.8% in real terms. Within, non-earmarked transfers to states increased 5.6% in real terms with respect to 2013.

The financial cost of the public sector increased 5.8% in real terms with respect to the same period of 2013, mainly due to the depreciation of the exchange rate.

In terms of budget execution with respect to the program, net budgetary expenditures were higher by Ps. 93.5 billion, which represents expenditures of 102% of the amount that was programmed for 2014.

- Programmable expenditure was higher by Ps. 116.7 billion, 3.4% higher than the amount programmed for the period. This is explained, among other factors, by the formalization process of agreements executed in coordination with states, the support for the strengthening of Pemex's and CFE's capital and higher outlays for the payment of pensions.
- Non-programmable expenditures were lower by Ps. 23.2 billion with respect to the program, mainly due to a lower financial cost by Ps. 34.4 billion, which was partially offset by higher non-earmarked transfers to states and municipalities by Ps. 7.1 billion, while Adefas and other expenditures were Ps. 4.1 billion higher than the amount approved.

### III. Public Debt

In compliance with the guidelines established in the National Development Plan 2013-2018 (PND), as well as in the National Program to Finance Development 2013-2018 (PRONAFIDE), public credit policy is aimed towards covering the borrowing needs of the Federal Government with low costs in the long-run, with a low risk level and considering potential extreme scenarios while preserving diversity in access to credit and promoting the development of deep and liquid markets, with yield curves that facilitate access to financing for a wide range of private and public economic agents.

#### Domestic debt

Actions for the management of domestic debt have been addressed towards promoting well-functioning local markets, strengthening liquidity of the Federal Government's instruments and develop the local market in an interest rate environment that observed less volatility than in 2013.

#### External debt

Regarding foreign debt, actions carried out during the year were oriented towards improving the terms and conditions of foreign debt and promoting liquidity in the Federal Government's reference bonds, as well as to broaden and diversify the investor base, while maintaining the presence in the most important and deep international markets. In this regard, five issuances were made in international markets, with emissions in United States' dollars, pounds sterling, euros and yens. Also, an issuance of a new reference bond with a 10 year maturity in dollars was carried out in November, in which the Federal Government introduced a new international standard in its foreign debt contracts, by including modifications in its *pari passu* and collective action clauses (CACs).

#### Net debt of the Federal Government

At the end of the fourth quarter of 2014, the stock of the Federal Government's net debt stood at Ps. 5,462.6 billion. As a percentage of GDP, it represented 30.1%. The structure of the current debt portfolio of the Federal Government maintains most of its liabilities denominated in domestic currency, representing 79.2% of the total net debt balance of the Federal Government as of December 31<sup>st</sup>, 2014.

The balance of net domestic debt of the Federal Government at the end of the fourth quarter of 2014 stood at Ps. 4,324.1 billion, amount higher by Ps. 430.2 billion than the one observed at the end of 2013. As a percentage of GDP, this represents 23.8%.

At the end of the fourth quarter of 2014, the balance of net external debt of the Federal Government stood at USD 77.4 billion, amount higher by USD 7.4 billion than the one registered at the end of 2013. As a percentage of GDP, this amount represents 6.3%.



*Net debt of the Federal Public Sector*

At the end of the fourth quarter of 2014, the Federal Public Sector's net debt, which includes net debt of the Federal Government, PEDBC's and development banks, represented 38.3% of GDP. Domestic debt represented 26.5% of GDP, while net external debt represented 11.8% of GDP.

*Historical Balance of the Public Sector Borrowing Requirements*

At the end of the fourth quarter of 2014, the Historical Balance of the Public Sector Borrowing Requirements, which includes the Public Sector's liabilities in their broadest version, amounted to Ps. 7,446.9 billion, equivalent to 41.0% of GDP, amount higher by 2.2 percentage points than the one observed at the end of 2013.

## Annex

PUBLIC SECTOR OVERALL BALANCE					
January-December					
Concept	Million pesos		Real % growth	Composition %	
	2013	2014 <sup>p./</sup>		2013	2014 <sup>p./</sup>
<b>PUBLIC BALANCE</b>	<b>-374,231.2</b>	<b>-544,991.4</b>	<b>n.s.</b>		
<b>PUBLIC BALANCE EXCLUDING PEMEX</b>	<b>-45,659.5</b>	<b>-188,302.1</b>	<b>n.s.</b>		
I. Budgetary balance (a-b)	-377,906.3	-547,217.0	n.s.		
a) Budgetary revenues	3,800,415.6	3,983,411.6	0.8	100.0	100.0
Oil related	1,261,701.7	1,213,347.8	-7.5	33.2	30.5
Federal Government	778,765.8	772,713.9	-4.6	20.5	19.4
PEMEX	482,935.9	440,634.0	-12.3	12.7	11.1
Non-oil related	2,538,713.9	2,770,063.8	4.9	66.8	69.5
Federal Government	1,924,809.4	2,115,345.7	5.7	50.6	53.1
Tax	1,644,537.4	1,815,514.3	6.1	43.3	45.6
Non-tax	280,272.0	299,831.5	2.8	7.4	7.5
PEDBC	613,904.5	654,718.1	2.5	16.2	16.4
b) Net Budgetary Expenditures	4,178,321.9	4,530,628.7	4.2	171.5	171.2
Programmable	3,316,608.7	3,580,285.5	3.8	79.4	79.0
<i>Programmable excluding PEMEX's investment</i>	2,988,036.9	3,223,596.1	3.7	71.5	71.2
Non programmable	861,713.2	950,343.2	6.0	20.6	21.0
II. PEIBC	3,675.1	2,225.6	-41.8		
<b>PRIMARY BALANCE</b>	<b>-60,221.3</b>	<b>-193,261.8</b>	<b>n.s.</b>		

Note: Figures may not add up due to rounding.

p./ Preliminary figures.

n. s.: not significant.

Source: Ministry of Finance and Public Credit.

**PUBLIC SECTOR BUDGETARY REVENUES**  
(Million pesos)

Concept	January-December		Real % growth	% Composition	
	2013	2014 <sup>p_</sup>		2013	2014 <sup>p_</sup>
<b>BUDGETARY REVENUES (I+II)</b>	<b>3,800,415.6</b>	<b>3,983,411.6</b>	<b>0.8</b>	<b>100.0</b>	<b>100.0</b>
I. Oil related (a+b)	1,261,701.7	1,213,347.8	-7.5	33.2	30.5
a) PEMEX	482,935.9	440,634.0	-12.3	12.7	11.1
b) Federal Government	778,765.8	772,713.9	-4.6	20.5	19.4
Rights and royalties on oil products	861,551.6	780,414.4	-12.9	22.7	19.6
Excise taxes <sup>1_</sup>	-85,996.2	-12,369.3	n.s.	-2.3	-0.3
Tax on Downstream Returns	3,210.4	4,668.7	39.8	0.1	0.1
II. Non-oil related (c+d)	2,538,713.9	2,770,063.8	4.9	66.8	69.5
c) Federal Government	1,924,809.4	2,115,345.7	5.7	50.6	53.1
Tax	1,644,537.4	1,815,514.3	6.1	43.3	45.6
Income tax, IETU and IDE	946,740.3	959,876.9	-2.5	24.9	24.1
Income tax	906,848.3	986,601.5	4.6	23.9	24.8
IMPAC	-1,324.8	-735.5	n.s.	0.0	0.0
IETU (Unique Rate Corporate Tax)	47,205.0	-13,667.2	n.s.	1.2	-0.3
IDE (Tax on cash deposits)	-5,988.2	-12,322.0	n.s.	-0.2	-0.3
VAT	556,793.9	667,085.1	15.2	14.7	16.7
Excise taxes	78,572.4	124,016.1	51.7	2.1	3.1
Import taxes	29,259.5	33,927.8	11.5	0.8	0.9
Others <sup>2_</sup>	33,171.3	30,608.4	-11.3	0.9	0.8
Non-tax	280,272.0	299,831.5	2.8	7.4	7.5
Rights	44,107.3	45,020.8	-1.9	1.2	1.1
Fees	228,076.1	249,260.7	5.1	6.0	6.3
Others	8,088.6	5,550.0	-34.0	0.2	0.1
d) PEDBC <sup>3_</sup>	613,904.5	654,718.1	2.5	16.2	16.4
<b>Memorandum Items:</b>					
Total tax related	1,561,751.6	1,807,813.7	11.3	41.1	45.4
Total non-tax related	2,238,664.1	2,175,597.9	-6.6	58.9	54.6

Note: Figures may not add up due to rounding.

p\_ / Preliminary figures.

n.s.: not significant.

1\_ / The negative sign means that tax refunds and/or compensations were higher than revenues.

2\_ / Includes taxes on new vehicles, vehicle ownership and exports, not included in the previous branches and accessory taxes.

3\_ / Excludes Federal Government transfers to ISSSTE.

Source: Ministry of Finance and Public Credit.

**BUDGETARY REVENUES, JANUARY–DECEMBER OF 2014**  
(Million pesos)

Concept	Programmed	Observed <sup>p_</sup>	Difference
<b>BUDGETARY REVENUES (I+II)</b>	<b>3,816,747.8</b>	<b>3,983,411.6</b>	<b>166,663.8</b>
I. Oil related (a+b)	1,265,725.0	1,213,347.8	-52,377.2
a) PEMEX	462,357.5	440,634.0	-21,723.5
b) Federal Government	803,367.5	772,713.9	-30,653.6
Rights and royalties on oil products	785,383.3	780,414.4	-4,968.9
Excise taxes <sup>1_</sup>	16,483.0	-12,369.3	-28,852.3
Taxes on Downstream Returns	1,501.2	4,668.7	3,167.5
II. Non-oil related (c+d)	2,551,022.8	2,770,063.8	219,041.0
c) Federal Government	1,906,593.6	2,115,345.7	208,752.1
Tax	1,752,178.8	1,815,514.3	63,335.5
Income tax, IETU and IDE	970,753.4	959,876.9	-10,876.5
Income tax	1,006,376.9	986,601.5	-19,775.4
IMPAC	0.0	-735.5	-735.5
IETU (Unique Rate Corporate Tax)	-35,623.5	-13,667.2	21,956.3
IDE (Tax on cash deposits)	0.0	-12,322.0	-12,322.0
VAT	609,392.5	667,085.1	57,692.6
Excise taxes	117,958.6	124,016.1	6,057.5
Import taxes	26,758.6	33,927.8	7,169.2
Other taxes <sup>2_</sup>	27,315.7	30,608.4	3,292.7
Non-tax	154,414.8	299,831.5	145,416.7
Rights	36,640.1	45,020.8	8,380.7
Fees	112,081.2	249,260.7	137,179.5
Other	5,693.5	5,550.0	-143.5
d) PEDBX <sup>3_</sup>	644,429.2	654,718.1	10,288.9
<b>Memorandum Items:</b>			
Total tax related	1,770,163.0	1,807,813.7	37,650.7
Total non-tax related	2,046,584.8	2,175,597.9	129,013.1

Note: Figures may not add up due to rounding.

p\_ / Preliminary figures.

1\_ / The negative sign means that tax refunds and/or compensations were higher than revenues.

2\_ / Includes taxes on new vehicles, vehicle use, vehicle ownership and exports, not included in the previous branches and accessory taxes.

3\_ / Excludes Federal Government transfers to ISSSTE.

Source: Ministry of Finance and Public Credit.

**PUBLIC SECTOR BUDGETARY NET EXPENDITURES**

January-December

Concept	Million pesos		Real % growth	Composition %	
	2013	2014 <sup>p_/</sup>		2013	2014 <sup>p_/</sup>
<b>TOTAL (I+II)</b>	<b>4,178,321.9</b>	<b>4,530,628.7</b>	<b>4.2</b>	<b>100.0</b>	<b>100.0</b>
I. Primary expenditures	3,863,770.5	4,184,613.8	4.1	92.5	92.4
Programmable	3,316,608.7	3,580,285.5	3.8	79.4	79.0
Non-programmable	547,161.8	604,328.3	6.2	13.1	13.3
Earmarked transfers	532,455.5	584,722.6	5.6	12.7	12.9
Adefas	15,815.3	23,872.2	45.1	0.4	0.5
Other operations <sup>1_/</sup>	-1,109.0	-4,266.4	n.s.	0.0	-0.1
II. Financing cost <sup>2_/</sup>	314,551.4	346,014.8	5.8	7.5	7.6

Note: Figures might not add up due to rounding.

p\_/ Preliminary figures.

n.s.: not significant.

1\_/ Refers to expenditures minus revenues of the Federal Government on behalf of third parties.

2\_/ Includes interests, commissions, public debt expenditures, and expenditures associated to financial restructuring and support programs for bank savers and bank debtors.

Source: Ministry of Finance and Public Credit.

**FEDERAL PUBLIC SECTOR DEBT BALANCES, DECEMBER \* /**

Concept	Outstanding as of			% of GDP			Structure (%)		
	Dec-12	Dec-13	Dec-14 <sup>p./</sup>	Dec-12	Dec-13	Dec-14	Dec-12	Dec-13	Dec-14
<b>Domestic Debt:</b>									
Net (Million pesos)	3,769,999.1	4,230,924.9	4,809,976.9	23.2	25.2	26.5	70.4	71.2	69.2
Gross (Million pesos)	3,861,092.4	4,408,878.5	5,049,533.3	23.8	26.3	27.8	70.2	71.5	69.9
<b>External Debt:</b>									
Net (Million USD)	121,659.0	130,949.7	145,284.7	9.8	10.2	11.8	29.6	28.8	30.8
Gross (Million USD)	125,726.0	134,435.9	147,665.8	10.1	10.5	12.0	29.8	28.5	30.1
<b>Total Debt: <sup>1./</sup></b>									
Net (Million pesos)	5,352,794.7	5,943,288.0	6,948,276.7	33.0	35.4	38.3	100.0	100.0	100.0
(Million USD)	411,433.8	454,501.4	472,093.8						
Gross (Million pesos)	5,496,800.2	6,166,829.5	7,222,878.5	33.9	36.8	39.8	100.0	100.0	100.0
(Million USD)	422,502.5	471,596.3	490,751.4						

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

Net Debt results from subtracting the Federal Government's financial assets, assets from PEDBCs and of Development Banks from the Gross Debt.

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

p./ Preliminary figures.

<sup>1./</sup> Includes Federal Governments liabilities, PEDBCs and Development Banks.

Source: Ministry of Finance and Public Credit.

**FEDERAL PUBLIC SECTOR DOMESTIC DEBT, JANUARY-DECEMBER \* /**

(Million pesos)

	Outstanding 31-Dec-13	Movements January to September 2014			Adjustments	Outstanding 31-Dec-14 <sup>p./</sup>
		Disp.	Amort.	Net		
<b>1. Net Debt (3-2)</b>	<b>4,230,924.9</b>					<b>4,809,976.9</b>
2. Assets <sup>1./</sup>	177,953.6					239,556.4
<b>3. Gross Debt</b>	<b>4,408,878.5</b>	<b>3,111,031.2</b>	<b>2,528,657.0</b>	<b>582,374.2</b>	<b>58,280.6</b>	<b>5,049,533.3</b>
Structure by Term	4,408,878.5	3,111,031.2	2,528,657.0	582,374.2	58,280.6	5,049,533.3
Long-term	3,921,591.7	1,367,663.0	829,289.9	538,373.1	58,277.7	4,518,242.5
Short-term	487,286.8	1,743,368.2	1,699,367.1	44,001.1	2.9	531,290.8
Structure by User	4,408,878.5	3,111,031.2	2,528,657.0	582,374.2	58,280.6	5,049,533.3
Federal Government	4,063,184.4	2,830,020.3	2,403,018.3	427,002.0	56,433.2	4,546,619.6
Long-term	3,582,551.4	1,152,878.7	766,034.6	386,844.1	56,433.3	4,025,828.8
Short-term	480,633.0	1,677,141.6	1,636,983.7	40,157.9	-0.1	520,790.8
PEDBC's	267,290.2	192,370.9	64,930.9	127,440.0	1,672.5	396,402.7
Long-term	267,290.2	182,323.3	54,883.3	127,440.0	1,672.5	396,402.7
Short-term	0.0	10,047.6	10,047.6	0.0	0.0	0.0
Development Banks	78,403.9	88,640.0	60,707.8	27,932.2	174.9	106,511.0
Long-term	71,750.1	32,461.0	8,372.0	24,089.0	171.9	96,011.0
Short-term	6,653.8	56,179.0	52,335.8	3,843.2	3.0	10,500.0
Structure by Source	4,408,878.5	3,111,031.2	2,528,657.0	582,374.2	58,280.6	5,049,533.3
Bonds placed in the local market	4,013,747.1	2,755,586.7	2,232,016.8	523,569.9	44,230.3	4,581,547.3
S.A.R.	99,920.1	178,391.1	184,944.8	-6,553.7	4,652.0	98,018.4
Commercial Banks	50,101.8	99,102.5	25,426.6	73,675.9	152.0	123,929.7
ISSSTE's Law obligations <sup>2./</sup>	165,506.3	9,566.3	19,974.5	-10,408.2	6,353.9	161,452.0
Others	79,603.2	68,384.6	66,294.3	2,090.3	2,892.4	84,585.9

Note:

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

p./ Preliminary figures.

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

2./ New ISSSTE's Law obligations of the Federal Government.

Source: Ministry of Finance and Public Credit.

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

(Million USD)

	Outstanding 31-Dec-13	Movements January to September 2014			Adjustments	Outstanding 31-Dec-14 <sup>p./</sup>
		Disp.	Amort.	Net		
<b>1. Net Debt (3-2)</b>	<b>130,949.7</b>					<b>145,284.7</b>
2. Assets <sup>1./</sup>	3,486.2					2,381.1
<b>3. Gross Debt</b>	<b>134,435.9</b>	<b>48,553.9</b>	<b>32,178.1</b>	<b>16,375.8</b>	<b>-3,145.9</b>	<b>147,665.8</b>
Structure by Term	134,435.9	48,553.9	32,178.1	16,375.8	-3,145.9	147,665.8
Long-term	130,908.7	27,027.3	11,918.2	15,109.1	-3,148.6	142,869.2
Short-term	3,527.2	21,526.6	20,259.9	1,266.7	2.7	4,796.6
Structure by User	134,435.9	48,553.9	32,178.1	16,375.8	-3,145.9	147,665.8
Federal Government	72,180.4	12,926.1	5,049.8	7,876.3	-1,483.3	78,573.4
Long-term	72,180.4	12,926.1	5,049.8	7,876.3	-1,483.3	78,573.4
Short-term	0.0	0.0	0.0	0.0	0.0	0.0
PEDBC's	53,358.1	14,387.4	6,916.6	7,470.8	-1,265.8	59,563.1
Long-term	53,358.1	13,443.3	6,672.5	6,770.8	-1,265.8	58,863.1
Short-term	0.0	944.1	244.1	700.0	0.0	700.0
Development banks	8,897.4	21,240.4	20,211.7	1,028.7	-396.8	9,529.3
Long-term	5,370.2	657.9	195.9	462.0	-399.5	5,432.7
Short-term	3,527.2	20,582.5	20,015.8	566.7	2.7	4,096.6
Structure by Source	134,435.9	48,553.9	32,178.1	16,375.8	-3,145.9	147,665.8
Publicly Placed Bonds	90,301.7	19,910.3	6,954.1	12,956.2	-2,549.8	100,708.1
IFTs	27,350.1	2,120.9	944.7	1,176.2	-340.3	28,186.0
Bilateral	10,321.3	1,203.0	2,305.4	-1,102.4	-174.2	9,044.7
Commercial Banks	6,178.1	25,075.6	21,729.8	3,345.8	9.9	9,533.8
Pidiregas	284.7	244.1	244.1	0.0	-91.5	193.2

Note:

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

p./ Preliminary figures.

1./ Considers the balance denominated in US dollars of the General Account of the Federal Treasury, as well as other held by PEDBC and Development Banks.

Source: Ministry of Finance and Public Credit.

--- 0 ---