



Economic Activity Observatory

May 29, 2009

During the January-April period, real income in the public sector dropped 3.8% in terms of annual rate and spending rose 7.1%. In terms of adjusted figures due to the oil price hedge and physical Pemex investment, the results are +1.0% and +1.9%, respectively.

- During the first four months of the year, oil revenue dropped but non-oil revenue rose. The oil revenue was due to lower prices and volume, but the hedge reduces the impact this year.
- Regarding the Federal Government's non-oil revenue, tax revenue posted a 13.9% fall, which was offset by a significant increase in non-tax revenue, especially 95 billion pesos in income due to the Bank of Mexico's Surplus due to Transactions for FY2008.
- Public spending recorded a 7.1 growth once the physical Pemex investment was included. Performance was similar in terms of components: +15.2% in Projected Spending, -22.6% in Non-Projected Primary Spending and +14.2% in Financial Cost.
- Federalized expenditure dropped 9.4% in real terms due to a 21.0% drop in shareholdings and a 1.2% increase in contributions and agreements.
- Outlook: although the core public administration saving and austerity measures announced today are positive because they seek efficiency in spending, they do also reflect the pressure and narrow margin regarding public finance, especially for the next few years.

Public Sector Overall Balance

(Billion pesos)

	Jan-apr 2009p		Real % growth	
	Unadjusted	Adjusted	Unadjusted	Adjusted
Public balance	23.9	136.0	-79.9	-2.6
Budgetary balance	29.7	141.8	-76.6	-3.9
Budget Revenues	943.0	990.0	-3.8	1.0
Oil related	250.7	297.8	-23.0	-8.6
Non-oil related	692.2	692.2	5.8	5.8
Federal Government	556.3	556.3	8.5	8.5
Taxes	411.4	411.4	-13.9	-13.9
Non-tax	144.9	144.9	317.8	317.8
State-owned Companies	135.9	135.9	-4.2	-4.2
Net Budgetary Expenditures	913.2	848.2	7.1	1.9
Non-budgetary balance	-5.8	-5.8	n.s.	n.s.

p = Preliminar

Public Sector Revenues

(Billion pesos)

	Jan-apr 2009		Real % growth	
	Unadjusted	Adjusted ¹	Unadjusted	Adjusted ¹
Budgetary Revenues	943.0	990.0	-3.8	1.0
Oil related	250.7	297.8	-23.0	-8.6
IEPS	15.1	15.1	ns	ns
Non-oil related	692.2	692.2	5.8	5.8
Federal Government	556.3	556.3	8.5	8.5
Tax	411.4	411.4	-13.9	-13.9
Income Tax and IETU	229.0	229.0	-12.0	-12.0
VAT	136.1	136.1	-18.8	-18.8
Others	59.4	59.4	-8.0	-8.0
Non-tax	144.9	144.9	317.8	317.8
State-owned Companies	135.9	135.9	-4.2	-4.2

Public Sector Expenditures

(Billion pesos)

	Jan - apr 2009		Real % Change
	2008	2009	
Total	803.7	913.2	7.1
Primary Expenditures	755.1	854.2	6.6
Programmable	582.8	712.7	15.2
Non-programmable	172.2	141.5	-22.6
Financing costs	48.7	59.0	14.2

Public Sector External Debt

(Million dollars)

	Balance at:	
	Dec 2008	April 2009
Net Debt (without Pidiregas)	24,319.4	28,712.7
Net Debt (with Pidiregas)	24,319.4	83,522.2
Financial assets in:		
Foreign currency (1)	32,619.8	1,886.2
Gross Debt	56,939.2	85,408.4

1) Net balance in dollars of Federal Treasury's General Account

Fuente: BBVA Bancomer con datos de SHCP