

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

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

- **In the last quarter of 2017 and throughout the beginning of 2018, global economy continued to strengthen, and growth has been more generalized across countries. In this respect, the Mexican economy has continued to recover, after being affected by the natural disasters that occurred in the third quarter of 2017.** Specifically, the external demand continued to grow, while private consumption kept a positive trend.
- **During the January-March period of 2018, the primary balance recorded a Ps. 41.87 billion surplus, which compares with the Ps. 36.3 billion deficit approved by Congress for the first quarter of the year.** Similarly, the public balance registered a Ps. 91.94 billion deficit, which was Ps. 159.9 billion lower than that expected in the program. Both results are explained to a large extent by higher revenues with respect to the program.
- **In the first quarter of 2018, the Public Sector Borrowing Requirements (PSBRs), the broadest measure of the Public Sector balance, registered a Ps. 83.37 billion deficit,** which is consistent with the annual deficit target of 2.5 percent of GDP.
- **As of the first quarter of 2018, the Historical Balance of the Public Sector Borrowing Requirements (HBPSBRs) amounted to 42.4 percent of GDP.**

Today, the Ministry of Finance delivered to Congress the Reports on the Economic Situation, Public Finances, and Public Debt as of the first 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. The main aspects of these reports are presented below:

### Economic Outlook

During the first months of 2018, the global economic activity continued to expand, and growth has been more generalized across countries, after recording a growth rate of 3.8 percent in 2017, the highest since 2011. Particularly, during 2017, the US economy grew at a higher rate than in 2016, however, its growth pace has moderated due to a lower advance in consumption. The greater dynamism in economic activity in advanced economies has contributed to a pick-up in inflation and, correspondingly, to an increase in its expectations in these countries. In this environment, most of the main central banks of advanced economies have continued with their monetary policy normalization. In March, the Federal Reserve increased the target for the federal funds rate in 25 basis points, to a range between 1.50 and 1.75 percent.

With respect to the Mexican economy, by year-end 2017 and throughout the beginning of 2018, it continued to recover after being affected by the natural disasters that occurred in the third quarter of 2017. In particular, the external demand continued to show a high level of dynamism, while private consumption followed a positive trend, albeit its pace slowed somewhat. In addition, the labor market continued to show a favorable development during the first months of 2018.

Inflation in Mexico showed a downward trajectory during the first months of 2018. In March, the annual headline inflation stood at 5.04 percent, 1.74 percentage points below that registered by year-end 2017. This development reflected the monetary policy actions, as well as the fading of the effects of the shocks that affected its performance in the previous year. In February 2018, the Board of Governors of Banco de Mexico increased the overnight interest rate target by 25 basis points, to 7.50 percent. Thus, with respect to year-end 2017, government bond rates registered increases in the short end of the yield curve, while the long end remained relatively stable. Additionally, during the first quarter of 2018, the Mexican peso recorded a 7.4 percent appreciation.

### Public Finances

During the January-March period of 2018, the primary balance recorded a Ps. 41.87 billion surplus, which compares with the Ps. 36.3 billion deficit approved by Congress for the first quarter of the year; and with the Ps. 75.7 billion surplus registered during the same period in the previous year, excluding the resources from Banco de Mexico's Operating Surplus (BMOS). Similarly, the public balance registered a Ps. 91.9 billion deficit, which was Ps. 159.9 billion lower than programmed, and Ps. 12.59 billion higher than that observed during the same period of 2017, excluding the BMOS. The results on the primary balance and public balance are mainly explained by higher than expected revenues.

In the first quarter of 2018, the Public Sector Borrowing Requirements (PSBRs), the broadest measure of the Public Sector balance, registered a Ps. 83.37 billion deficit, in line with the annual

deficit target of 2.5 percent of GDP. During the same period of 2017, a Ps. 59.33 billion deficit was recorded, excluding the BMOS.

The Public Sector budgetary revenues stood at Ps. 1.26 trillion, and were Ps. 123.3 billion higher than those expected in the program. Compared to the same period of the previous year, the Public Sector budgetary revenues were 3.6 percent higher in real terms once we exclude from 2017 figures the Banco de Mexico's Operating Surplus. This growth is mainly explained by higher oil revenues due to an increase in the export price of the Mexican oil mix; although, this effect was partially offset by a decrease in oil production and an appreciation of the exchange rate; higher tax revenues resulting from the favorable development of economic activity, and higher non-tax revenues, which reflect the reimbursement of resources from the Mexican Oil Fund (FMP) to the Federal Treasury for the final adjustment of the contributions stemming from the excess revenues in 2017.

As of the first quarter of 2018, net paid expenditure amounted to Ps. 1.375 trillion, which is Ps. 76.8 billion higher than the expected in the program. This development is entirely explained by a higher non-programmable expenditure with respect to what was originally estimated, since programmable expenditure stood slightly below what was approved. This increase in non-programmable expenditure is mainly explained by a higher payment of non-earmarked transfers due to the favorable evolution of tax collection, a higher payment of commitments acquired by the Federal Government in previous fiscal years (ADEFAS), which reflects the acquisition of financial assets stemming from the payment of contributions to Stabilization Funds in February 2018 derived from the excess revenues in 2017<sup>1</sup>, and a higher financial cost.

With respect to the first quarter of 2017, net paid expenditure was 9.7 percent higher in real terms. This result is mainly explained by a higher payment of commitments acquired by the Federal Government in previous fiscal years (ADEFAS), which reflects the contributions made to Stabilization Funds stemming from the excess revenues in 2017. Excluding these payments, net paid expenditure real growth was 6.8 percent. In turn, this growth was to a large extent driven by CFE's higher operating expenditure due to an increase in the price of fuels for power generation; pensions and retirement payments, and a higher financial cost.

In compliance with the 2018 Economic Program, the Public Sector Borrowing Requirements will reach a deficit of 2.5 percent of GDP, while the primary balance will stand at 0.8 percent of GDP. Furthermore, in line with the General Economic Policy Preliminary Guidelines (GEPPG) for 2019, it is estimated that the Historical Balance of the Public Sector Borrowing Requirements (HBPSBR) will decrease from 46.1 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 March 2018 stood at Ps. 350.7 billion, which is Ps. 42.6 billion higher than that observed at the end of 2017.

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<sup>1</sup> Based on the regulatory framework, contributions were made to Stabilization Funds for a total amount of Ps. 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.

## Public Debt

Policy actions regarding public debt continue to be aimed at reducing the risks of the debt portfolio by using placement programs strategically, both in the domestic and foreign markets, and by using all the available financial tools for improving the portfolio's profile of public liabilities, and reducing the financial cost

Within the management of domestic debt and in order to improve its maturity profile, as well as to increase its maturity date, on March 21 a swap operation was conducted in the domestic market. In this transaction, bonds with maturities in 2018 and 2019 were exchanged for long-term bonds. With this operation, amortizations for 2018 and 2019 decreased by Ps. 6.85 billion and Ps. 13.60 billion, respectively. On the other hand, on April 18, the Federal Government conducted a fixed rate bond placement through a syndicated auction in the domestic market, for a total amount of Ps. 25 billion with maturity in 3 years<sup>2</sup>. 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.

Regarding to the external debt, financing operations were conducted in dollars, euros and yen, which outstand for the favorable conditions obtained by the Federal Government. In January, a financing operation was conducted on international markets for a total amount of USD 3.2 billion. The transaction reached a total demand of approximately USD 15 billion, equivalent to 4.7 times the amount issued. This represents the highest oversubscription received for a Federal Government auction in any currency and any term. Also in January, a euro denominated new 10-year benchmark bond was issued for a total amount of EUR 1.5 billion, approximately USD 1.8 billion. In this transaction, a record low was reached in the 10-year interest rate for the Federal Government debt issuances in the euro market. Finally, in April, the Federal Government conducted a financing operation in the Japanese market for a total amount of JPY 135 billion<sup>3</sup> (equivalent to approximately USD 1.3 billion), through the issuance of new bonds with maturities in 5, 7, 10 and 20 years. The obtained financing costs represented a record low for the Federal Government debt issuances in similar terms in any market.

At the end of the first quarter of 2018, the Federal Government net debt balance stood at Ps. 7.57 trillion. The structure of the Federal Government's debt portfolio holds most of its liabilities denominated in national currency, representing 77.2 percent of the Federal Government net debt balance as of March 2018.

The Federal Government net domestic debt balance amounted to Ps. 5.84 trillion at the end of the first quarter of 2018. On the other hand, the Federal Government net external debt balance stood at USD 94.32 billion.

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<sup>2</sup> Although this operation was conducted out of the period referred in this report, it is considered relevant to detail in order to maintain a constant communication regarding the management of public debt.

<sup>3</sup> Although this operation was conducted out of the period referred in this report, it is considered relevant to detail in order to maintain a constant communication regarding the management of public debt

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. 10.059 trillion at the end of the first quarter of 2018.

The Federal Public Sector net domestic debt stood at Ps. 6.409 trillion. Meanwhile, the Federal Public Sector net external debt stood at USD 199.145 billion.

As of March 2018, the Historical Balance of the Public Sector Borrowing Requirements (HBPSBRs), the broadest measure of public debt, amounted to Ps. 9.929 trillion. The HBPSBRs domestic component stood at Ps. 6.38 trillion, while the external component amounted to Ps. 3.551 trillion.

## Annexes

### PUBLIC SECTOR FINANCIAL SITUATION (Million pesos)

Concept	January-March			Nominal Difference (3-2)	Growth % real (3/1)
	2017 (1)	2018			
		Program (2)	Observed <sup>p./</sup> (3)		
<b>Public Balance</b>	<b>309,068.8</b>	<b>-159,871.6</b>	<b>-91,937.3</b>	<b>67,934.2</b>	<b>n.s.</b>
<b>Public Balance Excluding Investment <sup>1/</sup></b>	<b>398,449.2</b>	<b>4,760.5</b>	<b>62,831.2</b>	<b>58,070.6</b>	<b>-85.0</b>
Budgetary Balance	287,967.7	-160,021.6	-113,521.2	46,500.4	n.s.
Budgetary Revenue	1,477,604.9	1,137,976.0	1,261,313.1	123,337.1	-18.9
Net Budgetary Expenditure	1,189,637.2	1,297,997.6	1,374,834.3	76,836.7	9.7
Entities under Indirect Budgetary Control	21,101.0	150.0	21,583.9	21,433.9	-2.9
Primary Balance	397,308.3	-36,301.3	41,871.6	78,172.9	-90.0
<b>Public Balance by Entities</b>	<b>309,068.8</b>	<b>-159,871.6</b>	<b>-91,937.3</b>	<b>67,934.2</b>	<b>n.s.</b>
Budgetary Balance	287,967.7	-160,021.6	-113,521.2	46,500.4	n.s.
Federal Government Balance	309,267.5	-157,906.2	-95,678.5	62,227.7	n.s.
State Productive Enterprises	-72,747.2	-52,813.6	-74,279.4	-21,465.8	n.s.
Pemex	-63,519.6	-58,761.0	-37,692.7	21,068.3	n.s.
CFE	-9,227.5	5,947.4	-36,586.7	-42,534.1	n.s.
Entities under Direct Budgetary Control	51,447.4	50,698.2	56,436.7	5,738.5	4.2
IMSS	46,661.3	45,026.8	51,410.3	6,383.6	4.6
ISSSTE	4,786.2	5,671.4	5,026.4	-645.0	-0.3
Entities under Indirect Budgetary Control Balance	21,101.0	150.0	21,583.9	21,433.9	-2.9
<b>Memorandum Items</b>					
PSBR	262,323.0		-83,372.8		n.s.
Primary PSBR	452,573.7		111,070.6		-76.7
Public Balance excluding BMOS	-12,584.5	-159,871.6	-91,937.3	67,934.2	n.s.
Primary Balance excluding BMOS	75,655.1	-36,301.3	41,871.6	78,172.9	-47.4
PSBR excluding BMOS	-59,330.3		-83,372.8		n.s.
Primary PSBR excluding BMOS	130,920.5		111,070.6		-19.4

Note: Figures 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-March			Nominal Difference (3-2)	Growth % real (3/1)
	2017 (1)	2018			
		Program (2)	Observed <sup>p_/</sup> (3)		
<b>Total</b>	<b>1,477,604.9</b>	<b>1,137,976.0</b>	<b>1,261,313.1</b>	<b>123,337.1</b>	<b>-18.9</b>
<b>Oil</b>	<b>201,032.0</b>	<b>202,842.7</b>	<b>229,963.5</b>	<b>27,120.8</b>	<b>8.6</b>
State Productive Enterprise (Pemex)	78,818.1	93,184.6	105,249.2	12,064.6	26.8
Federal Government	122,213.9	109,658.1	124,714.3	15,056.2	-3.1
Mexican Oil Fund	122,211.6	109,658.1	124,714.3	15,056.2	-3.1
Income tax from contractors and assignees	2.3	0.0	0.0	0.0	n.s.
<b>Non-oil</b>	<b>1,276,573.0</b>	<b>935,133.3</b>	<b>1,031,349.6</b>	<b>96,216.3</b>	<b>-23.3</b>
Federal Government	1,112,698.4	760,918.6	851,260.6	90,342.0	-27.4
Tax	732,321.5	724,290.5	784,390.3	60,099.8	1.7
Income Tax	418,728.8	404,121.5	437,336.4	33,214.9	-0.8
Value Added Tax	200,555.6	200,337.1	234,438.0	34,100.8	11.0
Excise Tax	87,576.9	96,989.3	87,484.7	-9,504.6	-5.1
Imports	13,277.6	11,354.8	13,583.6	2,228.8	-2.9
Tax on hydrocarbon exploration and extraction activities	998.4	1,166.7	1,190.2	23.4	13.2
Others	11,184.1	10,321.0	10,357.4	36.4	-12.1
Non tax	380,377.0	36,628.1	66,870.2	30,242.1	-83.3
Entities under Direct Budgetary Control	84,787.1	90,135.8	93,731.4	3,595.5	5.0
IMSS	73,204.3	78,187.7	82,226.5	4,038.8	6.7
ISSSTE	11,582.8	11,948.1	11,504.8	-443.3	-5.7
State Productive Enterprise (CFE)	79,087.4	84,078.9	86,357.6	2,278.8	3.7
<b>Memorandum Items</b>					
Total Revenues excluding BMOS	1,155,951.7	1,137,976.0	1,261,313.1	123,337.1	3.6
Federal Government non-tax revenues excluding BMOS	58,723.7	36,628.1	66,870.2	30,242.1	8.1
Tax revenues excluding fuels Excise Tax	679,941.7	666,854.7	741,326.4	74,471.7	3.5

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

p\_/ Preliminary figures.

n. s.: not significant.

Source: Ministry of Finance.

**PUBLIC SECTOR TOTAL BUDGETARY EXPENDITURE**  
(Million pesos)

Concept	January-March			Nominal Difference (3-2)	Growth % real (3/1)
	2017 (1)	2018			
		Program (2)	Observed <sup>p/</sup> (3)		
<b>Total</b>	<b>1,189,637.2</b>	<b>1,297,997.6</b>	<b>1,374,834.3</b>	<b>76,836.7</b>	<b>9.7</b>
<b>Primary expenditure</b>	<b>1,087,941.2</b>	<b>1,174,402.1</b>	<b>1,249,161.5</b>	<b>74,759.4</b>	<b>9.0</b>
Programmable	862,988.6	973,740.3	970,326.5	-3,413.8	6.8
Autonomous Branches	19,045.9	32,759.5	20,546.8	-12,212.7	2.4
Administrative Branches	248,754.4	283,854.3	269,171.2	-14,683.1	2.8
General Branches	374,292.9	433,573.2	432,129.4	-1,443.8	9.6
Entities under Direct Budgetary Control	200,152.7	227,191.9	225,952.8	-1,239.1	7.2
IMSS	119,257.1	135,717.1	136,423.8	706.7	8.6
ISSSTE	80,895.6	91,474.7	89,529.0	-1,945.8	5.1
State Productive Enterprises	196,178.5	193,239.0	220,307.8	27,068.8	6.6
Pemex	103,965.4	110,570.9	94,681.7	-15,889.2	-13.5
CFE	92,213.1	82,668.1	125,626.1	42,958.0	29.4
(-) Compensated Operations	175,435.8	196,877.6	197,781.6	903.9	7.1
Non-programmable	224,952.5	200,661.8	278,835.0	78,173.2	17.7
Non-earmarked transfers	199,177.2	183,570.7	210,385.5	26,814.7	0.3
Adefas and others	25,775.3	17,091.1	68,449.5	51,358.4	152.2
<b>Financial Cost</b>	<b>101,696.0</b>	<b>123,595.5</b>	<b>125,672.8</b>	<b>2,077.3</b>	<b>17.4</b>
<b>Memorandum Items</b>					
Total net expenditure without outlays on financial investments, pension payments, transfers and financial cost <sup>1/</sup>	705,075.6	773,293.3	818,326.7	45,033.4	10.2
Total net expenditure without outlays on financial investments, pension payments and transfers	806,771.7	896,888.8	943,999.5	47,110.8	11.1
Total net expenditure without outlays on financial investments	1,176,648.4	1,281,102.4	1,355,605.6	74,503.2	9.4
Current structural expenditure	485,429.5	556,125.5	532,988.3	-23,137.2	4.3

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 5.2 percent in real terms.

p/ Preliminary figures

Source: Ministry of Finance.



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

(Million pesos)

	Dec-2017	Mar-2018	Difference
<b>T o t a l</b>	<b>308,077</b>	<b>350,667</b>	<b>42,590</b>
Budgetary Revenues Stabilization Fund (FEIP)	220,972	259,301	38,330
Federal Entities Revenues Stabilization Fund (FEIEF)	59,924	73,412	13,488
Mexican Oil Fund for Stabilization and Development	27,182	17,954	-9,228

Source: Ministry of Finance

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

Concept	Balance			% of annual GDP <sup>2_/</sup>			% of GDP QoQ Annualised <sup>3_/</sup>			Percentage Structure		
	dic-16	dic-17 <sup>p_/</sup>	mar-18 <sup>p_/</sup>	dic-16	dic-17	mar-18	dic-16	dic-17	mar-18	dic-16	dic-17	mar-18
<b>Domestic Debt:</b>												
Net (Million pesos)	6,009,403.1	6,284,707.0	6,409,079.7	29.9	28.9	27.4	28.2	27.7	28.9	62.0	62.3	63.7
Gross (Million pesos)	6,182,250.7	6,448,500.8	6,672,577.3	30.7	29.7	28.5	29.0	28.4	30.1	62.2	62.7	64.2
<b>External Debt:</b>												
Net (Million pesos)	177,692.5	192,344.0	199,144.8	18.3	17.5	15.6	17.3	16.7	16.5	38.0	37.7	36.3
Gross (Million pesos)	180,986.0	193,981.2	202,606.6	18.7	17.6	15.9	17.6	16.9	16.8	37.8	37.3	35.8
<b>Total Debt: <sup>1_/</sup></b>												
Net (Million pesos)	9,693,217.5	10,090,560.1	10,058,766.2	48.2	46.4	43.0	45.5	44.4	45.4	100.0	100.0	100.0
(Million dollars)	467,562.1	509,966.8	548,855.6									
Gross (Million pesos)	9,934,343.9	10,286,748.6	10,385,707.9	49.4	47.3	44.4	46.6	45.3	46.9	100.0	100.0	100.0
(Million dollars)	479,193.1	519,882.0	566,695.1									

Note: Figures 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 years 2016 and 2017, the average annual GDP, base 2013, was used; for 2018, the annual GDP published in the General Economic Policy Preliminary Guidelines for 2019.

3\_/ For years 2016 and 2017, the average annual GDP, base 2013, was used; for 2018, the GDP of the first quarter was used, according to what was reported in the previous quarterly reports.

Source: Ministry of Finance

**FEDERAL PUBLIC SECTOR DOMESTIC DEBT, JANUARY-MARCH\* /**  
(Million pesos)

	Balance as of December 2017 P./	Indebtedness January-March 2018			Adjustments	Balance as of March 2018 P./
		Originations	Amort.	Net		
<b>1. Net Debt (3-2)</b>	<b>6,284,707.0</b>					<b>6,409,079.7</b>
2. Assets <sup>1./</sup>	163,793.8					263,497.6
<b>3. Gross Debt</b>	<b>6,448,500.8</b>	<b>947,230.4</b>	<b>746,374.9</b>	<b>200,855.5</b>	<b>23,221.0</b>	<b>6,672,577.3</b>
By Term	6,448,500.8	947,230.4	746,374.9	200,855.5	23,221.0	6,672,577.3
Long-term	5,903,154.0	368,860.2	176,165.7	192,694.5	21,176.2	6,117,024.7
Short-term	545,346.8	578,370.2	570,209.2	8,161.0	2,044.8	555,552.6
By User	6,448,500.8	947,230.4	746,374.9	200,855.5	23,221.0	6,672,577.3
Federal Government	5,920,166.8	807,892.9	630,016.4	177,876.5	25,419.0	6,123,462.3
Long-term	5,389,547.9	328,355.5	150,872.6	177,482.9	25,419.0	5,592,449.8
Short-term	530,618.9	479,537.4	479,143.8	393.6	0.0	531,012.5
State Productive Enterprises <sup>2./</sup>	381,555.2	43,044.6	27,966.8	15,077.8	-4,167.6	392,465.4
Long-term	381,555.2	23,500.0	25,293.1	-1,793.1	-4,167.6	375,594.5
Short-term	0.0	19,544.6	2,673.7	16,870.9	0.0	16,870.9
Development Banks	146,778.8	96,292.9	88,391.7	7,901.2	1,969.6	156,649.6
Long-term	132,050.9	17,004.7	0.0	17,004.7	-75.2	148,980.4
Short-term	14,727.9	79,288.2	88,391.7	-9,103.5	2,044.8	7,669.2
By Source of Financing	6,448,500.8	947,230.4	746,374.9	200,855.5	23,221.0	6,672,577.3
Issuance of securities	5,742,332.7	752,568.7	556,393.0	196,175.7	21,292.6	5,959,801.0
Savings Fund	127,432.9	70,111.4	67,420.4	2,691.0	2,743.6	132,867.5
Commercial Banks	86,209.2	64,734.9	62,062.0	2,672.9	1,929.4	90,811.5
ISSSTE's Law Obligations <sup>3./</sup>	145,137.4	32.8	3,738.6	-3,705.8	2,078.0	143,509.6
PEMEX Pension Bonds <sup>4./</sup>	136,127.4	0.0	0.0	0.0	0.0	136,127.4
CFE Pension Bonds <sup>5./</sup>	161,080.2	0.0	0.0	0.0	0.0	161,080.2
Others	50,181.0	59,782.6	56,760.9	3,021.7	-4,822.6	48,380.1

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 and 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 PUBLIC SECTOR EXTERNAL DEBT, JANUARY-MARCH \*\_/**  
(Million dollars)

	Balance as of December 2017 <sup>p_/</sup>	Indebtedness January-March 2018			Adjustments	Balance as of March 2018 <sup>p_/</sup>
		Originations	Amort.	Net		
<b>1. Net Debt (3-2)</b>	<b>192,344.0</b>					<b>199,144.8</b>
2. Financial Assets in Foreign Currency <sup>1_/</sup>	1,637.2					3,461.8
<b>3. Gross Debt</b>	<b>193,981.2</b>	<b>17,592.7</b>	<b>10,566.1</b>	<b>7,026.6</b>	<b>1,598.8</b>	<b>202,606.6</b>
By term	193,981.2	17,592.7	10,566.1	7,026.6	1,598.8	202,606.6
Long-term	190,728.7	13,471.8	6,524.4	6,947.4	1,592.2	199,268.3
Short-term	3,252.5	4,120.9	4,041.7	79.2	6.6	3,338.3
By User	193,981.2	17,592.7	10,566.1	7,026.6	1,598.8	202,606.6
Federal Government	91,072.2	5,340.2	854.2	4,486.0	844.7	96,402.9
Long-term	91,072.2	5,340.2	854.2	4,486.0	844.7	96,402.9
Short-term	0.0	0.0	0.0	0.0	0.0	0.0
State Productive Enterprises <sup>2_/</sup>	91,780.0	8,311.3	5,649.2	2,662.1	516.1	94,958.2
Long-term	91,780.0	8,049.1	5,615.3	2,433.8	516.1	94,729.9
Short-term	0.0	262.2	33.9	228.3	0.0	228.3
Development Banks	11,129.0	3,941.2	4,062.7	-121.5	238.0	11,245.5
Long-term	7,876.5	82.5	54.9	27.6	231.4	8,135.5
Short-term	3,252.5	3,858.7	4,007.8	-149.1	6.6	3,110.0
By Source of Financing	193,981.2	17,592.7	10,566.1	7,026.6	1,598.8	202,606.6
Capital Markets	147,034.0	10,898.0	5,386.3	5,511.7	1,349.3	153,895.0
International Financial Institutions (IFI'S)	29,964.4	270.9	253.8	17.1	198.2	30,179.1
Bilateral	6,772.9	82.5	201.6	-119.1	44.9	6,698.7
Commercial Banks	9,950.2	6,079.1	4,690.5	1,388.6	23.8	11,362.6
Pidiregas	259.7	262.2	33.9	228.3	-17.4	470.6

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 and the availabilities of State Productive Enterprises and Development Banks.

2\_/ Includes PEMEX and CFE only.

Source: Ministry of Finance

**SUMMARY OF INDICATORS ON THE DEVELOPMENTS IN PUBLIC FINANCE**  
(Billion pesos)

Concept	January-March		Growth % real	Annual			Advance % with respect to:		
	2017 <sup>p./</sup>	2018 <sup>p./</sup>		2018		2017	2018		
				Original <sup>1./</sup>	Estimated <sup>2./</sup>		Original <sup>1./</sup>	Estimated <sup>2./</sup>	
1. Budgetary revenues	1,477.6	1,261.3	-18.9	4,947.6	4,778.3	4,854.4	29.9	26.4	26.0
2. Tax revenues	732.3	784.4	1.7	2,855.1	2,957.5	2,980.8	25.6	26.5	26.3
3. Tax revenues without fuels excise tax (IEPS)	679.9	741.3	3.5	2,638.6	2,698.8	2,764.7	25.8	27.5	26.8
4. Total net expenditure without outlays on financial investments, pension payments, transfers and financial cost	705.1	818.3	10.2	2,915.3	2,973.3	3,031.1	24.2	27.5	27.0
5. Total net expenditure without outlays on financial investments pension payments and transfers	806.8	944.0	11.1	3,448.4	3,620.8	3,685.4	23.4	26.1	25.6
6. Total net expenditure without outlays on financial investments	1,176.6	1,355.6	9.4	4,926.9	5,226.5	5,302.6	23.9	25.9	25.6
7. Total net expenditure	1,189.6	1,374.8	9.7	5,182.6	5,245.0	5,321.1	23.0	26.2	25.8
8. Current structural expenditure	485.4	533.0	4.3	2,219.2	2,162.1	2,162.1	21.9	24.7	24.7
9. Primary balance	397.3	41.9	-90.0	304.8	181.3	188.1	130.4	23.1	22.3
10. PSBR	262.3	-83.4	n.s.	-233.7	-584.8	-584.8	112.3	14.3	14.3
11. HBPSBR	9,223.5	9,928.7	2.2	10,031.8	10,796.0	10,649.3	91.9	92.0	93.2
12. Public Debt	9,173.1	10,058.8	4.1	10,090.6	10,745.7	10,626.1	90.9	93.6	94.7

Note: Figures may not add up due to rounding

p./ Preliminary figures.

n.s.: not significant

1./ Corresponds to the Federal Income Law and the Federal Budget for the fiscal year 2018 approved by the Congress.

2./ Corresponds to the revision of public finances estimates presented in the General Economic Policy Preliminary Guidelines (GEPPG) for 2019.

Source: Ministry of Finance



