

Mexico City, July 30<sup>th</sup>, 2018

## **Reports on Economic Activity, Public Finances and Public Debt Second quarter of 2018**

- **In the second quarter of 2018, the global economy continued to show a favorable performance. Nevertheless, the pace of expansion of some economies has moderated and some risks for global growth have increased. In Mexico, external demand continued to expand, while consumption kept a positive trend.**
- **During the second quarter of 2018, the main public finances balances were better than expected, reflecting sound public finances.** In this period, the public balance registered a Ps. 206.7 billion deficit, which was Ps. 333.7 billion lower than estimated. Similarly, the primary balance recorded a Ps. 121.1 billion surplus, which compares with the Ps. 7.6 billion primary surplus expected in the program.
- **In the second quarter of 2018, the Public Sector Borrowing Requirements, the broadest measure of the Public Sector balance, registered a Ps. 230.5 billion deficit, which is consistent with the annual deficit target of 2.5 percent of GDP.**
- **As of the second quarter of 2018, the fiscal results indicate that the Historical Balance of the Public Sector Borrowing Requirements (HBPSBRs) will maintain its downward trend as a proportion of GDP.**

Today, the Ministry of Finance delivered to Congress the Reports on the Economic Situation, Public Finances, and Public Debt as of the second quarter of 2018, in compliance with the provisions of Article 107 of the Federal Budget and Fiscal Responsibility Law (LFPRH). The reports have also been made available to the public through the website of the Ministry.

### Economic Outlook

During the second quarter of 2018, the global economy continued to grow, although the pace of expansion has moderated in some economies and the balance of risks for the global economic growth has deteriorated. Among these risks, the possibility of a faster monetary policy normalization process in the US and the intensification in the application of barriers to international trade stand out.

Within the advanced economies, the US economy showed an acceleration in its GDP and industrial production growth rates during the second quarter of 2018. In this context, and considering the strengthening of the labor market and the inflation rebound, the Federal Reserve continued with its process of monetary policy normalization and raised the target range for the federal funds rate to 1.75 to 2.0 percent. Furthermore, it now anticipates a faster pace of interest rate hikes for the Federal Funds rate for the remainder of the year. In the Eurozone, recent economic data shows that the economic activity continues to grow, albeit at a lower rate during the April – June period of 2018. Similarly, the growth rate in some of the main emerging economies has been below that anticipated.

The Mexican economic activity maintained its economic growth at the end of 2017 and the beginning of 2018. During the first quarter of 2018, GDP grew 1.1 percent with seasonally adjusted figures, after having expanded 0.9 percent in the fourth quarter of 2017, representing the highest economic growth rate since the third quarter of 2016. This is mainly explained by the reconstruction efforts in affected areas by the earthquakes of September 2017. However, available economic data for the second quarter indicate some moderation in the pace of expansion of economic activity with respect to the high dynamism observed at the beginning of the year. During the second quarter of 2018, the external demand continued to expand, while consumption kept a positive trend. On the other hand, investment registered a slowdown, after the incipient pick up it showed since the end of 2017. During the April-June period of 2018, the conditions in the labor market continued to strengthen, and the unemployment rate has decreased to historically low levels.

At the end of the second quarter of 2018, annual headline inflation stood at 4.65 percent (2.12 percentage points below the one registered by year-end 2017 and 0.39 percentage points below the one registered at the end of the previous quarter). In addition, core inflation maintain a downward trend in the second quarter of 2018. With figures at the end of the second quarter, the Mexican peso depreciated 9.5 percent against the US dollar compared to the end of the first quarter. Throughout the second quarter, the exchange rate showed volatility, reflecting the dynamics of the US dollar in the global exchange market, the uncertainty regarding the global imposition of trade barriers, the renegotiation of NAFTA, and Mexico's electoral process.

At the end of the second quarter of 2018, and also in comparison to the end of the previous quarter, an increase in interest rates was observed along the yield curve, following the process of interest rate hikes by Banco de Mexico and the Federal Reserve. Short-term interest rates increased more than long term rates, which resulted in a flattening of the yield curve.

## Public Finances

During the first half of 2018, the main public finances balances were better than expected, which is explained by higher revenues than the originally anticipated. In particular in the January - June period of 2018, the public balance recorded a Ps. 206.7 billion deficit, lower than the deficit approved by Congress of Ps. 333.7 billion<sup>1</sup>. On other hand, the primary balance recorded a Ps. 121.1 billion surplus, higher than the Ps. 7.6 billion surplus approved by Congress.

In the first half of the year, the Public Sector Borrowing Requirements (PSBRs), the broadest measure of the Public Sector balance, registered a Ps. 230.5 billion deficit, which is consistent with the annual deficit target of 2.5 percent of GDP in 2018.

During the January – June period of 2018, the Public Sector budgetary revenues were Ps. 199.5 billion higher than those expected in the program. Among income sources, tax and oil revenues were higher than approved by Ps. 92.2 billion and Ps. 67.3 billion, respectively. Compared to the same period of the previous year, oil and tax revenues excluding fuel excise tax (IEPS) increased by 8.7 and 3.4 percent in real annual terms, respectively.

In the first half of the year, net paid expenditure was Ps. 155.6 billion above the expected in the program associated with deposits to the stabilization funds due to excess revenues of 2017<sup>2</sup>, higher payment of non-earmarked transfers to subnational governments due to the favorable tax collection, and higher operating cost due to an increase in the price of fuels for power generation. This reflected a real growth of the net paid expenditure of 4.9 percent compared with the same period of the previous year, while non-programmable and programmable expenditure were 11.2 and 2.5 percent higher in real terms, respectively.

In compliance with the 2018 Economic Program, the PSBRs will reach a deficit of 2.5 percent of GDP at year-end 2018, while the primary balance will stand at 0.8 percent of GDP. Furthermore, these figures suggest that the Historical Balance of the Public Sector Borrowing Requirements (HBPSBRs) will decrease from 46.0 percent of GDP registered at the end of 2017 to 45.5 percent of GDP at year-end 2018.

Lastly, the balance of the Stabilization Funds at the end of June 2018 stood at Ps. 346.9 billion, which is Ps. 38.8 billion higher than that observed at the end of 2017.

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<sup>1</sup> The balances, income and expenditure of the program correspond to the Federal Income and Budget Law, approved by the Congress, and to the Agreement which discloses the monthly calendar of the forecast of the income contained in the Article 1° of the Federal Income Law for the Fiscal Year of 2018 and based on the methodology used to make this forecast, published on December 7, 2017 in the Official Gazette of the Federation (DOF), and the Authorized Budget Calendars for Fiscal Year 2018, published on December 13, 2017 in the DOF.

<sup>2</sup> Based on the regulatory framework, surplus revenues contributions were made to the Stabilization Funds of 2017 for a total amount of 111.4 billion, of which Ps 83.4 billion were deposited in 2017 and based on updated information an additional net amount of Ps. 28.0 billion was contributed in February 2018 (contributions for 37.3 billion to FEIP, FEIEF and FIES that were registered as Adefas in 2018 and a whole of the FMP to the Federal Treasury of 9.3 billion).

## Public Debt

Public debt policy aims to cover the financing needs of the Federal Government at the lowest possible cost, considering a long-term horizon and a low level of risk of refinancing and interest rates. In this respect, public debt policy has been aimed at strengthening the Federal Government's liabilities portfolio in order to reduce the probability that external shocks with implications on financial variables affect the debt service profile and, therefore, the strength of public finances. In this sense, the structure of public debt has been one of the elements that have contributed to pass through in an orderly manner the periods of volatility in the domestic and international financial markets.

During the second quarter of 2018, policy actions regarding public debt were aimed at reducing the risks of the debt portfolio and improving the conditions of access to financing for the Federal Government.

Within the management of domestic debt, on April 18<sup>th</sup> the Federal Government conducted a fixed rate bond placement through a syndicated auction in the domestic market for a total amount of Ps. 25.0 billion with a maturity of 3 years. The new benchmark bond with maturity in December 2021 will grant a yield rate of 7.22 percent and will pay a 7.25 coupon rate.

Additionally, in order to improve the maturity profile, as well as to increase its maturity term, a swap operation was conducted in the domestic market on June 12<sup>th</sup>. In this transaction, M Bonds with maturities between 2018 and 2021, and inflation linked bonds (Udibonos) with maturities in 2019 and 2020 were received as target bonds; while M Bonds with maturities in 2021, 2023, 2027, 2029, 2031, 2034, 2038, and 2047, and inflation linked bonds (Udibonos) maturing in 2022, 2025, 2028, 2035, 2040 and 2046 were delivered as settlement bonds. In total, Ps. 177.8 billion were allocated, decreasing amortizations for 2018 in Ps 51.2 billion, 2019 in Ps. 27.5 billion, 2020 in Ps. 73.7 billion and 2021 in Ps. 25.5 billion.

Regarding the external debt, in line with the Annual Financing Plan, during the second quarter of 2018 debt placements in international financial markets were carried on in order to improve the maturity profile and to foster the liquidity of Federal Government benchmark bonds, pursuing to amplify and diversify the base of investors as well as to improve the external debt terms and conditions in the market. On April 12<sup>th</sup>, the Federal Government conducted a financing operation in the Japanese market for a total amount of JPY 135 billion (around USD 1.3 billion), through the issuance of new bonds with maturities in 5, 7, 10 and 20 years. The obtained financing cost represented a record low for the Federal Government debt issuances in similar terms in any market.

At the end of the second quarter of 2018, the Federal Government net debt balance stood at Ps. 7.9 trillion. The structure of the Federal Government's debt portfolio holds most of its liabilities denominated in local currency, representing 75.9 percent of the Federal Government net debt balance as of June 2018.

The Federal Government net domestic debt balance amounted to Ps. 6.0 trillion at the end of the second quarter of 2018. On the other hand, the Federal Government net external debt balance stood at USD 95.0 billion.

Regarding the Federal Public Sector net debt balance, which includes the net debt of the Federal Government, State Productive Enterprises and Development Banks, amounted to Ps. 10.6 trillion at the end of the second quarter of 2018.

The Federal Public Sector net domestic debt stood at Ps. 6.6 trillion. Meanwhile, the Federal Public Sector net external debt stood at USD 198.0 billion.

As of June 2018, the Historical Balance of the Public Sector Borrowing Requirements (HBPSBRs), the broadest measure of public debt, amounted to Ps. 10.4 trillion. The HBPSBRs domestic component stood at Ps. 6.5 trillion, while the external component amounted to Ps. 3.9 trillion.

## Annexes

### PUBLIC SECTOR FINANCIAL SITUATION

(Million pesos)

Concept	January-June			Nominal Difference (3-2)	Growth % real (3/1)
	2017		2018		
	(1)	Program (2)	Observed <sup>p_/</sup> (3)		
<b>Public Balance</b>	<b>141,852.6</b>	<b>-333,740.4</b>	<b>-206,731.3</b>	<b>127,009.1</b>	<b>n.s.</b>
<b>Public Balance Excluding Investment<sup>1/</sup></b>	<b>318,395.9</b>	<b>-15,013.4</b>	<b>107,088.9</b>	<b>122,102.3</b>	<b>-67.9</b>
Budgetary Balance	120,696.7	-334,040.4	-290,134.5	43,905.9	n.s.
Budgetary Revenue	2,655,253.7	2,300,808.3	2,500,311.6	199,503.3	-10.3
Net Budgetary Expenditure	2,534,557.0	2,634,848.7	2,790,446.1	155,597.4	4.9
Entities under Indirect Budgetary Control	21,155.9	300.0	83,403.2	83,103.2	275.7
Primary Balance	412,895.0	7,640.1	121,052.0	113,411.9	-72.1
<b>Public Balance by Entities</b>	<b>141,852.6</b>	<b>-333,740.4</b>	<b>-206,731.3</b>	<b>127,009.1</b>	<b>n.s.</b>
Budgetary Balance	120,696.7	-334,040.4	-290,134.5	43,905.9	n.s.
Federal Government Balance	105,068.3	-359,301.7	-276,088.4	83,213.3	n.s.
State Productive Enterprises	-61,748.4	-54,081.0	-103,887.8	-49,806.8	n.s.
Pemex	-73,352.7	-74,636.1	-48,138.5	26,497.6	n.s.
CFE	11,604.3	20,555.1	-55,749.3	-76,304.4	n.s.
Entities under Direct Budgetary Control	77,376.8	79,342.3	89,841.7	10,499.4	10.6
IMSS	64,919.9	62,100.5	77,270.8	15,170.3	13.4
ISSSTE	12,456.9	17,241.8	12,570.9	-4,670.9	-3.8
Entities under Indirect Budgetary Control Balance	21,155.9	300.0	83,403.2	83,103.2	275.7
<b>Memorandum Items</b>					
PSBR	156,423.9		-230,477.5		n.s.
PSBR excluding BMOS	-165,229.4		-230,477.5		n.s.
Primary PSBR	583,002.6		214,603.0		-64.9
Primary PSBR excluding BMOS	261,349.4		214,603.0		-21.7
Public Balance excluding BMOS	-99,823.0	-333,740.4	-206,731.3	127,009.1	n.s.
Primary Balance excluding BMOS	171,219.3	7,640.1	121,052.0	113,411.9	-32.6

Note: Partial sums and variation may not add up due to rounding.

p\_/ Preliminary figures

n.s.: Not significant

<sup>1/</sup> Excludes up to 2% of GDP of both State Productive Enterprises and Federal Government's physical investment as per the Article 1 of the Federal Income Law 2018.

Source: Ministry of Finance

**PUBLIC SECTOR BUDGETARY REVENUES\*\_/**  
(Million pesos)

Concept	January-June			Nominal Difference (3-2)	Growth % real (3/1)
	2017 (1)	2018			
		Program (2)	Observed <sup>p_/</sup> (3)		
<b>Total</b>	<b>2,333,600.4</b>	<b>2,300,808.3</b>	<b>2,500,311.6</b>	<b>199,503.3</b>	<b>2.1</b>
<b>Oil</b>	<b>417,152.0</b>	<b>408,376.3</b>	<b>475,676.5</b>	<b>67,300.2</b>	<b>8.7</b>
State Productive Enterprise (Pemex)	181,951.2	186,607.1	210,251.0	23,643.9	10.1
Federal Government	235,200.8	221,769.1	265,425.5	43,656.4	7.5
Mexican Oil Fund	235,198.4	221,769.1	265,425.5	43,656.4	7.5
Income Tax from contractors and assignees	2.4	0.0	0.0	0.0	n.s.
<b>Non-oil</b>	<b>1,916,448.5</b>	<b>1,892,432.0</b>	<b>2,024,635.1</b>	<b>132,203.1</b>	<b>0.7</b>
Federal Government	1,571,513.7	1,533,106.1	1,661,671.5	128,565.4	0.8
Tax	1,468,909.3	1,465,845.0	1,558,076.6	92,231.6	1.1
Income Tax	830,545.4	815,591.3	876,836.3	61,245.0	0.6
Value Added Tax	399,955.2	411,539.8	460,854.3	49,314.5	9.8
Excise Tax	189,891.4	192,593.1	165,359.0	-27,234.0	-17.0
Imports	24,885.8	22,359.1	27,612.9	5,253.8	5.7
Tax on hydrocarbon exploration and extraction activities	2,095.7	2,353.5	2,451.6	98.1	11.5
Others	21,535.7	21,408.2	24,962.4	3,554.2	10.5
Non Tax	102,604.3	67,261.1	103,594.9	36,333.8	-3.8
Entities under Direct Budgetary Control	174,809.7	183,731.1	191,660.3	7,929.2	4.5
IMSS	151,393.6	159,084.7	167,482.6	8,397.9	5.4
ISSSTE	23,416.1	24,646.5	24,177.8	-468.7	-1.6
State Productive Enterprise (CFE)	170,125.1	175,594.8	171,303.3	-4,291.6	-4.0
<b>Memorandum Items</b>					
Total Revenues including BMOS	2,655,253.7	2,300,808.3	2,500,311.6	199,503.3	-10.3
Federal Government Non-Tax revenues including BMOS	424,257.6	67,261.1	103,594.9	36,333.8	-76.7
Tax revenues excluding fuels Excise Tax	1,358,883.3	1,353,234.2	1,474,296.4	121,062.2	3.4

Note: Partial sums and variation may not add up due to rounding.

\*\_/ Excluding BMOS, except in those indicated figures For comparison between 2017 and 2018, is necessary to subtract from the figures reported for 2017 in the web site of the Ministry of Finance the whole of BMOS.

p\_/ Preliminary figures

n.s.: Not significant.

Source: Ministry of Finance

## PUBLIC SECTOR TOTAL BUDGETARY EXPENDITURE

(Million pesos)

Concept	January-June			Nominal Difference	Growth % real
	2017	2018			
		Program	Observed <sup>p_/</sup>		
(1)	(2)	(3)	(3-2)	(3/1)	
<b>Total</b>	<b>2,534,557.0</b>	<b>2,634,848.7</b>	<b>2,790,446.1</b>	<b>155,597.4</b>	<b>4.9</b>
<b>Primary Expenditure</b>	<b>2,254,939.8</b>	<b>2,293,417.8</b>	<b>2,458,710.3</b>	<b>165,292.5</b>	<b>3.9</b>
Programmable	1,819,606.0	1,867,349.4	1,956,343.5	88,994.1	2.5
Federal Government	1,373,419.7	1,417,427.7	1,448,781.2	31,353.5	0.5
Autonomous Branches	42,573.4	67,338.6	51,327.3	-16,011.3	14.9
Administrative Branches	509,259.8	530,752.8	569,126.9	38,374.1	6.5
General Branches	821,586.4	819,336.3	828,327.1	8,990.8	-3.9
Entities under Direct Budgetary Control	400,455.6	444,528.6	443,295.4	-1,233.1	5.5
IMSS	257,647.4	286,345.0	285,294.1	-1,050.9	5.5
ISSSTE	142,808.2	158,183.6	158,001.3	-182.3	5.4
State Productive Enterprises	370,310.5	368,341.5	428,552.2	60,210.7	10.3
Pemex	200,203.0	201,022.8	190,881.6	-10,141.2	-9.1
CFE	170,107.5	167,318.7	237,670.5	70,351.9	33.1
(-) Compensated Operations	324,579.7	362,948.4	364,285.4	1,337.0	7.0
Non-programmable	435,333.8	426,068.4	502,366.8	76,298.4	10.0
Non-earmarked transfers	410,982.8	408,977.3	436,312.9	27,335.5	1.2
Adefas and others	24,351.0	17,091.1	66,054.0	48,962.9	158.5
<b>Financial Cost</b>	<b>279,617.2</b>	<b>341,430.9</b>	<b>331,735.8</b>	<b>-9,695.1</b>	<b>13.1</b>
<i>Memorandum items</i>					
Total net expenditure without outlays on financial investments, pension payments, transfers and financial cost <sup>1/</sup>	1,399,938.8	1,477,681.1	1,610,407.9	132,726.8	9.6
Total net expenditure without outlays on financial investments, pension payments and transfers	1,679,555.9	1,819,112.0	1,942,143.8	123,031.7	10.2
Total net expenditure without outlays on financial investments	2,439,115.8	2,617,454.8	2,766,985.3	149,530.4	8.1
Current structural expenditure	1,005,227.3	1,067,811.8	1,114,902.6	47,090.8	5.7

Note: Partial sums and variations may not add up due to rounding.

1\_/ If Adefas for contributions to Stabilization Funds are excluded, the annual increase is 7.1 percent in real terms.

p\_/ Preliminary figures

Source: Ministry of Finance.



**BALANCE OF STABILIZATION FUNDS, 2017-2018**

(Million pesos)

	Dec-2017	Jun-2018	Difference
<b>T o t a l</b>	<b>308,077</b>	<b>346,892</b>	<b>38,815</b>
Budgetary Revenues Stabilization Fund (FEIP)	220,972	252,525	31,553
Federal Entities Revenues Stabilization Fund (FEIEF)	59,924	74,860	14,936
Mexican Oil Fund for Stabilization and Development	27,182	19,507	-7,675

Source: Ministry of Finance.

**FEDERAL PUBLIC SECTOR DEBT BALANCES, JUNE \*\_/**  
(Million pesos)

Concept	Balance			% of annual GDP <sup>2_/</sup>			% of GDP QoQ Annualized <sup>3_/</sup>			Percentage Structure		
	dic-16	dic-17	jun-18 <sup>p_/</sup>	dic-16	dic-17	jun-18	dic-16	dic-17	jun-18	dic-16	dic-17	jun-18
Domestic Debt:												
Net (Million pesos)	6,009,403.1	6,284,707.0	6,606,039.4	29.9	28.8	28.2	28.2	27.7	28.2	62.0	62.3	62.4
Gross (Million pesos)	6,182,250.7	6,448,500.8	6,725,331.2	30.7	29.6	28.7	29.0	28.4	28.6	62.2	62.7	62.5
External Debt:												
Net (Million dollars)	177,692.5	192,344.0	198,057.4	18.3	17.5	17.0	17.2	16.7	16.9	38.0	37.7	37.6
Gross (Million dollars)	180,986.0	193,981.2	200,903.0	18.7	17.6	17.2	17.6	16.9	17.2	37.8	37.3	37.5
Total Debt: <sup>1_/</sup>												
Net (Million pesos)	9,693,217.5	10,090,560.1	10,578,140.7	48.2	46.3	45.2	45.4	44.4	45.1	100.0	100.0	100.0
(Million dollars)	467,562.1	509,966.8	527,448.6									
Gross (Million pesos)	9,934,343.9	10,286,748.6	10,754,501.1	49.4	47.2	45.9	46.6	45.3	45.8	100.0	100.0	100.0
(Million dollars)	479,193.1	519,882.0	536,242.3									

Note: Partial sums and variations may not add up due to rounding.

The concept of Net Debt is obtained by subtracting from the Gross Debt Balance the financial assets of the Federal Government, and the availabilities of both State Productive Enterprises and Development Banks.

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

p\_/ Preliminary figures.

1\_/ Includes liabilities from the Federal Government, State Productive Enterprises and Development Banks.

2\_/ For year 2018, the annual GDP estimated by the Ministry of Finance for the year, was used.

3\_/ For year 2018, the GDP of the second quarter was used, according to Ministry of Finance estimates.

Source: Ministry of Finance

**FEDERAL GOVERNMENT DOMESTIC DEBT, JANUARY-JUNE \*\_/**  
(Million pesos)

	Balance as of December 2017	Indebtedness January-June 2018			Adjustments	Balance as of June 18 <sup>p./</sup>
		Originations	Amort.	Net		
<b>1. Net Debt (3-2)</b>	<b>6,284,707.0</b>					<b>6,606,039.4</b>
2. Assets <sup>1./</sup>	163,793.8					119,291.8
<b>3. Gross Debt</b>	<b>6,448,500.8</b>	<b>1,791,940.2</b>	<b>1,538,461.0</b>	<b>253,479.2</b>	<b>23,351.2</b>	<b>6,725,331.2</b>
Structure by Term	6,448,500.8	1,791,940.2	1,538,461.0	253,479.2	23,351.2	6,725,331.2
Long-term	5,903,154.0	694,047.3	468,897.4	225,149.9	21,041.3	6,149,345.2
Short-term	545,346.8	1,097,892.9	1,069,563.6	28,329.3	2,309.9	575,986.0
Structure by User	6,448,500.8	1,791,940.2	1,538,461.0	253,479.2	23,351.2	6,725,331.2
Federal Government	5,920,166.8	1,551,481.3	1,329,905.2	221,576.1	24,766.0	6,166,508.9
Long-term	5,389,547.9	619,728.0	415,375.0	204,353.0	24,766.0	5,618,666.9
Short-term	530,618.9	931,753.3	914,530.2	17,223.1	0.0	547,842.0
State Productive Enterprises <sup>2./</sup>	381,555.2	67,074.6	54,569.6	12,505.0	-4,038.4	390,021.8
Long-term	381,555.2	42,308.7	47,936.7	-5,628.0	-4,038.4	371,888.8
Short-term	0.0	24,765.9	6,632.9	18,133.0	0.0	18,133.0
Development Banks	146,778.8	173,384.3	153,986.2	19,398.1	2,623.6	168,800.5
Long-term	132,050.9	32,010.6	5,585.7	26,424.9	313.7	158,789.5
Short-term	14,727.9	141,373.7	148,400.5	-7,026.8	2,309.9	10,011.0
Structure by Source of Financing	6,448,500.8	1,791,940.2	1,538,461.0	253,479.2	23,351.2	6,725,331.2
Insurance of Securities	5,742,332.7	1,470,886.6	1,200,619.1	270,267.5	20,075.7	6,032,675.9
Savings Fund	127,432.9	125,676.5	134,222.1	-8,545.6	3,635.0	122,522.3
Commercial Banks	86,209.2	125,326.3	117,793.2	7,533.1	2,316.8	96,059.1
ISSSTE's Law Obligations <sup>3./</sup>	145,137.4	46.9	9,406.0	-9,359.1	1,941.1	137,719.4
PEMEX Pension Bonds <sup>4./</sup>	136,127.4	0.0	2,353.0	-2,353.0	0.0	133,774.4
CFE Pension Bonds <sup>5./</sup>	161,080.2	0.0	0.0	0.0	0.0	161,080.2
Others	50,181.0	70,003.9	74,067.6	-4,063.7	-4,617.4	41,499.9

Note: Figures may not add up due to rounding.

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

p./ Preliminary figures.

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

2./ Includes PEMEX and CFE only.

3./ Obligations associated with the new ISSSTE law

4./ Obligations associated with the financial support from the Federal Government to PEMEX given the savings in their pension obligations, pursuant to the provisions of the "Agreement on the general provisions concerning the Federal Government's assumption of PEMEX and its Subsidiary Productive Enterprises' pension and retirement obligations", published in the Federal Official Gazette on December 24, 2015.

5./ Obligations associated with the financial support from the Federal Government to CFE given the savings in their pension obligations, pursuant to the provisions of the "Agreement on the general provisions concerning the Federal Government's assumption of the Federal Electricity Commission's pension and retirement obligations" published in the Federal Official Gazette on November 14, 2016.

Source: Ministry of Finance

**FEDERAL GOVERNMENT EXTERNAL DEBT, JANUARY-JUNE \*\_/**  
(Million dollars)

	Balance as of December 2017	Indebtedness January-June 2018			Adjustments	Balance as of June 2018 <sup>p_/</sup>
		Originations	Amort.	Net		
<b>1. Net Debt (3-2)</b>	<b>192,344.0</b>					<b>198,057.4</b>
2. Financial Assets in Foreign Currencies <sup>1_/</sup>	1,637.2					2,845.6
<b>3. Gross Debt</b>	<b>193,981.2</b>	<b>28,445.7</b>	<b>20,463.1</b>	<b>7,982.6</b>	<b>-1,060.8</b>	<b>200,903.0</b>
Structure by Term	193,981.2	28,445.7	20,463.1	7,982.6	-1,060.8	200,903.0
Long-term	190,728.7	20,064.3	11,867.1	8,197.2	-1,076.0	197,849.9
Short-term	3,252.5	8,381.4	8,596.0	-214.6	15.2	3,053.1
Structure by User	193,981.2	28,445.7	20,463.1	7,982.6	-1,060.8	200,903.0
Federal Government	91,072.2	7,329.7	1,629.0	5,700.7	-528.2	96,244.7
Long-term	91,072.2	7,329.7	1,629.0	5,700.7	-528.2	96,244.7
Short-term	0.0	0.0	0.0	0.0	0.0	0.0
State Productive Enterprises <sup>2_/</sup>	91,780.0	13,959.7	11,269.5	2,690.2	-526.0	93,944.2
Long-term	91,780.0	12,645.5	10,115.6	2,529.9	-526.0	93,783.9
Short-term	0.0	1,314.2	1,153.9	160.3	0.0	160.3
Development Banks	11,129.0	7,156.3	7,564.6	-408.3	-6.6	10,714.1
Long-term	7,876.5	89.1	122.5	-33.4	-21.8	7,821.3
Short-term	3,252.5	7,067.2	7,442.1	-374.9	15.2	2,892.8
Structure by Source of Financing	193,981.2	28,445.7	20,463.1	7,982.6	-1,060.8	200,903.0
Capital Markets	147,034.0	16,176.6	6,234.1	9,942.5	-981.7	155,994.8
International Financing Institutions (IFIS)	29,964.4	1,033.1	1,039.1	-6.0	-30.7	29,927.7
Bilateral	6,772.9	263.6	584.2	-320.6	-39.2	6,413.1
Commercial Banks	9,950.2	10,708.2	12,501.8	-1,793.6	-1.5	8,155.1
Pidiregas	259.7	264.2	103.9	160.3	-7.7	412.3

Note: Figures may not add up due to rounding

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

p\_/ Preliminary figures.

1\_/ Considers the net US Dollar denominated balance of the General Account of the Federal Treasury as well as, the availabilities of State Productive Enterprises and Development Banks.

2\_/ Includes PEMEX and CFE only.

Source: Ministry of Finance



