



BANCO DE MÉXICO

Annual Report 2012

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FOREWARNING

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Figures are preliminary and subject to changes. Although data are consistent within each section, figures from different sections may differ because they have been estimated according to different sources and methodologies.

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1. Introduction

In 2012 the world economic growth was lower as compared to the previous year, among other factors, due to the deleveraging process in major advanced countries, the difficulties in the Euro zone and the uncertainty regarding the magnitude of the fiscal adjustment anticipated for 2013 in the U.S. The slowdown of the world economic growth was widespread, affecting both advanced and emerging economies, which was reflected in slower expansion of international trade.

World inflation observed a downward trend during most of 2012, given the slowdown of the world economic activity and lower international commodity prices. In this context, the monetary policy of the advanced and most emerging economies became more accommodative in 2012. It should be noted that, in an environment of benchmark interest rates close to zero, the central banks of some of the main advanced economies also adopted additional unconventional measures so as to support the recovery of both economy and employment.

International financial markets presented high volatility during the second and most of the third quarter of 2012, mainly due to the aggravation of the difficulties in the refinancing of different Euro zone countries, given the doubts regarding the ability of some of the region's economies to reach their fiscal consolidation targets. This, together with a detriment of the world economic growth outlook, was reflected in the worsening of the international financial market conditions. Nonetheless, in the last months of the year the financial markets improved significantly, mainly as a result of further monetary stimulus measures in the major advanced economies, the announcement of the European Central Bank measures to support liquidity and to improve the functioning of the sovereign debt and interbank markets in the Euro zone, and of the progress towards the financial and banking integration of the region. It is noteworthy that throughout 2012, the referred measures were fundamental to sustain the economic recovery and to avoid fragmentation in international financial markets.

Greater volatility in international financial markets in the second and most of the third quarter of 2012 contributed to an increased demand for low-risk assets. However, the improvement in these markets observed in the last months of the year was reflected in a rebound in capital flows to emerging markets. This led to the currency appreciation and an improvement in the stock markets in most emerging economies.

The strength of macroeconomic fundamentals in Mexico allowed the national economic activity to present a positive trend and to register an annual GDP growth of 3.9 percent. Nevertheless, the world economic slowdown and volatility in international financial markets led to a slower growth rate of productive activity in Mexico in the second half of the year, with respect to the first one. Particularly, this global environment brought about lower exports' growth rates and the spread of this shock to some domestic demand

components. Thus, in 2012 the national economy kept converging in an orderly manner to levels congruent with the productive potential of the country. In this context, no aggregate-demand related pressures on inflation or the country's external accounts were registered.

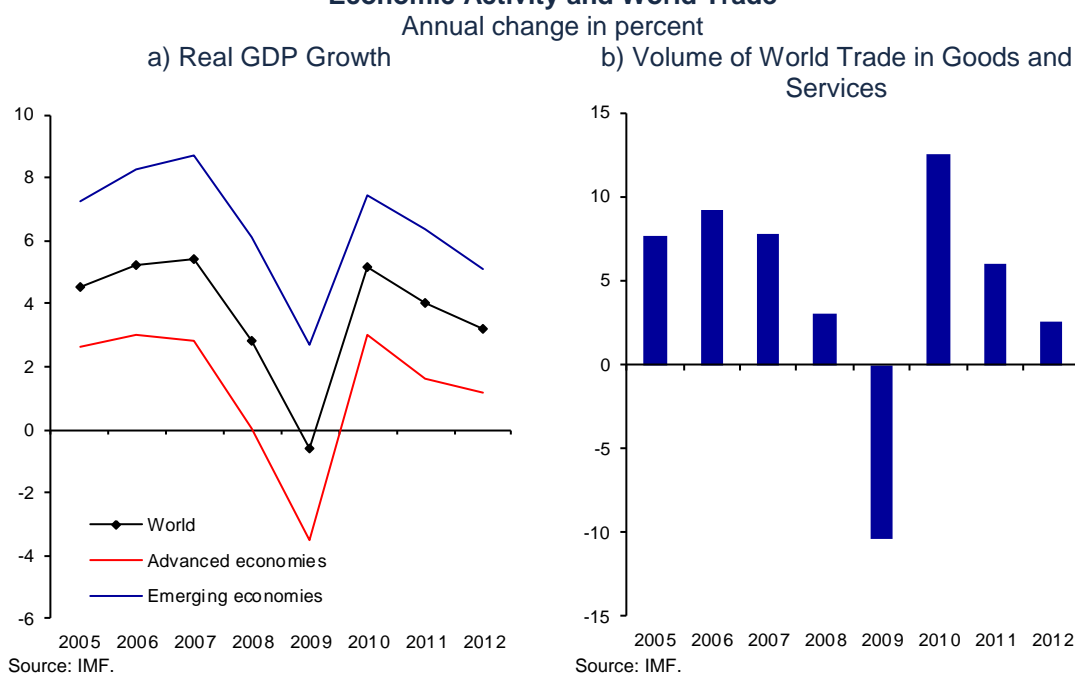
Since the end of the 1990s annual headline inflation has been converging towards the 3 percent target established by Banco de México. Thus, this indicator concluded 2012 within the variability interval of plus/minus one percentage point around the established target. Nonetheless, throughout 2012 annual headline inflation was affected by transitory shocks, with a special impact produced on agricultural goods' prices and merchandise prices, and which started to dissipate towards the last quarter of the year. These factors generated a temporary rebound of headline inflation, locating it at levels above 4 percent for some months. Subsequently, in the last quarter of the year it resumed its convergence trend towards the 3 percent permanent inflation target, once the referred shocks started to dissipate. In turn, annual core inflation, which represents the main indicator of the medium-term inflation trend, maintained within the interval of plus/minus one percentage point around the 3 percent target throughout the year, indicating that the general price formation process was not contaminated by the abovementioned transitory shocks.

The strengthening of the framework for the macroeconomic policy conduction and the improvement in Mexico's economic fundamentals in recent years have made the national economy more resistant to possible adverse shocks. Since more than a decade ago, a monetary policy aimed at preserving the stability of the national currency purchasing power and a prudent fiscal management have allowed to advance considerably in curbing inflation, which became clear in 2012. As mentioned before, a series of supply-related shocks affected the national economy and resulted in a transitory inflation rebound in 2012. However, the changes in relative prices related to these shocks took place in an orderly manner and without contaminating the price and wage formation process in the economy. Considering the abovementioned, and given that the medium- and long-term inflation expectations remained stable, Banco de México's Board of Governors decided to maintain the target for the Overnight Interbank Interest Rate at 4.5 percent in 2012.

2. International Environment

World economic activity expanded less in 2012 as compared to 2011, among other factors, due to the public and private deleveraging process in main advanced economies, the problems in the Euro zone and uncertainty prevailing over most of the year regarding the fiscal adjustment anticipated for 2013 in the U.S. The lower world economic growth rate, which shifted from 4.0 percent in 2011 to 3.2 percent in 2012, affected both advanced and emerging economies, though the latter kept expanding at a greater pace than the former (Chart 1a). The global slowdown generated a lower expansion of international trade (Chart 1b) and a widespread inflation fall in most economies. In this environment, the monetary policy easing persisted in the main advanced and most emerging economies. International financial markets registered high volatility, although they observed a significant improvement in the last months of the year, which was a result of further monetary stimulus, the announcement of the measures aimed at decreasing pressures in the sovereign debt and interbank markets in the Euro zone and progress in financial and bank consolidation of the region.

Chart 1
Economic Activity and World Trade



In the U.S., GDP grew 2.2 percent in 2012 as compared to 1.8 percent in 2011.¹ It is noteworthy, however, that with respect to the second half of 2011, GDP growth diminished in the first and the second half of 2012 (Chart 2a). This was a result of different factors that have limited economic activity growth, among which stand out the following: a decrease in public spending, concern of both businesses and households regarding the growth outlook and further

¹ According to the Final Report by the Bureau of Economic Analysis (BEA).

weakness of external demand. Industrial production and, particularly manufacturing, slowed down during most of 2012. Nonetheless, during the year as a whole industrial production grew 3.6 percent, as compared to 3.4 percent in 2011 (Chart 2b). In turn, even though the labor market showed signs of recovery during the year, it failed to consolidate. The non-farm payroll shifted from a monthly average of 175 thousand jobs in 2011 to 183 thousand jobs in 2012. The unemployment rate concluded 2012 at 7.8 percent, as compared to 8.5 percent in December 2011 (Chart 2c). It should be pointed out that the drop in the unemployment rate was partly due to the decrease in the labor participation rate. On the other hand, the employment to population ratio remained close to historical minimum levels reached since late 2009.

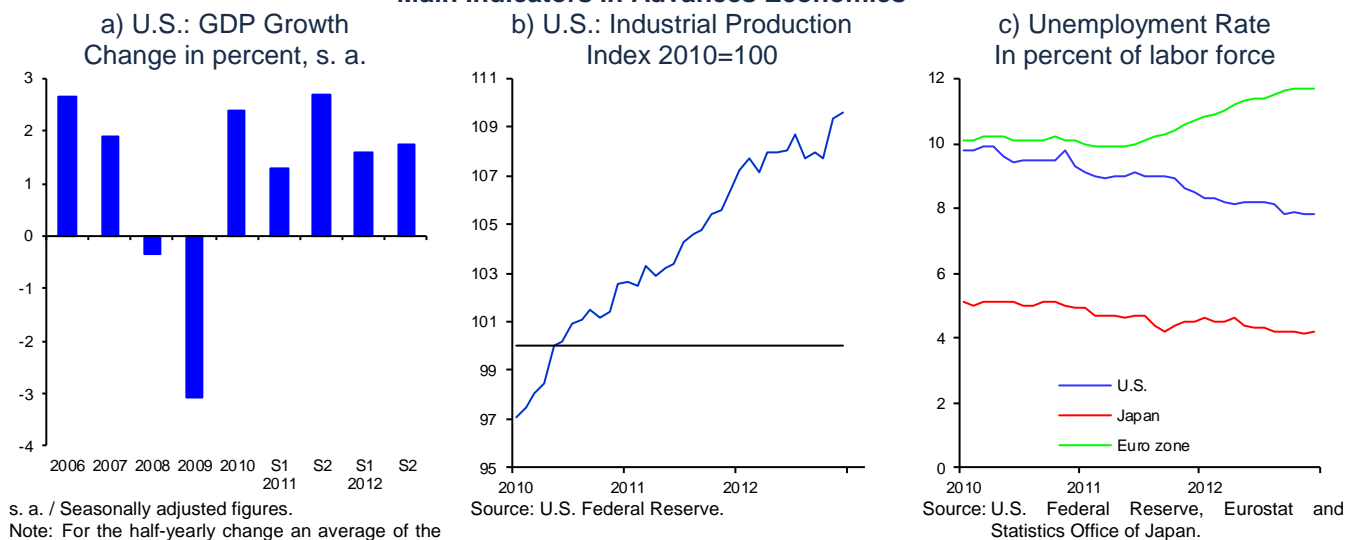
The main aggregate demand components showed a differentiated behavior in the U.S. The growth of expenditure on private consumption decreased from 2.5 percent in 2011 to 1.9 percent in 2012. The moderate growth of consumption reflected the persisting weakness of disposable personal income, as a result of sluggish employment recovery, as well as the slow recovery of household confidence. The deceleration in household expenditure coincided with an additional reduction in the savings rate, which shifted from an average of 4.2 percent of disposable personal income in 2011 to 3.9 percent in 2012. Likewise, the persisting high level of households' indebtedness remained a factor restricting the demand for credit and, therefore, consumption expenditure.

In turn, non-residential fixed investment slowed down, decreasing from 8.7 percent in 2011 to 8.0 percent in 2012, despite the businesses' solid financial position and generally favorable credit conditions. The weakness of spending on investment was partly due to the prevailing uncertainty regarding the magnitude of the fiscal adjustment anticipated for 2013 and the worsening of the world economic growth outlook.

In contrast, residential investment in the U.S. grew 12.1 percent in 2012, as compared to 1.4 percent in 2011. Housing start-ups and building permits showed a favorable behavior throughout the year and the index of home builders' confidence improved considerably. However, the expansion rate of residential construction remained at low levels with respect to previous recovery phases of the U.S. economy.

The contribution of net exports to growth moderated in 2012, due to the worsening of the international environment. Finally, throughout the year, the reduction in public spending continued adversely affecting economic activity.

Chart 2
Main Indicators in Advances Economies



Uncertainty related to the lack of political agreements to avoid a strong fiscal adjustment in 2013 and to ensure a medium-term fiscal consolidation in the U.S. was a factor adversely affecting private consumption and capital investment, particularly in the second half of the year. A sharp reduction in the public deficit anticipated for 2013, denominated “Fiscal Cliff”, would mainly result in the expiration of tax cuts extended in 2012 for two years, the conclusion of the payroll tax cuts and the beginning of the automatic spending cuts under the Budget Control Act of 2011. Thus, the entry into force of these measures foreshadowed a considerable adjustment in the public deficit and a contraction of the U.S. economy.²

On the other hand, in an environment of slack productive capacity and with monetary policy interest rates close to zero, the U.S. Federal Reserve, just as other central banks of the main advanced economies, resorted to unconventional measures in the last months of 2012 so as to support the recovery of the economy and employment. This was fundamental to propitiate an additional reduction in long-term interest rates and to support the recovery of mortgage loans and residential investment. In this sense, the importance of the monetary stimulus aimed at supporting the U.S. economic recovery is noteworthy.

The Euro zone economy contracted 0.6 percent in 2012, after growing 1.4 percent in the previous year, to a large extent reflecting the necessary fiscal and credit adjustments in different countries of the region. The activity was

² On January 1, 2013, the U.S. Congress came to an agreement so as to avoid a considerable fiscal adjustment in the short run, which would take place in 2013. The agreement reached by the U.S. Congress under the American Taxpayer Relief Act of 2012 included increased tax liability for high-income households and an increase in the payroll tax from 4.2 to 6.2 percent, the extension of the current unemployment benefits, the reduction in Medicare physician payments for one year longer, and the postponing till March 1, 2013 of the automatic cuts in federal spending (also known as “Sequestration”). According to the Congressional Budget Office (CBO), the approved adjustments will allow reducing the magnitude of the fiscal adjustment from 3.3 to 1.7 percentage points of GDP.

also affected by the low credit availability due to the persistence of financial institutions' tight supply conditions, given the necessity to increase capital requirements and an uncertain macroeconomic outlook for the region. Indeed, bank credit to the private sector in the Euro zone kept decreasing. In turn, consumption was affected by deteriorated consumer confidence, largely derived from the weakness of the labor market. The unemployment rate reached 11.8 percent in December 2012, as compared to 10.7 percent in December 2011 (Chart 2c). As indicated below, the measures taken by the European authorities, particularly by the European Central Bank (ECB) were fundamental to avoid a further deterioration of economic activity and to stop the financial markets' fragmentation in the region.

Japan's GDP increased 2.0 percent in 2012, after a contraction of 0.6 percent in 2011. Even though industrial production decreased 0.3 percent in 2012, it was lower than the contraction of 2.4 percent observed in 2011. Japan's exports were significantly weakened in the second half of 2012 by the territorial conflict with China. Nonetheless, in the last months of the year, private consumption spending showed signs of recovery.

Economic activity in the major emerging economies slowed down in 2012, largely due to the weakness of advanced economies, which adversely affected the demand for emerging economies' exports. In some of these, domestic demand also weakened in 2012. Thus, China's GDP growth was 7.8 percent in 2012, lower than 9.3 percent in the previous year. GDP in Latin America and the Caribbean expanded 3.0 percent in 2012, less than 4.6 percent registered in 2011.

International commodity prices generally presented a downward trend in 2012, although with high volatility throughout the year. Specifically, international crude oil prices dropped at the end of the first quarter and in the second one, as a result of lower growth expectations for the world economy and higher production of OPEC countries, which gave rise to an increase in inventories. Subsequently, oil prices rose in the third quarter, mainly due to lower crude oil supply from the North Sea and lower exports from Iran. This increase reverted in the last months of the year, given a downward adjustment of demand expectations due to the persisting weakness of the world economy. In turn, grain prices, after having presented some volatility in the first months of 2012, increased in the second and the third quarters, given drought problems affecting various producing regions. This rise reverted in the last months of the year, particularly in the cases of wheat and corn prices, as a result of an environment of lower economic dynamism and better supply conditions, mainly in South America (Chart 3).

Global inflation displayed in general a downward trend over most of 2012, in a context of a lower growth rate of world economic activity and lower international prices of most commodities. Under these circumstances, the monetary policy stance of the main advanced economies and most emerging ones became more accommodative in 2012.

In the U.S., annual headline inflation was 1.7 percent in December 2012, well below the figure of 3.0 percent registered in December 2011, supported by a decrease in energy prices and slack conditions in the utilization of productive

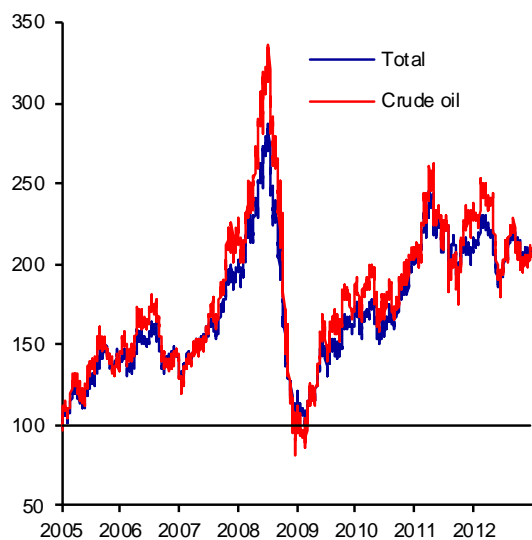
factors (Chart 4a). Annual core inflation was 1.9 percent in December 2012, below 2.2 percent observed in December 2011.

Chart 3
Commodity Prices

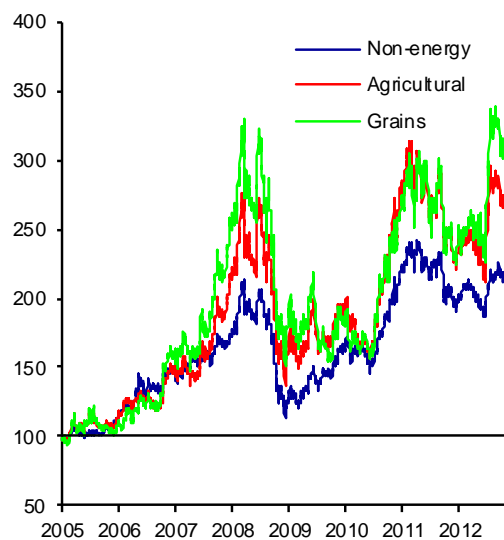
Index December 31, 2004=100

a) Total and Crude Oil

b) Non-energy and Agricultural



Source: S&P GSCI.



Source: S&P GSCI.

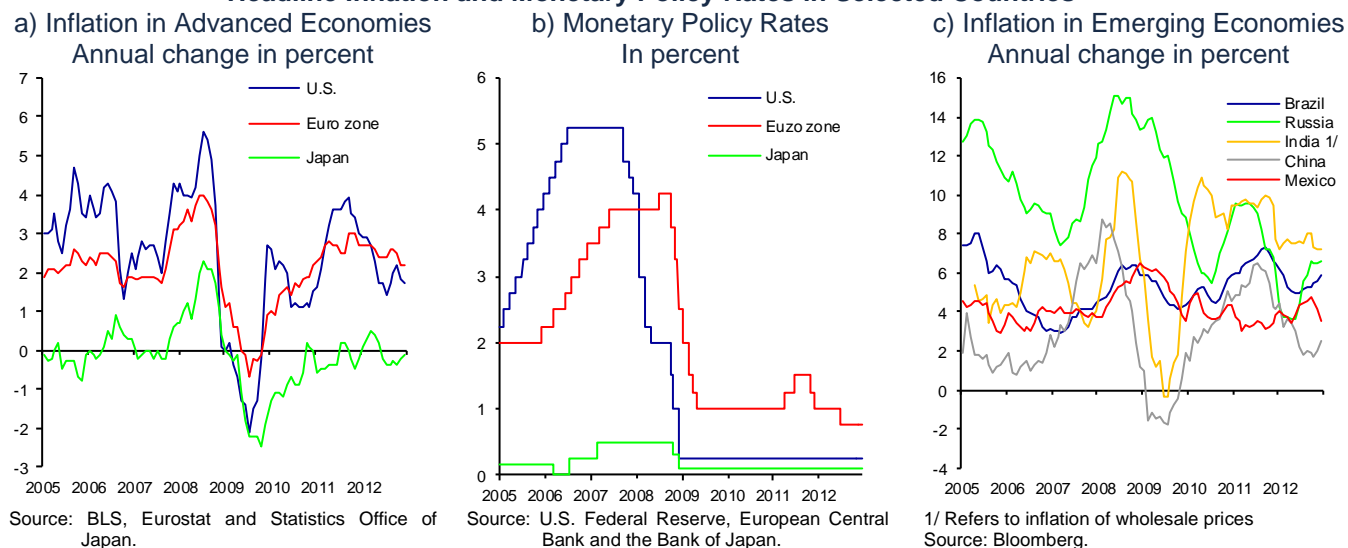
Given low rates of resource utilization and an absence of medium-term inflation pressures, during 2012 the Federal Reserve maintained unchanged its target interval of the federal funds rate between 0 and 0.25 percent (Chart 4b). Likewise, at its June meeting it announced that it would maintain till December 2012 its program of extending the average maturity of its holdings of securities (which originally concluded in June 2012). Afterwards, at its September meeting the Federal Reserve announced its intention to expand the monetary stimulus by means of the purchase of mortgage-backed securities at a pace of USD 40 billion per month. In this respect, at its December meeting, it introduced a new communication strategy to support the economic activity. In particular, it considered that an exceptionally low reference interest rate would be adequate as long as the unemployment rate persists above 6.5 percent, inflation forecasts between one and two years ahead do not exceed 2.5 percent and longer-term inflation expectations remain stable. Likewise, in order to support a more solid employment recovery, the Federal Reserve announced that from January 2013 onwards it would purchase long-term Treasury bonds at an initial monthly rate of USD 45 billion. Derived from this decision and that of September, the purchase of securities totaled USD 85 billion each month.

In the Euro zone, annual headline inflation diminished from 2.7 percent in December 2011 to 2.2 percent in December 2012, due to lower commodity prices, mainly energy, and the activity slowdown in the region. Annual core inflation dropped from 1.6 percent in December 2011 to 1.5 percent in December 2012. In the first half of 2012, the ECB maintained its policy rate unchanged at 1.0 percent and at its June meeting it decided to extend the

conduction of its regular refinancing operations with full allotment and at a fixed rate for as long as necessary and at least till January 15, 2013. Later, in July 2012, the ECB reduced its reference interest rates by 25 basis points, maintaining them at this level for the rest of the year. Additionally, at its December meeting, it announced its decision to continue conducting its main refinancing operations (MROs) for as long as necessary and at least until July 2013.

Chart 4

Headline Inflation and Monetary Policy Rates in Selected Countries



In Japan deflation persisted in 2012. Annual headline inflation shifted from -0.2 percent in December 2011 to -0.1 percent in December 2012. Core inflation, that excludes food and energy, changed from -1.1 to -0.6 percent over the same timeframe. The Bank of Japan maintained its policy rates unchanged in 2012, even though in the last months of the year it carried out some significant changes in its monetary policy, including the announcement of an inflation target.³ Likewise, it expanded its asset purchase program from JPY 55 to 101 trillion during the year, and established its conclusion at the end of 2013.

Headline inflation in most emerging economies moderated over most of 2012, due to lower commodity prices (Chart 4c). Annual consumer inflation in China decreased from 4.1 percent in December 2011 to 2.5 percent in December 2012. Considering that, the People's Bank of China cut its loan rate by 25 and 31 basis points in June and July 2012, to 6.0 percent, maintaining it at this level over the rest of the year. These measures complemented the reduction of the banks' reserve requirements in China.⁴

International financial markets presented high volatility in the second quarter and over most of the third quarter of 2012. However, in recent months these conditions improved significantly, as a result of a major monetary stimulus in the main advanced economies, and of the announcement of the measures

³ On October 30, 2012, an annual inflation target of 1 percent was established, which was revised to 2 percent on January 22, 2013.

⁴ From 21 percent in January to 20.5 percent in February, and to 20 percent in May 2012.

aimed at supporting liquidity and improving the functioning of the sovereign debt and interbank markets in the Euro zone, as well as of the progress towards further financial and banking integration in this region.

In light of the serious liquidity problems in the Euro zone financial system, the ECB decided to implement two three-year long-term refinancing operations (LTROs) at the end of 2011 and in February 2012. Likewise, the ECB expanded the collateral accepted in its financing operations and lowered banks' reserve requirements from 2 to 1 percent. Nonetheless, in the second quarter of the year the difficulties in the refinancing of various Euro zone countries intensified, once doubts over the ability of some of the region's countries, particularly Spain, to reach their fiscal consolidation targets emerged. This, together with the prospects of lower than expected growth of the world economy, led to a renewed deterioration of international financial markets conditions, which was reflected in a substantial increase in the indicators measuring credit risk and in pressures on the European banks' funding conditions.

Under these circumstances, in early June 2012 the European authorities announced a series of measures to address the deterioration in financial markets. The following were among these measures: a loan application by the government of Spain for up to EUR 100 billion via regional support mechanisms to recapitalize its banks, and a reduction in the minimum rating threshold for asset-backed securities accepted as collateral by the ECB. Nonetheless, these measures did not succeed in reducing uncertainty regarding the sovereign debt and Spanish banks' solvency, as they represented further public indebtedness and as the creditor status of the regional support mechanisms persisted.⁵

Given the abovementioned, at the end of June 2012 the European authorities agreed on new measures, among them, a series of steps to strengthen financial and fiscal integration and the effectiveness of the regional support mechanisms. The measures included: i) direct bank capitalization by regional mechanisms, once a unified banking monitoring for the Euro zone preceded by the ECB comes into force, ii) the elimination of the preferential creditor status in loans from EFSM/ESM, and iii) the confirmation of the European authorities' disposition to consider the sovereign bonds' purchase in the secondary debt markets, although without expanding the present lending capacity.

Once again, these measures provided only a temporary relief and were considered insufficient by the financial markets, which demanded more solid progress towards a fiscal integration and a banking union in the Euro zone. Furthermore, important challenges persisted, in particular, the details on the implementation of the measures described above and the fact that available resources would turn out insufficient to support some Euro zone's countries.

In this context, in early September 2012 the ECB announced a new program of direct purchases of sovereign bonds in the secondary markets (Outright Monetary Transactions, OMTs), in order to reestablish the functioning of the

⁵ The European Financial Stability Fund (EFSF) and the European Stability Mechanism (ESM).

monetary policy transmission mechanism, affected by the severe distortions on the sovereign debt and interbank credit markets. The program includes the discretionary purchase of one to three year bonds in the secondary market and no ex ante limits on the amount of these operations are set. Additionally, it is specified that the intervention will only be carried out, once a country applies for it, the financial assistance of the ESM is approved, and the applying country abides by an economic adjustment program. Moreover, the ECB expressed its commitment to receive the same treatment as other investors for the bonds acquired via this program.

The announcement of the ECB, together with the previously disclosed measures, contributed to reducing the refinancing difficulties of the sovereign debt and the banking system of some Euro zone's countries, at the same time as, in general, the short-term funding conditions improved. Besides, over the third quarter of the year, further measures were taken in order to eliminate the negative feedback loop between the fragility of the banking system and the problems of sovereign debt sustainability, as well as to further progress towards a better financial and fiscal integration in the Euro zone. The following stand out among these measures: the publication of the results of the diagnostic exercise of the possible capital requirements derived from the stress tests; the publication by the European Banking Authority (EBA) of the final report on the European banks' recapitalization exercise; and the proposal by the European Commission of the Single Supervisory Mechanism (SSM).

In the last months of 2012, agreements were also reached to strengthen the institutional framework and governance in the Euro zone, including progress in establishing a banking union. Particularly, the European Council established in its meeting in mid-October of 2012 a goal to reach an agreement on the legislative SSM framework, including the ECB's direct supervision of the major banks in the Euro zone.⁶

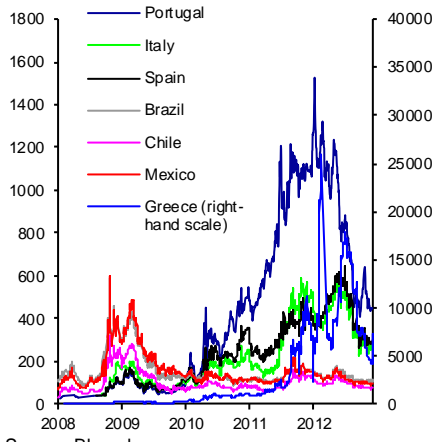
Financial markets, particularly interbank and sovereign debt markets, had a favorable evolution in the last months of 2012 (Chart 5a). However, the good functioning of these markets largely remained dependent on the extraordinary degree of support from the official institutions, and risks to monetary policy implementation at the national and regional levels persisted.

Despite a better performance of economic activity in emerging economies, as compared to advanced economies, the former observed volatility in their capital flows, set-backs in their stock markets, and, in general, depreciation of their currencies with respect to the USD over the first half of 2012. Nonetheless, the improvements in international financial markets, following the measures taken by the Euro zone's authorities from June 2012 onwards, as well as the stimulus policies by various advanced economies, were reflected in an uptick of capital flows towards emerging markets in the last months of the year. This was translated in currencies' appreciation and increases in the stock market indices of most emerging economies (Chart 5b and Chart 5c).

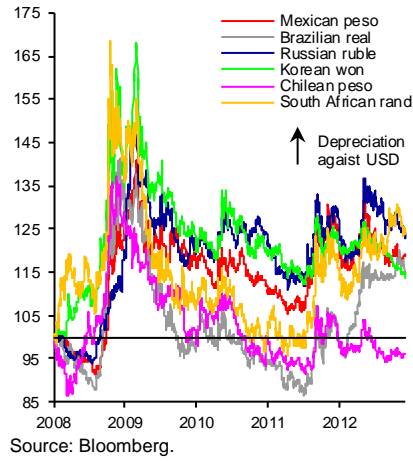
⁶ It is noteworthy that the agreement to create the SSM is only the first step towards a banking union. Among the measures that still require the European authorities' agreement are: a) the establishment of a procedure in emergency cases for direct recapitalization of banks by the European Stability Mechanism (ESM), b) the creation of deposit guarantee funds nationwide, and c) the formation of a single resolution mechanism for the European Union.

Chart 5
Financial Indicators in Selected Economies

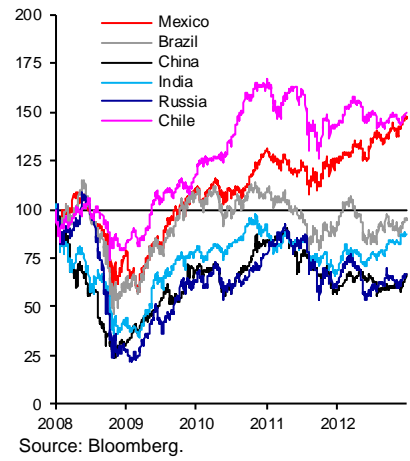
a) Credit Default Swaps (CDS)
Basis points



b) Exchange Rate
Index 01/01/2008=100



c) Stock Exchange
Index 01/01/2008=100



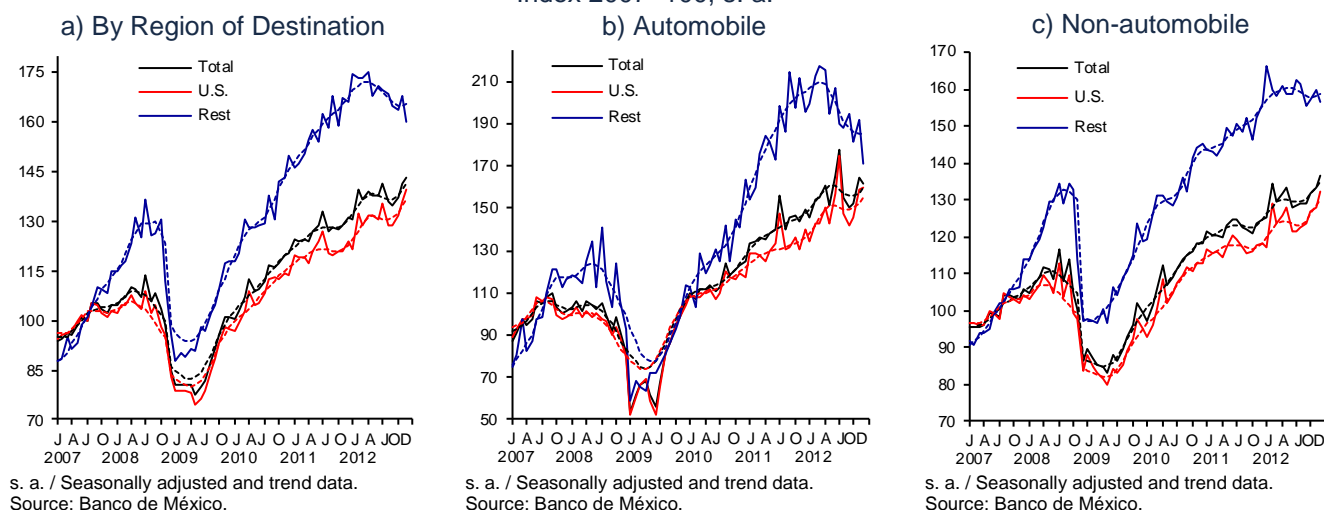
3. Developments in the Mexican Economy: General Overview

3.1. Economic Activity

During 2012, Mexican GDP registered a positive trajectory, as its growth rate led the economic activity to continue converging in an orderly manner towards levels congruent with the country's productive potential. Even though in the first half of the year the economic expansion of the country was not noticeably affected by the world economic slowdown and volatility in the financial markets, towards the second half of 2012 this environment generated a loss of dynamism in the Mexican economy. This lower growth rate was initially derived from lower expansion rates of the manufacturing exports, and afterwards from the pass-through of these shocks to some domestic demand components.

Particularly, even though in the first half of 2012 manufacturing exports observed higher growth rates than in 2011, in the second half of the year they presented a noticeable slowdown (Chart 6). This performance mainly reflected lower dynamism of exports to countries other than the U.S., although exports destined to the referred country also moderated. Likewise, the deceleration of the manufacturing exports' growth was observed both in the automobile industry goods and in the rest of the manufacturing products.

Chart 6
Manufacturing Exports
Index 2007=100, s. a.



Domestic demand presented a positive trend in 2012, even though the growth pace of some of its components and determinants diminished as the year progressed (Table 1). Consumption registered a relatively stable growth throughout the year (Chart 7a). Nonetheless, its increase in 2012 was lower than that in the previous year, in line with the lower dynamism of some of its main determinants. In particular, workers' real average income still showed no recovery, which led the real wage bill to remain below the pre-crisis levels (Chart 7b). Although with certain volatility, workers' remittances observed a negative trend over the year (Chart 7c). Consumer credit kept expanding,

even though in the last months of the year its growth rate dropped (Section 3.3.1). Finally, investment decelerated noticeably in the second half of 2012 (Chart 8a), mainly due to the weak performance of investment in construction, in particular housing construction (Chart 8b), even though spending on investment in machinery and equipment also lost dynamism.

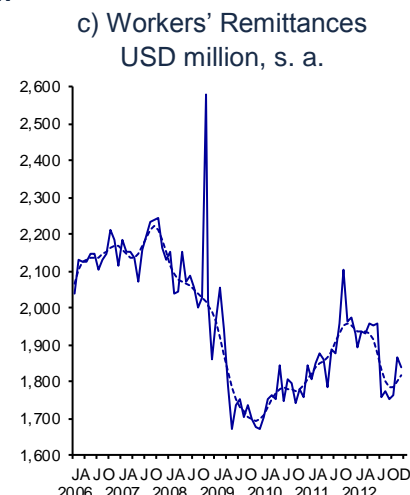
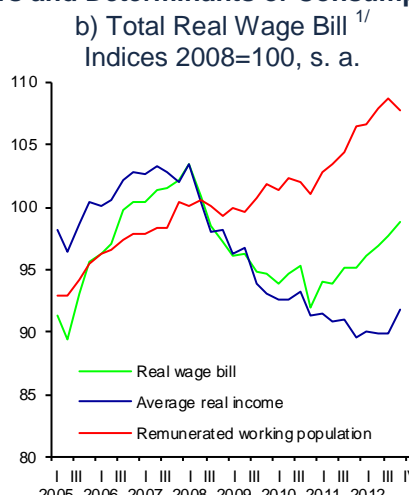
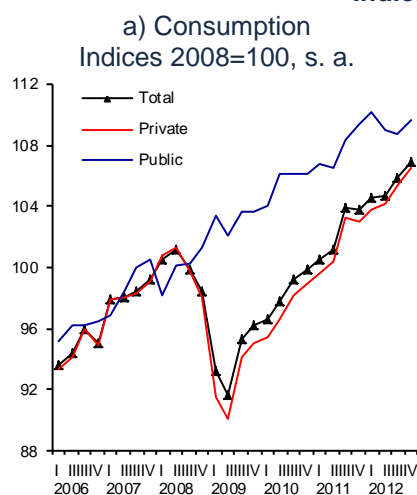
Table 1
Aggregate Supply and Demand

Real annual change in percent with respect to the same period of the previous year

	2009	2010	2011	2012				Annual
				I	II	III	IV	
Aggregate supply	-9.1	8.5	4.7	5.3	4.5	2.5	3.6	4.0
GDP	-6.0	5.3	3.9	4.9	4.5	3.2	3.2	3.9
Imports	-18.4	19.6	7.1	6.7	4.8	0.5	5.0	4.1
Aggregate demand	-9.1	8.5	4.7	5.3	4.5	2.5	3.6	4.0
Total consumption	-5.8	4.6	4.0	4.1	3.3	2.0	3.1	3.1
Private	-7.2	4.9	4.4	4.2	3.4	2.2	3.5	3.3
Public	3.2	2.3	2.1	3.2	2.2	0.4	0.2	1.5
Total investment	-11.8	0.3	8.1	8.6	6.2	4.7	4.1	5.9
Private	-16.7	-0.4	13.9	9.9	4.8	2.2	4.8	5.4
Public	4.5	2.3	-6.9	2.9	11.1	14.1	2.8	7.3
Exports	-13.5	21.6	7.5	5.1	6.4	2.4	4.7	4.6

Source: México's System of National Accounts, INEGI.

Chart 7
Indicators and Determinants of Consumption



s. a. / Seasonally adjusted data.
Source: Prepared by Banco de México with data from Mexico's System of National Accounts, INEGI.

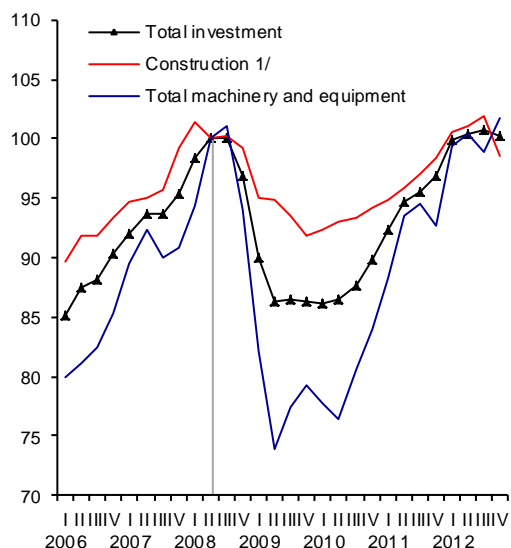
s. a. / Seasonally adjusted data.
^{1/} Data from 2011 onwards are preliminary and are based on INEGI demographic projections.
Source: Prepared by Banco de México with data from INEGI Quarterly National Employment Survey (*Encuesta Nacional de Ocupación y Empleo, ENOE*).

s. a. / Seasonally adjusted and trend data.
Source: Banco de México.

Chart 8

Indicators and Determinants of Investment

a) Investment and its Components
Index second quarter 2008=100, s. a.

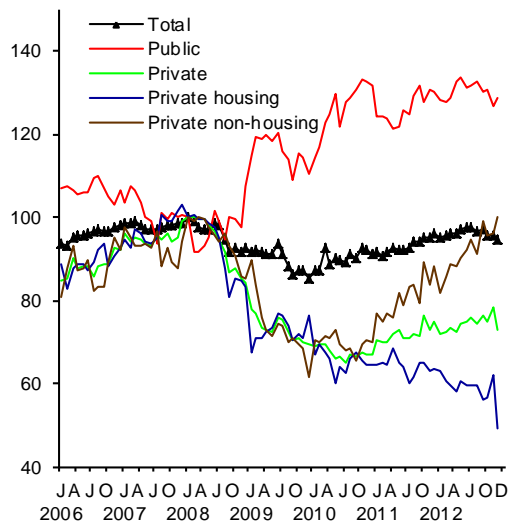


s. a. / Seasonally adjusted data.

1/ Seasonal adjustment carried out by Banco de México.

Source: Prepared by Banco de México with data from Mexico's System of National Accounts, INEGI.

b) Real Value in the Construction Sector by Contracting Institutional Sector
Indices Jan. 2008=100, s. a.



s. a. / Seasonally adjusted data. For public and private (housing and non-housing) construction, the seasonal adjustment was prepared by Banco de México with data from INEGI.

Source: INEGI.

The above described performance of external demand and domestic spending resulted in a slowdown in the second half of the year as compared to the first two quarters, despite the positive trend of GDP throughout 2012 (Chart 9). This deceleration was particularly evident in the industrial sector (Chart 10a), mainly as a reflection of a reduced growth rate in the manufacturing and construction sectors (Chart 10b).

In turn, during 2012 the services sector registered a positive trend, even though its growth rate in the second half of the year was slightly lower than that observed on average in the first one. This trend mainly resulted from the pass-through of the slowdown in external demand onto its related services, which even contracted in the third quarter of the year (Chart 10c). In particular, the decrease in the services more related to the external demand was a reflection of the reduction in the services of the commerce sector in this period. In turn, the sector of transport, mail and warehousing services presented positive changes in the second half of 2012, even though of lower magnitude as compared to the first one. In contrast, some domestic demand-related services kept presenting a relatively high growth rate, as it is the case of the real estate and leasing services, temporary lodging services and food and beverage-related services, education and health services.

On the other hand, in 2012 primary activities reverted the negative trend observed in the previous year, and, in fact, accelerated their growth in the second half of the year under analysis. Thus, in 2012 agriculture registered annual growth mainly in the harvests of barley grain, safflower, beans, tomato

and corn in grains. Livestock production was affected partly by the outbreak of avian flu at the end of the second quarter in some regions of Jalisco, which reduced the availability of egg for consumption and, to a certain extent, that of poultry meat. The effects of this outbreak were mainly observed in the third quarter of 2012, even though they began to dissipate in the last quarter of the year (Chart 10d).

Chart 9
GDP Growth

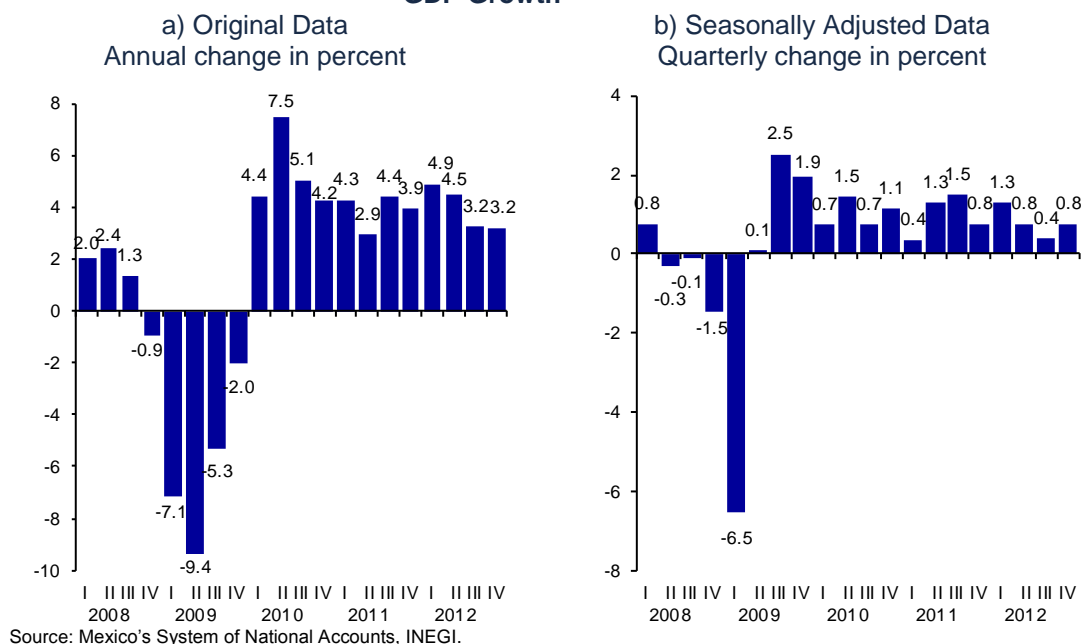
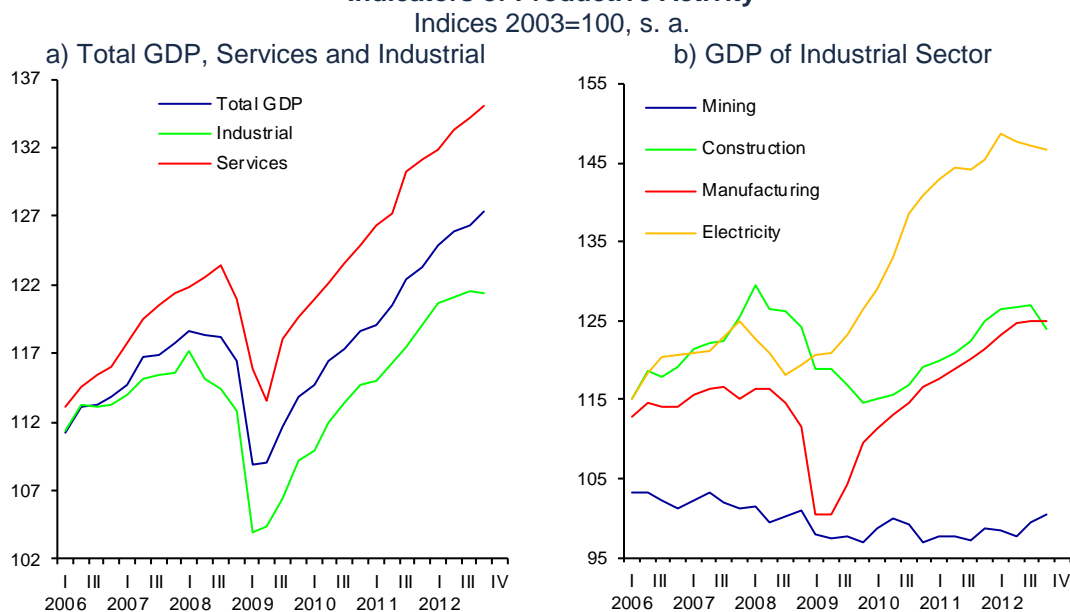
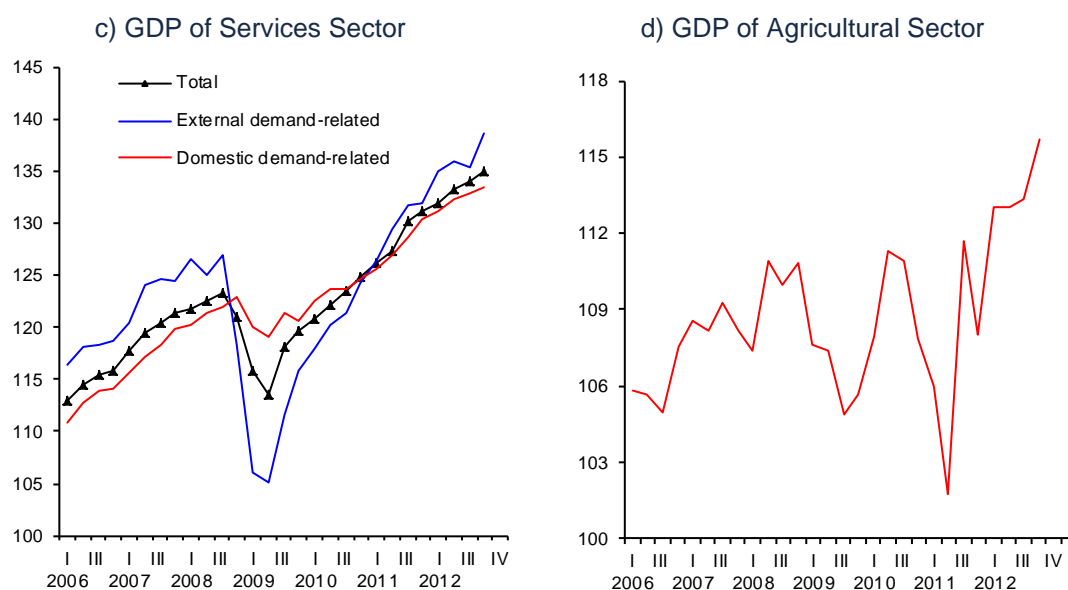


Chart 10
Indicators of Productive Activity





In 2012, the evolution of Mexico's external accounts was affected by the slowdown of the external demand and some components of the domestic demand, as well as by the improvement in international financial markets by the end of the year. Indeed, a lower impulse of the external demand from the U.S., but above all from the rest of the world, gave rise to a lower exports' growth rate in the second half of the year, as compared to the average in the first half. Lower dynamism of domestic spending in the second half of 2012 led to a gradual reduction in the imports' growth rate. This led to a positive trade balance of USD 163 million (0.0 percent of GDP) in the analyzed year, which represents the first annual surplus balance since 1997. Likewise, it contributed to maintaining the current account deficit at low levels, having registered USD 9,249 million (0.8 percent of GDP, Table 2).

Table 2
Current Account
USD million

	2011	2012				Annual
	Annual	1Q	2Q	3Q	4Q	
Current account	-9,671	-1,352	-466	-941	-6,490	-9,249
Goods and services balance	-15,402	-286	-1,663	-5,205	-5,627	-12,781
Goods	-1,172	1,903	1,611	-1,089	-1,866	559
Merchandise	-1,468	1,765	1,525	-1,173	-1,954	163
Exports	349,375	89,671	94,466	91,243	95,535	370,915
Imports	350,843	87,906	92,941	92,416	97,489	370,752
Goods procured in ports by carriers	296	138	86	84	88	396
Services	-14,230	-2,189	-3,274	-4,116	-3,761	-13,340
Rent	-17,243	-6,422	-5,354	-1,228	-6,029	-19,033
Transfers	22,974	5,356	6,551	5,492	5,166	22,565
Oil trade balance	13,681	4,305	2,123	3,372	2,140	11,940
Non-oil trade balance	-15,149	-2,540	-598	-4,545	-4,094	-11,777

Source: Banco de México.

Even though the environment of volatility in international financial markets prevailed in 2012, in the last months of the year these markets registered an improvement, which led to lower risk premia. In this context, the solid macroeconomic framework of the Mexican economy in relation to other economies, as well as the search for yield by international investors, who faced minimum historical levels of interest rates in advanced economies, account for the growth of domestic financial assets held by non-residents in 2012. This was reflected in a surplus of USD 43,680 million in the financial account. Furthermore, during the year, gross international reserves increased by USD 17,841 million (Table 3).⁷

In the particular case of foreign direct investment flows, in 2012 they totaled USD 12,659 million, including a negative flow of USD 909 million in the fourth quarter. This result was affected by a USD 4,106 million stock sale of a financial institution with foreign capital, which produced a direct negative impact on the foreign direct investment flows to the country. However, most of this stock (USD 3,943 million) was purchased by foreign investors, reason for which, to a large extent, this operation mainly led to a transformation from direct investment into portfolio investment, and, therefore, did not imply a high outflow of resources from the economy. Without this operation, foreign direct investment in the fourth quarter of 2012 would have amounted to USD 3,197 million and for the year as a whole it would have totaled USD 16,765 million. In this context, it should be noted that, given the difficulties many European countries are still experiencing, and the uncertainty prevailing in the U.S. due to the discussion on the fiscal consolidation process in that country, 2012 turned out to be a complicated year to maintain the previous levels of foreign direct investment. Indeed, in accordance with the global investment trends' monitor of January 2013, published by the United Nations Conference on Trade and Development (UNCTAD), global foreign direct investment flows are estimated to have registered an annual reduction of 18 percent in 2012.

To conclude this Section, the performance of different indicators related to slack conditions prevailing in the economy in 2012 is evaluated below. These indicators suggest that during this year, no aggregate demand-related pressures on inflation or Mexico's external accounts were observed. In this regard, it stands out that the economic growth rate registered in 2012 led to maintaining the output gap close to zero (Chart 11). This, together with other slack indicators of the economy, is congruent with the absence of demand pressures in the markets of the main production inputs, such as labor and credit.

- a) In 2012, slack conditions remained in the labor market. Indeed, even though national and urban unemployment rates gradually decreased in the first three quarters of 2012, they remained above the pre-crisis levels and, in fact, in the fourth quarter of this year, they increased again (Chart 12a). This uptick was observed despite a positive trend

⁷ The referred increment of gross international reserves resulted from a combination of the current account deficit of USD 9,249 million; an inflow of USD 43,680 million to the financial account and an outflow of USD 16,960 million in the errors and omissions item. Likewise, the variation of gross international reserves also includes a valuation adjustment of USD 370 million.

in the number of IMSS-insured workers throughout the year (Chart 12b).

Table 3
Balance of Payments ^{1/}
USD million

	2011		2012			
	Annual	1Q	2Q	3Q	4Q	Annual
Current account	-9,671	-1,352	-466	-941	-6,490	-9,249
Financial account	49,160	18,686	-10,986	13,277	22,703	43,680
Direct investment	9,366	-675	-4,389	-3,527	-4,346	-12,937
In Mexico	21,504	4,999	4,372	4,197	-909	12,659
By Mexicans abroad	-12,138	-5,674	-8,761	-7,724	-3,437	-25,596
Portfolio investment	45,946	22,297	3,529	24,783	22,771	73,380
Liabilities	40,622	24,178	9,302	23,221	23,529	80,230
Public sector	36,975	19,753	8,622	13,992	14,502	56,869
Money market	31,650	13,646	5,648	13,155	14,193	46,642
Other	5,325	6,107	2,974	837	309	10,227
Private sector	3,647	4,425	680	9,229	9,027	23,361
Equity and money market	-6,564	2,179	1,034	1,211	5,611	10,035
Other	10,211	2,246	-354	8,018	3,416	13,326
Assets	5,324	-1,881	-5,773	1,562	-758	-6,850
Other investment	-6,152	-2,936	-10,126	-7,979	4,278	-16,763
Liabilities	-2,478	-7,436	6,313	-11,697	4,097	-8,723
Public sector	301	-1,719	-1,527	-403	2,217	-1,432
Banco de México	0	0	0	0	0	0
Private sector	-2,779	-5,717	7,840	-11,294	1,880	-7,291
Assets	-3,674	4,500	-16,439	3,718	181	-8,040
Errors and omissions	-11,308	-10,983	18,481	-10,180	-14,278	-16,960
Change in gross international reserves	28,621	6,740	6,772	2,869	1,460	17,841
Valuation adjustments	-440	-389	257	-713	475	-370

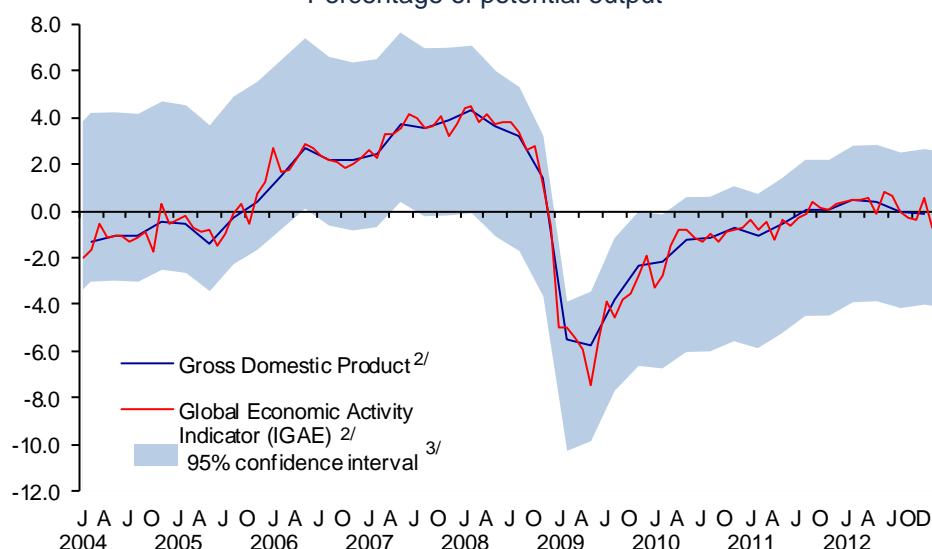
Source: Banco de México.

1/ The balance of payments' statistics are subject to data revisions in some items. These adjustments stem from a continuous process of additional data incorporation. Particularly, the balance in the errors and omissions item, reported hereby, can be adjusted in future balance of payments' releases, as more data are available regarding different components of the referred balance of payments, for example, changes in the amount of deposits by Mexicans abroad and flows of foreign direct investment to the country, among other concepts subject to a subsequent revision.

In this context, in 2012 wages increased moderately, which, together with a positive trend of the average labor productivity throughout the year, led the unit labor costs to remain at low levels, both at the level of the economy and in the manufacturing sector in particular (Chart 12c and Chart 12d). This, in turn, contributed to the absence of inflation pressures coming from labor market conditions.

- b) Total financing to the non-financial private sector increased in 2012. However, as will be seen in detail in Section 3.3.1, in the second half of the year its growth rate moderated. Interest rates and defaulting rates remained stable, which suggests that the loanable funds market did not register overheating signs.
- c) Finally, as mentioned above, in 2012 the current account deficit observed a moderate level of 0.8 percent of GDP, which was easily financed by inflows to the balance of payments' financial account. In this sense, the external accounts performance shows that the level of aggregate spending in the economy was congruent with its productive potential (Chart 13a and Chart 13b).

Chart 11
Output Gap Estimation ^{1/}
 Percentage of potential output



1/ Estimated using the Hodrick-Prescott (HP) filter with tail corrections; see Banco de México (2009), "Inflation Report, April - June 2009", p. 69.

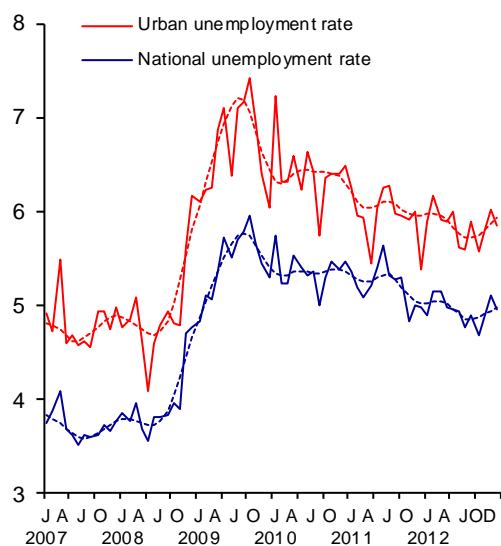
2/ GDP figures up to the fourth quarter of 2012; IGAE figures up to December 2012.

3/ Confidence interval for the output gap calculated with an unobserved components method.

Source: Prepared by Banco de México with data from INEGI.

Chart 12
Labor Market Indicators

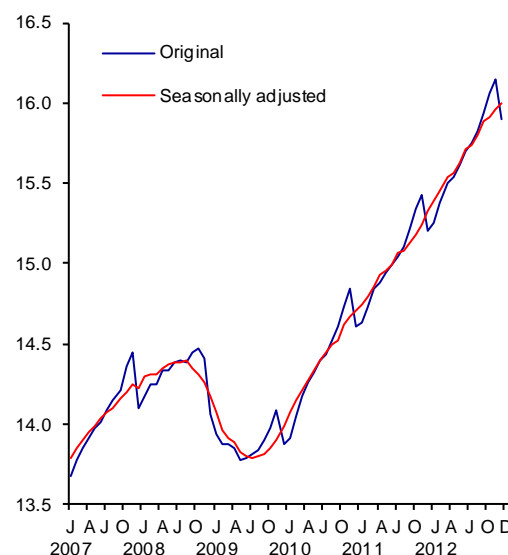
a) National and Urban Unemployment Rate
 Percent, s. a.



s. a. / Seasonally adjusted and trend data.

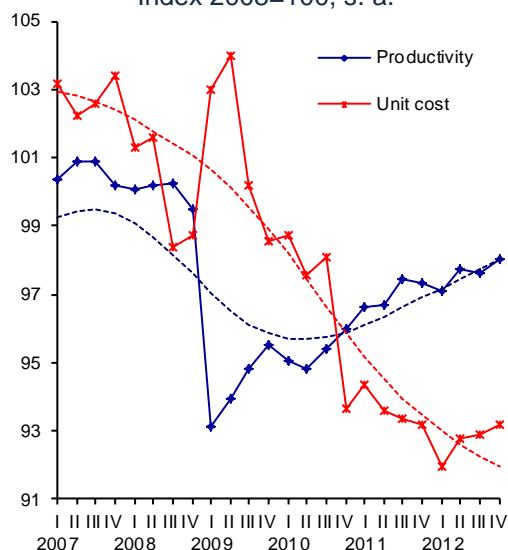
Source: National Employment Survey (*Encuesta Nacional de Ocupación y Empleo*), INEGI.

b) IMSS-insured Workers
 Millions of persons



Source: Seasonal adjustment by Banco de México with data from IMSS.

c) Productivity and Unit Labor Cost in the Economy ^{1/}
Index 2008=100, s. a.

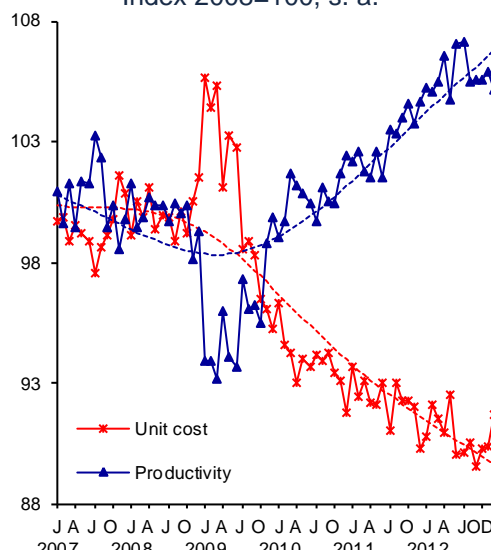


1/ Data from 2010 onwards are preliminary and are based on INEGI's demographic projections.

s. a. / Seasonally adjusted and trend data.

Source: Prepared and seasonally adjusted by Banco de México based on data from the National Employment Survey (*Encuesta Nacional de Ocupación y Empleo*) and Mexico's System of National Accounts, INEGI.

d) Productivity and Unit Labor Cost in the Manufacturing Sector
Index 2008=100, s. a.

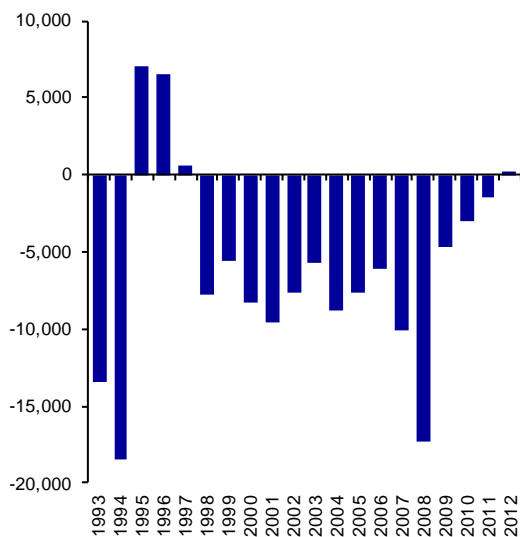


s. a. / Seasonally adjusted and trend data.

Source: Prepared by Banco de México with seasonally adjusted data from the Monthly Manufacturing Industry Survey (*Encuesta Mensual de la Industria Manufacturera*) and industrial activity indicators from Mexico's System of National Accounts, INEGI.

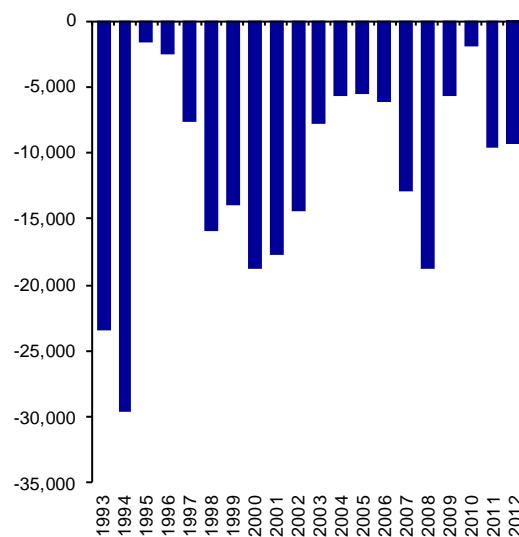
Chart 13
Trade Balance and Current Account
USD million

a) Trade Balance



Source: Banco de México.

b) Current Account



Source: Banco de México.

3.2. Public Finances

In 2012, the public sector economic balance registered deficits of MXN 403.6 billion (-2.6 percent of GDP) and of MXN 92.1 billion (-0.6 percent of GDP) excluding Pemex investment (Table 4).⁸ The economic deficit in 2012 was slightly above that of 2011 in terms of GDP, while on excluding Pemex investment, the deficit equaled that of the previous year. With respect to the annual budgetary target, the economic deficit observed in 2012 was in line with the deficit approved for the year and with the fiscal regulations applicable to the fiscal year.⁹ Finally, the primary balance (defined as the difference between the revenues and expenditures other than financial costs) showed a deficit of MXN 94.6 billion, equivalent to -0.6 percent of GDP.

Table 4
Public Sector Balance in 2010 – 2012 ^{1/}

	MXN billion of 2012			Percent of GDP		
	2010	2011	2012 ^{p/}	2010	2011	2012 ^{p/}
Economic balance	-398.9	-368.0	-403.6	-2.8	-2.5	-2.6
Budgetary balance	-402.1	-375.0	-405.5	-2.9	-2.5	-2.6
Federal government	-385.9	-380.0	-413.1	-2.7	-2.5	-2.7
Public entities and enterprises(1+2)	-16.2	4.9	7.6	-0.1	0.0	0.0
1 Pemex	-62.6	-41.1	-34.0	-0.4	-0.3	-0.2
2 Rest	46.3	46.0	41.6	0.3	0.3	0.3
Non-budgetary balance	3.2	7.1	1.9	0.0	0.0	0.0
Economic balance excl. Pemex investment	-109.8	-89.7	-92.1	-0.8	-0.6	-0.6
Primary balance	-122.4	-84.4	-94.6	-0.9	-0.6	-0.6
Primary balance excl. Pemex investment	166.6	193.8	216.9	1.2	1.3	1.4

Source: Ministry of Finance (SHCP).

1/ Deficit (-), Surplus (+).

p/ Preliminary figures.

Note: Figures may not add due to rounding.

In 2012, budgetary revenues amounted to MXN 3,517.5 billion (22.7 percent of GDP), representing a real growth of 3.3 percent, as compared to that of 2011. This was a consequence of the GDP growth of 3.9 percent and high crude oil prices. Budgetary revenues' increase was the result of the real annual growth of oil revenues (3.7 percent), non-oil tax revenues (1.4 percent), non-oil non-tax revenues (16.6 percent) and revenues of non-oil public entities and enterprises (3.1 percent), all of these as compared to the previous year (Chart 14a and Chart 15a).¹⁰

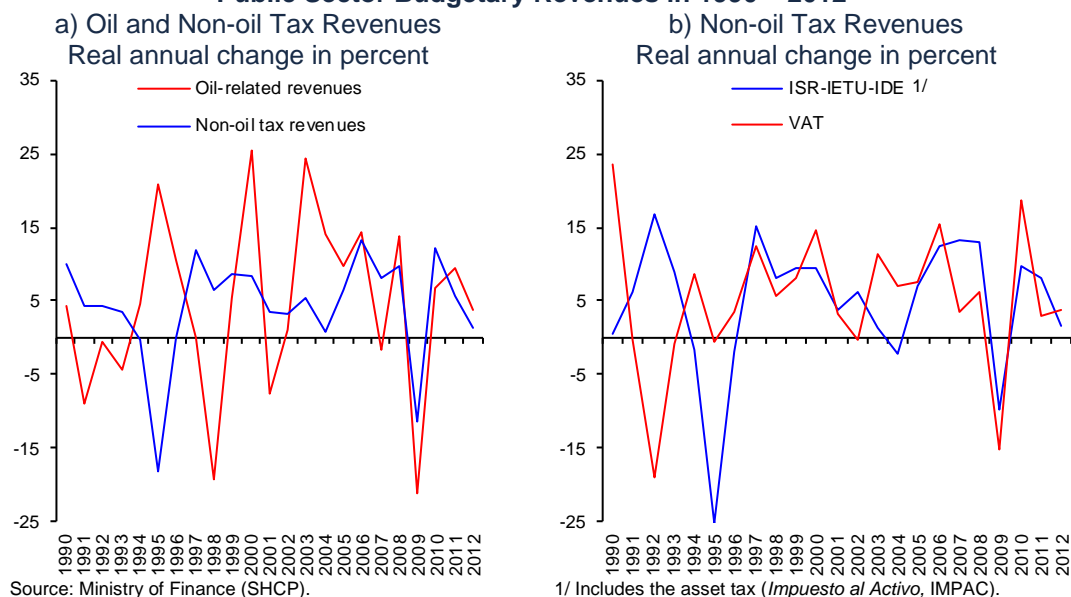
⁸ The traditional public balance or the economic balance reflects the public sector's net financial position and is used to evaluate the degree of accomplishment of budgetary goals of the non-financial federal public administration.

⁹ For further reference: Report on the Economic Situation, Public Finances and Public Debt of the Fourth Quarter of 2012, Ministry of Finance (SHCP).

¹⁰ Oil revenues include total Pemex revenues, oil duties and benefits, the oil revenue tax and the Excise Tax (*Impuesto Especial sobre Producción y Servicios*, IEPS) on gasoline and diesel.

Chart 14

Public Sector Budgetary Revenues in 1990 – 2012



The oil-related revenues' real growth of 3.7 percent resulted from a high average price of the Mexican crude oil mix, which in 2012 was 3.5 percent higher than the level observed in 2011, and a more depreciated exchange rate with respect to last year.¹¹ Both effects offset the declines of 0.2 percent and of 6.7 percent in crude oil extraction and exports, respectively, as well as the reduction of 12.2 percent in natural gas production. Notably, the Excise Tax (*Impuesto Especial sobre Producción y Servicios, IEPS*) on gasoline and diesel registered a negative tax collection of MXN 203.1 billion, which prevented further growth of oil revenues. The negative Excise Tax is the consequence of the fact that the average retail price was lower than Pemex producer price, which occurred despite the increments applied throughout the year to the referred fuel prices.¹²

Non-oil tax revenues grew 1.4 percent in real terms in 2012. Particularly, VAT revenues presented a growth rate of 3.7 percent, while the joint revenues of income taxes (ISR-IETU-IDE) increased 1.7 percent and the non-oil Excise Tax grew 1.2 percent (Chart 14b). On the other hand, other tax revenues, among them the new car tax (*Impuesto sobre Automóviles Nuevos, ISAN*) and the vehicle maintenance fee (till 2011) dropped 30.1 percent due to the repeal of the vehicle maintenance fee in 2012.¹³

Non-oil non-tax revenues exceeded by 16.6 percent in real terms those observed in 2011. This growth is mainly accounted for by higher revenues

¹¹ In 2012, the average exchange rate was MXN/USD 13.2, while in 2011 it was MXN/USD 12.4.

¹² From January to December 2012, the monthly increment applied to prices of magna gasoline and diesel was 9 cents per liter. In the case of premium gasoline, the increment from January to June was 5 cents per liter, and from July onwards the increment grew by 1 cent more each month, till reaching 9 cents per liter in October.

¹³ On adjusting the tax revenue growth due to the repeal of the vehicle maintenance fee, the growth is 2.4 percent in real terms.

from rights and other revenues, which increased 17.0 and 13.5 percent in real terms, respectively.

The revenues of non-oil public entities and enterprises rose 3.1 percent in real terms as compared to 2011, mainly due to higher social security contributions related to a higher number of IMSS-insured workers and higher electricity sales by the Federal Electricity Commission (*Comisión Federal de Electricidad*, CFE).

Compared to the Income Law of the Federation (*Ley de Ingresos de la Federación*, LIF), the excess budgetary revenues amounted to MXN 207.4 billion (6.3 percent) and originated from the following sources:

- a) MXN 17.2 billion (1.5 percent) from higher oil revenues, given that the crude oil price exceeded by USD 18.5 per barrel the budget price, and that the exchange rate depreciated more than anticipated.¹⁴
- b) MXN 25.1 billion (1.7 percent) from non-oil tax revenues, mainly as a reflection of higher than anticipated VAT revenues. The other items of the tax revenues observed a level similar to the programmed.
- c) Higher non-oil non-tax revenues by MXN 136.4 billion (174.3 percent) due to rights and other revenues above the budgeted level.
- d) Revenues from public entities and enterprises other than Pemex higher than expected by MXN 28.8 billion (5.1 percent). In particular, the increases concentrated in the CFE (MXN 16.0 billion) and IMSS (MXN 12.2 billion). The Public Employees Social Security Institute (ISSSTE) obtained MXN 0.5 billion additional revenues.

The total budgetary public spending added up to MXN 3,923.0 billion (25.3 percent of GDP) in 2012, which implied a growth of 3.8 percent in real terms with respect to the previous year and MXN 244.1 billion (6.6 percent) higher than the budget. The growth of total spending was the result of both programmable and non-programmable outlays' growth of 4.2 and 2.0 percent in real terms, respectively, as compared to 2011.

The expansion of programmable expenditure was mainly caused by higher current outlays, which increased 5.2 percent and, to a lower extent, by capital expenditures, which grew 1.2 percent. In the disaggregation of current expenditure it stands out that spending on personal services exceeded by 3.3 percent the amount of 2011, most of these outlays concentrating in services, such as education and healthcare. In turn, expenditure on pensions grew 6.5 percent in real terms due to the increase of the average pension, and the number of the retired employees in the IMSS, ISSSTE and CFE.¹⁵ The item of

¹⁴ For 2012, the approved average price of the Mexican crude oil mix was USD 84.9 per barrel and an average exchange rate was estimated at MXN/USD 12.8.

¹⁵ Higher spending on pensions is accounted for by the increase of 7.5 and 5.8 percent in real terms of IMSS and ISSSTE payments, respectively; in Pemex the contributions to the pension fund rose 2.7 percent in real terms; in the CFE it grew 8.7 percent in real terms; and pensions and retirements covered directly by the federal government were 5.7 percent higher in real terms.

other operating expenses increased 5.4 percent, which is mainly accounted for by higher resources spent by direct budgetary control entities to attend functions related to energy supplied by the CFE and Pemex, as well as by higher outlays by IMSS and by ISSSTE for acquisition of medicine and for healthcare services. Finally, subsidies and transfers increased 3.9 percent. It should be pointed out that states and municipalities receive federal resources to fund social and economic development programs through subsidies and transfers.

As for capital expenditure, physical budgetary investment grew moderately (0.5 percent in real annual terms).¹⁶ This growth was mainly supported by the regularization of Pemex investment expenditure, which in 2011 had a delay in the record of finished work. Financial investment grew mainly through capitalization of the Stabilization Fund for the Income of Federal Entities (*Fondo de Estabilización de los Ingresos de las Entidades Federativas*, FEIEF) and the Oil Revenues Stabilization Fund (*Fondo de Estabilización de los Ingresos Petroleros*, FEIP).

The growth of non-programmable expenditure is accounted for by the rise of 7.0 percent in real terms of financial costs, due to a higher payment of interest on debt of public entities and enterprises, as well as a more depreciated exchange rate as compared to 2011. This growth was partially offset by 0.6 percent lower revenue sharing to subnational governments, as a result of the repeal of the vehicle maintenance fee, and lower Adefas by 5.4 percent in real terms.¹⁷

Compared to the approved budget, non-programmable expenditure was lower by MXN 19.2 billion (-2.3 percent), while programmable outlays exceeded it by MXN 263.3 billion (9.3 percent). Lower non-programmable expenditures were determined by lower financial costs (MXN 12.9 billion), as well as by lower outlays for revenue sharing to states and municipalities (MXN 10.9 billion). The above was partially compensated for by higher Adefas with respect to those programmed (MXN 4.5 billion). The expansion of programmable expenditures with respect to those originally budgeted reflected, in addition to excess revenues obtained in 2012 (MXN 207.4 billion), lower non-programmable expenditure as compared to the budgeted level (MXN 19.2 billion), the deviation of the economic deficit in relation to the one approved (MXN 34.7 billion), which, as mentioned above, is consistent with the fiscal provision applicable to the fiscal year and with a surplus of the non-budgetary sector of MXN 1.9 billion, as compared to the expected level (Table 5, Chart 15b and Chart 16).

¹⁶ If Pemex investment is excluded, physical investment diminishes 7.4 percent in real terms.

¹⁷ On adjusting the federal contributions due to the elimination of the vehicle maintenance tax, a real growth of 2.3 percent is registered.

Table 5
Public Sector Balance 2011 and 2012 ^{1/}

	MXN billion				Real growth %
	2011	2012 ^{p/}			
	Observed (1)	Approved (2)	Observed (3)	Difference (3-2)	
Economic balance	-353.5	-368.9	-403.6	-34.7	-9.7
Non-budgetary balance	6.8	0.0	1.9	1.9	-73.3
Budgetary balance	-360.2	-368.9	-405.5	-36.6	-8.1
Budgetary revenues	3,271.1	3,310.0	3,517.5	207.4	3.3
Oil-related	1,101.9	1,172.3	1,189.5	17.2	3.7
Federal government	706.6	743.4	720.7	-22.7	-2.0
Pemex	395.2	428.9	468.7	39.9	13.9
Non-oil	2,169.2	2,137.8	2,328.0	190.3	3.1
Federal government	1,613.6	1,570.2	1,731.7	161.5	3.1
Tax revenues	1,436.7	1,492.0	1,517.0	25.1	1.4
ISR-IETU-IDE	759.2	802.6	803.9	1.3	1.7
Income tax (ISR) ^{2/}	720.4	748.0	758.9	10.9	1.2
Flat rate business tax (IETU)	47.2	50.7	42.2	-8.5	-14.1
Tax on cash deposits (IDE)	-8.4	3.9	2.8	-1.1	d.n.a.
VAT	537.1	556.2	580.0	23.8	3.7
Excise tax (IEPS)	69.2	72.2	73.0	0.8	1.2
Imports	26.9	27.3	27.9	0.6	-0.3
Other	44.3	33.7	32.2	-1.4	-30.1
Non-tax revenues	176.9	78.3	214.7	136.4	16.6
Rights	35.9	21.1	42.4	21.4	13.5
Fees	4.6	3.9	6.2	2.3	29.5
Others	136.3	53.3	166.0	112.7	17.0
Public entities and enterprises	555.6	567.6	596.3	28.8	3.1
Net paid budgetary expenditures	3,631.3	3,678.9	3,923.0	244.1	3.8
Programmable	2,860.9	2,841.6	3,104.9	263.3	4.2
Deferred payments	d.n.a.	-28.0	d.n.a.	d.n.a.	d.n.a.
Programmable accrued expenditures	2,860.9	2,869.6	3,104.9	235.3	4.2
Current expenditures	2,157.4	2,197.0	2,363.7	166.8	5.2
Personal services	861.4	911.4	926.2	14.8	3.3
Other	1,296.0	1,285.6	1,437.5	152.0	6.5
Capital expenditures	703.5	672.6	741.2	68.5	1.2
Fixed investment	650.1	653.9	680.4	26.6	0.5
Financial investment ^{3/}	53.4	18.8	60.7	42.0	9.2
Non-programmable	770.4	837.3	818.1	-19.2	2.0
Financial cost	273.9	318.1	305.2	-12.9	7.0
Federal government	225.1	257.8	243.6	-14.2	4.0
Public entities and enterprises	33.4	48.0	48.2	0.3	38.8
Debtor and savings support program	15.4	12.3	13.3	1.0	-17.1
Revenue sharing	477.3	504.9	494.0	-10.9	-0.6
Adefas and other	19.2	14.4	18.9	4.5	-5.4
Memo:					
Economic balance excl. Pemex investment	-86.2	-67.6	-92.1	-24.5	-2.7
Budgetary revenues excl. non-recurrent revenues ^{4/}	3,166.5	3,310.0	3,414.4	104.4	3.6

Source: Ministry of Finance (SHCP).

1/ Deficit (-), Surplus (+).

2/ Includes the asset tax (*Impuesto al Activo*, IMPAC).

3/ Includes retrievable outlays and repayment transfers and financial investment in non-budgetary entities.

4/ The approved figure for 2012 does not exclude non-recurrent revenues as the Federal Revenue Law 2012 (*Ley de Ingresos de la Federación*, LIF-2012) does not show it explicitly.

d.n.a. Does not apply.

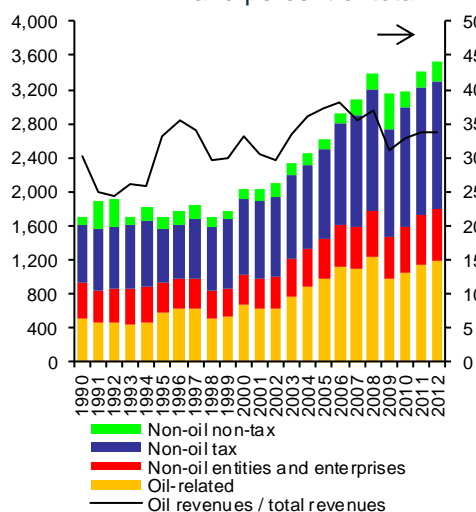
p/ Preliminary figures.

Note: Figures may not add up due to rounding. Real growth is estimated using yearly average inflation.

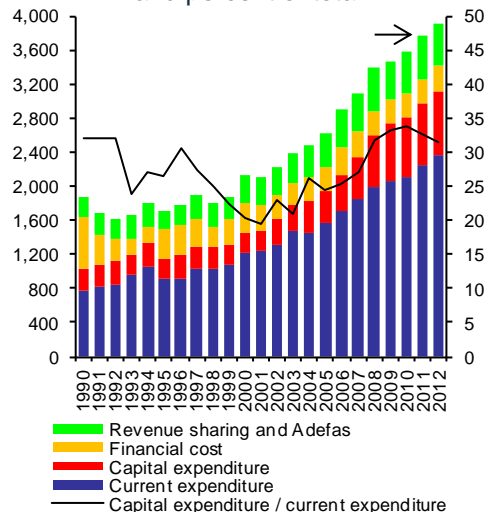
Chart 15

Public Sector Budgetary Revenues and Expenditures in 1990 – 2012

a) Revenues (MXN billions of 2012) and percent of total



b) Expenditures (MXN billions of 2012) and percent of total

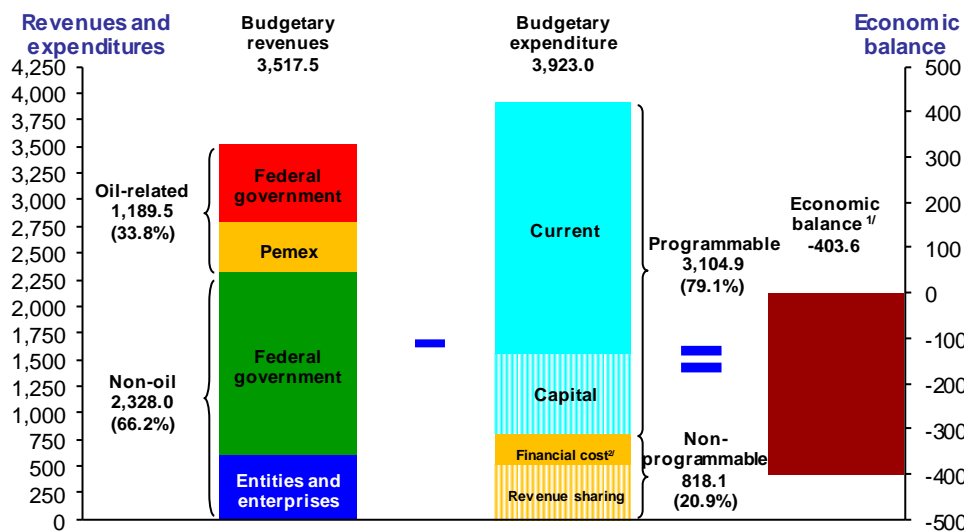


Source: Ministry of Finance (SHCP).

Chart 16

Revenues, Expenditures and Economic Balance in 2012 ^{p/}

MXN billion



Source: Ministry of Finance (SHCP).

1/ Includes the surplus of the non-budgetary sector of MXN 1.9 billion.

2/ Includes Adefas.

p/ Preliminary figures.

Note: Figures may not add up due to rounding.

3.3. Financial Saving and Financing

3.3.1. Financial Saving

In 2012, total sources of financial funding in the economy expanded as a consequence of the growth of both financial inflows from abroad as well as

those from domestic sources. Nevertheless, in line with the evolution of productive activity in the country, the growth of domestic financing sources was slower during the second half of the year.

Total financial saving, defined as the broadest monetary aggregate M4 less currency held by the public, continued its sustained upward trend observed since the third quarter of 2010 (Chart 17a). As in 2011, non-resident financial saving growth rates were high, despite the various episodes of uncertainty in international financial markets in 2012. The higher inflows of foreign resources were explained by, among other factors, the search for yield by foreign investors facing a lax monetary policy in advanced countries. Moreover, the country's sound macroeconomic fundamentals with respect to other economies were another factor that encouraged the channeling of foreign resources to acquire domestic financial instruments, particularly medium- and long-term government securities (Chart 17b).

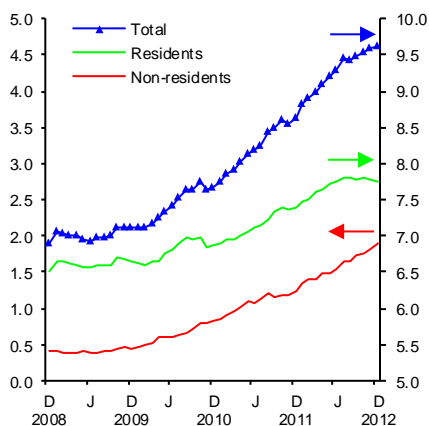
Resident financial saving observed a positive growth path in the first half of 2012, while in the second half of the year this aggregate's stock remained practically unchanged (Chart 17c). Such behavior was observed both in the compulsory and in the voluntary component. With respect to the first of these two components, retirement funds were adversely affected in the last quarter of 2012 due to a change in the portfolio composition of Siefores in favor of variable rent instruments, which are excluded from the definition of the monetary aggregate M4, while the housing fund savings indicator grew at a lower rate than in 2011.^{18,19} In regard to the second component of resident financial saving, the slowdown in voluntary financial saving during the second semester of 2012 was a result of lower economic growth with respect to the first half of the year.

¹⁸ The portfolio of Investment Companies Specialized in Retirement Savings (*Sociedades de Inversión Especializadas en Fondos para el Retiro*, Siefores) consists of instruments of the monetary aggregate M4, such as investment in domestic securities and ISSSTE Pension Bonus, as well as financial assets excluded from this aggregate, such as equity instruments and foreign debt securities. While in September 2012 investment of Siefores in M4 instruments represented 74 percent of its portfolio, in December it was 70.5 percent.

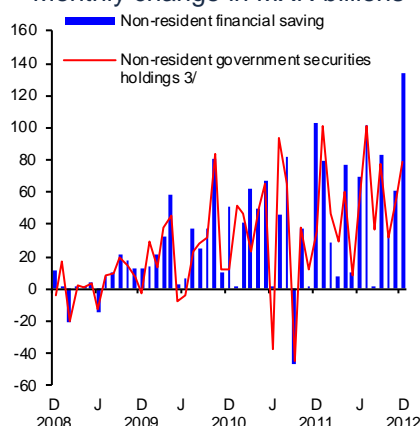
¹⁹ The stock for the housing fund has been affected by the refund of the housing subaccount of the retired workers under the 1973 Social Security Law. In this regard, the Reform of Infonavit Law (transitory Article 8), effective as of January 13, 2012, allows this group of the retired workers to receive the stock of the housing subaccount in one payment.

Chart 17
Financial Saving

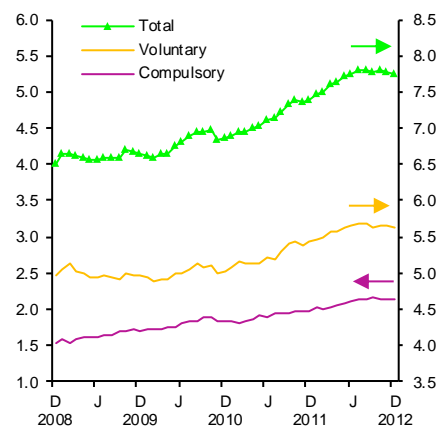
a) Total Financial Saving ^{1/ 2/}
MXN trillion, December 2012, s. a.



b) Non-resident Financial Saving
and Government
Securities Holdings
Monthly change in MXN billions



c) Resident Financial Saving ^{1/ 2/}
MXN trillion, December 2012, s. a.



Source: Banco de México.

s. a. / Seasonally adjusted figures.

1/ Defined as monetary aggregate M4 less currency held by the public.

2/ Excludes the impact of the reform to the ISSSTE Law on this aggregate.

3/ Government securities holdings in market value.

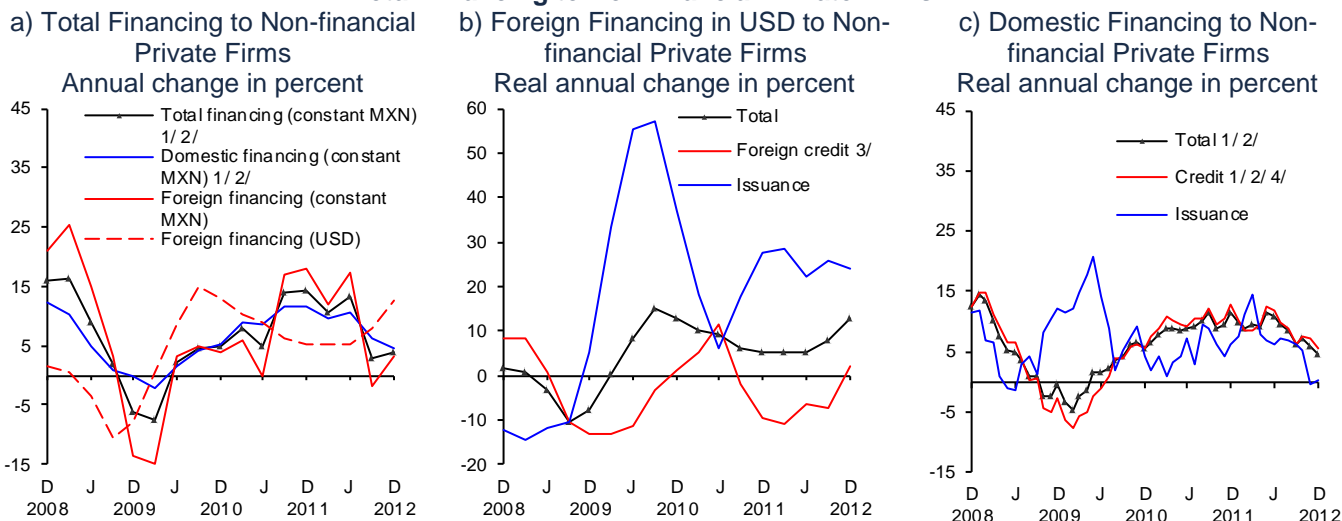
3.3.1. Financing to the Private Sector

In 2012, financing to the non-financial private sector maintained the upward trend that started in mid-2010. This expansion was supported by increases in the resources channeled to both firms and households. Total financing to the non-financial private sector registered, thus, an annual real growth rate of 5.3 percent at the end of 2012.

Non-financial private firms observed increases in their foreign and domestic funding, thus supporting the country's productive activity. In particular, foreign financing to Mexican firms, measured in USD terms, increased especially in the second half of the year due to the greater placement of securities in foreign markets (Chart 18a and Chart 18b). Thus, the stock of foreign financing, in USD terms, registered a real annual change of 12.7 percent at the end of 2012.

Domestic financing to firms also continued to increase throughout the year, mainly due to the expansion of credit granted by commercial and development banks (Chart 18c and Chart 19a). Nevertheless, in agreement with the evolution of economic activity, the growth rates of the bank credit and the securities portfolios moderated in the second half of 2012. It is important to note that this slowdown did not seem to be a consequence of possible pressures in these markets. In particular, the performing firm credit portfolios of commercial and development banks expanded, respectively, at a rate of 4.1 and of 25.8 percent in real annual terms, in an environment of low and stable interest and delinquency rates (Chart 19b and Chart 19c).

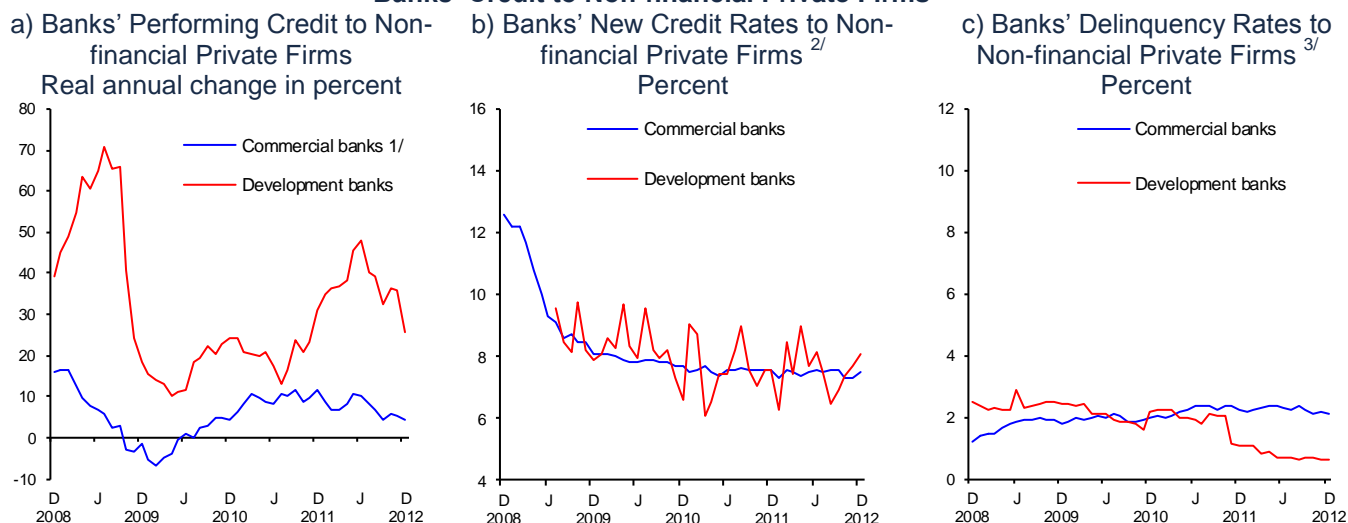
Chart 18
Total Financing to Non-financial Private Firms



Source: Banco de México.

- 1/ These figures are affected by the disappearance of some non-banking financial intermediaries and their conversion to non-regulated Sofom.
- 2/ From February 2009 onwards, figures are affected by the reclassification of credit granted to small- and medium-size firms (PyMES, for its acronym in Spanish) from consumer credit to commercial portfolio credit.
- 3/ It refers to credit granted by commercial banks, bilateral (Ex-Im Bank), providers and other entities from abroad.
- 4/ It refers to the performing and non-performing portfolio, and includes credit from commercial and development banks, as well as non-bank financial intermediaries.

Chart 19
Banks' Credit to Non-financial Private Firms



Source: Banco de México.

- 1/ From February 2009 onwards, figures are affected by the reclassification of credit granted to small- and medium-size firms (PyMES, for its acronym in Spanish) from consumer credit to commercial portfolio credit.
- 2/ Refers to the interest rate of new commercial banks' credit to non-financial private firms, weighted by the balance associated to the performing credit and for all maturities requested.
- 3/ The delinquency rate (*Índice de Morosidad*, IMOR) is defined as non-performing portfolio divided by total loan portfolio.

The domestic securities market continued operating normally, even though non-financial private firms resorted less to this type of financing. The net placement of private debt in 2012 totaled MXN 13.5 billion, below the figure of MXN 16.2 billion observed in 2011. This is mainly due to a lower net placement amount in the second half of the year (Chart 20a). The lower

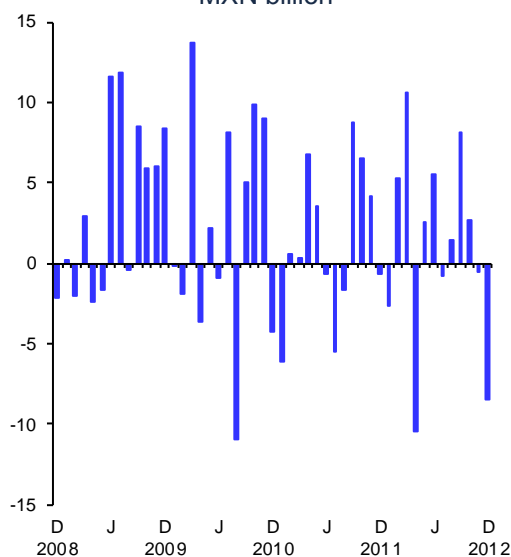
growth rate of this segment did not derive from deteriorating trading conditions in this market. On the contrary, placements of debt securities occurred under favorable conditions. The average maturity of new medium-term placements in 2012 remained high at about 9 years –above the corresponding figure of approximately 7 years registered in 2011–, while the interest rates of medium-term securities continued to observe a downward trend throughout the year and remained below those observed in 2011 (Chart 20b). The short-term private debt outstanding balance decreased by MXN 3.0 billion throughout the year, while interest rates of short-term securities placements did not record any significant changes.

In sum, the balance of domestic funding to non-financial private firms grew at a rate of 4.6 percent in real annual terms in 2012.

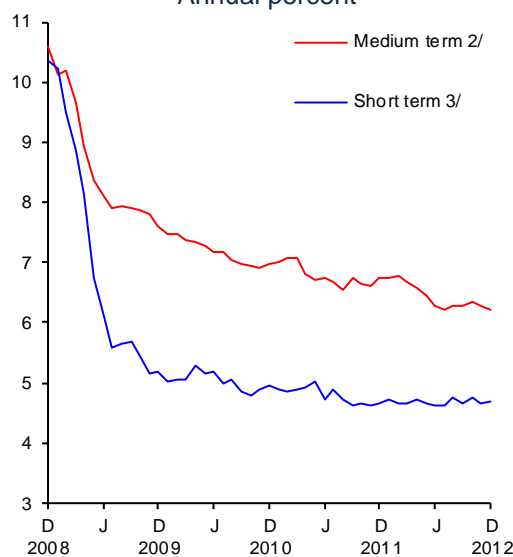
Chart 20

Securities of Non-financial Private Firms

a) Non-financial Private Firms' Net Placement of Medium-term Securities ^{1/}
MXN billion



b) Securities' Rates of Non-financial Private Firms
Annual percent



Source: Banco de México, with data from Valmer and Indeval.

1/ Placements without amortizations in each month (securities and prepayments).

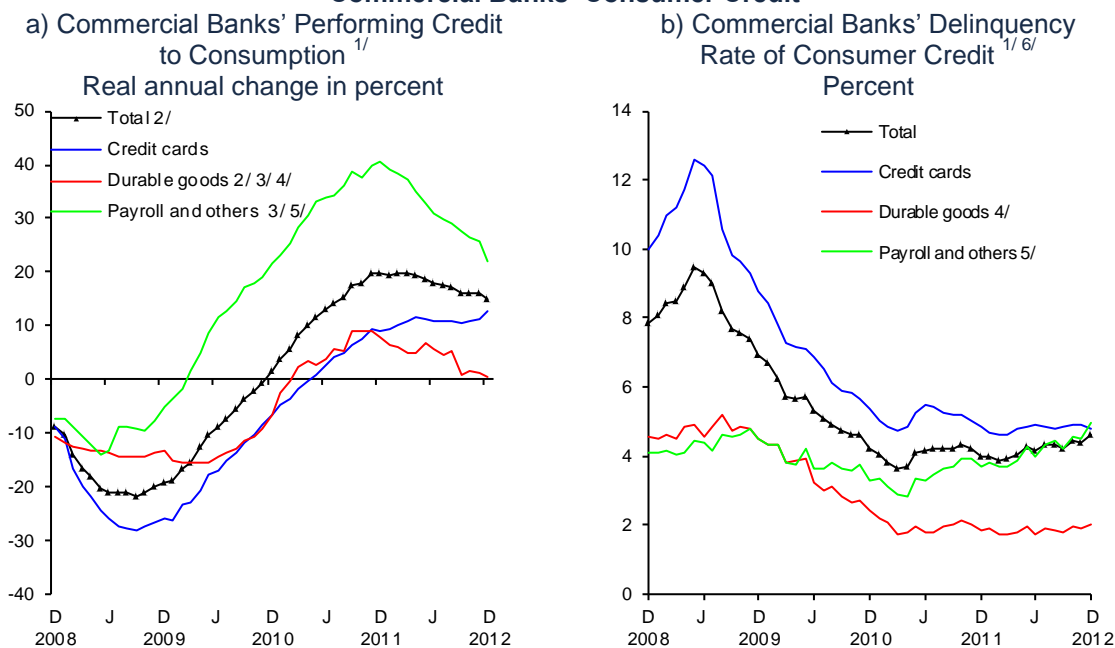
2/ Placements of more than one year.

3/ Placements of up to one year.

Household credit continued to expand in 2012, mainly due to the dynamism of commercial bank consumer credit. In particular, payroll loans, which expanded considerably in 2011, continued to grow significantly, albeit at a lower rate, which could signal that this market is reaching its maturity stage. A credit segment that showed a considerable expansion throughout the year was that of personal loans, which contributed significantly to the growth of consumer credit. The credit cards segment also expanded during the year at rates above 10 percent in real annual terms (Chart 21a). The performing portfolio of commercial bank consumer credit thus grew at a rate of 15.0 percent in real annual terms at the end of the year. This took place in an environment of stable interest and delinquency rates, with the exception of delinquency rates

in the payroll, personal and other loans portfolio, which registered an upward trend throughout 2012 (Chart 21b).

**Chart 21
Commercial Banks' Consumer Credit**



Source: Banco de México.

1/ It includes credit portfolio of credit-card regulated SOFOM: Tarjetas BANAMEX, Santander Consumo, Ixe Tarjetas and Sociedad Financiera Inbursa. From February 2009 onwards, figures are affected by the reclassification of credit granted to small- and medium-size firms (PyMES) from consumer credit to commercial portfolio credit.

2/ Between June 2010 and May 2011, figures are adjusted in order to avoid distortions due to the purchase of one banking institution's automobile loan portfolio.

3/ From July 2011 onwards, figures are adjusted in order to avoid distortions due to the reclassification from durable goods (ABCD) to other consumption credits by one banking institution.

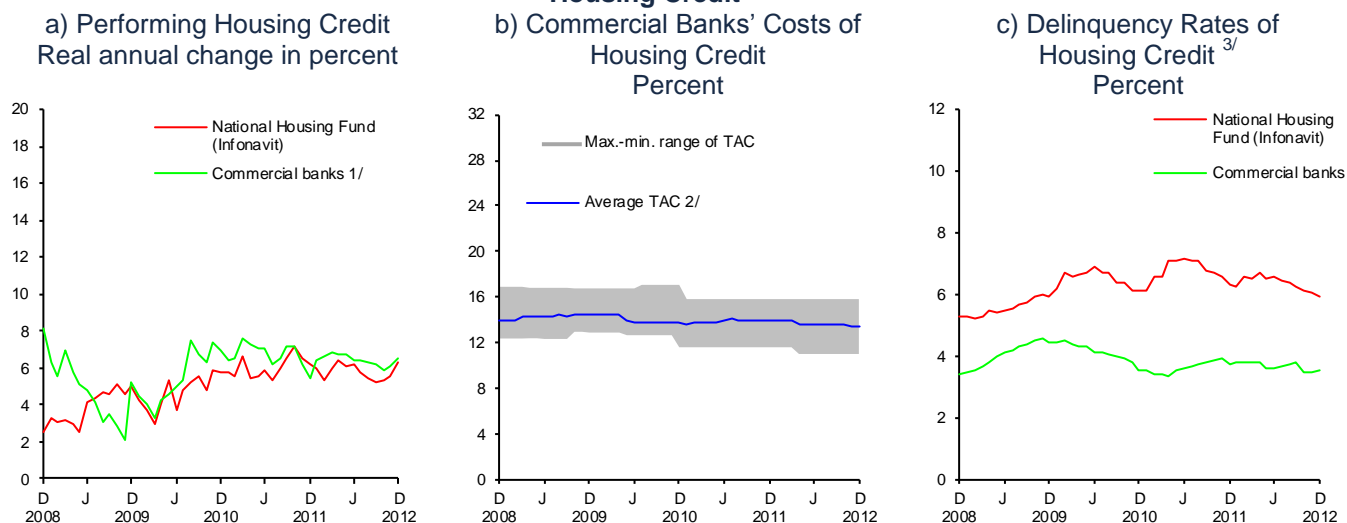
4/ Includes credit for property acquisition and automobile credits.

5/ "Others" refers to credit for payable leasing operations and other consumer credits.

6/ The delinquency rate (*Índice de Morosidad*, IMOR) is defined as non-performing loans divided by total loans.

Mortgage loans maintained a sustained growth path in 2012. The main housing credit providers, the National Housing Fund (Infonavit) and commercial banks –with 56.7 and 30.2 percent of market share, respectively– continued to expand their loan portfolios (Chart 22a). The real annual change of the performing housing credit portfolio of Infonavit was 6.3 percent in 2012, while that of commercial banks increased at a rate of 6.5 percent. This expansion of mortgage loans took place in an environment in which interest and delinquency rates remained stable throughout the year (Chart 22b and Chart 22c).

Chart 22
Housing Credit



Source: Banco de México.

1/ Figures are adjusted in order to avoid distortions by the pass-through effect of UDIS trust portfolio to the balance sheet of commercial banks and by the reclassification of credit in direct portfolio to ADES.

2/ Indicator's simple average resuming the total annual cost (TAC) for a standard mortgage product.

3/ The delinquency rate (*Índice de Morosidad, IMOR*) is defined as a non-performing portfolio divided by the total loan portfolio.

3.3.2. Flow of Funds

The exercise of flow of funds presents, in a summarized format, the fluctuations of financial resources that took place along the year among different sectors of the economy (public, states and municipalities, private, banking and external), identifying each of these sectors as a net supplier or a net user of financial resources with respect to other sectors.²⁰ Flows reported in Table 6 correspond to net positions, for which a positive sign means that a sector received net financing, while a negative sign implies a creditor position, i.e., a sector granted net financing during the period.²¹ It should be noted that the exercise considers broad definitions of public and private sectors. The private sector includes households, non-financial private firms and non-bank financial intermediaries, while the public sector corresponds to the definition of the Public Sector Borrowing Requirements (PSBR).²²

In 2012, the external and the private sectors presented net creditor positions, which allowed covering the financing requirements of the public sector and those of states and municipalities. The increase in 2012 of the net surplus position of the private sector with respect to 2011 is noteworthy, while the net debtor position of the public sector increased.

²⁰ For a detailed explanation of the methodology used to prepare the flow of funds matrix, see Banco de México's Informe Anual 1998, Anexo 6, p. 243 (available only in Spanish).

²¹ For a breakdown of the uses and sources of financial funds included in the matrix for 2012, see the Statistical Appendix of this Report.

²² For a definition of PSBR see Annex 2 of this Report. The flow of funds uses PSBR that includes non-recurrent revenues. The figure presented in the flow of funds matrix is prepared using Banco de México's PSBR methodology.

In 2012, the external sector constituted a net source of funding to the Mexican economy, granting financing equivalent to 0.8 percent of GDP (line item 17 in Table 6). This figure corresponds to the deficit of the balance of payments' current account, which was similar to that observed in 2011. The external sector increased its financing to the domestic sectors by 5.3 percent of GDP (line item 1 in Table 6), which was mainly reflected in an increase in domestic securities holdings of 4.4 percent of GDP (line item 5 in Table 6). As mentioned above, the growth of foreign capital inflows was due to, among other factors, the search for yield by foreign investors and the soundness of Mexican macroeconomic fundamentals relative to other economies. On the other hand, the external sector received funding of 4.5 percent of GDP from domestic sectors (line item 10 in Table 6). This was mainly a result of increased asset holdings abroad by the private sector (line item 13 in Table 6), as well as of the accumulation of international reserves throughout the year (line item 14 in Table 6).

The private sector was another net source of resources for the Mexican economy in 2012, as financial asset holdings increased more than proportionally with respect to the growth of the debt stock. This represented a net private sector financing to the rest of the sectors of 3.6 percent of GDP, higher than the figure of 2.3 percent of GDP observed in 2011 (line item 17 in Table 6). This mainly resulted from higher net financing to the external sector, equivalent to 3 percent of GDP (line item 10 in table 6), which in turn stemmed from higher external financial instrument holdings. The remaining 0.6 percent of GDP corresponded to the net financing granted by the private sector to other sectors of the economy (line item 1 in Table 6).

In 2012, the public sector and states and municipalities were net users of financial resources. Net financing to the public sector amounted to 4 percent of GDP, an increase with respect to that of 3 percent recorded the previous year (line item 17 in Table 6). The financing of the public sector came mostly from domestic resources, 3.4 percent of GDP (line item 1 in Table 6), while funding from foreign resources grew by 0.6 percent of GDP (line item 10 in Table 6). States and municipalities used an amount of financial resources equivalent to 0.4 percent of GDP in 2012, figure above that of 0.2 percent of GDP registered in 2011 (line item 17 in Table 6).

Table 6
Flow of Funds Matrix of Mexico's Financial System ^{1/}
 Net financing received by sector
 (Positive sign=debtor position, negative sign=creditor position)
 Flows revalued as percentage of GDP ^{2/}

	Private ^{3/}	States and municipalities ^{4/}	Public ^{5/}	Bank ^{6/}	Foreign	Private ^{3/}	States and municipalities ^{4/}	Public ^{5/}	Bank ^{6/}	Foreign
	2011					2012				
1. Change in domestic financial instruments (2 + 7 + 8 + 9)	-2.6	0.2	2.4	2.3	-2.3	-0.6	0.4	3.4	2.1	-5.3
2. Financial instruments	-4.4	0.0	2.6	4.6	-2.9	-4.1	0.0	3.8	4.7	-4.5
3. Currency	-0.5			0.5		-0.4			0.4	
4. Checkable, time and savings deposits	-1.6	-0.1	0.0	1.7	-0.1	-1.7	-0.1	-0.2	2.0	-0.1
4.1 Non-financial enterprises and other institutions ^{7/}	-1.0	-0.1	0.0	1.1	-0.1	-1.2	-0.1	-0.2	1.6	-0.1
4.2 Individuals	-0.6			0.6	0.0	-0.5			0.4	0.1
5. Securities issued ^{8/}	-2.6	0.1	2.8	2.5	-2.8	-1.9	0.0	4.0	2.3	-4.4
6. Retirement and housing funds ^{9/}	0.2		-0.2			0.0		0.0		
7. Financing	1.8	0.2	0.1	-2.1		2.0	0.4	0.6	-3.1	
7.1 Enterprises and other entities ^{10/}	1.0	0.2	0.1	-1.4		1.3	0.4	0.6	-2.4	
7.2 Households	0.8			-0.8		0.7			-0.7	
8. Shares and other equity	-0.4			-0.1	0.6	0.9			0.0	-0.8
9. Other financial system items ^{11/}	0.5		-0.4	-0.1		0.6		-1.1	0.5	
10. Change in foreign financial instruments (11 + 12 + 13 + 14 + 15)	0.2	0.0	0.6	-2.3	1.5	-3.0	0.0	0.6	-2.1	4.5
11. Foreign direct investment	1.9				-1.9	1.1				-1.1
12. Foreign financing	0.5		0.6	-0.1	-1.0	0.3		0.7	-0.1	-0.8
13. Financial assets held abroad	-1.2		0.0	0.3	0.9	-3.0		-0.1	-0.2	3.3
14. Banco de México international reserves				-2.5	2.5				-1.8	1.8
15. Errors and omissions (balance of payments)	-1.0				1.0	-1.3				1.3
16. Statistical discrepancy ^{12/}	0.0	0.0			0.0	0.0	0.0			0.0
17. Total change in financial instruments (1+ 10 +16)	-2.3	0.2	3.0	0.0	-0.8 ^{13/}	-3.6	0.4	4.0	0.0	-0.8 ^{13/}

1/ Preliminary figures. Figures may not add up due to rounding.

2/ Excludes the effect of MXN/USD exchange rate fluctuations.

3/ Private sector includes firms, individuals and non-bank financial intermediaries.

4/ States and municipalities measured as the position in relation to the banking sector and the debt market.

5/ Public sector measured as Public Sector Borrowing Requirements (*Recursos Financieros del Sector Público*, RFSP), including non-recurrent revenues.

6/ Banking sector includes Banco de México, development banks and commercial banks (including their agencies abroad). Given their condition as financial intermediaries, this sector has a total net position of zero (item 17). Consolidated financial flows from the banking sector were estimated using statistics on assets and liabilities from commercial, development banks and Banco de México.

7/ The private sector column, besides firms, also includes non-bank financial intermediaries.

8/ Includes government securities, IPAB securities, BREMs, private securities and securities from states and municipalities. It also includes securities held by SIEFORES.

9/ Includes retirement funds from the Public Employees Social Security Institute (*Instituto de Seguridad y Servicios Sociales para los Trabajadores del Estado*, ISSSTE) and from the IMSS both held by Banco de México, and housing funds.

10/ The private sector column, besides firms, includes individuals engaged in business activities, non-bank financial intermediaries, and securities associated with debt-restructuring programs.

11/ Includes non-classified assets, real-estate and other assets, and both banking sector's equity and earnings accounts.

12/ Difference between financial data and that obtained from the balance of payments.

13/ Drawn from the current account of the balance of payments. A negative figure means the domestic economy received foreign financing (external sector surplus), which equals Mexico's current account deficit.

3.4. Inflation

3.4.1. Consumer Price Inflation

The price formation process in Mexico since late 1990s has been converging to the permanent annual headline inflation target of 3 percent, with a variability interval of plus/minus one percentage point around the referred target. At the end of 2012 this indicator located at 3.57 percent, while in December 2011 it was 3.82 percent (Chart 23 and Table 7). Despite that, over some months of 2012 annual headline inflation persisted above 4 percent, as a result of transitory shocks, which especially affected agricultural products' and merchandise prices, and which started to dissipate towards the last quarter of the year.

Chart 23
Consumer Price Index
Annual change in percent

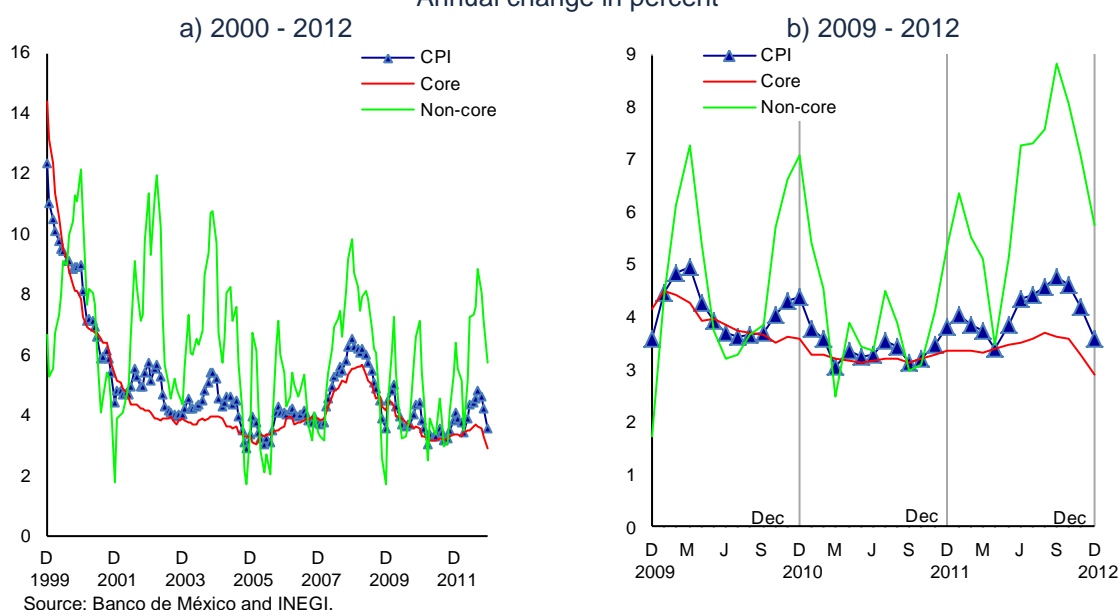


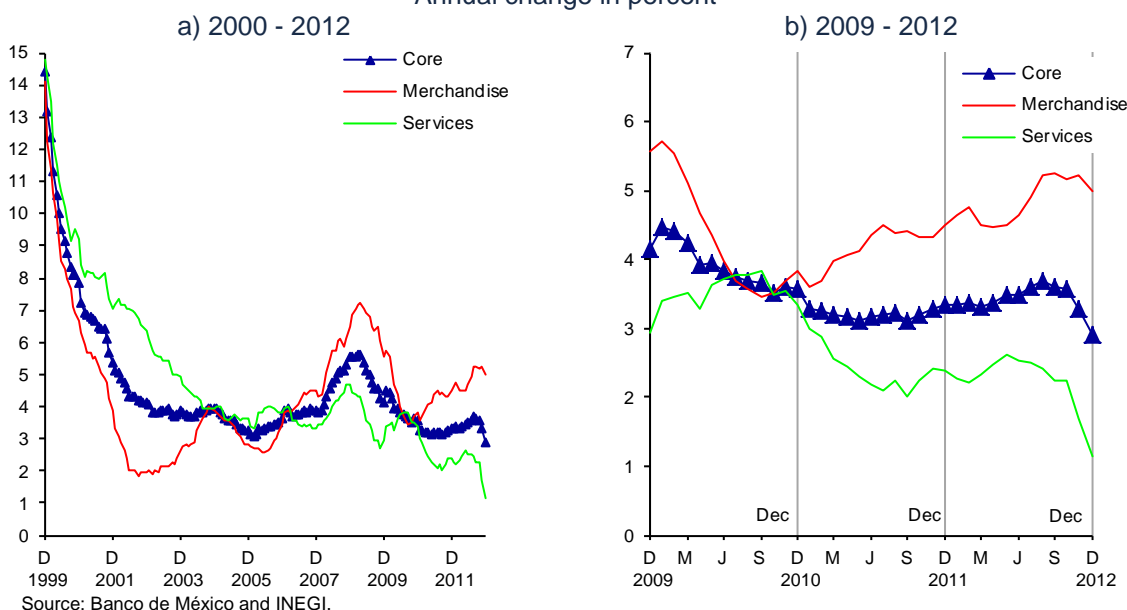
Table 7
Consumer Price Index and Main Components
Annual change in percent

	December		Average	
	2011	2012	2011	2012
CPI	3.82	3.57	3.41	4.11
Core	3.35	2.90	3.21	3.42
Merchandise	4.52	5.00	4.19	4.86
Food, beverages and tobacco	7.32	6.11	6.49	6.67
Non-food merchandise	2.39	4.13	2.42	3.47
Services	2.40	1.15	2.40	2.23
Housing	2.04	2.05	2.10	1.95
Education (tuitions)	4.19	4.48	4.39	4.45
Other services	2.27	-0.72	2.02	1.88
Non-core	5.34	5.74	3.92	6.45
Agricultural	3.73	9.18	2.69	9.34
Fruit and vegetables	-4.37	2.90	0.26	3.33
Livestock	9.76	13.22	4.52	13.35
Energy and fares approved by government	6.19	3.84	4.60	4.83
Energy	8.30	5.62	5.64	7.29
Government approved fares	2.39	0.45	3.09	0.52

Source: Banco de México and INEGI.

Annual core inflation, the indicator of the medium-term trend of headline inflation, presented a more stable trajectory over the analyzed period. In December 2012 it was 2.90 percent, which implied a drop with respect to 3.35 percent observed in the same month of 2011 (Table 7). It is noteworthy that during 2012 this variable remained within the variability interval of plus/minus one percentage point around the 3 percent target (Chart 24).

Chart 24
Core Price Index
 Annual change in percent



The core inflation evolution was affected by the low level of the annual change of the services price subindex throughout the year, which at the end of 2012 was 1.15 percent, while in December 2011 it was 2.40 percent. The moderate growth rate of the housing services' prices, as well as reductions in the telephone services' prices stand out (Chart 25).

The change rate of the merchandise price subindex was higher than that of the services subindex. This is mainly accounted for by the effects of the shocks derived from the exchange rate volatility and increases in international commodity prices, registered in 2011, and which started to dissipate by the end of the year. Thus, this indicator's annual growth rate went from 4.52 in December 2011 to 5.24 in September, to later drop to 5 percent in December 2012 (Table 7 and Chart 26).

Non-core inflation registered wide fluctuations in 2012, derived from supply shocks affecting some agricultural products' prices. This subindex concluded 2012 with an annual growth rate of 9.18 percent, while in the previous year it was 3.73 percent (Table 7 and Chart 27). In particular, the impact of the outbreak of AH7N3 avian influenza in mid-2012 on the prices of egg and chicken meat stood out. Furthermore, throughout the year, considerable increases in the prices of some fruit and vegetables were observed, especially the price of tomato, as a result of adverse climatic conditions affecting its supply (Chart 28).

Chart 25
Services Price Subindex
 Annual change in percent

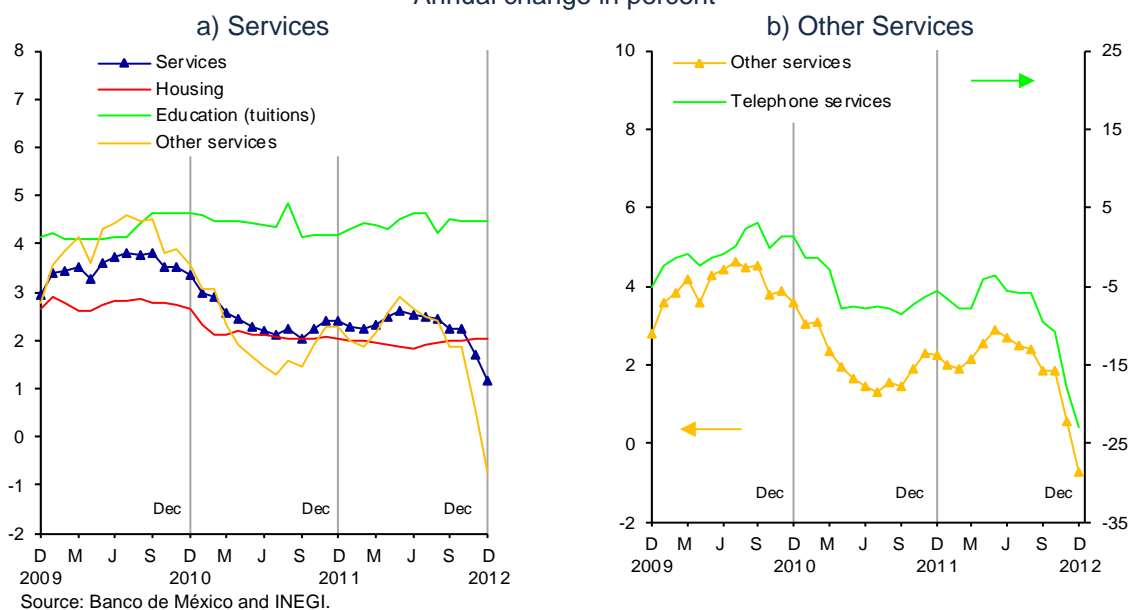
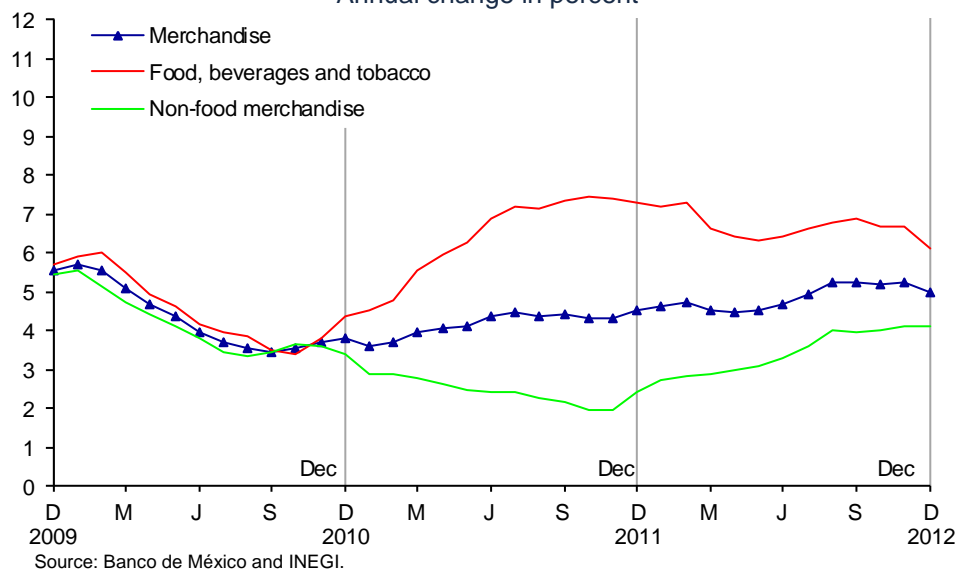
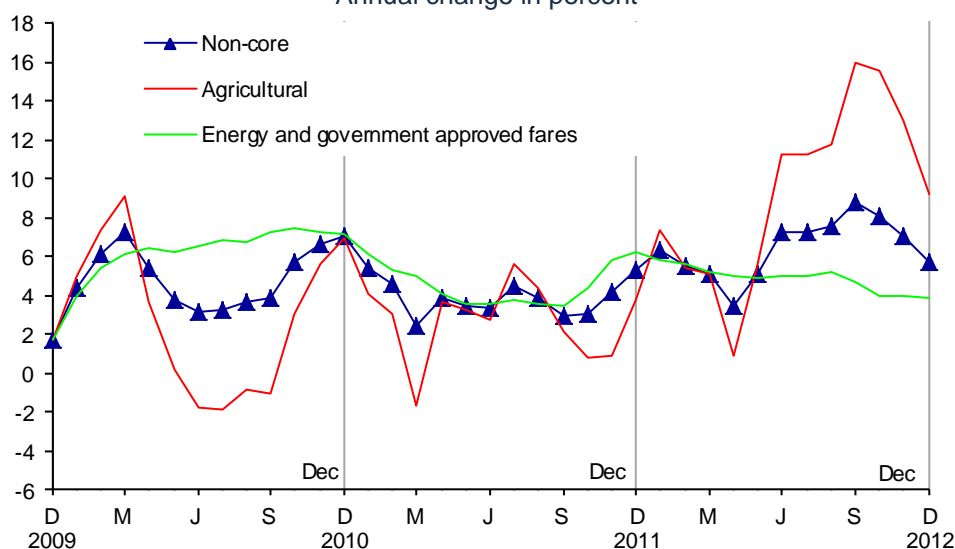


Chart 26
Merchandise Price Subindex
 Annual change in percent



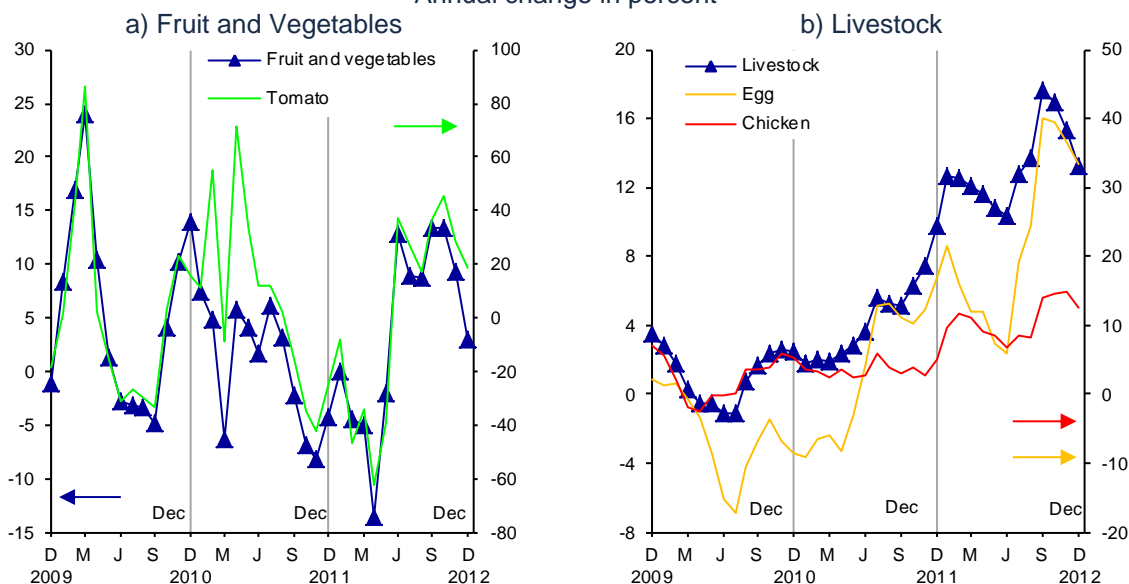
The annual growth rate of the energy and government approved fares' subindex observed a downside trend throughout the year, which went from 6.19 percent at the end of 2011 to 3.84 percent in December 2012 (Table 7 and Chart 29). This performance was affected by decreases in electricity prices and in vehicular procedures related to the reduction or the disappearance of vehicle maintenance fees in different federal entities.

Chart 27
Non-core Price Subindex
 Annual change in percent



Source: Banco de México and INEGI.

Chart 28
Agricultural Products' Price Subindex
 Annual change in percent



Source: Banco de México and INEGI.

Throughout 2012 the annual change of the Producer Price Index (PPI) of final merchandise and services, excluding crude oil, observed a downward trend. Thus, in December 2012 this indicator located at 1.54 percent, while in the same period of the previous year it was 5.74 percent. This evolution was affected by a lower growth rate of merchandise prices (Chart 30), especially those of the manufacturing industry (transport equipment and processed food) and of the construction sector (rod, asphalt and other chemical products, cement, ready-mix concrete and steel mesh).

Chart 29
Subindex of Energy Prices and Government Approved Fares
 Annual change in percent

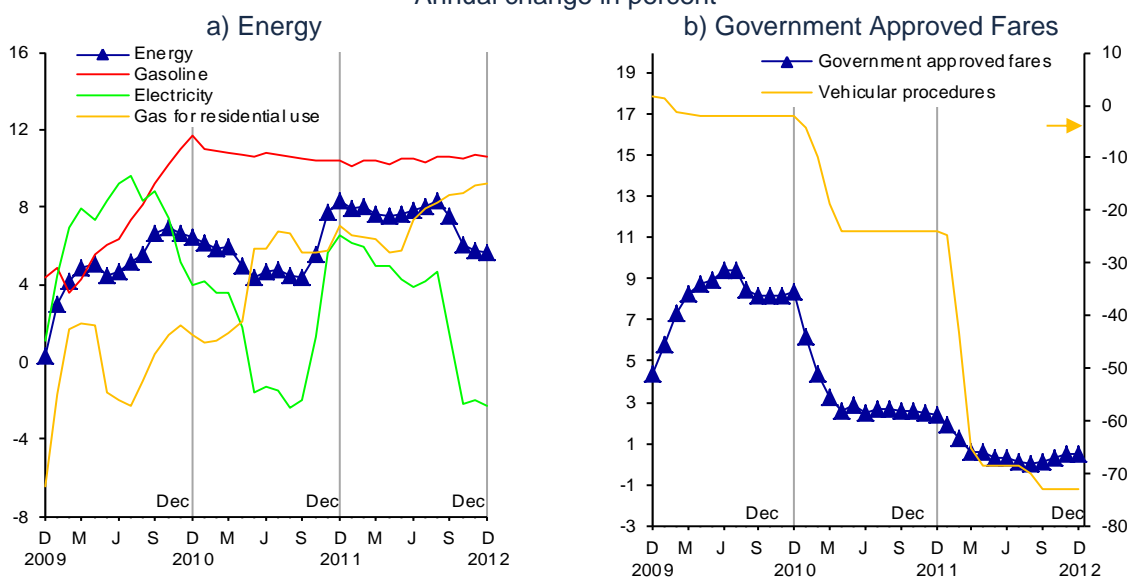
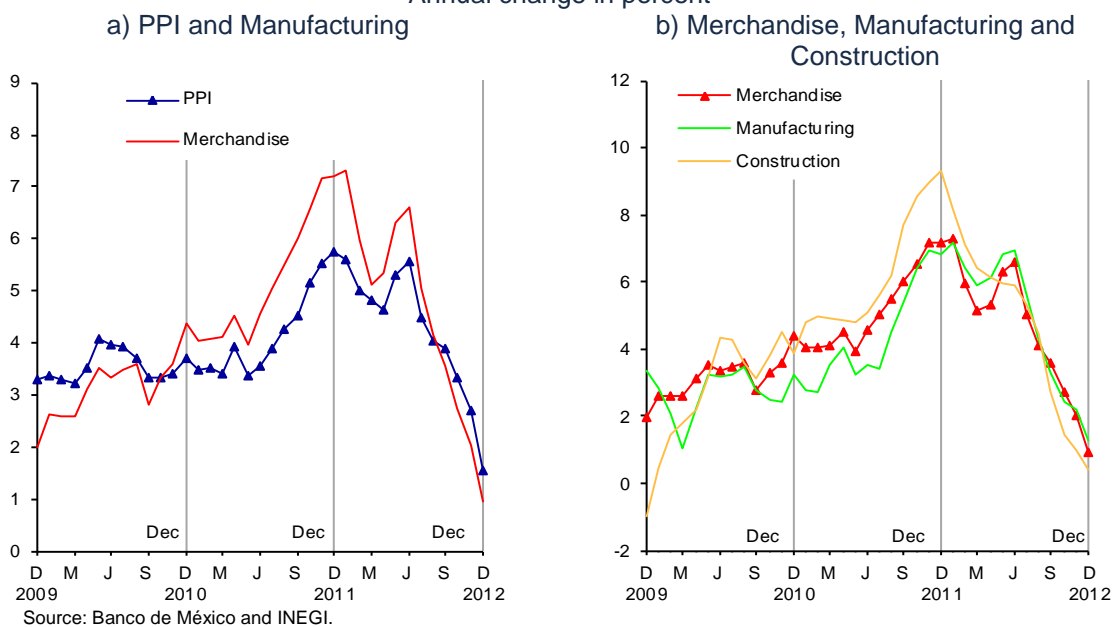


Chart 30
Producer Price Index Excluding Crude Oil
 Annual change in percent



3.4.2. Wages

During 2012, the growth rates of the main wage indicators were moderate and higher than the average inflation of the analyzed period, generating a recovery of wage income in real terms. This wage evolution, as shown in Section 3.1, was observed in a context of prevailing slack conditions in the labor market

and of persisting growth of labor productivity. Hence, throughout 2012 no labor cost-related inflationary pressures were observed. In this regard, the following should be pointed out:

1. The IMSS reference wage (*Salario Base de Cotización, SBC*) exhibited an average annual change of 4.3 percent in 2012, while in the previous year it was 4.2 percent (Table 8).
2. The average increase in contractual wages in firms under federal jurisdiction in 2012 was 4.4 percent, slightly above the increase of 4.3 percent observed in 2011. According to the type of ownership, in 2012 private firms agreed on an average increment of 4.6 percent, just as in 2011. In turn, in 2012 public sector firms agreed on a wage rise of 4.1 percent (3.8 percent in 2011, Table 9).
3. In 2012, the increase in the average general minimum wage agreed on by the National Minimum Wage Commission (*Comisión Nacional de los Salarios Mínimos, CONASAMI*) was 4.2 percent (4.1 percent in 2011, Table 10).

Table 8
IMSS Reference Wage ^{1/}

Annual nominal change in percent, MXN/day and total number of IMSS-insured workers

Activity	Annual change in percent			MXN per day		Total contributors in 2012	
	2011 (A)	2012 (B)	(B) - (A)	2011	2012	Annual change in percent	Percentage structure
Total	4.2	4.3	0.1	249.3	260.1	4.9	100.0
By economic activity							
Agriculture, livestock, forestry, hunting and fishing	5.1	4.7	-0.4	143.4	150.1	4.8	2.9
Mining	4.6	7.3	2.7	390.3	419.0	15.1	0.8
Processing industries	3.9	4.3	0.4	261.1	272.4	5.0	27.3
Construction	3.3	3.9	0.6	184.7	191.9	6.0	9.4
Electric industry and water supply services	8.7	7.4	-1.3	592.2	636.3	2.5	1.0
Commerce	3.8	4.6	0.8	219.7	229.8	5.3	21.5
Transport and communications	3.4	3.4	0.0	315.8	326.4	5.4	5.6
Services for firms and individuals	4.8	3.8	-0.9	254.4	264.2	4.2	24.7
Social services	4.5	5.0	0.5	273.0	286.7	3.7	7.0

Source: Calculated by Banco de México with data from the Social Security Institute (*Instituto Mexicano del Seguro Social, IMSS*).

^{1/} This indicator considers IMSS-insured workers. Coverage: an average of 16 million workers during 2012, representing 35.2 percent of total remunerated workers.

Table 9
Contractual Wage Increases in Firms under Federal Jurisdiction ^{1/}
 Figures in percent, weighted average of the period ^{2/}

	2007	2008	2009	2010	2011	2012				
						I	II	III	IV	Annual
Total	4.2	4.4	4.4	4.3	4.3	4.4	4.5	4.6	4.3	4.4
Public	4.1	4.3	4.3	3.8	3.8	3.8	4.2	4.4	4.0	4.1
Private	4.3	4.5	4.4	4.7	4.6	4.5	4.6	4.8	4.9	4.6
Manufacturing	4.4	4.7	4.4	4.8	4.7	4.7	4.6	4.7	5.1	4.8
Other sectors	4.1	4.3	4.4	4.2	4.1	4.2	4.4	4.6	4.1	4.3

Source: Calculated by Banco de México with data from the Ministry of Labor (*Secretaría del Trabajo y Previsión Social*, STPS).

^{1/}This indicator considers workers negotiating wages in firms under federal jurisdiction. Coverage: 2 million workers during 2012, representing 4.6 percent of total remunerated workers of that year.

^{2/}The weighted average is calculated based on the number of workers benefitted in each wage revision.

Table 10
General Minimum Wage
 MXN/day and annual change in percent

Period	MXN/day				Annual change in percent			
	Average	Geographic area ^{1/}			Average	Geographic area		
		A	B	C		A	B	C
2006	47.05	48.67	47.16	45.81	4.00	4.00	4.00	4.00
2007	48.88	50.57	49.00	47.60	3.90	3.90	3.90	3.90
2008	50.84	52.59	50.96	49.50	4.00	4.00	4.00	4.00
2009	53.19	54.80	53.26	51.95	4.62	4.20	4.51	4.95
2010	55.77	57.46	55.84	54.47	4.85	4.85	4.85	4.85
2011	58.06	59.82	58.13	56.70	4.10	4.10	4.10	4.10
2012	60.50	62.33	60.57	59.08	4.20	4.20	4.20	4.20
	Average	Geographic area			Average	Geographic area		
		A	B	C		A	B	C
2012 ^{2/}	60.75	62.33	59.08		-	-	-	
2013 ^{3/}	63.12	64.76	61.38		3.90	3.90	3.90	

Source: Prepared by Banco de México with data from the Minimum Wage Commission (*Comisión Nacional de los Salarios Mínimos*, CONASAMI).

^{1/}The geographic areas are valid till November 26, 2012. From November 27, 2012, the council of representatives of CONASAMI agreed on unifying the previous geographic areas "A" and "B" under the same minimum wage (MXN 62.33). Therefore, the previously known as geographic area "C" was called geographic area "B".

^{2/}Valid from November 27 to December 31, 2012.

^{3/}Valid from January 1, 2013. The change corresponds to the general increase agreed on by CONASAMI.

4. Monetary and Exchange Rate Policy

4.1. Monetary Policy

4.1.1. Monetary Policy Overview

Article 28 of the Political Constitution of the United Mexican States and Article 2 of Banco de México's Law establish that the Central Bank's primary objective is to procure stability of the national currency's purchasing power. Additional goals of Banco de México are to promote the sound development of the financial system and to foster the orderly functioning of the payment systems.

In order to accomplish its constitutional mandate of procuring purchasing power stability of the national currency, in 2001 Banco de México adopted the inflation targeting scheme, as a framework for the conduction of the monetary policy. Specifically, the Central Institute's permanent target is to obtain and to maintain the annual inflation of the Consumer Price Index (CPI) at 3 percent.

However, it is noteworthy that there is a wide variety of factors that are beyond the Central Bank's control and that affect inflation in the short run. Thus, Banco de México set a variability interval of plus/minus one percentage point around the 3 percent target. However, this range does not represent a margin of indifference or tolerance around the inflation target, rather it is a practical way to represent uncertainty associated with inflation behavior, and, therefore, with the exact attainment of the target. In line with the abovesaid, the monetary policy actions implemented by this Central Institute are oriented at reaching the referred inflation target.

Banco de México's constitutional mandate is based on solid reasons, arising from numerous economic and social costs related to an inflationary environment. The following stand out among them: 1) inflation is a regressive tax, as it affects to a larger extent low income population, 2) in an environment of high inflation, price adjustments are frequent and irregular, which makes understanding of the relative price signals difficult and leads to an inefficient resource allocation, 3) high and volatile inflation causes the reduction of economic agents' planning horizons, which adversely affects long-term savings and investment decisions.

It should be mentioned that procuring stability of the national currency's purchasing power is not an objective that contravenes the economic growth. On the contrary, empirical evidence indicates that episodes of high inflation tend to coincide with periods of low growth, as distortions generated by inflation are magnified, when it is elevated. Likewise, these costs tend to moderate when inflation is low and stable, generating a favorable environment for economic growth. Nonetheless, it should be pointed out that price stability is a necessary, although not sufficient, condition for sustained and high economic growth. In order to achieve it, besides the abovedescribed inflation

environment, an incentive structure enhancing the economy's productivity and competitiveness is required.

As Banco de México indicated in the past, further implementation of structural reforms would boost the economy's potential growth. The potential growth corresponds to the level of aggregate production growth, where no inflationary pressures are produced on either the prices of factors, or the prices of goods and services, which could jeopardize the environment of low and stable inflation, derived from firms' functioning. Thus, the adoption of the referred reforms would enable the Mexican economy to reach greater growth rates without generating inflationary pressures.

The monetary policy affects the economy, particularly, the price determination process with long and changing delays. Therefore, the Central Institute must make decisions based on a detailed analysis of the economic situation, considering the monetary and financial conditions prevailing in the economy, as well as the inflation forecast. Thus, Banco de México adjusts the monetary policy in line with the prevailing economic conditions and the type of inflationary pressures, in particular, when the expected inflation is perceived to deviate in a sustained manner from its 3 percent annual permanent target. Since January 2008, Banco de México has exercised and communicated its monetary policy stance by means of the Overnight Interbank Interest Rate (the reference rate). The monetary policy adjustments are carried out when medium-term inflation expectations digress from levels congruent with the 3 percent permanent target.

Inflationary pressures can be consequent on demand or supply. The demand-related inflationary pressures are observed when aggregate expenditure increases at a greater rate than the potential growth of the economy over a long period. This excess demand has an upward impact on inflation of a large number of goods and services. In this environment, inflation expectations would tend to increase, which could generate a feedback loop among inflation, its expectations and wage increases, which would predictably cause inflation to deviate in a sustained way from its 3 percent permanent target. In a similar situation, it would be advisable for the Central Institute to restrict the monetary policy stance. Particularly, Banco de México would increase the target for the reference interest rate, which would contribute to dampening the abovereflected inflationary pressures via different channels.²³

The supply-related inflationary pressures correspond to changes in relative prices, which are changes in the prices of few goods and services, are temporary and not widespread. In general, it is not advisable for the Central Institute to restrict the monetary conditions when trying to counteract this type of inflationary pressures, given that these, in principle, generate one-time increases in the CPI, and cause a transitory increase in inflation.

It is important to mention that the above considerations, particularly the suggestion to leave the monetary policy stance unchanged in the presence of supply-related inflationary pressures, refer to a situation in which these

²³ See the Monetary Program for 2013 for a description of the channels of the monetary policy transmission mechanism.

pressures do not contaminate the price and wage formation process in the economy. In principle, given an inflation uptick derived from a change in relative prices, the economic agents may adjust their inflation expectations upwards. Insofar as greater inflation expectations are incorporated into the price and wage formation process, not only increases in those prices directly affected by supply shocks would be observed, but also in the prices of the rest of goods and services in the economy, by means of higher inflation expectations. This contamination of the price formation process in the economy could take place in cases, when the Central Bank's commitment to price stability is not entirely credible and where, therefore, inflation expectations are not well-anchored. Under these circumstances, curbing inflation would be at risk, reason for which the Central Institute would have to restrict the monetary policy stance so as to avoid the deterioration of inflation forecasts and its evolution.

4.1.2. Monetary Policy Actions

The conduction of the monetary policy, aimed at preserving the national currency's purchasing power since more than a decade ago, together with the fiscal discipline, allowed considerable progress in curbing inflation. Since late 1990s, the environment of price stability has been consolidating and annual inflation levels have been converging to the 3 percent permanent target. It is noteworthy that over this period the national economy was affected by different shocks. However, the effects of inflationary shocks were transitory and did not change the long-term trend of inflation convergence towards its 3 percent target. This was consequent on the strength of the framework for the conduction of the macroeconomic policy in Mexico.

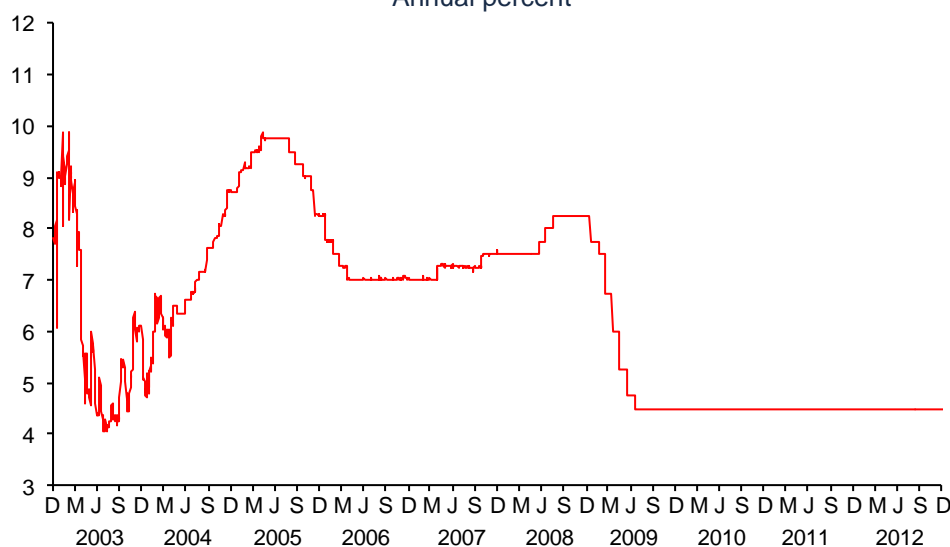
Over 2012 the monetary policy experienced particularly difficult conditions. Given the exchange rate adjustments in the second half of 2011 and in the second quarter of 2012, an increase in the relative price of merchandise was observed, as compared to the services prices. On the other hand, a series of supply shocks, mainly changes in the relative prices of some agricultural goods, derived from climatic and sanitary factors, affected the national economy and propitiated a rebound in headline inflation between May and September, when it reached 4.77 percent in September. In this scenario and considering the nature of above referred shocks, Banco de México's Board of Governors anticipated that their effects on inflation would be transitory and that the price and wage determination process in the economy would not be adversely affected. Based on the above, and considering that long-term inflation expectations remained stable over the referred period, the Board of Governors decided to maintain the target for the Overnight Interbank Interest Rate unchanged at 4.5 percent (Chart 31).

However, given the number and magnitude of inflation shocks, from September 2012 onwards, Banco de México's Board of Governors expressed its intention to raise the reference rate if the referred shocks persist and if the upward trend of headline and core inflations does not revert. This, in order to strengthen the anchoring of inflation expectations, prevent the contamination of the price and wage formation process in the economy and avoid jeopardizing the convergence of inflation to its permanent target.

As mentioned above, in the last months of 2012, the above referred supply shocks started to dissipate and from September onwards headline inflation resumed a downward trend, concluding the year at a level below 4 percent. Core inflation reached its highest level in August and also observed a downward trend in the rest of the year. Thus, just as anticipated by Banco de México, the temporary nature of this inflation increase in the previous months was confirmed. This occurred in an environment in which different indicators pointed to the economic activity converging to levels close to its potential, without presenting demand-related inflationary pressures in the main commodity markets for production, such as labor and credit markets, nor in the external accounts of the country. As a result, the output gap closed and remained at levels around zero.

This episode, in which a series of supply shocks affected the Mexican economy, demonstrated significant progress in curbing inflation in Mexico. Indeed, the monetary policy stance, aimed at reaching the 3 percent inflation target, played a crucial role in this process, since more than a decade ago contributing to reducing the level, volatility and persistence of inflation, as well as the anchoring of its expectations. This allowed to considerably reduce the pass-through of exchange rate fluctuations and changes in international commodity prices onto inflation. All of the above made it possible for the aforesaid changes in relative prices to take place in an orderly manner and without generating second round effects throughout 2012, highlighting the strength of the framework for the macroeconomic policy conduction in Mexico.

Chart 31
Overnight Interbank Interest Rate ^{1/}
Annual percent



^{1/} The target for the Overnight Interbank Interest Rate is shown starting January 21, 2008.
Source: Banco de México.

In 2012, the monetary base registered a nominal annual change of 10.8 percent, while at the end of 2012, international reserves totaled USD 163,515 million, as compared to USD 142,475 million at the end of 2011. The observed change in international reserves was mainly due to Banco de México's

purchase of USD from PEMEX. In turn, in 2012 the allocations in daily USD auctions with a minimum price were realized, in accordance with the previously announced mechanisms by the Foreign Exchange Commission.²⁴ As a consequence, net international assets rose by USD 17,840 million.²⁵ This increase was higher than that of the demand of the monetary base, thus implying a negative annual flow of net domestic credit amounting to MXN 154,005 million (Table 11).

Table 11
Monetary Base, International Assets and Net Domestic Credit
Million

	Stock at the end of			Flows accumulated in		
	2010	2011	2012	2010	2011	2012
(A) Monetary base (MXN)	693,423	763,492	846,019	61,391	70,069	82,528
(B) Net international assets (MXN) ^{1/ 2/}	1,489,615	2,081,572	2,166,351	266,400	356,804	236,533
Net international assets (USD) ^{2/}	120,621	149,242	167,082	20,750	28,622	17,840
(C) Net domestic credit (MXN) [(A)-(B)] ^{1/}	-796,192	-1,318,080	-1,320,331	-205,009	-286,735	-154,005
(D) Gross reserves (USD)	120,587	149,209	167,050	20,695	28,621	17,841
Change attributed to:						
Pemex				16,037	18,692	16,933
Federal government				274	2,181	391
Foreign exchange market operations ^{3/}				4,466	4,614	-646
Other ^{4/}				-82	3,134	1,163
(E) Liabilities with less than six months to maturity (USD)	6,991	6,733	3,535	-2,064	-258	-3,199
(F) International reserves (USD) [(D)-(E)] ^{5/}	113,597	142,475	163,515	22,759	28,879	21,040

1/ Net international assets' cash flows in MXN are estimated using the exchange rate applied to each transaction.

2/ Net international assets are defined as gross reserves plus funding arrangements with foreign central banks with more than six months to maturity, minus total liabilities payable to the IMF and funding arrangements with foreign central banks with less than six months to maturity.

3/ In 2010 and 2011, it includes USD sales options to Banco de México and since November 30, 2011 the daily USD auctions at an exchange rate of at least 2 percent above the exchange rate of the previous business day.

4/ Includes yields on net international assets and other transactions.

5/ As defined by Banco de México's Law.

Source: Banco de México.

Medium- and long-term inflation expectations remained anchored throughout 2012. However, as anticipated, those corresponding to short-term horizons rebounded between May and October. In particular, the average of those referring to the end of 2012, obtained from Banco de México's survey, shifted from 3.65 to 4.16 percent over this period (Chart 32). This performance was mainly due to the fact that the average of implicit expectations of the non-core inflation component changed from 4.18 to 5.95 percent, while the mean of core inflation expectations increased from 3.5 to 3.61 percent over the same period. Insofar as the change in the inflation trend consolidated over the last months of the year and it resumed its downward trend, short-term inflation expectations were adjusted downwards. Therefore, those for the end of 2012 dropped from 4.16 percent in the October survey to 4 percent in the December

²⁴ See the Press Release of November 29, 2011 of the Foreign Exchange Commission. In 2012, three allotments of the daily USD auctions at a minimum price were realized: i) on May 23, for an amount of USD 258 million, ii) on May 31, for an amount of USD 107 million, and iii) on July 23, for an amount of USD 281 million.

²⁵ Net international assets are defined as international reserves plus liabilities denominated in foreign currency with less than six months to maturity, and credit agreements with central banks with more than six months to maturity, less total liabilities with the IMF and central banks with less than six months to maturity. The difference between the change in net international assets of USD 17,840 million and the change in international reserves of USD 21,040 million can be accounted for almost entirely by the decline in liabilities with less than six months maturity by USD 3,199 million, given that Banco de México does not hold credit from the IMF and the other accounts do not present major changes.

survey. The implicit expectation of the non-core inflation component concluded the year at 6.25 percent, while the average of core inflation expectations lied at 3.32 percent.

The average of inflation expectations for the end of 2013 shifted from 3.64 to 3.69 percent between January and December 2012 (Chart 33a). This was principally due to the increment in the average of the non-core inflation implicit expectations, which increased from 4.11 to 4.48 percent, while the average of core inflation expectations went from 3.49 to 3.45 percent in the same period. The average of inflation expectations for the next twelve months slipped from 3.79 to 3.69 percent in the same time period.

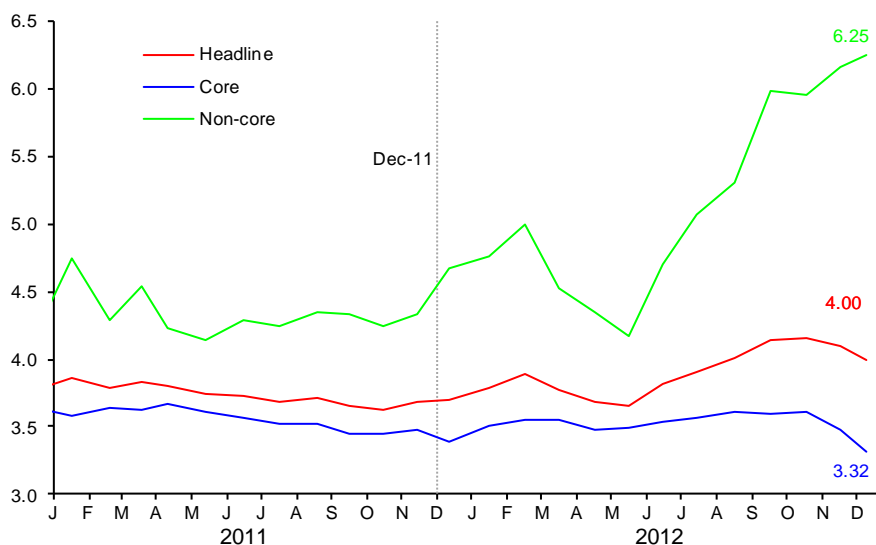
Medium- and long-term inflation expectations remained stable during the analyzed year (Chart 33a). Particularly, the mean of average inflation expectations for the next 4 years maintained around 3.6 percent and that corresponding to the next 5 to 8 year average remained close to 3.5 percent. This suggests that economic analysts perceived the inflation rebound over several months of 2012 as a transitory phenomenon.

Moreover, other features of inflation expectations' distribution indicated a favorable evolution in the last months of 2012. Specifically, the distribution of long-term expectations registered a reduction of upside skewness as compared to downside skewness (Chart 33b). In this way, for the average of 5 to 8 years, the distribution of inflation expectations indicated that upward inflationary risks decreased with respect to downward inflationary risks.²⁶

In turn, the break-even inflation and inflationary risk indicator (inflation expectations plus an inflationary risk premium), obtained from the 10-year nominal interest rate and the 10-year real interest rate on indexed debt instruments, increased in the second and over part of the third quarter of 2012, affected by volatility in international financial markets. However, in the last months of the year, insofar as international conditions improved, a clear downside trend was observed. Thus, in December it located at 3.8 percent, below the figure of 4 percent. It should be noted that given a positive value of the inflationary risk premium included in the referred indicator, it can be affirmed that inflation expectations implicit in long-term interest rates located below 3.8 percent (Chart 34).

²⁶ The downside skewness of the inflation expectations distribution could reflect a lower probability of high inflation levels. Methodologically, for the analysis of skewness the expected inflation distribution is assumed to follow a segmented normal distribution, for which the mode of the distribution and the standard deviation in the right and in the left segment can be found. Thus, if the deviation in the right segment is smaller than that in the left segment, the left tail of the distribution is said to be "heavier" than the right tail, and vice versa. Such a situation indicates that the probability associated with inflation lower than the mode is greater than that associated with inflations higher than the mode, which could be interpreted as downside risks exceeding upside risks. For a detailed description of this analysis see the Technical Chapter "Evolution of Inflation Expectations in Mexico", published in the Inflation Report, July - September 2011.

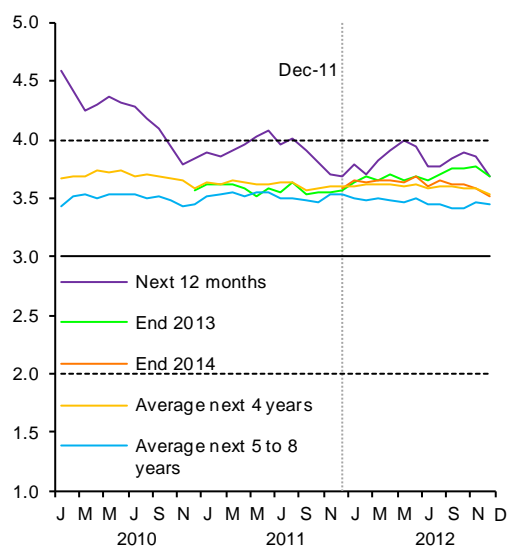
Chart 32
Headline, Core and Non-core Inflation Expectations for End of 2012



Source: Banco de México's Survey.

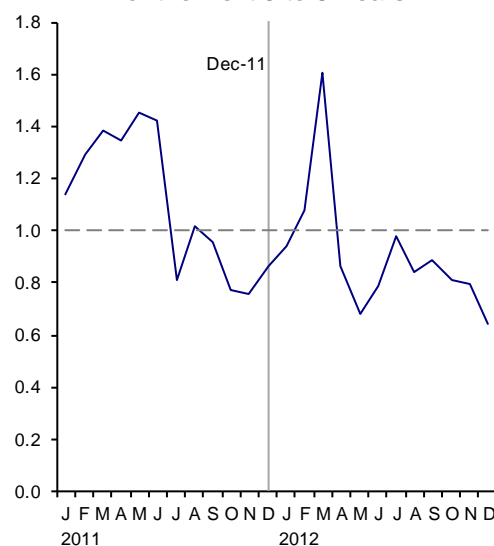
Chart 33
Headline Inflation Expectations of Different Terms and Upside to Downside Skewness Ratio in Long-term Inflation Expectations

a) Inflation Expectations of Different Terms



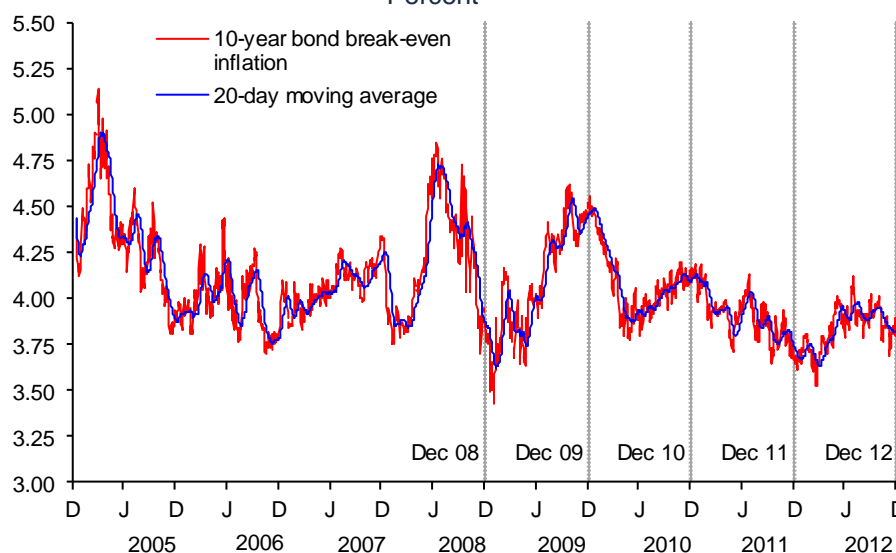
Source: Banco de México's Survey.

b) Upside to Downside Skewness Ratio of Average Inflation Expectations for the Next 5 to 8 Years



Source: Banco de México own estimate with data from Banco de México's Survey.

Chart 34
Break-even Inflation and Inflation Risk ^{1/}
 Percent



^{1/} The break-even inflation and inflation risk implicit in 10-year bonds is calculated based on nominal and real interest rates of the secondary market.

Source: Banco de México estimate with data from Valmer.

Short-term interest rates corresponding to the term of one year or less generally persisted at levels below or close to 4.5 percent in 2012. Long-term government bond interest rates observed a downward trend in the year. In particular, the 10-year interest rate went from 6.4 percent at the end of 2011 to levels close to 5.4 percent at the end of 2012 (Chart 35a). It should be pointed out that the interest rates' downward trend was not interrupted despite considerably greater uncertainty in international financial markets in the second quarter of the year. It should also be mentioned that, once the international financial conditions improved, mainly due to the measures taken by the central banks of the main advanced economies, this tendency accentuated in the second half of the year. Therefore, long-term interest rates reached historically low levels in 2012.

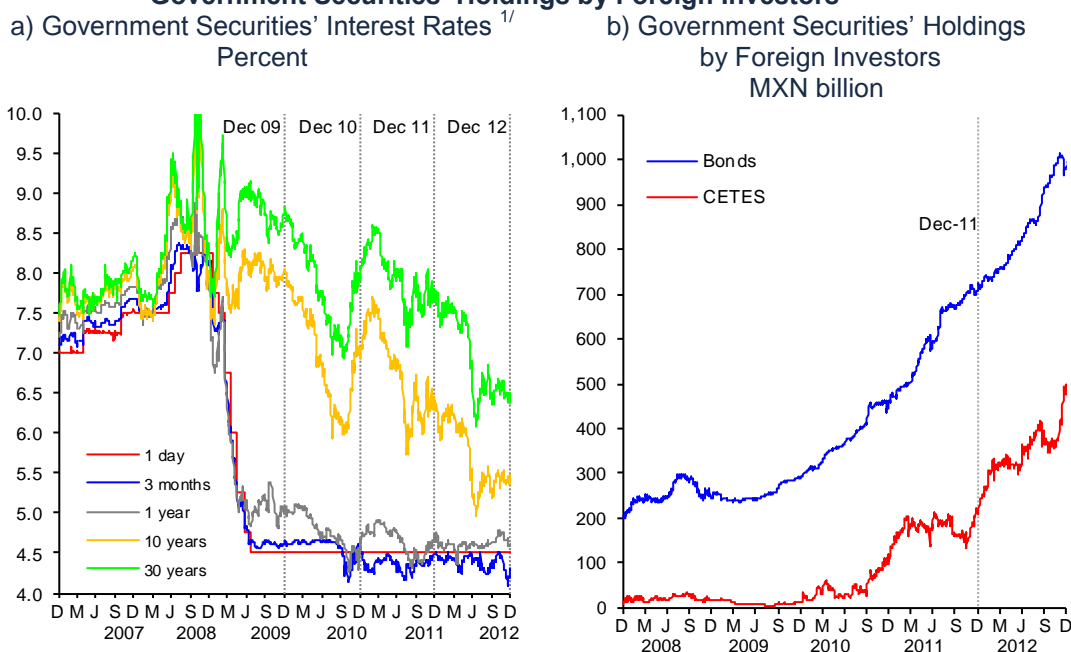
This performance of interest rates has been to a large extent associated to the strength of the framework for the macroeconomic policy conduction in Mexico and solid fundamentals of the Mexican economy. Indeed, the environment of stability and certainty associated to a prudent conduction of the fiscal policy and a monetary policy aimed at preserving price stability allowed the risk premia, mainly inflation risk, to register a considerable decrease. This contributed to lower interest rates.

Alongside with this, the strength of the Mexican economy, together with the lax monetary conditions prevailing in advanced economies, contributed to the fact that financial assets denominated in the national currency became relatively more attractive, and, therefore, to a greater demand for debt instruments of the Federal Government. Thus, as indicated in Section 3.3.3, throughout 2012 a considerable increase in government securities' holdings by non-residents was observed (Chart 35b).

Hence, the evolution of the yield curve was affected by lower long-term interest rates previously discussed, and, as a consequence, it observed a considerable flattening (Chart 36b). Thus, the slope of the yield curve, defined as the difference between the 10-year interest rate and that of 3 months, dropped from approximately 195 basis points at the end of 2011 to levels close to 120 basis points in December 2012.

In 2012, the observed reduction in long-term interest rates in Mexico was greater than that in the interest rates of the U.S. government bonds of similar terms. This led to the reduction in the interest rate spreads between these two economies throughout the year. In particular, the interest rate spread of 10-year bonds decreased more than 80 basis points throughout the year, shifting from approximately 440 to 360 basis points (Chart 36a). Nonetheless, they still remained above the pre-crisis levels.

Chart 35
Government Securities Interest Rates in Mexico and
Government Securities' Holdings by Foreign Investors

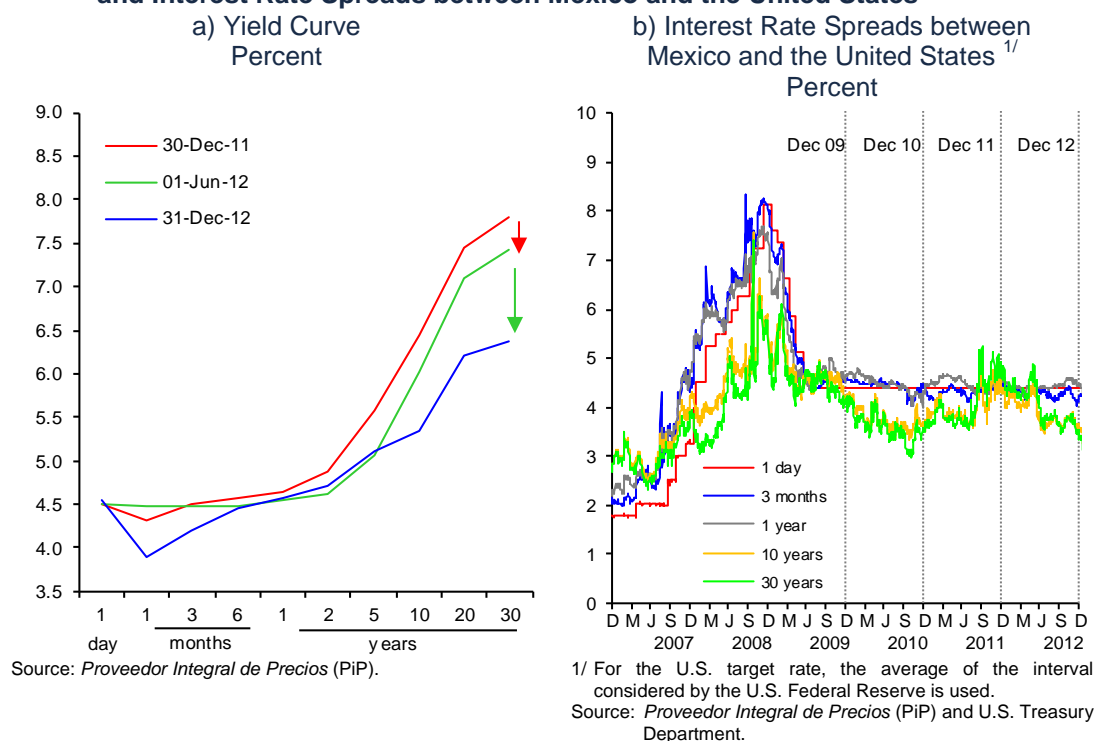


1/ Since January 21, 2008, the one-day (overnight) interest rate corresponds to the target for the Overnight Interbank Interest Rate.

Source: *Proveedor Integral de Precios (PIP)*.

Source: Banco de México.

Chart 36
Yield Curve of Government Securities in Mexico
and Interest Rate Spreads between Mexico and the United States



4.2. Exchange Rate Policy

In general, in 2012 the parity of the national currency against the U.S. dollar presented an appreciation trend (Chart 37a). It should be noted that, even despite certain volatility in the foreign exchange market, its indicators registered a downward trend in 2012. Particularly, in light of improved international financial conditions in the first months of 2012, the exchange rate appreciated, as a result of which part of the depreciation registered in the second half of 2011 reverted. However, given the scale of the fiscal and financial problems in the Euro zone and absence of definite solutions to them, a considerably increased uncertainty in international financial markets in the second and part of the third quarter of the year was observed. In light of this, a massive investment reallocation to assets considered as safe haven assets took place, affecting emerging economies' foreign exchange markets, including the national one.

In particular, and similar to what occurred to other emerging economies' currencies, in Mexico the national currency depreciated considerably and observed greater volatility in April and May 2012. In this environment, the exchange rate reached higher levels than in the second half of 2011. Given high volatility in the foreign exchange market and in line with the mechanisms approved by the Foreign Exchange Commission, allocations at the USD auctions at a minimum price for a total amount of USD 646 million were

realized.^{27,28} In this regard, it is noteworthy that at all times the foreign exchange market operated in an orderly manner and, despite further uncertainty in international financial markets, the implied volatility of exchange rate options did not rise to levels of 2011 (Chart 37b).

Chart 37

Nominal Exchange Rate, its Expectations and Implied Volatility

a) Exchange Rate and its Expectations for the End of 2012 and 2013 ^{1/}



b) Implied Volatility in Exchange Rate Options ^{2/}
Percent



1/ The observed exchange rate is the monthly average of the FIX exchange rate. The latest data of the observed exchange rate correspond to December 31, 2012. For its expectations, the latest data are as of December 14, 2012.
Source: Banco de México and Banamex Expectations Survey (*Encuesta de Expectativas Banamex*).

2/ Refers to one-month options.
Source: Bloomberg.

It should be noted that in the referred time period it became evident that the exchange rate flexibility, associated to the free-floating regime, is a fundamental part of the framework for the macroeconomic policy conduction in Mexico. In particular, this regime allows absorbing part of the external shocks' impact on the Mexican economy, by means of which their effect on the economic activity is mitigated.

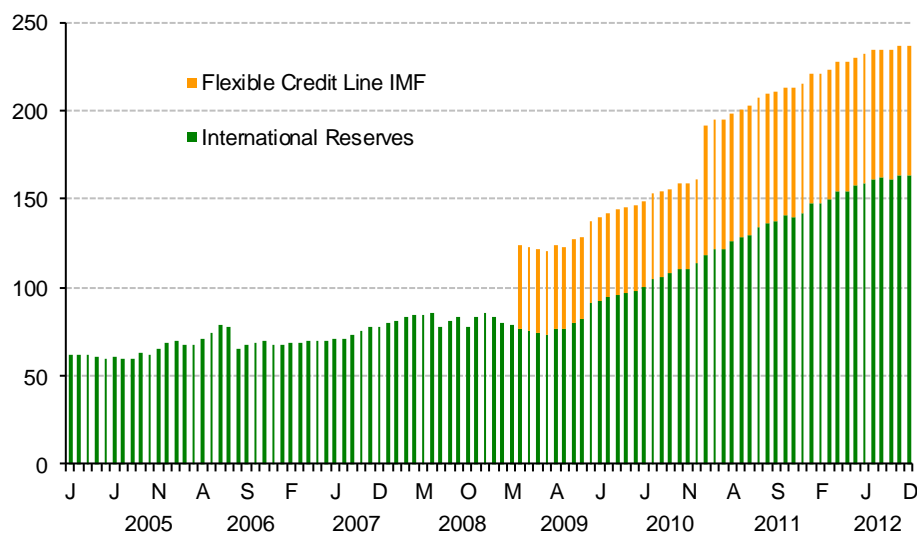
The environment of stability and confidence related to the solid fundamentals of the Mexican economy, along with the improved international financial conditions, derived from the measures taken by advanced economies' authorities, contributed to a renewed appreciation trend of the national currency from June onwards. This reverted part of the foreign exchange rate adjustment in the second quarter of 2012. Thus, it concluded the year around MXN/USD 12.9, after reaching levels above MXN/USD 14 at the end of May and the beginning of June.

²⁷ See the Press Release of the Foreign Exchange Commission of November 29, 2011.

²⁸ As mentioned above, the auctions were realized on May 23, 2012 (USD 258 million), on May 31, 2012 (USD 107 million) and on July 23, 2012 (USD 281 million).

Among factors that contributed to the improved economic fundamentals of Mexico, and, therefore, to the strengthening of the national currency are: the prudent management of public finances, a monetary policy aimed at inflation convergence towards the 3 percent permanent target, a sound and well-capitalized banking system, high levels of international reserves, and obtaining and renovating the Flexible Credit Line (FCL) from the International Monetary Fund (IMF). Notably, this credit line is granted solely to the economies characterized by solid economic fundamentals. Therefore, its renovation in the case of Mexico at the end of 2012 suggests the strengthening of the environment of certainty and confidence in the national economy. Thus, while in December 2011 the international reserves totaled USD 142 billion and the FCL was around USD 73 billion, at the end of 2012 the international reserves amounted to USD 164 billion and the FCL was renewed for approximately USD 73 billion (Chart 38).

Chart 38
International Reserves
 USD billion



Source: Banco de México and International Monetary Fund.

5. Final Considerations

During 2012, in a context of a persisting slowdown of the economic activity and lower international commodity prices, most economies observed a widespread inflation drop. Under these conditions, the monetary policy of the main advanced and most of emerging economies presented further easing. The international financial markets' conditions improved significantly in the last months of the year, as a response to further monetary stimulus and the announcement of the measures to mitigate pressures in the sovereign debt and interbank markets in the Euro zone. This improvement in the financial markets supported a rebound in capital flows towards emerging markets at the end of the year, causing currency appreciation in most of these economies.

It should be pointed out that the extraordinary measures of the economic policy taken by the authorities of the main advanced countries, specifically by their central banks, were fundamental to sustain the economic activity and to avoid further deterioration in international financial markets. Nonetheless, it remains clear that considerable downward risks persist and that the withdrawal of the significant monetary and fiscal stimulus will generate important challenges to ensure sustained and balanced recovery of the world economic growth.

With respect to the economic activity in Mexico, in 2012 the strength of its macroeconomic fundamentals allowed an annual GDP growth of 3.9 percent. Still, the world economic slowdown was eventually reflected in a lower dynamism of the national productive activity in the second half of the year. Thus, in 2012 as a result of the registered expansion rate, the national economic activity kept converging in an orderly manner towards levels congruent with the productive potential of the country. In this context, different indicators related to the slack conditions of the Mexican economy suggest that in 2012 no aggregate demand-related pressures on inflation or the country's external accounts were observed.

At the end of 2012, inflation in Mexico lied within the variability interval of plus/minus one percentage point around the 3 percent target. Nevertheless, throughout the year this variable was temporarily affected by different shocks on the prices of some merchandise and agricultural products. Just as Banco de México had anticipated, the referred shocks started to dissipate in the last months of the year, which allowed headline inflation to resume a convergence trend towards the 3 percent target. It stands out that annual core inflation, which approaches the medium-term trend of headline inflation, remained at levels congruent with the target and at the end of the year located below 3 percent. Hence, the relatively high level of headline inflation over some months of 2012 did not generate second round effects on the price and wage formation process in the economy.

In sum, the strength of the macroeconomic policy conduction framework and the fundamentals of the Mexican economy contributed to the fact that changes in the relative prices related to supply shocks affecting the country over some

months in 2012 took place in an orderly manner without contaminating inflation expectations. As a result of the described environment, Banco de México's Board of Governors maintained the target for the Overnight Interbank Interest Rate at 4.5 percent in 2012.

Appendices

Appendix 1

Mexico's Relationship with the International Monetary Fund, Bank for International Settlements and the Group of Twenty

International Monetary Fund (IMF)

Mexico is a founding member of the International Monetary Fund (IMF) since its creation in 1944. Mexico's quota is Special Drawing Rights (SDRs) 3,625.7 million, and this amount represents approximately 1.52 percent of the IMF's total quota.

During 2012, three topics stood out regarding Mexico's relationship with the IMF: 1) the consultation under the Article IV of the Articles of Agreement, 2) the release of the IMF's report on the Financial System Stability Assessment (FSSA), and 3) the renovation of the Flexible Credit Line (FCL).

The consultation under Article IV of the IMF's Articles of Agreement is a practice of surveillance and assessment carried out by the Fund with each member country.²⁹ In November 2012 the IMF announced the results of the consultation for Mexico.³⁰ In its assessment, the Executive Board of this international organization recognized the soundness of the rule-based economic policy framework, and the skillful macroeconomic management. Both elements were useful in supporting a strong recovery and in improving competitiveness, as well as in increasing the economy's resilience to shocks. In doing so, the economic macroeconomic approach contributed to an increase in foreign investment and growth.

The Executive Board supported the ongoing fiscal consolidation process. It urged the authorities to reestablish the budgetary balance for 2013 in the framework of the fiscal rule in Mexico, which would help direct the debt ratio towards a downward trajectory, and reestablish the margins for fiscal maneuver. The Executive Directors also agreed that the monetary policy stance has helped to support the economic recovery, in the face of fiscal consolidation. On the other hand, it was noted that the exchange rate flexibility will continue playing a key role in buffering external shocks. The Executive Directors indicated that the financial sector in Mexico remains sound and resilient. Likewise, they encouraged to increase efforts to strengthen the financial regulatory and surveillance framework.

²⁹ To carry out the consultation, an IMF mission visits the member country, gathers and analyzes its economic and financial data, and meets with the authorities to discuss the country's economic situation, its outlook, and current economic policy measures. Based on these consultations, the IMF technical staff elaborates and submits for discussion a report on the country to the Executive Board. Afterwards, the IMF informs the country's authorities about its conclusions and recommendations.

³⁰ See Press Release [Comunicado de Prensa del 28 de noviembre de 2012](#).

Finally, the Executive Board underscored the need for implementing structural reforms aimed at boosting both productivity and investment. The Board acknowledged the recently approved labor reform, and highlighted the importance of adopting reforms aimed at improving the quality of education, fostering competition, facilitating access to credit for small- and medium-size firms, and strengthening internal security.

The IMF report on Financial System Stability Assessment, released in March 2012, highlighted that the Mexican financial system was characterized by great strength despite the global financial crisis. The banking system remains profitable, liquid, well-capitalized, and stress tests suggest resilience to shocks. The document, however, emphasizes the need for authorities to remain alert to external contagion risks. On the other hand, the framework for crisis management has been adequate as it has been continuously improved since the IMF released its report in 2006.

In late 2012 the IMF's Executive Board approved the renovation of a new two-year Flexible Credit Line for Mexico for approximately USD 73 billion (equivalent to 1,304 percent of Mexico's quota).^{31,32} The FCL is granted only to countries characterized by a sustained track record of economic policies. The request of the Mexican authorities to renew the FCL arose as a response to an adverse external context characterized by elevated risks in the global economy, such as the persisting fragility in Europe and an uncertain process of fiscal adjustment in the U.S.

Bank for International Settlements (BIS)

The main mission of the BIS is to support the central banks' efforts to reach the monetary and financial stability, to promote international cooperation in these areas and to provide banking services to central banks. Since becoming a member of the BIS in 1996, Banco de México has actively participated in meetings, forums and committees that have been organized to encourage international monetary and financial cooperation.

During 2012, Banco de México contributed to the work and discussions at different meetings of Governors and senior officials of BIS-member central banks. The following stand out among them: i) the Governors' Meetings, where selected topics of general interest for the 60 member central banks are discussed, ii) the Global Economy Meetings, consisting of the Governors of 30 BIS-member central banks of the major advanced and emerging market economies, which monitor and assess the performance, risks and opportunities of both the economy and the global financial system, iii) the meetings of the Economic Consultative Committee, an informal group that supports the Global Economy Meetings by drafting proposals and recommendations regarding topical issues, iv) the meetings of the Group of Central Bank Governors and Heads of Supervision, where the work of the Basel Committee on Banking Supervision is reviewed, v) the meetings of the Consultative Council for the Americas, which consists of the Governors of the

³¹ See Press Release [Comisión de Cambios del 30 de noviembre de 2012](#).

³² The quota in force at the moment of the FCL renovation is SDR 3,625.7 million.

eight BIS-member central banks in the Americas,³³ vi) the meetings of the BIS Board of Directors, composed of 19 members, whose primary function is to determine the strategy and policy direction of the BIS along with management supervision, and vii) the Annual General Meeting, where both the annual report and BIS financial accounts are endorsed, and the distribution of dividends among shareholders is determined.

In January 2012, the BIS Board of Directors appointed Banco de México's Governor as President of the Consultative Council for the Americas for a two-year term due to his outstanding contributions. Likewise, in March 2012 he was appointed President of the Administrative Committee, which provides counseling to the BIS Board of Directors, and in June 2012 he was reelected as a member of the Board of Directors for a three-year period.

On November 3 and 4, 2012, Banco de México hosted the bimonthly meetings of BIS Governors that took place in Mexico City. This event was useful to take advantage of the synergies of the G20 Finance Ministers and Central Bank Governors' Meeting.

Likewise, in 2012 Banco de México actively participated in the discussion and development of policies aimed at strengthening global financial stability. Particularly, it contributed to the discussion and design of regulatory reforms to the international financial system, which were analyzed at the Financial Stability Board (FSB).³⁴ The following policies stand out: i) the practices and main challenges in the dissemination of information and supervision initiatives among home-host countries, ii) the effect of the recent global regulatory reforms on emerging markets and developing economies, iii) promoting transparency via an initiative to develop a worldwide Legal Entity Identifier (LEI) that allows for identifying counterparties in financial operations, iv) policy implications and challenges in implementing the Basel III liquidity requirements, v) the need to increase the intensity and effectiveness of monitoring systemically important financial institutions (SIFIs), vi) the policies to face risks related to global systemically important insurers (G-SIIs), and vii) proposals to strengthen the capacity, resources and sound management of the FSB.

As part of these activities, on February 24, 2012 a meeting of the High Level Working Group took place in Mexico City. The meeting focused on discussing the capacity, resources and sound governance of the Financial Stability Board (in which the Governor of Banco de México is a member). On April 12 and 13, 2012 a Conference for strengthening the FSB was held in Mexico City. The purpose of these events was to share views on appropriate measures to strengthen the role of the FSB.

³³ The central banks of Argentina, Brazil, Canada, Chile, Colombia, the United States, Mexico and Peru.

³⁴ It is an international body that aims at coordinating the activities of the national financial authorities and of the entities in charge of the development of the international regulatory standards as well as the development and implementation of effective regulatory and supervisory financial policies so as to promote global financial stability.

Similarly, the Consultative Group for the Americas of the FSB,³⁵ co-chaired by Banco de México's Governor and the Governor of the Central Bank of Chile, continued with its activities. A second meeting in Santiago, Chile on May 25, 2012 and a third meeting in Hamilton, Bermuda on December 10, 2012 took place to inform participants about the progress achieved in FSB's priority policies and on its working plan, as well as in topics related to the vulnerabilities of the global financial system and the region's financial stability.³⁶

Group of Twenty (G20)

In 2012, Mexico held the Presidency of the G20, a forum where developed and emerging countries –which as a whole represent around 90 percent of world GDP, 80 percent of world trade and two thirds of total population– discuss the most relevant economic and financial topics on the global agenda in order to promote economic stability and strong, sustainable and balanced growth.

The Ministry of Finance (SHCP) and Banco de México were in charge of devising the working plan for the G20 Finance Track, comprised by Finance Ministers and Central Banks' Governors, as well as by the IMF, the World Bank, the OECD and the FSB.

For complying purposes, the Mexican G20 Presidency organized various meetings at the ministry level, as well as seminars and conferences. Among the Finance Track working groups that were created to discuss specific topics, Banco de México actively contributed to the following: 1) Framework for Strong, Sustainable and Balanced Growth, 2) Financial Regulation and 3) International Financial Architecture.

One of the most important achievements of the Mexican G20 Presidency was the international agreement to strengthen the IMF's lending capacity via bilateral credit lines. In this context, Banco de México makes available for the IMF up to USD 10 billion, over a two-year period.³⁷ A total of 38 countries made a commitment to grant credit lines for up to USD 461 billion. This achievement was announced during the G20 Leaders' Summit at Los Cabos, Baja California Sur in June 2012.

Among other achievements, the regulation and surveillance of the worldwide financial system and the governance of the Financial Stability Board were strengthened. Likewise, the implementation of the Los Cabos Action Plan was agreed on, presenting the commitments undertaken by the G20 member

³⁵ This Group was established as part of the initiatives announced by the FSB in November 2010 to expand upon and formalize its outreach activities beyond the membership of the G-20 to reflect the global nature of our financial system. To that end, six regional advisory groups were created, bringing together the financial authorities of the member countries and the non-FSB members so as to exchange views on vulnerabilities affecting financial systems and on initiatives to promote financial stability. The Group for the Americas includes the financial authorities of Argentina, the Bahamas, Barbados, Bermuda, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, the United States, Guatemala, Jamaica, Mexico, Panama, Paraguay, Peru and Uruguay. This Group's inaugural meeting was held on December 2, 2011 in Mexico City.

³⁶ See Banco de México's Press Releases [del 25 de mayo de 2012](#) and [del 11 de diciembre de 2012](#).

³⁷ See Press Release [Comunicado de Prensa del 20 de junio de 2012](#).

countries with respect to the required economic policies to ensure a balanced and sustained global economic growth.

Appendix 2

Public Sector Borrowing Requirements (PSBR) ³⁸

Public Sector Borrowing Requirements (PSBR), calculated by sources of financing and in accrued terms, measure the total of net financial resources (domestic and external), required by the public sector to cover the fiscal deficit in its broadest definition. This concept consists of the financial balance and additional liabilities (contingent liabilities backed by the public sector). The financial balance includes the non-financial public sector operations (federal government and public entities and enterprises) and requirements by development banks and public funds and trusts. Additional liabilities are: a) IPAB's net liabilities, b) financing to investment projects financed (*Proyectos de Inversión Financiada*, Pidiregas), c) net liabilities of dispositions, from the toll road rescue program (*Fideicomiso de Apoyo para el Rescate de Autopistas Concesionadas*, FARAC), d) the interest rate swapping cost of programs to restructure bank credits denominated in UDIs, and e) liabilities associated with debtor support program.

In 2012, total PSBR recorded a deficit of MXN 614.1 billion, representing 4.0 percent of GDP (Table 12 and Chart 39), and an increase of 1.0 percent of GDP with respect to the one registered in 2011.³⁹ In 2012 PSBR were mostly financed by the domestic sector, which represented 83.8 percent of total funding (79.4 percent in 2011), while foreign financing accounted for 16.2 percent (20.6 percent in 2011). Thus, PSBR domestic financing totaled MXN 514.4 billion (3.3 percent of GDP), while foreign financing was MXN 99.7 billion (0.6 percent of GDP).

At the end of 2012, the structure of domestic financing was as follows: the public sector accumulated net financial assets at Banco de México of MXN 201.2 billion; commercial banks decreased their net liabilities by MXN 62.0 billion; the net private sector financing of MXN 879.9 billion was acquired (through government securities); and other liabilities with the private sector reduced by MXN 102.3 billion.⁴⁰ Total foreign financing of MXN 99.7 billion consisted of the net indebtedness of the federal government, public entities and enterprises, and development banks, amounting to MXN 104.8 billion, as

³⁸ PSBR are an indicator of the public sector's use of net financial resources, both domestic and external. Banco de México has calculated PSBR since 1977 and published them in its Annual Reports. This concept consolidates the Financial and Non-Financial Public Sector and since 2000 considers a group of additional items regarded as public sector's guaranteed liabilities.

³⁹ The methodology to calculate the PSBR is based on the sources of financing (accrued deficit) and differs from that of the Ministry of Finance (SHCP), which is based on the methodology of public sector's revenues and expenditures (cash deficit). Other differences between these methodologies are: a) assets valuation, with the market value (Banco de México) vs. the placement value (Ministry of Finance, SHCP) and b) the measurement of IPAB's financial requirements. The Central Bank's methodology uses the change in the financial position of IPAB, which is published in the Quarterly Reports on the State of the Economy, Public Finances and the Public Debt of the Ministry of Finance. The Ministry of Finance uses a methodology in which the financial requirements of IPAB correspond to the inflationary component of the organization's debt. According to the methodology of the Ministry of Finance, PSBR increased by 0.5 percent of GDP from 2011 to 2012, shifting from 2.7 to 3.2 percent of GDP, respectively.

⁴⁰ Includes private sector deposits in development banks and additional liabilities.

well as a decrease in the net debt by MXN 5.1 billion through financed investment projects (*Pidiregas*).

Table 12
Public Sector Borrowing Requirements in 2010 and 2011 ^{1/}

Item	2011		2012 ^{p/}	
	MXN billion	Percent of GDP	MXN billion	Percent of GDP
Sources:				
PSBR ^{2/}	426.8	3.0	614.1	4.0
Net external financing ^{3/}	87.8	0.6	99.7	0.6
USD billion ^{4/}	7.0		7.6	
Net domestic financing	339.0	2.4	514.4	3.3
Banco de México	-332.4	-2.3	-201.2	-1.3
Commercial banks	60.4	0.4	-62.0	-0.4
Government securities ^{5/}	701.9	4.9	879.9	5.7
Other private sector financing ^{6/}	-90.9	-0.6	-102.3	-0.7
Uses:				
PSBR	426.8	3.0	614.1	4.0
Financial balance ^{7/}	402.2	2.8	582.1	3.8
Additional liabilities	24.5	0.2	32.0	0.2
IPAB ^{8/}	18.6	0.1	21.8	0.1
FARAC ^{9/}	-4.3	0.0	5.3	0.0
UDI restructuring programs	1.0	0.0	2.1	0.0
Pidiregas ^{10/}	7.6	0.1	5.4	0.0
Debtor support programs ^{11/}	1.7	0.0	-2.8	0.0
Memo:				
Non-recurrent revenues	-104.5	-0.7	-103.0	-0.7
PSBR excluding non-recurrent revenues	531.3	3.7	717.1	4.6

Source: Ministry of Finance (SHCP) and Banco de México.

p/ Preliminary figures.

1/ PSBR are calculated in accrued terms and include non-recurrent revenues. A negative sign (-) represents a surplus and a positive sign (+) represents a deficit. Figures expressed as a share of GDP use average GDP of that year.

2/ Excludes the effect of exchange rate fluctuations (MXN/USD and USD/other currencies).

3/ Net foreign financing is calculated by subtracting redemptions and changes in financial assets' balances from total outlays.

4/ Includes both public sector's debt and the use of other foreign resources granted by Mexican banks' agencies abroad.

5/ Includes private sector securities only. Federal government securities held by banks are included in the item net financing by commercial banks. Government securities are registered at market value according to the IMF Government Finance Statistics Manual (2001).

6/ Includes private sector's bank deposits at development banks and contingent liabilities.

7/ Public sector's financial balance includes the economic balance (federal government and public enterprises), and financial intermediation by development banks and public funds and trusts.

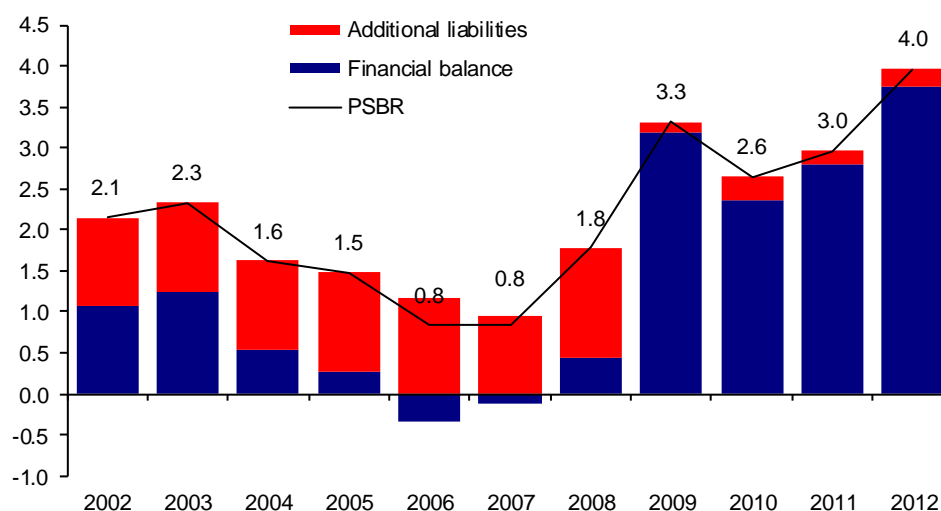
8/ Estimates based on the change in the Institute for the Protection of Bank Savings' (*Instituto de Protección al Ahorro Bancario*, IPAB) net liabilities as published in the Ministry of Finance's Public Debt Reports.

9/ Estimates based on the changes in federal government guaranteed liabilities from the toll road rescue program (*Fideicomiso de Apoyo al Rescate de Autopistas Concesionadas*, FARAC).

10/ Net investment in financed investment projects (*Proyectos de Infraestructura Productiva de Largo Plazo*, Pidiregas).

11/ Figure reported by commercial and development banks as credit granted to the federal government under these programs.

Chart 39
Public Sector Borrowing Requirements
 Percent of GDP



Note: In the PSBR calculation, (-) represents a surplus and (+), a deficit.
 Source: Banco de México.

In 2012, PSBR were used to finance the deficit of the financial balance of MXN 582.1 billion (3.8 percent of GDP) and additional liabilities of MXN 32.0 billion (0.2 percent of GDP). These additional liabilities were composed of: a rise in IPAB's net debt (MXN 21.8 billion), a net indebtedness of MXN 5.4 billion from financed investment projects (Pidiregas), an increase in the net debt of FARAC of MXN 5.3 billion, a rise in liabilities associated with UDI-restructuring programs (MXN 2.1 billion) and a reduction in liabilities associated with debtor support programs (MXN 2.8 billion) (Table 12).

Total Public Sector Debt ⁴¹

During 2012, total public sector debt increased, as a result of the deficit exhibited by PSBR. For this year, the funding of the deficit came mainly from the domestic debt market. In particular, the federal government continued to follow a flexible public debt policy in order to adapt to conditions in domestic and international financial markets. At the domestic level, a flexible program of debt issuance was implemented, congruent with the demand for debt instruments that allowed satisfying federal government's financial needs,

⁴¹ The total public sector debt is the sum of the net broad economic debt (*Deuda Económica Amplia Neta*, DEAN) and additional liabilities. The DEAN includes net liabilities of the federal government and non-financial public enterprises, as well as indebtedness and financial assets of official financial intermediaries (development banks and public funds and trusts). Additional liabilities include those from IPAB, FARAC, UDI-restructuring programs, Pidiregas and debtor support programs. On the other hand, the total public sector debt consolidated with Banco de México consists of the net debt consolidated with Banco de México (*Deuda Neta Consolidada con Banco de México*, DNCBM) and additional liabilities. The DNCBM includes the DEAN, central bank's financial assets and liabilities with the private sector, commercial banks and the external sector. Under the latter definition, both assets and liabilities of Banco de México with the public sector are settled. Finally it is important to mention that, since financing to the public sector by development banks is considered as a public sector asset, in addition to other similar methodological reasons to calculate the PSBR, public debt definitions are not directly comparable to those used by the Ministry of Finance in its Quarterly Reports on the State of the Economy, Public Finances and Public Debt.

maintaining an upward trend in its average weighted term to maturity. Abroad, issuances were aimed at strengthening Mexico's bond references in international markets, expanding and diversifying investors' base, and taking advantage of financing opportunities at better costs.

Table 13
Total Public Sector Debt
End of period outstanding stocks

	MXN billion		Percent of GDP ^{1/}			Real annual change	Percentage structure	
	2011 ^{p/}	2012 ^{p/}	2011 ^{p/}	2012 ^{p/}	Difference	2012 - 2011	2011 ^{p/}	2012 ^{p/}
Total public sector debt (a+b)	5,703.5	6,325.7	37.0	39.5	2.5	7.1	100.0	100.0
a. Net broad economic debt ^{2/}	4,630.2	5,221.5	30.0	32.6	2.6	8.9	81.2	82.5
1. Foreign	1,614.6	1,587.9	10.5	9.9	-0.6	-5.0	28.3	25.1
2. Domestic	3,015.6	3,633.7	19.6	22.7	3.1	16.3	52.9	57.4
b. Additional liabilities	1,073.3	1,104.2	7.0	6.9	-0.1	-0.7	18.8	17.5
1. IPAB ^{3/}	787.9	809.7	5.1	5.1	-0.1	-0.8	13.8	12.8
2. FARAC ^{4/}	136.0	141.4	0.9	0.9	0.0	0.4	2.4	2.2
3. UDI restructuring programs ^{5/}	42.7	44.6	0.3	0.3	0.0	0.9	0.7	0.7
4. Direct Pldiregas ^{6/}	99.1	103.6	0.6	0.7	0.0	0.9	1.7	1.6
5. Debtor support programs ^{7/}	7.6	4.9	0.1	0.0	0.0	-37.7	0.1	0.1

Source: Ministry of Finance (SHCP) and Banco de México.

p/ Preliminary figures.

1/ Figures expressed as a ratio of GDP use the GDP of the last quarter of the year.

2/ The difference between the increase in the net broad economic debt and PSBR is due to the revaluation of debt flows in foreign currency; the exclusion of liquid assets held by public enterprises in investment funds; and, the fact that credit granted to the private sector is considered an asset and not a liability as with financial intermediation.

3/ Corresponds to the difference between IPAB's gross liabilities and total assets as reported in Appendix III from the Ministry of Finance Quarterly Report on the State of the Economy, Public Finances and Public Debt up to the Fourth Quarter of 2012.

4/ FARAC liabilities guaranteed by the federal government.

5/ Difference between liabilities associated with special Cetes (issued by the federal government and banks) and debt restructured in UDIs.

6/ Outstanding debt for direct Pldiregas is based on investment flows.

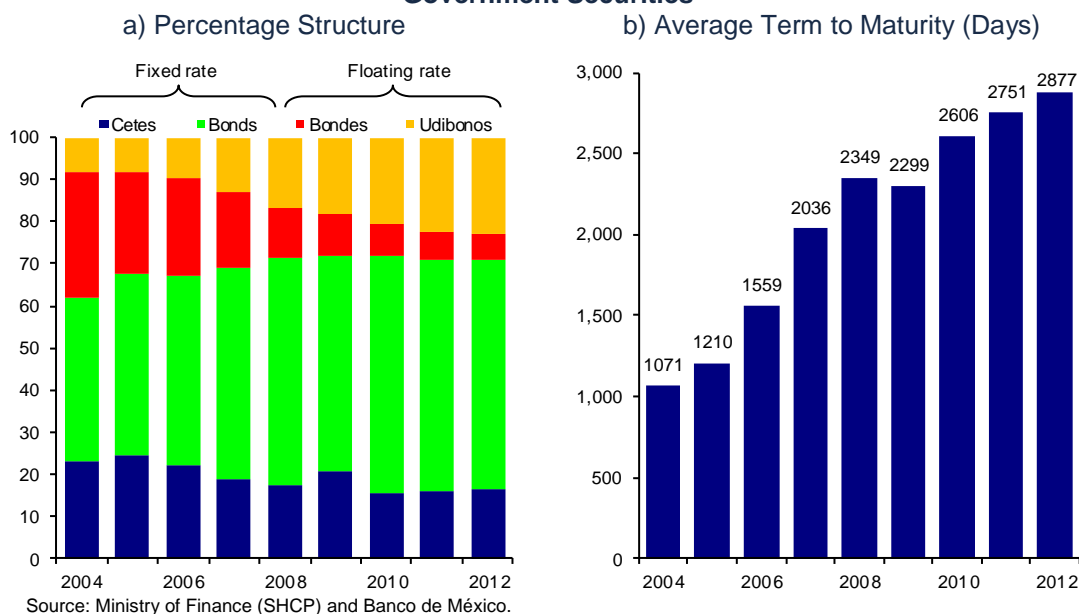
7/ Credit granted by commercial banks to the federal government under the mentioned programs.

In 2012, the total public sector debt (*Deuda Total del Sector Público*, DTSP) accounted for 39.5 percent of GDP, implying a 2.5 percentage point increase as compared to the level observed in 2011, consequence of the public deficit in 2012. As for its composition, in December 2012, the net broad economic debt (*Deuda Económica Amplia Neta*, DEAN) equaled 32.6 percent of GDP (2.6 percentage points above that registered in 2011), while additional liabilities equaled 6.9 percentage points of GDP (0.1 percentage points lower than in 2011) (Table 13).

As for the external debt management, the federal government carried out 3 debt issuances in international markets for a total of USD 5,000 million. These issuances were aimed at strengthening reference bonds and expanding and diversifying the investors' base. The first issuance was in January for USD 2,000 million with maturity of 10 years; the second, in March for USD 2,000 million with maturity of 30 years; and the last one, in May for JPY 80,000 million, equivalent to USD 1,000 million. This issuance was carried out with maturities of 3 and 5 years. Additionally, in August an operation of foreign bond exchange was realized for USD 2,192 million, which was an operation of managing liabilities throughout the yield curve in dollars, so as to strengthen liquidity of the reference bonds, as well as to early withdraw short-term or non-liquid bonds. On the other hand, the need of financing from international financial organizations reduced. At the end of 2012, the net debt with these

organizations amounted to USD 1,593 million (USD 2,612 million in 2011). The federal government's total debt with these organizations rose from USD 19,607 million in December 2011 to USD 21,199 million at the end of 2012.

Chart 40
Government Securities



As for the domestic market, the federal government continued implementing a flexible program of debt issuance, responding to the market's demand for government securities, which was reflected by the longer average weighted term to maturity of government securities, which went from 2,751 days at the end of 2011 to 2,877 days at the end of 2012, its maximum historical level (Chart 40).⁴²

In 2012, the federal government realized four syndicated bond issuances.⁴³ The first of these was in February for MXN 25,000 million in fixed-rate 10-year bonds; the second, in April for MXN 15,000 million in fixed-rate bonds with maturity of 30 years; the third one, in July for MXN 30,000 million in fixed-rate bonds with maturity of 5 years; and the last one, in September for UDIs 3,000 million (MXN 14,364 million) in 10-year Udibonos.

⁴² The average weighted term to maturity is defined as the weighted sum (compared to the nominal value of the amount in circulation) of the remaining maturities of each security in circulation.

⁴³ Syndicated auctions consist in the following: at the day and time of the auction, the Ministry of Finance (SHCP) announces the maximum yield rate to be accepted and the maximum amount to be assigned for each investor, which is established as a percentage of the total amount to be placed in this transaction. All offers are ranked in ascending order according to the yield rate. First, the amounts are assigned to the offers with the lowest yield rates, followed by the offers with the second lowest rate, and so forth, until reaching the maximum amount issued. In the case of equal offers and already having exceeded the maximum amount to be placed, the proportional amounts are assigned. All offers receiving amounts will have the same yield rate, according to the last offer served.

On the other hand, in November, the first issuance of segregated coupons from Udibonos took place.⁴⁴ In that issuance, 2,500 batches of segregated coupons of the principal for UDIs 225.0 million, as well as 1,391 batches of segregated coupons of interests for UDIs 144.3 million were issued.

At the end of 2012, the net debt consolidated with Banco de México (*Deuda Neta Consolidada con Banco de México*, DNCBM) equaled 33.3 percent of GDP, 3.6 percentage points higher than the figure registered in 2011 (Table 14). Finally, the total public sector debt consolidated with Banco de México, including additional liabilities, was 40.2 percent of GDP in 2012, figure 3.6 percentage points higher than that of 2011.

Table 14
Total Public Sector Debt Consolidated with Banco de México
End of period outstanding stocks

	MXN billion		Percent of GDP ^{1/}			Real annual change	Percentage structure	
	2011 ^{p/}	2012 ^{p/}	2011 ^{p/}	2012 ^{p/}	Difference	2012 - 2011	2011 ^{p/}	2012 ^{p/}
Total public sector debt consolidated with Banco de México (a+b)	5,641.4	6,434.2	36.6	40.2	3.6	10.1	100.0	100.0
a. Net debt consolidated with Banco de México ^{2/}	4,568.1	5,330.0	29.6	33.3	3.6	12.7	81.0	82.8
1. Foreign	-415.4	-530.5	-2.7	-3.3	-0.6	23.3	-7.4	-8.2
2. Domestic	4,983.6	5,860.6	32.3	36.6	4.3	13.5	88.3	91.1
b. Additional liabilities	1,073.3	1,104.2	7.0	6.9	-0.1	-0.7	19.0	17.2
1. IPAB ^{3/}	787.9	809.7	5.1	5.1	-0.1	-0.8	14.0	12.6
2. FARAC ^{4/}	136.0	141.4	0.9	0.9	0.0	0.4	2.4	2.2
3. UDI restructuring programs ^{5/}	42.7	44.6	0.3	0.3	0.0	0.9	0.8	0.7
4. Direct Pidiregas ^{6/}	99.1	103.6	0.6	0.7	0.0	0.9	1.8	1.6
5. Debtor support programs ^{7/}	7.6	4.9	0.1	0.0	0.0	-37.7	0.1	0.1

Source: Ministry of Finance (SHCP) and Banco de México.

p/ Preliminary figures.

1/ Figures expressed in ratios to GDP use the GDP of the last quarter of the year.

2/ The difference between the increase in this debt and PSBR is due to the revaluation of debt flows in foreign currency; the exclusion of liquid assets held by public enterprises in investment funds; and, the fact that credit granted to the private sector is considered an asset and not a liability as with financial intermediation.

3/ Corresponds to the difference between IPAB's gross liabilities and total assets as reported in Appendix II from the Ministry of Finance Quarterly Report on the State of the Economy, Public Finances and Public Debt up to the Fourth Quarter of 2012.

4/ FARAC liabilities guaranteed by the federal government.

5/ Difference between liabilities associated with special Cetes (issued by the federal government and by banks) and debt restructured in UDIs.

6/ Outstanding debt for direct Pidiregas is based on investment flows.

7/ Credit granted by commercial banks to the federal government under the mentioned programs.

⁴⁴ The issuance of segregated bonds is carried out simultaneously via two auctions, one for the principal of Udibonos and the other one for the whole of all coupons. Unlike an auction of non-segregated instruments, in which it is "bonds" that are auctioned, in an auction of segregated instruments "batches" are auctioned. A batch consists of a set amount of bonds (in this case, Udibonos). The number of bonds within each batch depends on the interest rate (coupon rate), that will pay the instrument. The issuances are made by Banco de México via a syndicated auction to the Market Makers.

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Basic Information

Table A 1
Summary of Selected Indicators

	2008	2009	2010	2011	2012 ^{p/}
Social and demographic indicators					
Population (millions) ^{1/}	111.3	112.9	114.3	115.6	116.9
Total population growth rate ^{1/}	1.3	1.3	1.2	1.1	1.1
Life expectancy at birth ^{1/}	74.0	74.0	74.0	74.1	74.3
Production and prices					
Gross Domestic Product (GDP) in MXN billion	12,181	11,937	13,072	14,396	15,503
	Annual change in percent				
GDP at 2003 constant prices	1.2	-6.0	5.3	3.9	3.9
Consumer Price Index (Dec.-Dec.)	6.53	3.57	4.40	3.82	3.57
Money and finances					
Monetary aggregates ^{2/}			Real annual change in percent		
Monetary base	7.1	10.1	5.3	5.9	9.4
M1	2.8	7.2	5.4	10.9	9.4
M4	7.0	7.6	5.7	10.0	12.1
Domestic financial saving ^{3/}	7.0	7.5	5.7	10.3	12.2
Interest rates ^{4/}					
28-day Cetes	7.68	5.43	4.40	4.24	4.24
28-day TIE (Interbank Equilibrium Interest Rate)	8.28	5.93	4.91	4.82	4.79
			MXN/USD		
Exchange rate (end of period) ^{5/}	13.5383	13.0587	12.3571	13.9904	13.0101
Public finances					
			Percent of GDP		
Economic balance (cash flow) ^{6/}	-0.1	-2.3	-2.8	-2.5	-2.6
Primary balance ^{6/}	1.8	-0.1	-0.9	-0.6	-0.6
Net public debt ^{7/}	18.1	27.3	29.0	30.0	32.6
External sector					
			Percent of GDP		
Trade balance	-1.6	-0.5	-0.3	-0.1	0.0
Current account balance	-1.7	-0.7	-0.2	-0.8	-0.8
Financial account balance	3.0	1.9	4.1	4.2	3.7
Total external debt	20.3	21.5	22.4	21.2	22.2
Interest paid	1.5	1.5	1.4	1.5	1.7
			USD billion		
Gross international reserves (end of period) ^{8/}	95.3	99.9	120.6	149.2	167.1

1/ 1990-2010 basic demographic indicators and 2010-2050 Mexico's population projections of the National Council of Population (*Consejo Nacional de Población*, CONAPO).

2/ Estimates based on the average of monthly outstanding stocks.

3/ Defined as monetary aggregate M4 less currency outside banks.

4/ Average during the period.

5/ Used to settle liabilities in foreign currency.

6/ Based on the revenue-expenditure methodology. In 2008 it excludes the cost of the ISSSTE Law Reform.

7/ Refers to the broad economic debt, which includes net liabilities of the federal government, public entities and enterprises and of official financial intermediaries (development banks and trust funds). Outstanding stocks at end of period. Calculated by Banco de México.

8/ As defined in Article 19 of Banco de México's Law.

p/ Preliminary figures.

Source: CONAPO, Mexico's System of National Accounts (*Sistema de Cuentas Nacionales de México*), National Statistics Bureau (INEGI), Banco de México, Mexican Stock Exchange and Ministry of Finance (*Secretaría de Hacienda y Crédito Público*, SHCP).

Table A 2
Socio-demographic Indicators

	2005	2006	2007	2008	2009	2010	2011	2012
Population (millions) ^{1/}	107.2	108.4	109.8	111.3	112.9	114.3	115.6	116.9
Urban population ^{2/}	72.1	72.4	72.7	72.9	73.2	73.4	73.7	73.9
Rural population ^{2/}	27.9	27.6	27.3	27.1	26.8	26.6	26.3	26.1
Population per sq.km	54.5	55.2	55.9	56.7	57.4	58.2	58.9	59.5
Total population growth rate ^{3/}	1.2	1.2	1.3	1.3	1.3	1.2	1.1	1.1
National unemployment rate ^{4/}	3.6	3.6	3.7	4.0	5.5	5.3	5.2	5.0
Unemployment rate (urban areas) ^{5/}	4.7	4.6	4.8	4.9	6.7	6.4	6.0	5.9
Life expectancy at birth (years)	73.9	74.0	74.1	74.0	74.0	74.0	74.1	74.3
Fertility rate ^{6/}	2.5	2.4	2.4	2.3	2.3	2.3	2.3	2.2
Mortality rate (per thousand)	5.2	5.3	5.3	5.4	5.5	5.6	5.6	5.7
Infant mortality rate (per thousand live births)	16.9	16.3	15.7	15.1	14.6	14.1	13.6	13.2
Number of hospital beds (per 100 000 inhabitants) ^{7/}	80.0	71.9	80.0	70.0	74.1	75.3	75.3	75.3
Illiteracy rate (population 15 years or older) ^{8/}	8.3	7.9	7.6	7.2	7.0	6.7	6.4	6.2
Number of students per teacher (grade school) ^{8/}	25.9	25.9	25.9	26.0	26.1	26.1	26.0	25.9
Population with access to drinking water ^{2/}	89.5	89.6	89.9	90.3	90.7	91.2	91.6	n.d

1/ 1990-2010 basic demographic indicators and 2010-2050 Mexico's population projections of the National Council of Population (CONAPO).

2/ Percentage of total population.

3/ An average annual growth rate including the net migration balance.

4/ Ratio of unemployed population to economic active population. The Unemployed Population is comprised of individuals that were not engaged in working activities during the reference week, but were searching for work during the last month. Preliminary figures in 2010, 2011 and 2012.

5/ Unemployment rate in 32 cities. Preliminary figures in 2010, 2011 and 2012.

6/ At the end of women's reproductive life.

7/ Only data from public sector institutions. Preliminary figures in 2011 and estimates in 2012.

8/ Data estimated in 2012.

n.a. Not available.

Source: Annual Government Report 2012, Mexico's Presidency (*Presidencia de la República*); CONAPO and INEGI Occupation and Employment Survey.

Table A 3
Infrastructure

	2005	2006	2007	2008	2009	2010	2011	2012
National road network ^{1/ 2/}								
Roads (km)	355,796	356,945	360,075	364,612	366,807	371,936	374,262	374,262
Federal toll roads (km)	7,409	7,558	7,844	8,064	8,335	8,397	8,459	8,459
Federal non-toll roads (km)	40,953	40,761	40,631	40,563	40,509	40,575	40,643	40,643
Paved roads (km) ^{3/}	122,678	123,354	127,173	131,245	136,157	138,404	141,361	141,361
Railroad transportation ^{2/}								
Total railway network (km)	26,662	26,662	26,677	26,704	26,709	26,715	26,727	26,727
Passengers (million passengers/km) ^{4/}	73	76	84	178	449	844	891	916
Commercial cargo (million tons/km) ^{5/}	72,185	73,726	77,169	74,582	69,185	78,770	79,728	82,475
Air transportation ^{2/}								
Number of international airports	56	59	59	60	61	64	64	64
Passengers (thousands)	42,176	45,406	52,217	53,300	46,971	48,698	50,764	50,523
Cargo (thousand tons)	529	544	572	525	466	571	560	558
Sea transportation ^{2/}								
Number of ports (sea and river)	112	113	114	114	116	116	117	117
Sea freight (international and domestic cargo, thousand tons)	283,604	287,432	272,934	265,237	241,923	272,811	282,809	283,398
Communications ^{2/}								
Phones (thousands of lines in service)	19,512	19,861	19,998	20,491	19,504	19,891	19,684	19,730
Cellular phones (thousand subscribers)	47,129	55,395	66,559	75,303	83,194	91,363	94,565	102,000
Telegraph services (number of offices)	1,543	1,563	1,575	1,591	1,582	1,588	1,592	1,595
Postal services (locations served)	17,994	18,704	17,638	17,724	16,536	16,966	17,080	17,110
Radio stations ^{6/}	1,429	1,433	1,506	1,469	1,501	1,472	1,594	1,594
T.V. stations ^{6/}	685	680	730	702	691	688	698	698
Lodging (number of rooms) ^{7/}	535,639	556,399	583,731	603,781	623,555	638,494	651,160	665,416
Energy								
Electric power generation (gigawatts/hour) ^{8/}	246,267	254,911	261,760	267,696	266,564	274,701	290,755	144,714
Oil reserves (millions of barrels) ^{9/}	46,418	45,376	44,483	43,563	43,075	43,074	43,837	44,530

1/ Refers to the National Road Inventory of December each year.

2/ Preliminary figures in 2011 and estimates in 2012.

3/ Only include major federal roads and state feeders.

4/ From June 2008 onwards, figures include intercity and suburban service.

5/ Excluding baggage and express service.

6/ Includes broadcasting, concessions and licenses.

7/ Figures as of December of each year, except for 2012, when preliminary figures are up to June.

8/ Includes Federal Electricity Commission (*Comisión Federal de Electricidad*, CFE) and Central Light and Power Company (*Luz y Fuerza del Centro*, LFC) and external energy producers. Data as of June 2012.

9/ As of December 31 of each year.

Source: Annual Government Report 2012, Mexico's Presidency and PEMEX.

**Table A 4
Mexican Financial System**

REGULATORY AUTHORITIES

MINISTRY OF FINANCE (<i>Secretaría de Hacienda y Crédito Público, SHCP</i>)	BANCO DE MÉXICO
NATIONAL BANKING AND SECURITIES COMMISSION (<i>Comisión Nacional Bancaria y de Valores, CNBV</i>)	NATIONAL INSURANCE AND BONDING COMMISSION (<i>Comisión Nacional de Seguros y Fianzas, CNSF</i>)
NATIONAL COMMISSION FOR PROTECTION AND DEFENSE OF FINANCIAL SERVICE USERS (<i>Comisión Nacional para la Protección y Defensa de los Usuarios de Servicios Financieros</i>)	NATIONAL COMMISSION FOR THE RETIREMENT SAVINGS SYSTEM (<i>Comisión Nacional del Sistema de Ahorro para el Retiro</i>)

FINANCIAL INSTITUTIONS

FINANCIAL GROUPS	CREDIT INSTITUTIONS	SECURITIES MARKET	OTHER FINANCIAL INTERMEDIARIES AND CREDIT INFORMATION COMPANIES	
22 Financial holding companies ^{1/}	43 Commercial banks	1 Mexican Stock Exchange	99 Insurance companies ^{3/}	114 Credit unions
	6 Development banks	34 Brokerage houses	20 Deposit warehouses	15 Bonding companies
	3 Development trust funds	584 Investment companies ^{2/}	2 Financial leasing companies	9 Foreign exchange firms
		69 Investment companies specialized in retirement savings	17 Special purpose financial companies	105 Popular savings and credit financial entities
		1 Derivatives exchange	26 Commercial banks' regulated entities	1 Financial factoring companies
				2 Credit bureaus

1/ Source: National Commission for the Protection of Financial Service Users (*Comisión Nacional para la Protección y Defensa de los Usuarios de Servicios Financieros, Condusef*).

2/ Includes stock investment funds, fixed-income investment funds for individuals and enterprises, equity investment funds, and investment fund holdings.

3/ Includes insurance companies, insurance companies specialized in pensions, and health insurance companies.

Data as of December 2012.

Production and Employment

Table A 5
Main Production Indicators
2003 prices
Annual change in percent

	2008	2009	2010	2011	2012 ^{p/}
Gross Domestic Product	1.2	-6.0	5.3	3.9	3.9
Private consumption	1.7	-7.2	4.9	4.4	3.3
Public consumption	1.1	3.2	2.3	2.1	1.5
Private investment	1.7	-16.7	-0.4	13.9	5.4
Public investment	20.3	4.5	2.3	-6.9	7.3
Exports (goods and services)	0.5	-13.5	21.6	7.5	4.6
Imports (goods and services)	2.6	-18.4	19.6	7.1	4.1

p/ Preliminary figures.

Source: Mexico's System of National Accounts (*Sistema de Cuentas Nacionales de México*), INEGI.

Table A 6
Gross Domestic Product

	MXN million at current prices	Exchange rate ^{1/}	USD million
2007	11,320,836.4	10.9282	1,036,159.6
2008	12,181,256.1	11.1297	1,104,119.3
2009	11,937,249.7	13.5135	885,608.8
2010	13,071,597.0	12.6360	1,035,044.0
2011	14,395,832.8	12.4233	1,159,797.7
2012 ^{p/}	15,503,425.9	13.1695	1,177,744.1

^{1/} Exchange rate used to settle liabilities denominated in foreign currency, average of the period.

p/ Preliminary figures.

Source: Mexico's System of National Accounts (*Sistema de Cuentas Nacionales de México*), INEGI; Banco de México.

Table A 7
Aggregate Supply and Demand
2003 prices

	Annual change in percent					Percent of GDP	
	2008	2009	2010	2011	2012 ^{p/}	2003	2012 ^{p/}
Aggregate supply	1.5	-9.1	8.5	4.7	4.0	126.8	134.4
GDP	1.2	-6.0	5.3	3.9	3.9	100.0	100.0
Imports	2.6	-18.4	19.6	7.1	4.1	26.8	34.4
Aggregate demand	1.5	-9.1	8.5	4.7	4.0	126.8	134.4
Total consumption	1.6	-5.8	4.6	4.0	3.1	78.6	79.6
Private	1.7	-7.2	4.9	4.4	3.3	66.7	68.7
Public	1.1	3.2	2.3	2.1	1.5	11.8	10.9
Total investment	5.5	-11.8	0.3	8.1	5.9	18.9	21.9
Private	1.7	-16.7	-0.4	13.9	5.4	15.1	16.5
Public	20.3	4.5	2.3	-6.9	7.3	3.8	5.3
Exports	0.5	-13.5	21.6	7.5	4.6	25.4	33.4

p/ Preliminary figures.

Source: Mexico's System of National Accounts (*Sistema de Cuentas Nacionales de México*), INEGI.

Table A 8
Domestic Saving and Investment
 Percent of GDP at current prices

Item	2007	2008	2009	2010	2011	2012 ^{p/}
Financing of gross capital formation ^{1/}	26.5	26.9	23.8	23.9	25.1	24.7
Financed with external savings ^{2/}	1.3	1.8	0.7	0.2	0.8	0.8
Financed with domestic savings	25.3	25.2	23.1	23.7	24.2	23.9

p/ Preliminary figures.

1/ Includes gross capital formation plus change in inventories.

2/ Current account stocks of the balance of payments, measured in MXN and as a proportion of GDP.

Source: Banco de México with data from Mexico's System of National Accounts, INEGI and Banco de México.

Table A 9
Gross Domestic Product by Sector
 2003 prices

	Annual change in percent					Percent of GDP	
	2008	2009	2010	2011	2012 ^{p/}	2003	2012 ^{p/}
Total	1.2	-6.0	5.3	3.9	3.9	100.0	100.0
Primary sector	1.2	-3.2	2.9	-2.6	6.7	3.8	3.4
Secondary sector	-0.1	-7.7	6.1	4.0	3.6	31.2	29.9
Mining	-1.7	-2.9	1.2	-1.0	1.2	5.9	4.6
Electricity, water supply and pipeline gas supply	-2.3	1.8	10.4	6.6	3.2	1.3	1.5
Construction	3.1	-7.3	-0.6	4.6	3.3	6.2	6.2
Manufacturing industry	-0.7	-9.9	9.9	4.9	4.3	17.8	17.6
Tertiary sector	2.4	-4.9	5.2	4.8	4.1	61.5	65.2
Commerce	0.9	-14.2	11.7	9.4	5.2	14.5	15.9
Transport, mail and warehousing services	0.0	-5.9	7.5	3.2	4.3	6.8	7.0
Mass media services	8.0	0.8	1.5	5.1	8.6	2.6	4.0
Financial and insurance services	12.8	1.7	13.1	10.1	8.1	2.6	5.6
Real estate and leasing services	3.0	-1.9	1.9	2.4	2.5	10.5	10.3
Professional, scientific and technical services	3.0	-5.1	-1.0	4.8	0.9	3.4	3.2
Corporate and firm management services	14.0	-8.1	5.5	2.0	4.1	0.4	0.4
Business support services, waste management and remediation services	1.6	-4.8	1.6	5.2	4.1	2.6	2.5
Education services	0.8	0.5	0.1	1.8	1.1	5.0	4.3
Health and social assistance services	-1.5	0.8	0.8	1.8	2.1	3.0	2.7
Cultural and sport services, and other recreational services	1.5	-4.6	6.0	2.2	4.4	0.4	0.4
Temporary lodging services, and food and beverage-related services	0.9	-7.7	3.2	2.5	4.9	2.8	2.5
Other services except for government-related services	0.7	-1.0	1.0	2.8	4.6	2.7	2.6
Government activity services	1.1	3.8	3.1	-2.1	0.9	4.2	3.6
Financial intermediation services measured indirectly	14.6	3.4	8.9	14.0	7.0	-1.6	-3.8

p/ Preliminary figures.

Source: Mexico's System of National Accounts, INEGI.

Table A 10
Manufacturing Growth Rates
2003 prices

					Percent of GDP	
	2009	2010	2011	2012 ^{p/}	2003	2012 ^{p/}
Total	-9.9	9.9	4.9	4.3	17.8	17.6
Food industry	-0.5	2.0	1.7	1.9	4.0	3.7
Beverage and tobacco industries	-0.1	-0.4	5.0	1.7	1.0	1.1
Textile input manufacturing	-9.8	9.8	-5.5	2.6	0.2	0.1
Textile manufacturing (except for apparel)	-6.7	1.5	-1.3	-0.1	0.1	0.1
Apparel industry	-11.4	5.2	-6.2	-0.1	0.6	0.4
Leather product industry (except for leather clothing)	-6.0	9.8	-0.9	3.4	0.3	0.2
Timber industry	-4.4	6.4	5.5	13.9	0.2	0.2
Paper industry	-0.5	4.7	-1.0	4.8	0.4	0.4
Printing and printing-related industries	-6.7	9.6	1.1	4.2	0.2	0.2
Oil and coal by-product industries	-1.6	-3.5	-4.7	1.9	0.5	0.4
Chemical industry	-3.9	-1.1	0.3	0.1	1.8	1.5
Plastic and rubber industry	-9.9	9.3	6.9	7.8	0.5	0.5
Non-metal mineral products industry	-8.4	3.5	3.6	2.1	1.1	1.1
Basic metal industries	-17.3	13.0	3.3	3.8	1.0	0.9
Metal products industry	-15.8	10.1	8.9	6.1	0.5	0.6
Machinery and equipment	-16.6	33.3	10.7	4.5	0.4	0.5
Measurement and other equipment, electronic components and accessories	-11.3	8.4	4.8	-2.0	1.0	0.8
Manufacturing of electricity supply equipment and electric devices and accessories	-14.3	10.5	-0.5	1.7	0.6	0.5
Transport equipment	-27.9	42.2	16.8	11.9	2.7	3.8
Manufacturing of furniture and furniture-related products	-5.5	6.3	0.4	6.4	0.3	0.2
Other manufacturing industries	-0.7	2.6	3.4	2.5	0.4	0.4

p/ Preliminary figures.

Source: Mexico's System of National Accounts, INEGI.

Table A 11
Crude Oil and Gas Production and Crude Oil Reserves

Year	Crude oil		Natural gas	Total oil reserves ^{1/}
	(Million barrels)		(Million cubic feet per day)	(Billion barrels)
	Total	Daily average	Total	Total
1998	1,120.8	3.071	4,791	57.7
1999	1,060.7	2.906	4,791	58.2
2000	1,102.4	3.012	4,679	56.2
2001	1,141.4	3.127	4,511	53.0
2002	1,159.7	3.177	4,423	50.0
2003	1,230.3	3.371	4,498	48.0
2004	1,238.2	3.383	4,573	46.9
2005	1,216.8	3.334	4,818	46.4
2006	1,188.3	3.256	5,356	45.4
2007	1,122.6	3.076	6,059	44.5
2008	1,021.9	2.792	6,919	43.6
2009	949.4	2.601	7,031	43.1
2010	940.2	2.577	7,020	43.1
2011	940.6	2.553	6,594	43.8
2012 ^{p/}	931.8	2.548	6,385	44.5

1/ Figures up to December 31.

p/ Preliminary figures.

Source: Activities Report (*Memorias de Labores*); Crude Oil Indicators (*Indicadores Petroleros*), and Annual Report 2011, PEMEX.

Table A 12
Employment: Total Number of IMSS-insured Workers ^{1/}
 Thousands

Year	Permanent	Temporary in urban areas	Total
2007	12,628	1,472	14,100
2008	12,569	1,493	14,063
2009	12,314	1,567	13,881
2010	12,826	1,786	14,612
2011	13,267	1,936	15,202
2012	13,848	2,054	15,902
2011 Jan	12,816	1,811	14,628
Feb	12,889	1,843	14,732
Mar	12,973	1,870	14,842
Apr	13,003	1,882	14,885
May	13,039	1,899	14,939
Jun	13,082	1,912	14,994
Jul	13,099	1,939	15,037
Aug	13,142	1,962	15,104
Sep	13,225	1,990	15,215
Oct	13,309	2,029	15,338
Nov	13,376	2,051	15,427
Dec	13,267	1,936	15,202
2012 Jan	13,287	1,967	15,253
Feb	13,382	2,002	15,384
Mar	13,465	2,040	15,505
Apr	13,492	2,054	15,546
May	13,547	2,067	15,614
Jun	13,621	2,084	15,706
Jul	13,654	2,103	15,756
Aug	13,705	2,117	15,822
Sep	13,795	2,137	15,931
Oct	13,895	2,173	16,068
Nov	13,965	2,185	16,151
Dec	13,848	2,054	15,902

^{1/} Permanent and temporary workers in urban areas.

Source: Mexican Social Security Institute (*Instituto Mexicano del Seguro Social, IMSS*).

Table A 13
Employment and Unemployment Indicators
Percent

In relation to economic active population				In relation to employed population			
	National unemployment rate ^{1/}	Unemployment rate in urban areas ^{2/}	Partial employment and unemployment rate ^{3/}	Underemployment rate ^{4/}	Informal labor rate ^{5/}	Informal employment rate ^{6/}	
2009	5.5	6.7	11.7	9.2	59.2	28.2	
2010 ^{7/}	5.3	6.4	11.8	8.7	59.9	28.2	
2011	5.2	6.0	11.5	8.6	59.8	28.8	
2012	5.0	5.9	11.6	8.6	60.0	28.9	
2011	I	5.2	5.9	11.0	8.2	59.5	28.5
	II	5.2	5.9	11.4	8.3	59.6	28.9
	III	5.6	6.4	11.7	8.9	60.0	28.7
	IV	4.8	5.6	12.0	9.0	60.2	29.2
2012	I	4.9	5.8	11.2	8.6	59.9	29.1
	II	4.8	5.9	11.8	8.9	60.1	29.3
	III	5.2	6.0	11.8	8.7	60.1	29.2
	IV	4.9	5.7	11.4	8.0	59.9	27.9

1/ Ratio of unemployed population to economic active population. The unemployed population is composed of individuals that were not engaged in working activities during the reference week, but were searching for work during the last month.

2/ Unemployment rate in 32 cities.

3/ Percent of economic active population that is not working, plus the individuals that worked less than 15 hours during the reference week.

4/ Employed individuals needing and willing to work more hours than those spent in their current jobs.

5/ It refers to the sum, without duplicating, of the vulnerable individuals in terms of work, due to the nature of the economic unit they work for, with those whose work ties and employee status are not recognized as their source of employment. This rate includes –besides those working in non-registered small businesses or in the informal sector– other analogous modalities, such as self-employed in subsistence agriculture, as well as workers without the social security and whose services are used by the registered economic units.

6/ Percent of employed population working in economic non-agricultural units operating with no accounting records and financed with households' funds, or by an individual in charge of the activity, without identifying it as an independent enterprise. Thus, this production unit is not an identifiable entity, independent from the household or an individual in charge of it. Therefore, this production unit ends up operating on a small scale.

7/ Data corresponding to 2010 and 2011 are preliminary and are based on INEGI demographic projections.

Source: INEGI Quarterly National Employment Survey (*Encuesta Nacional de Ocupación y Empleo, ENOE*), except for the National and Urban Unemployment Rate, which is obtained from the monthly ENOE.

Table A 14
Real Exchange Rate Index ^{1/}
 1990 = 100

Year	Based on consumer prices ^{2/}	Annual change in percent	
1994	75.9	3.3	
1995	117.2	54.3	
1996	103.0	-12.1	
1997	85.8	-16.6	
1998	84.5	-1.6	
1999	77.6	-8.1	
2000	68.7	-11.5	
2001	62.6	-8.8	
2002	60.9	-2.7	
2003	71.6	17.5	
2004	77.0	7.5	
2005	73.6	-4.4	
2006	72.7	-1.2	
2007	74.8	2.9	
2008	78.1	4.5	
2009	88.6	13.4	
2010	81.6	-7.9	
2011	82.8	1.5	
2012	83.9	1.3	
2011	I	79.2	-4.7
	II	79.7	0.3
	III	83.3	0.8
	IV	89.2	9.9
2012	I	83.5	5.4
	II	86.7	8.8
	III	83.5	0.2
	IV	81.9	-8.2

1/ An increase in the index reflects an MXN depreciation.

2/ Real effective exchange rate estimated according to consumer prices and in relation to a basket of 111 countries, weighted by each country's GDP.

Source: Banco de México with information from IMF, INEGI, OECD and central banks.

Prices, Wages and Productivity

Table A 15
Main Price Indices

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Prices												
Consumer prices												
End-period	4.40	5.70	3.98	5.19	3.33	4.05	3.76	6.53	3.57	4.40	3.82	3.57
Annual average	6.37	5.03	4.55	4.69	3.99	3.63	3.97	5.12	5.30	4.16	3.41	4.11
Producer prices (merchandise excluding oil)												
End-period	2.61	6.29	6.24	7.97	2.46	7.12	3.69	10.48	1.99	4.39	7.19	0.94
Annual average	5.02	3.66	6.31	8.58	3.56	6.12	4.25	7.38	5.91	3.25	5.23	4.56
Producer prices (merchandise and services excluding oil)												
End-period	4.33	5.67	4.52	6.52	3.59	5.39	3.57	7.75	3.29	3.70	5.74	1.54
Annual average	6.14	4.87	4.90	6.43	4.22	5.12	3.83	5.79	5.36	3.57	4.21	4.22
Producer prices (merchandise and services including oil)												
End-period	3.67	7.05	4.83	6.57	4.01	5.50	4.40	6.50	4.34	3.89	6.58	1.01
Annual average	5.28	5.19	5.51	6.81	4.52	5.39	4.05	6.33	4.88	3.82	4.92	4.32
Construction cost index (residential) ^{1/}												
End-period	3.47	3.50	6.92	12.15	-0.39	8.50	3.04	9.57	-0.33	4.54	9.28	0.78
Annual average	5.29	2.27	6.48	12.25	1.19	7.58	3.36	9.70	-0.06	3.84	6.07	4.65

1/ Starting from January 2004, the indicator replaced the Social Housing Construction Cost Index (*Índice Nacional del Costo de Edificación de Vivienda de Interés Social*, INCEVIS).

Source: Banco de México and INEGI.

Table A 16
Consumer Price Index (CPI)
 2nd fortnight Dec 2010 base

	Month	CPI 2nd fortnight Dec 2010	Change in percent		
			Annual	Annual	
				12-month moving average	Monthly
1997	Dec	44.300	15.72	20.63	
1998	Dec	52.543	18.61	15.93	
1999	Dec	59.016	12.32	16.59	
2000	Dec	64.303	8.96	9.49	
2001	Dec	67.135	4.40	6.37	
2002	Dec	70.962	5.70	5.03	
2003	Dec	73.784	3.98	4.55	
2004	Dec	77.614	5.19	4.69	
2005	Dec	80.200	3.33	3.99	
2006	Dec	83.451	4.05	3.63	
2007	Dec	86.588	3.76	3.97	
2008	Dec	92.241	6.53	5.12	
2009	Dec	95.537	3.57	5.30	
2010	Dec	99.742	4.40	4.16	
2011	Jan	100.228	3.78	4.10	0.49
	Feb	100.604	3.57	4.00	0.38
	Mar	100.797	3.04	3.83	0.19
	Apr	100.789	3.36	3.76	-0.01
	May	100.046	3.25	3.70	-0.74
	Jun	100.041	3.28	3.67	0.00
	Jul	100.521	3.55	3.66	0.48
	Aug	100.680	3.42	3.64	0.16
	Sep	100.927	3.14	3.59	0.25
	Oct	101.608	3.20	3.52	0.67
	Nov	102.707	3.48	3.45	1.08
	Dec	103.551	3.82	3.41	0.82
2012	Jan	104.284	4.05	3.43	0.71
	Feb	104.496	3.87	3.46	0.20
	Mar	104.556	3.73	3.51	0.06
	Apr	104.228	3.41	3.52	-0.31
	May	103.899	3.85	3.57	-0.32
	Jun	104.378	4.34	3.66	0.46
	Jul	104.964	4.42	3.73	0.56
	Aug	105.279	4.57	3.82	0.30
	Sep	105.743	4.77	3.96	0.44
	Oct	106.278	4.60	4.08	0.51
	Nov	107.000	4.18	4.13	0.68
	Dec	107.246	3.57	4.11	0.23

Source: Banco de México and INEGI.

Table A 17
Consumer Price Index (CPI) by Type of Good
 Annual change in percent
 2nd fortnight Dec 2010 base

Month	CPI	Food, beverages and tobacco	Apparel, footwear and accessories	Housing	Furniture and household goods	Medical and personal care	Transport	Education and entertainment	Other goods and services
1999 Dec	12.32	7.85	13.88	13.11	14.67	19.14	12.27	15.95	16.75
2000 Dec	8.96	8.06	8.46	10.50	4.69	9.03	8.08	12.78	10.65
2001 Dec	4.40	3.75	4.04	2.68	0.49	5.97	3.83	10.47	9.79
2002 Dec	5.70	5.45	2.19	9.54	-2.08	3.72	3.95	7.25	6.47
2003 Dec	3.98	4.31	0.32	4.20	0.16	4.35	2.47	6.35	5.88
2004 Dec	5.19	8.17	1.14	5.04	1.28	2.89	5.38	4.77	4.72
2005 Dec	3.33	2.24	1.26	3.60	1.87	3.87	3.50	5.09	4.46
2006 Dec	4.05	6.27	1.24	3.27	1.75	3.41	3.54	4.41	4.17
2007 Dec	3.76	6.00	1.31	2.32	1.85	4.04	3.16	4.19	4.49
2008 Dec	6.53	10.24	2.30	5.44	6.11	4.83	5.47	5.51	6.51
2009 Dec	3.57	4.24	3.47	0.94	5.51	4.94	5.35	4.04	4.36
2010 Dec	4.40	5.29	3.34	2.92	2.66	4.27	6.88	3.89	4.82
2011 Jan	3.78	4.34	2.84	2.30	2.03	3.71	5.96	3.78	4.49
Feb	3.57	4.17	3.27	1.93	1.98	3.42	5.60	3.60	4.32
Mar	3.04	2.88	3.51	1.71	1.92	3.16	4.93	3.07	4.50
Apr	3.36	5.16	3.51	0.93	2.00	2.86	4.83	3.55	4.41
May	3.25	5.20	3.55	0.86	2.19	2.74	4.53	3.24	4.24
Jun	3.28	5.44	3.35	0.88	2.63	2.78	4.24	2.94	4.29
Jul	3.55	6.68	3.36	0.91	2.41	2.59	4.38	2.83	4.34
Aug	3.42	6.19	3.39	0.73	2.22	2.02	4.71	3.28	4.30
Sep	3.14	5.47	3.42	0.62	2.21	1.66	4.83	2.99	4.15
Oct	3.20	5.07	3.37	1.10	2.22	1.24	5.02	3.04	4.25
Nov	3.48	5.05	3.44	1.86	2.12	1.30	5.00	3.07	4.60
Dec	3.82	6.02	3.43	2.10	2.83	1.94	4.99	3.15	4.47
2012 Jan	4.05	7.25	3.28	1.87	3.50	2.25	4.84	3.24	4.43
Feb	3.87	6.64	3.28	1.69	3.85	2.16	4.84	3.25	4.50
Mar	3.73	6.08	3.06	1.55	4.20	2.20	4.85	3.46	4.54
Apr	3.41	4.43	3.02	1.87	4.34	2.30	4.75	2.97	4.66
May	3.85	6.07	2.91	1.76	4.36	2.35	4.96	3.33	4.89
Jun	4.34	8.08	2.87	1.59	4.28	2.79	5.02	3.48	5.02
Jul	4.42	8.22	2.84	1.71	5.04	3.31	4.67	3.45	4.96
Aug	4.57	8.52	3.01	1.80	5.49	3.99	4.61	3.18	5.03
Sep	4.77	10.05	2.91	1.12	5.35	4.13	4.61	3.38	5.22
Oct	4.60	9.75	2.92	0.62	4.57	4.73	4.65	3.31	5.54
Nov	4.18	8.87	2.57	-0.15	4.83	5.13	4.75	3.38	5.27
Dec	3.57	7.20	2.51	-0.68	4.56	5.01	4.54	3.15	5.10

Source: Banco de México and INEGI.

Table A 18
Inflation: CPI, Core and Complementary CPI Subindices
 Annual change in percent
 2nd fortnight Dec 2010 base

	Month	CPI	Core ^{1/}	Merchandise	Services	Non-core	Agricultural	Energy and government approved fares
2003	Dec	3.98	3.87	2.61	4.96	4.37	3.65	4.82
2004	Dec	5.19	3.92	3.88	3.96	9.67	10.11	9.40
2005	Dec	3.33	3.27	2.84	3.64	3.53	-0.18	5.84
2006	Dec	4.05	3.65	3.42	3.84	5.42	8.30	3.72
2007	Dec	3.76	3.87	4.52	3.33	3.39	3.42	3.36
2008	Dec	6.53	5.54	6.50	4.72	9.80	11.63	8.68
2009	Dec	3.57	4.16	5.57	2.94	1.72	1.66	1.76
2010	Dec	4.40	3.58	3.82	3.36	7.09	6.96	7.16
2011	Jan	3.78	3.27	3.60	3.00	5.39	4.03	6.15
	Feb	3.57	3.26	3.71	2.89	4.53	3.09	5.32
	Mar	3.04	3.21	3.97	2.57	2.46	-1.69	4.96
	Apr	3.36	3.18	4.07	2.44	3.90	3.70	4.04
	May	3.25	3.12	4.12	2.30	3.45	3.26	3.59
	Jun	3.28	3.18	4.36	2.19	3.34	2.73	3.61
	Jul	3.55	3.19	4.49	2.10	4.51	5.65	3.78
	Aug	3.42	3.22	4.39	2.24	3.90	4.37	3.58
	Sep	3.14	3.12	4.42	2.03	2.98	2.09	3.50
	Oct	3.20	3.19	4.33	2.24	3.09	0.79	4.37
	Nov	3.48	3.28	4.32	2.41	4.13	0.87	5.85
	Dec	3.82	3.35	4.52	2.40	5.34	3.73	6.19
2012	Jan	4.05	3.34	4.64	2.28	6.38	7.37	5.82
	Feb	3.87	3.37	4.75	2.23	5.53	5.45	5.58
	Mar	3.73	3.31	4.51	2.32	5.12	5.06	5.16
	Apr	3.41	3.39	4.48	2.48	3.49	0.86	5.00
	May	3.85	3.48	4.50	2.63	5.15	5.60	4.89
	Jun	4.34	3.50	4.66	2.54	7.26	11.29	5.02
	Jul	4.42	3.59	4.91	2.50	7.30	11.27	5.02
	Aug	4.57	3.70	5.23	2.43	7.58	11.76	5.19
	Sep	4.77	3.61	5.24	2.25	8.81	16.02	4.73
	Oct	4.60	3.58	5.17	2.25	8.07	15.60	3.93
	Nov	4.18	3.30	5.22	1.70	7.09	13.02	3.94
	Dec	3.57	2.90	5.00	1.15	5.74	9.18	3.84

^{1/} Core inflation is obtained by eliminating from the CPI calculation the goods and services with more volatile prices, otherwise its determination process does not correspond to market conditions. Thus, the groups excluded from the core component are the following: agricultural and energy and fares approved by government.

Source: Banco de México and INEGI.

Table A 19
Producer Price Index (PPI) Excluding Oil
 June 2012 base = 100

Period	Finished merchandise			Services			Finished merchandise and services		
	Index	Percentage change		Index	Percentage change		Index	Percentage change	
		Annual	Monthly		Annual	Monthly		Annual	Monthly
1997 Dec	39.441	13.66	1.08	41.234	16.48	1.08	40.313	15.18	1.09
1998 Dec	47.097	19.41	1.61	48.551	17.75	2.51	47.809	18.59	2.08
1999 Dec	51.177	8.66	0.78	55.772	14.87	1.07	53.517	11.94	0.93
2000 Dec	54.953	7.38	0.57	61.126	9.60	1.03	58.108	8.58	0.82
2001 Dec	56.386	2.61	-0.32	64.656	5.77	0.37	60.626	4.33	0.06
2002 Dec	59.934	6.29	0.31	68.010	5.19	0.31	64.061	5.67	0.31
2003 Dec	63.673	6.24	0.85	70.142	3.13	0.27	66.960	4.52	0.53
2004 Dec	68.747	7.97	-0.29	73.828	5.25	0.41	71.328	6.52	0.08
2005 Dec	70.438	2.46	0.45	77.225	4.60	0.34	73.886	3.59	0.39
2006 Dec	75.454	7.12	0.30	80.202	3.85	0.14	77.865	5.39	0.21
2007 Dec	78.235	3.69	0.00	82.976	3.46	0.31	80.643	3.57	0.16
2008 Dec	86.436	10.48	0.33	87.342	5.26	0.42	86.896	7.75	0.38
2009 Dec	88.156	1.99	-0.05	91.306	4.54	0.80	89.756	3.29	0.39
2010 Jan	88.984	2.61	0.94	91.254	4.11	-0.06	90.137	3.38	0.42
Feb	89.812	2.60	0.93	91.343	3.93	0.10	90.590	3.28	0.50
Mar	90.338	2.59	0.59	92.062	3.83	0.79	91.214	3.22	0.69
Apr	89.891	3.12	-0.50	92.027	3.89	-0.04	90.976	3.52	-0.26
May	89.801	3.53	-0.10	92.807	4.58	0.85	91.328	4.07	0.39
Jun	89.724	3.35	-0.09	93.183	4.53	0.41	91.481	3.96	0.17
Jul	89.947	3.49	0.25	93.711	4.31	0.57	91.859	3.92	0.41
Aug	90.224	3.58	0.31	93.407	3.81	-0.32	91.841	3.70	-0.02
Sep	90.585	2.80	0.40	93.431	3.86	0.03	92.031	3.34	0.21
Oct	90.822	3.33	0.26	93.222	3.37	-0.22	92.041	3.35	0.01
Nov	91.371	3.60	0.61	93.497	3.22	0.29	92.451	3.40	0.45
Dec	92.026	4.39	0.72	94.102	3.06	0.65	93.080	3.70	0.68
2011 Jan	92.573	4.03	0.59	93.954	2.96	-0.16	93.275	3.48	0.21
Feb	93.474	4.08	0.97	94.079	3.00	0.13	93.781	3.52	0.54
Mar	94.052	4.11	0.62	94.607	2.76	0.56	94.335	3.42	0.59
Apr	93.942	4.51	-0.12	95.159	3.40	0.58	94.560	3.94	0.24
May	93.363	3.97	-0.62	95.413	2.81	0.27	94.404	3.37	-0.16
Jun	93.814	4.56	0.48	95.609	2.60	0.21	94.726	3.55	0.34
Jul	94.496	5.06	0.73	96.330	2.79	0.75	95.427	3.88	0.74
Aug	95.162	5.47	0.70	96.353	3.15	0.02	95.767	4.27	0.36
Sep	96.031	6.01	0.91	96.381	3.16	0.03	96.209	4.54	0.46
Oct	96.778	6.56	0.78	96.777	3.81	0.41	96.777	5.15	0.59
Nov	97.922	7.17	1.18	97.236	4.00	0.47	97.573	5.54	0.82
Dec	98.640	7.19	0.73	98.215	4.37	1.01	98.424	5.74	0.87
2012 Jan	99.337	7.31	0.71	97.671	3.96	-0.55	98.491	5.59	0.07
Feb	99.064	5.98	-0.27	97.891	4.05	0.22	98.468	5.00	-0.02
Mar	98.884	5.14	-0.18	98.892	4.53	1.02	98.888	4.83	0.43
Apr	98.944	5.32	0.06	98.938	3.97	0.05	98.941	4.63	0.05
May	99.242	6.30	0.30	99.549	4.33	0.62	99.397	5.29	0.46
Jun	100.000	6.59	0.76	100.000	4.59	0.45	100.000	5.57	0.61
Jul	99.269	5.05	-0.73	100.336	4.16	0.34	99.696	4.47	-0.30
Aug	99.101	4.14	-0.17	100.430	4.23	0.09	99.632	4.04	-0.06
Sep	99.455	3.57	0.36	100.686	4.47	0.26	99.947	3.89	0.32
Oct	99.421	2.73	-0.03	100.876	4.24	0.19	100.003	3.33	0.06
Nov	99.926	2.05	0.51	100.642	3.50	-0.23	100.212	2.70	0.21
Dec	99.570	0.94	-0.36	100.488	2.31	-0.15	99.937	1.54	-0.27

Source: Banco de México and INEGI.

Table A 20
Producer Price Index (PPI) Excluding Oil
 Classified by finished goods' end-use
 Annual change in percent in December of each year

Item	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
PPI finished merchandise and services	5.67	4.52	6.52	3.59	5.39	3.57	7.75	3.29	3.70	5.74	1.54
Domestic demand	5.31	4.11	6.67	3.99	5.25	3.67	7.24	3.32	3.44	5.45	2.49
Consumption	5.53	3.79	5.56	4.56	4.03	3.70	6.24	4.07	3.33	4.75	2.88
Investment	4.35	5.30	12.85	0.82	10.77	2.81	12.55	-0.53	3.58	8.78	0.65
Exports	9.27	8.56	5.48	0.63	6.41	2.81	11.61	3.11	5.61	7.77	-2.12
PPI finished merchandise	6.29	6.24	7.97	2.46	7.12	3.69	10.48	1.99	4.39	7.19	0.94
Domestic demand	5.81	5.79	8.61	3.21	7.16	3.90	10.07	1.92	4.05	6.90	2.83
Consumption	6.26	5.25	6.00	4.84	4.94	4.60	8.42	3.64	4.40	5.68	4.66
Investment	4.93	6.92	13.03	0.56	10.91	2.75	12.77	-0.76	3.48	8.87	0.42
Exports	11.07	10.38	5.44	-0.58	6.94	2.79	12.25	2.30	5.79	8.36	-3.33
PPI services	5.19	3.13	5.25	4.60	3.85	3.46	5.26	4.54	3.06	4.37	2.31
Domestic demand	4.91	2.73	5.23	4.59	3.81	3.49	5.04	4.46	2.96	4.29	2.16
Consumption	5.04	2.80	5.32	4.41	3.53	3.20	5.02	4.32	2.72	4.21	1.83
Investment	1.99	-1.44	7.13	9.34	6.70	4.59	5.89	6.84	6.67	6.20	6.09
Exports	8.12	7.28	5.65	4.93	4.63	2.88	9.40	5.99	4.97	5.76	5.06

Source: Banco de México and INEGI.

Table A 21
Producer Price Index (PPI) Excluding Oil
 Classified by origin of finished goods
 Annual change in percent in December of each year

Item	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
PPI finished merchandise and services	4.52	6.52	3.59	5.39	3.57	7.75	3.29	3.70	5.74	1.54
Agriculture, livestock, forest use, fishing and hunting	1.75	8.08	8.32	8.42	4.45	14.16	-0.51	13.20	3.46	5.76
Mining	29.72	13.12	5.22	31.48	10.39	-3.82	31.26	17.60	9.17	-2.60
Electricity, water supply and pipeline gas supply	7.87	11.32	4.41	4.60	4.07	11.70	-0.33	4.90	5.30	3.68
Construction	7.27	14.49	0.61	11.76	2.90	13.08	-0.95	3.89	9.29	0.41
Manufacturing industry	6.21	5.10	2.46	4.81	3.82	9.03	3.38	3.23	6.81	1.30
Transport, mail and warehousing services	3.96	8.23	5.94	2.87	2.73	6.07	6.86	2.73	5.74	2.99
Mass media services	--	--	--	--	--	--	--	--	2.67	-13.84
Real estate and leasing services	4.44	3.63	2.85	3.30	2.72	3.62	2.16	2.24	1.96	2.04
Professional, scientific and technical services	--	--	--	--	--	--	--	--	5.69	2.85
Business support services, waste management and remediation services	--	--	--	--	--	--	--	--	2.14	5.09
Education services	--	--	--	--	--	--	--	--	4.37	6.91
Health and social assistance services	--	--	--	--	--	--	--	--	3.75	3.03
Cultural and sport services, and other recreational services	--	--	--	--	--	--	--	--	2.91	4.19
Temporary lodging services and food and beverage-related services	0.73	5.22	3.94	3.83	3.96	6.02	3.55	3.69	4.74	4.03
Other services excluding government activity services	--	--	--	--	--	--	--	--	3.28	3.25

Source: Banco de México and INEGI.

Table A 22
Construction Cost Index
 Annual change in percent in December of each year

Item	2004	2005	2006	2007	2008	2009	2010	2011	2012
General index	14.49	0.61	11.76	2.90	13.08	-0.95	4.80	9.29	0.41
Construction materials subindex	17.74	-0.24	14.11	2.55	15.47	-1.84	5.16	10.56	-0.16
Non-metal minerals	5.36	3.65	2.82	4.88	7.78	2.58	3.16	4.81	4.98
Cement and concrete	2.77	0.18	4.76	4.71	8.72	0.14	5.37	9.04	1.24
Cementing materials	4.09	3.83	5.19	3.38	10.40	3.26	5.01	5.91	4.98
Clay materials	2.92	4.53	6.59	3.67	6.30	0.21	2.85	1.68	1.48
Concrete materials	1.26	1.68	8.20	3.18	5.06	0.98	1.82	3.16	2.44
Concrete structures	8.60	2.04	7.93	4.35	11.35	-0.25	3.24	6.75	1.72
Other concrete products	3.48	2.86	7.96	1.47	8.19	0.70	2.51	3.95	1.96
Other non-metal mineral products	12.42	7.27	7.83	0.53	7.77	-3.32	3.05	6.32	7.47
Timber products	12.55	4.46	4.12	3.38	7.27	1.80	3.03	2.86	5.04
Paint and other similar materials	11.82	6.76	3.05	0.85	19.19	-0.27	5.01	14.83	1.27
Plastic materials	12.17	18.90	5.10	-1.68	8.36	-4.76	5.37	3.26	2.39
Other chemical products	5.13	9.03	29.07	0.98	49.02	-10.00	7.40	15.62	-5.34
Metal products	50.85	-1.33	30.58	0.90	26.13	-7.13	5.54	11.50	-1.55
Wire products	77.43	-23.82	23.86	-3.55	24.34	-8.83	5.22	36.15	-10.69
Electric equipment	11.38	0.10	12.82	6.04	15.68	2.24	1.71	6.22	5.28
Electric accessories	38.67	18.88	52.24	0.54	-4.09	6.34	15.71	5.63	1.22
Furniture and accessories	6.62	3.84	10.02	4.56	11.52	3.14	2.39	4.24	5.14
Other materials and accessories	17.69	4.15	8.74	2.84	16.92	-0.36	7.70	7.51	2.55
Rented machinery and equipment subindex	4.14	2.78	2.79	2.89	6.89	1.82	3.24	5.26	-0.24
Worker earnings' subindex	4.47	3.83	3.79	4.35	3.55	3.07	3.32	3.80	3.21

Source: Banco de México and INEGI.

Table A 23
Contractual Wages

Period	Contractual wages					
	Total			Manufactures		
	Annual increase (percent)	Number of workers (thousands)	Number of firms	Annual increase (percent)	Number of workers (thousands)	Number of firms
2001 Average	9.1	1,732	5,679	10.0	575.5	2,345
2002 Average	5.8	1,757	5,487	6.4	549.8	2,446
2003 Average	4.7	1,763	5,337	5.2	526.4	2,294
2004 Average	4.1	1,776	5,920	4.6	534.7	2,431
2005 Average	4.4	1,783	5,957	4.7	541.2	2,476
2006 Average	4.1	1,684	5,819	4.4	482.7	2,433
2007 Average	4.2	1,858	6,251	4.4	566.8	2,546
2008 Average	4.4	1,910	6,308	4.7	557.5	2,768
2009 Average	4.4	1,824	6,645	4.4	511.5	2,930
2010 Average	4.3	1,882	6,825	4.8	560.0	3,268
2011 Average	4.3	1,971	7,192	4.7	612.8	3,445
2012 Average	4.4	2,073	7,442	4.8	644.3	3,422
2008 Jan	4.4	187.8	611	4.4	48.8	258
Feb	4.4	154.2	724	4.5	86.2	369
Mar	4.4	171.8	642	4.4	60.6	326
Apr	4.4	267.9	732	4.6	70.4	347
May	4.7	85.0	525	4.9	41.9	241
Jun	4.4	64.0	519	4.6	29.7	242
Jul	4.8	199.3	343	5.2	21.4	146
Aug	4.7	75.7	466	4.8	40.1	190
Sep	4.8	104.9	476	4.8	62.2	229
Oct	4.1	471.9	611	4.9	30.4	181
Nov	4.6	76.6	347	4.6	55.1	124
Dec	4.7	50.6	312	4.7	10.6	115
2009 Jan	4.6	187.4	599	4.7	43.0	288
Feb	4.1	129.9	685	4.2	75.6	351
Mar	4.5	154.8	711	4.5	49.2	297
Apr	4.3	83.3	519	4.4	44.7	242
May	4.6	206.6	612	4.3	41.5	294
Jun	4.1	88.9	732	4.0	32.4	294
Jul	4.9	221.0	406	3.8	27.0	176
Aug	4.3	76.6	596	4.1	39.8	244
Sep	4.6	93.6	562	4.7	53.1	211
Oct	4.1	513.3	545	4.6	75.8	256
Nov	4.2	43.3	430	4.8	16.7	164
Dec	5.2	25.5	248	5.7	12.7	113
2010 Jan	4.4	146.6	519	4.7	49.7	276
Feb	4.5	198.2	690	4.8	72.6	362
Mar	4.6	131.2	804	4.7	66.9	380
Apr	4.8	225.0	714	4.8	59.7	351
May	4.8	86.7	690	4.8	40.1	349
Jun	4.6	101.1	640	4.4	41.9	279
Jul	4.8	221.6	471	4.9	29.1	253
Aug	4.9	101.4	568	5.0	50.4	253
Sep	4.8	50.5	392	4.9	33.3	211
Oct	3.5	528.5	510	4.9	81.2	247
Nov	4.9	58.6	509	5.1	22.4	183
Dec	4.3	32.4	318	4.6	12.7	124
2011 Jan	4.4	159.8	605	4.8	55.8	289
Feb	4.7	223.9	765	4.7	93.9	430
Mar	4.4	132.2	977	4.5	74.1	508
Apr	4.5	224.1	660	4.6	60.2	313
May	4.6	101.0	735	4.5	47.1	365
Jun	4.7	79.5	687	4.8	38.4	298
Jul	4.7	221.5	395	4.6	21.0	159
Aug	5.1	92.1	548	5.3	46.4	251
Sep	4.6	61.8	499	5.0	25.0	173
Oct	3.5	576.5	538	4.7	102.2	300
Nov	4.5	62.2	464	4.5	29.9	210
Dec	4.7	36.1	319	4.8	18.9	149
2012 Jan	4.4	171.4	603	4.9	54.1	291
Feb	4.5	232.6	902	4.7	107.1	441
Mar	4.5	168.3	888	4.6	92.6	465
Apr	4.5	122.7	756	4.7	45.6	315
May	4.4	211.0	782	4.4	54.2	389
Jun	4.5	100.8	715	4.6	41.6	289
Jul	4.4	239.7	391	4.6	21.5	161
Aug	5.0	114.0	736	4.9	60.9	310
Sep	5.0	56.8	498	4.6	31.2	226
Oct	4.2	570.0	501	5.1	99.4	237
Nov	4.6	49.5	399	4.9	20.4	179
Dec	4.9	35.9	271	5.3	16.0	119

Note: Annual wage increase figures correspond to weighted averages of monthly figures. Annual figures of number of workers and number of firms correspond to total monthly figures.

Source: Prepared by Banco de México with data from the Ministry of Labor.

Table A 24
Nominal Earnings and Output per Worker (ENOE)
 Annual change in percent

Period	Nominal earnings	Output per worker		
		Total	Manufactures	
2008	Average	2.4	0.1	1.6
2009	Average	0.0	-6.3	-5.0
2010	Average	1.4	4.2	6.3
2011 ^{1/}	Average	0.6	1.6	3.0
2012	Average	3.8	0.6	1.1
2008	I	4.6	-0.1	1.8
	II	2.2	0.2	0.3
	III	0.6	-0.3	0.6
	IV	2.0	0.8	3.8
2009	I	-1.3	-6.3	-9.2
	II	2.2	-8.3	-6.8
	III	0.7	-5.9	-4.0
	IV	-1.4	-4.8	-0.3
2010	I	0.9	2.7	6.9
	II	-0.3	4.3	9.5
	III	2.9	3.7	3.9
	IV	2.2	6.0	5.3
2011 ^{1/}	I	2.1	3.3	7.2
	II	1.3	2.3	0.3
	III	0.9	2.5	4.9
	IV	1.5	-1.4	-0.1
2012	I	2.3	1.1	1.5
	II	2.8	0.0	3.5
	III	3.3	-0.8	-0.6
	IV	6.7	2.4	0.0

^{1/} Data from 2011 onwards are preliminary and are based on INEGI demographic projections.
 Source: Prepared by Banco de México with data from INEGI.

Table A 25
Minimum Wage
 MXN per day

Term starting date	National average ^{1/}	Geographic area ^{2/}		
		A	B	C
1993 January 1	13.06	14.27	13.26	12.05
1994 January 1	13.97	15.27	14.19	12.89
1995 January 1	14.95	16.34	15.18	13.79
1995 April 1	16.74	18.30	17.00	15.44
1995 December 4	18.43	20.15	18.70	17.00
1996 January 1	18.43	20.15	18.70	17.00
1996 April 1	20.66	22.60	20.95	19.05
1996 December 3	24.30	26.45	24.50	22.50
1997 January 1	24.30	26.45	24.50	22.50
1998 January 1	27.99	30.20	28.00	26.05
1998 December 3	31.91	34.45	31.90	29.70
1999 January 1	31.91	34.45	31.90	29.70
2000 January 1	35.12	37.90	35.10	32.70
2001 January 1	37.57	40.35	37.95	35.85
2002 January 1	39.74	42.15	40.10	38.30
2003 January 1	41.53	43.65	41.85	40.30
2004 January 1	43.30	45.24	43.73	42.11
2005 January 1	45.24	46.80	45.35	44.05
2006 January 1	47.05	48.67	47.16	45.81
2007 January 1	48.88	50.57	49.00	47.60
2008 January 1	50.84	52.59	50.96	49.50
2009 January 1	53.19	54.80	53.26	51.95
2010 January 1	55.77	57.46	55.84	54.47
2011 January 1	58.06	59.82	58.13	56.70
2012 January 1	60.50	62.33	60.57	59.08
	National average ^{1/}	Geographic area ^{2/ 3/}		
		A	B	
2012 November 27	60.75	62.33	59.08	
2013 January 1	63.12	64.76	61.38	

1/ Country's average weighted by number of minimum wage earners in each region.

2/ States and municipalities are classified by regions to show country's differing costs of living.

3/ From November 27, 2012, the council of representatives of the Minimum Wage Commission (CONASAMI) decided to unify the previous geographic areas 'A' and 'B' within the same minimum wage (MXN 62.33). In turn, the previously known as geographic area 'C', was denominated 'B'.

Source: Minimum Wage Commission.

Monetary and Financial Indicators

Table A 26
Main Monetary and Financial Indicators

	2009	2010	2011	2012
Monetary aggregates ^{1/}	Real annual change in percent			
Monetary base	10.12	5.26	5.89	9.38
M1	7.23	5.44	10.90	9.39
M4	7.61	5.75	10.04	12.05
Domestic financial saving ^{2/}	7.47	5.75	10.33	12.22
	Percent of GDP			
Monetary base	4.57	4.57	4.55	4.81
M1	12.04	12.07	12.57	13.29
M4	57.39	57.73	59.65	64.61
Domestic financial saving ^{2/}	53.39	53.71	55.64	60.36
Nominal interest rates ^{3/}	Annual rates in percent			
28-day TIE	5.93	4.91	4.82	4.79
28-day Cetes	5.43	4.40	4.24	4.24
CPP	4.25	3.41	3.34	3.25
CCP	5.07	4.17	4.18	4.20
Exchange rate ^{4/}	MXN/USD			
To settle liabilities denominated in foreign currency	13.0587	12.3571	13.9904	13.0101
Mexican stock exchange ^{4/}	Index base October 1978=100			
Stock exchange benchmark index (IPC)	32,120	38,551	37,078	43,706

1/ Average of outstanding stocks at end of month.

2/ Defined as monetary aggregate M4 less currency outside banks.

3/ Average of daily or weekly observations.

4/ At end of period.

Source: Banco de México and Mexican Stock Exchange (*Bolsa Mexicana de Valores*, BMV).

Table A 27
Monetary Aggregates
Stocks in MXN billion

End of period	Monetary base	M1	M2	M3	M4	Domestic financial saving
Nominal stocks						
1999	188.7	489.9	2,048.7	2,065.6	2,139.3	1,975.1
2000	208.9	565.0	2,351.3	2,379.7	2,436.0	2,254.0
2001	225.6	680.7	2,768.9	2,797.4	2,846.2	2,647.3
2002	263.9	766.5	3,056.6	3,081.8	3,125.6	2,893.4
2003	303.6	857.7	3,458.4	3,492.2	3,524.9	3,261.3
2004	340.2	946.6	3,800.7	3,889.8	3,928.8	3,627.6
2005	380.0	1,068.5	4,366.1	4,503.8	4,545.9	4,209.7
2006	449.8	1,218.5	4,972.3	5,149.7	5,201.4	4,811.9
2007	494.7	1,350.1	5,384.9	5,647.7	5,720.0	5,289.9
2008	577.5	1,482.9	6,269.9	6,596.6	6,680.6	6,186.2
2009	632.0	1,614.6	6,672.3	7,053.0	7,126.8	6,589.7
2010	693.4	1,833.3	7,207.4	7,951.6	8,036.8	7,437.4
2011	763.5	2,083.1	8,065.5	9,226.8	9,330.3	8,664.4
2012						
Jan	724.7	1,978.5	8,112.8	9,350.5	9,458.8	8,819.1
Feb	711.4	1,939.5	8,122.4	9,386.7	9,493.1	8,858.1
Mar	723.8	2,027.0	8,219.5	9,492.8	9,600.7	8,957.5
Apr	732.2	1,994.8	8,215.8	9,566.6	9,672.5	9,025.6
May	743.0	2,026.0	8,332.8	9,698.5	9,796.2	9,139.2
Jun	748.8	2,105.0	8,461.7	9,900.7	9,998.3	9,328.4
Jul	747.2	2,047.1	8,548.9	10,074.2	10,188.4	9,527.2
Aug	738.1	2,067.1	8,556.1	10,082.6	10,194.0	9,535.5
Sep	728.6	2,077.6	8,577.3	10,195.0	10,295.9	9,647.9
Oct	740.2	2,053.4	8,582.3	10,227.9	10,333.4	9,683.4
Nov	758.6	2,136.4	8,690.3	10,390.9	10,500.2	9,830.3
Dec	846.0	2,279.9	8,732.6	10,566.4	10,677.3	9,943.3
Average stocks as percentage of GDP ^{1/}						
2006	3.57	10.35	44.59	46.18	46.60	43.41
2007	3.69	10.40	45.09	46.94	47.50	44.22
2008	3.86	10.45	46.31	49.03	49.64	46.25
2009	4.57	12.04	54.00	56.74	57.39	53.39
2010	4.57	12.07	52.91	57.11	57.73	53.71
2011	4.55	12.57	52.32	58.95	59.65	55.64
2012	4.81	13.29	54.37	63.93	64.61	60.36

The Monetary Base includes banknotes and coins in circulation plus the net creditor balance of commercial and development banks' current accounts at Banco de México.

M1 includes currency outside banks plus domestic private sector deposits in checking accounts and in current accounts.

M2 includes M1 plus domestic private sector bank deposits and savings in loan entities (other than deposits in checking and current accounts) plus public sector and private sector securities held by the resident private sector, and housing and retirement savings funds.

M3 includes M2 plus non-residents' demand and term deposits in banks, plus federal government securities held by non-residents.

M4 includes M3 plus deposits in Mexican banks' agencies abroad, from the private sector's residents and non-residents.

Domestic Financial Saving is equal to M4 less currency outside banks.

^{1/} GDP (base 2003) annual average.

Source: Banco de México.

Table A 28
Monetary Base
Stocks in MXN billion

End of period	Monetary base	Liabilities		Assets	
		Banknotes and coins in circulation ^{1/}	Bank deposits	Net domestic credit	Net international assets ^{2/}
1998	131.528	131.109	0.419	-100.836	232.364
1999	188.718	188.718	0.000	-71.350	260.068
2000	208.943	208.880	0.063	-133.443	342.386
2001	225.580	225.223	0.358	-185.735	411.315
2002	263.937	263.937	0.000	-265.566	529.503
2003	303.614	303.614	0.000	-360.043	663.657
2004	340.178	340.178	0.000	-375.992	716.170
2005	380.034	380.034	0.000	-408.133	788.167
2006	449.821	449.821	0.000	-375.146	824.967
2007	494.743	494.743	0.000	-457.484	952.227
2008	577.543	577.542	0.000	-739.750	1317.293
2009	632.032	631.938	0.095	-672.860	1304.892
2010	693.423	693.423	0.000	-796.192	1489.615
2011					
Jan	648.031	648.030	0.001	-853.438	1501.469
Feb	638.282	638.282	0.000	-892.969	1531.250
Mar	634.712	634.712	0.001	-893.075	1527.787
Apr	645.583	645.582	0.001	-867.954	1513.537
May	637.598	637.597	0.000	-881.536	1519.134
Jun	635.324	635.323	0.001	-934.687	1570.011
Jul	645.656	645.656	0.000	-981.009	1626.665
Aug	635.301	635.301	0.000	-1135.928	1771.230
Sep	643.274	643.274	0.000	-1304.118	1947.392
Oct	651.531	651.531	0.000	-1269.882	1921.413
Nov	675.505	675.504	0.001	-1328.184	2003.688
Dec	763.492	763.491	0.001	-1318.080	2081.572
2012					
Jan	724.694	724.694	0.000	-1280.427	2005.121
Feb	711.444	711.444	0.001	-1271.268	1982.712
Mar	723.848	723.848	0.000	-1274.184	1998.032
Apr	732.244	732.244	0.000	-1338.698	2070.942
May	742.960	742.959	0.000	-1526.375	2269.335
Jun	748.819	748.818	0.000	-1433.449	2182.268
Jul	747.221	747.221	0.000	-1446.659	2193.880
Aug	738.072	737.860	0.213	-1454.559	2192.632
Sep	728.581	728.580	0.001	-1402.915	2131.496
Oct	740.225	740.224	0.001	-1451.536	2191.761
Nov	758.618	758.617	0.001	-1417.229	2175.847
Dec	846.019	845.396	0.624	-1320.331	2166.351

1/ Currency outside banks and in banks' vaults.

2/ Net international assets are defined as gross reserves plus credit agreements with central banks with maturity of more than six months, minus total liabilities with the IMF and with foreign central banks with maturity of less than six months.

Source: Banco de México.

Table A 29
Monetary Aggregates M1, M2, M3 and M4
Stocks in MXN billion

	December					
	2007	2008	2009	2010	2011	2012
1. Currency outside banks	430.1	494.4	537.1	599.4	665.9	734.0
2. Domestic currency checking	604.8	623.4	654.9	794.1	934.7	979.4
3. Foreign currency checking	97.7	117.8	139.5	128.1	132.9	163.6
4. Current account deposits	214.2	244.1	276.7	304.4	341.1	393.2
5. Demand deposits in savings and loan entities	3.3	3.2	6.5	7.3	8.6	9.6
6. M1=(1+2+3+4+5)	1,350.1	1,482.9	1,614.6	1,833.3	2,083.1	2,279.9
7. Residents' bank deposits	982.5	1,235.7	1,214.4	1,213.3	1,289.4	1,387.4
8. Deposits in savings and loan entities	16.1	18.0	40.9	46.8	49.8	54.5
9. Public securities held by residents ^{1/}	2,213.2	2,422.8	2,654.7	2,873.8	3,274.0	3,583.9
Federal government securities	1,326.5	1,591.3	1,784.1	1,866.7	2,126.5	2,328.9
Banco de México securities (BREMS)	11.8	1.0	1.0	1.0	0.0	0.0
IPAB securities	548.0	484.3	485.5	537.8	599.7	660.8
Other public securities	326.9	346.2	384.1	468.3	547.8	594.2
10. Private securities ^{1/}	297.5	307.8	307.1	332.0	383.2	391.9
11. Housing and other funds ^{2/}	525.6	802.8	840.5	908.1	986.0	1,035.1
12. M2=(6+7+8+9+10+11)	5,384.9	6,269.9	6,672.3	7,207.4	8,065.5	8,732.6
13. Non-resident bank deposits	35.1	48.0	54.4	108.1	126.3	119.8
14. Public securities held by non-residents	227.7	278.7	326.3	636.1	1,035.0	1,714.0
15. M3=(12+13+14)	5,647.7	6,596.6	7,053.0	7,951.6	9,226.8	10,566.4
16. Resident deposits in Mexican bank agencies abroad	47.9	53.6	45.0	43.1	32.0	22.6
17. Non-resident deposits in Mexican bank agencies abroad	24.4	30.4	28.9	42.1	71.5	88.4
18. M4=(15+16+17)	5,720.0	6,680.6	7,126.8	8,036.8	9,330.3	10,677.3

Note: Stocks may not coincide with components' totals due to rounding.

1/ Includes holdings of Investment Companies Specialized in Retirement Savings (*Sociedades de Inversión Especializadas en Fondos para el Retiro*, SIEFORES).

2/ Includes public housing funds (National Employees' Housing Fund – *Instituto del Fondo Nacional de la Vivienda para los Trabajadores*, Infonavit and the Housing Fund – *Fondo de la Vivienda del ISSSTE*, Fovissste) and retirement funds other than Siefores, particularly those managed by Banco de México and the retirement savings' funds from the Public Employees' Social Security Institute (*Instituto de Seguridad y Servicios Sociales de los Trabajadores del Estado*, ISSSTE).

Source: Banco de México.

Table A 30
Credit Market Conditions Survey ^{1/}

Item	Total					4th quarter of 2012				
	2011	2012				By size of firm		By economic activity ^{2/}		
	4th	1st	2nd	3rd	4th	From 11 up to 100 workers	More than 100 workers	Manufactures	Services and commerce	Other
TOTAL FINANCING										
<i>Percentage of firms</i>										
Firms receiving financing: ^{3/}	90.4	93.2	88.3	90.3	92.2	89.6	93.8	95.2	93.2	74.2
Source: ^{4/}										
Suppliers	81.9	82.9	78.4	83.2	83.2	84.2	82.6	85.3	84.2	67.5
Commercial banks	34.7	35.2	39.3	33.7	36.2	25.2	42.7	43.9	32.1	36.3
Foreign banks	6.1	6.2	4.3	5.0	6.5	2.3	9.0	6.0	7.5	1.4
Firms from the corporate group/headquarters	22.8	25.5	21.0	26.2	27.3	24.2	29.1	26.0	29.4	16.3
Development banks	5.9	5.1	5.6	5.6	4.8	3.5	5.6	6.9	3.9	4.1
Via bond issuance	2.3	3.4	2.5	1.9	2.3	1.3	2.8	0.6	3.3	0.9
Firms granting financing: ^{3/}	82.1	82.6	83.0	82.9	83.9	77.6	87.7	90.7	82.5	68.5
Destined for: ^{4/}										
Clients	78.4	78.8	80.4	79.8	80.1	75.1	83.0	88.3	78.0	63.3
Suppliers	20.8	22.3	22.0	17.6	20.1	15.5	22.8	21.9	19.6	16.2
Other firms from the same corporate group	15.3	18.5	16.1	15.2	17.2	12.2	20.3	18.5	17.4	11.2
Other	0.2	0.3	0.6	0.7	0.3	0.3	0.2	0.3	0.0	2.0
Average maturity of financing (in days) granted to:										
Clients	55	54	49	51	56	50	59	53	58	50
Suppliers	42	43	56	45	40	36	42	41	38	58
Other firms from the same corporate group	73	60	84	59	64	54	68	78	56	68
Firms expecting to request credit in the following three months: ^{3/}	38.1	40.0	39.5	38.1	37.1	29.4	41.7	41.9	34.6	36.7

1/ Nationwide sample of at least 450 firms. Responses are voluntary and confidential.

2/ Manufacturing sector and services and commerce sector are the only representative at the national level.

3/ Since the press release of the first quarter of 2010, the results are presented as a percentage of the total of firms. In the previous press releases this information was presented as a percentage of responses.

4/ Total percentage may be above 100 since firms may choose more than one option.

Source: Banco de México.

Table A 31
Credit Market Conditions Survey ^{1/}

Item	4th quarter of 2012									
	Total					By size of firm		By economic activity ^{2/}		
	2011	2012				From 11 up to 100 workers	More than 100 workers	Manufactures	Services and commerce	Other
4th	1st	2nd	3rd	4th						
BANK CREDIT MARKET ^{3/}										
Percentage of firms										
Firms with bank liabilities at the beginning of the quarter:	47.6	45.5	52.6	49.4	46.9	35.6	53.6	55.3	42.6	46.0
Firms that received new bank credits: ^{4/}	25.2	24.4	29.8	23.0	24.8	8.9	34.3	35.6	19.3	23.5
Destined for: ^{5/}										
Working capital	71.4	73.5	83.7	74.3	73.4	72.0	73.6	83.1	63.5	75.5
Liability restructuring	16.1	6.2	5.6	10.0	7.1	5.5	7.3	11.5	2.2	10.1
Foreign trade transactions	6.4	4.2	1.6	3.2	2.3	0.0	2.7	5.2	0.0	0.0
Investment	23.0	30.4	23.6	35.3	25.7	12.3	27.8	32.7	19.1	24.7
Other purposes	6.2	4.7	6.6	4.3	5.5	1.1	6.2	0.0	11.1	4.0
General conditions of access to bank credit										
Diffusion index ^{6/}										
Amounts offered	53.6	51.4	59.7	58.2	50.4	47.3	50.9	52.8	44.8	68.9
Terms offered	55.5	54.6	60.6	55.8	51.0	53.9	50.5	53.7	46.1	64.6
Collateral requirements	44.1	48.9	50.0	46.0	47.5	49.6	47.1	45.2	50.0	44.6
Credit resolution time	45.0	44.4	46.7	43.5	47.6	50.8	47.1	48.9	45.2	54.7
Conditions to refinance credits	44.1	45.8	48.4	43.8	50.1	49.5	50.2	50.6	49.5	51.3
Other requirements of the bank	40.9	48.3	51.5	42.7	48.3	48.8	48.2	48.1	49.3	45.1
General conditions of the bank credit cost:										
Diffusion index ^{7/}										
Bank interest rates	43.8	56.6	52.1	58.5	50.9	42.1	52.5	50.0	53.1	43.7
Commissions and other spendings	46.0	49.6	49.1	48.0	45.6	46.1	45.5	47.4	45.3	37.5
Firms that did not receive new bank credits: ^{4/}	74.8	75.6	70.2	77.0	75.2	91.1	65.8	64.4	80.7	76.5
Applied for and are going through the authorization process	3.8	2.8	5.4	5.4	3.9	4.6	3.5	1.8	4.9	5.0
Applied for and were rejected	1.2	1.7	1.4	1.5	1.6	3.7	0.4	0.8	1.7	4.2
Applied for but were rejected because it was too expensive	1.3	2.5	1.8	0.7	1.5	2.5	0.9	1.4	1.1	4.6
Did not apply	68.7	68.6	61.6	69.4	68.1	80.3	60.9	60.4	73.0	62.7
Limiting factors to apply for or receive new credits: ^{8/}										
General economic situation	60.7	55.2	52.7	55.9	48.7	58.5	40.5	31.2	53.5	67.6
Access to public support	40.6	40.9	38.2	39.1	39.2	47.3	32.5	25.2	42.5	58.7
Sales and profitability of the firm	43.5	47.2	41.6	42.1	42.2	47.6	37.8	25.8	47.8	52.2
Firm's capitalization	35.3	40.6	37.4	35.6	33.8	41.6	27.3	21.0	36.5	53.8
Firm's credit history	33.0	30.1	27.2	27.3	26.6	34.9	19.9	16.8	29.2	38.8
Banks' disposition to grant credits	41.4	40.4	40.8	43.2	35.1	44.3	27.5	27.5	35.8	54.1
Difficulties to pay for the service of performing bank debt	30.7	29.8	28.1	28.3	27.3	38.9	17.8	15.4	30.1	44.6
Interest rates of the bank credit market	46.8	46.5	46.4	45.1	43.9	54.0	35.5	29.8	47.6	60.7
Access conditions to bank credit	45.2	46.1	42.4	44.5	38.1	47.9	30.1	28.5	39.2	60.6
Amounts required as collateral to access the bank credit	42.9	41.6	39.6	39.3	40.4	50.6	31.9	28.8	42.2	63.4
Total firms:										
Conditions of access and the cost of the market of the bank credit are limiting the firm's operation:										
Major constraint	17.8	14.3	16.0	14.7	16.4	19.4	14.7	13.1	17.8	19.2
Minor constraint	29.3	37.3	36.1	33.5	30.4	30.0	30.6	29.5	28.9	44.4
No constraint	52.9	48.5	47.8	51.8	53.2	50.7	54.8	57.5	53.3	36.4

1/ Sample with the nationwide coverage of at least 450 firms. Responses are voluntary and confidential.

2/ Manufacturing sector and services and commerce sector are the only representative at national level.

3/ The bank credit market includes commercial banks, development banks and foreign banks.

4/ Since the press release of the first quarter of 2010 the results are presented as a percentage of the total of firms. In the previous press releases, this information was presented as a percentage of responses. The sum of the parts may not add up due to rounding.

5/ The total percentage may be above 100 since firms may choose more than one option.

6/ Diffusion index is defined as the sum of the percentage of firms that mentioned that there were more accessible conditions, plus the half of the total percentage of firms that indicated that there were no changes in the access conditions. Under this metrics, when the value of the diffusion index is superior (inferior) to 50, it means that more firms pointed out that they perceived conditions as more accessible (less accessible) in the relevant variable, as compared to the situation observed in the previous quarter.

7/ Diffusion index is defined as the sum of the total percentage of firms that mentioned that there were less expensive conditions, plus the half of the total percentage of firms that indicated that there was no change. Under this metrics, when the value of the diffusion index is superior (inferior) to 50, it means that more firms pointed out that they perceived less expensive (more expensive) conditions in the relevant variable, as compared to the situation observed in the previous quarter.

8/ From a set of possible constraints, each firm marks each factor's share (very limiting, relatively limiting or not limiting), reason for which total percentage of factors can be above 100. Furthermore, the percentage of each factor includes the total grades of very limiting and relatively limiting.

Source: Banco de México.

Table A 32
Total Financing to Non-financial Private Sector
 Quarterly data
 Stocks in MXN million

	External financing				Domestic financing				
	Total financing	Foreign credit ^{1/}	Debt instruments placed abroad ^{2/}	From commercial banks ^{3/}	From development banks ^{3/}	From non-bank intermediaries ^{3/}	Debt instruments issued ^{4/}	Infonavit ^{5/}	Fovissste ^{6/}
2009									
Mar	3,850,996	664,256	268,786	1,526,917	74,529	334,423	208,563	625,683	147,838
Jun	3,749,601	598,570	252,375	1,499,613	79,594	328,191	211,183	631,014	149,061
Sep	3,764,590	592,117	257,311	1,503,077	81,212	311,798	230,016	639,831	149,228
Dec	3,763,232	566,990	282,252	1,504,365	84,694	290,795	243,649	641,116	149,371
2010									
Mar	3,800,554	514,786	320,139	1,503,741	87,784	288,018	251,672	685,917	148,497
Jun	3,913,887	522,758	386,876	1,536,268	90,851	286,667	250,046	688,817	151,604
Sep	3,991,636	541,376	382,058	1,579,522	99,365	290,886	251,287	705,377	141,766
Dec	4,084,224	550,222	370,498	1,645,962	106,068	294,131	265,429	709,058	142,856
2011									
Mar	4,181,031	537,310	374,931	1,703,111	106,050	291,988	261,651	753,368	152,621
Jun	4,285,221	550,623	387,365	1,737,871	107,622	318,390	276,518	755,724	151,107
Sep	4,596,843	605,005	510,928	1,829,523	124,195	326,731	282,297	777,946	140,218
Dec	4,716,438	577,706	533,913	1,912,495	139,021	337,836	292,565	783,104	139,798
2012									
Mar	4,730,142	528,112	519,106	1,930,665	143,837	324,725	310,820	827,312	145,566
Jun	4,912,428	597,646	536,632	1,989,286	157,066	347,409	306,018	832,435	145,935
Sep	5,007,195	534,901	598,944	2,036,970	165,163	359,132	314,601	852,795	144,690
Dec	5,148,704	557,480	634,751	2,100,626	176,689	373,642	303,330	858,114	144,074

Note: Figures are subject to revision. Stocks may not coincide with components' totals due to rounding.

1/ Previously, denominated as Foreign Direct Financing. Includes financing from foreign suppliers to Mexican firms, from foreign commercial banks and other creditors. Excludes Pidiregas-PEMEX. Source: data on foreign supplies is obtained from the balance sheets of the issuing firms, listed on the Mexican Stock Exchange, while credit from commercial banks abroad is from Banco de México's Survey: "Outstanding Consolidated Claims on Mexico".

2/ Commercial paper, bonds and securities placed abroad. Excludes Pidiregas-PEMEX. Source: Banco de México.

3/ Includes total loan portfolio (performing and non-performing). In the case of commercial and development banks, portfolio associated with debt-restructuring programs (UDIs and ADES). Source: Banco de México.

4/ Calculated by Banco de México based on data from S.D. INDEVAL S.A. de C.V.

5/ Non-performing and performing mortgage portfolio from the National Employees' Housing Fund (*Instituto del Fondo Nacional de la Vivienda para los Trabajadores*, Infonavit). Source: Minimum Catalogue of the National Banking and Securities Commission (CNBV, for its acronym in Spanish).

6/ Non-performing and performing mortgage portfolio from the Public Employees' Housing Fund (*Fondo de Vivienda del Instituto de Seguridad y Servicios Sociales de los Trabajadores del Estado*, Fovissste). Source: Minimum Catalogue of the National Banking and Securities Commission (CNBV, for its acronym in Spanish).

Table A 33
Financial System Flow of Funds Matrix, January-December 2012 ^{1/}
Flows revalued as a percentage of GDP ^{2/}

	Resident private sector ^{3/}			States and municipalities ^{4/}			Public sector ^{5/}			Banking sector ^{6/}			External sector		
	Use of funds (assets)	Source of funds (liabilt.)	Net financing received	Use of funds (assets)	Source of funds (liabilt.)	Net financing received	Use of funds (assets)	Source of funds (liabilt.)	Net financing received	Use of funds (assets)	Source of funds (liabilt.)	Net financing received	Use of funds (assets)	Source of funds (liabilt.)	Net financing received
	a	b	c = b - a	d	e	f = e - d	g	h	i = h - g	j	k	l = k - j	m	n	o = n - m
1. Change in domestic financial instruments (2 + 7 + 8 + 9)	4.4	3.9	-0.6	0.1	0.5	0.4	0.8	4.2	3.4	-0.1	2.0	2.1	5.3		-5.3
2. Financial instruments	4.4	0.4	-4.1	0.1	0.0	0.0	0.2	4.0	3.8	-2.3	2.5	4.7	4.5		-4.5
3. Currency (banknotes and coins)	0.4		-0.4								0.4	0.4			
4. Checkable, time and savings deposits	1.7		-1.7	0.1		-0.1	0.2		-0.2		2.0	2.0	0.1		-0.1
4.1 Non-financial enterprises and other institutions ^{7/}	1.2		-1.2	0.1		-0.1	0.2		-0.2		1.6	1.6	0.1		-0.1
4.2 Individuals	0.5		-0.5								0.4	0.4	-0.1		0.1
5. Securities issued ^{8/}	2.0	0.1	-1.9	0.0	0.0	0.0		4.0	4.0	-2.3	0.0	2.3	4.4		-4.4
6. Retirement and housing funds ^{9/}	0.3	0.3	0.0					0.0	0.0						
7. Financing	2.0		2.0		0.4	0.4	-0.4	0.2	0.6	2.6	-0.4	-3.1			
7.1 Non-financial enterprises and other institutions ^{10/}	1.3		1.3		0.4	0.4	-0.4	0.2	0.6	1.9	-0.4	-2.4			
7.2 Households	0.7		0.7						0.7	0.7	0.0	-0.7			
8. Shares and other equity	0.9		0.9							0.0		0.0	0.8		-0.8
9. Other financial system items ^{11/}	0.6		0.6				1.1	0.0	-1.1	-0.5		0.5			
10. Change in external financial instruments (11 + 12 + 13 + 14 + 15)	3.0	0.0	-3.0	0.0	0.0	0.0	0.1	0.7	0.6	2.0	-0.1	-2.1	0.6	5.1	4.5
11. Foreign direct investment		1.1	1.1										1.1		-1.1
12. External financing		0.3	0.3					0.7	0.7		-0.1	-0.1	0.8		-0.8
13. Financial assets held abroad	3.0		-3.0				0.1		-0.1	0.2		-0.2		3.3	3.3
14. Banco de México international reserves										1.8		-1.8		1.8	1.8
15. Errors and omissions (balance of payments)		-1.3	-1.3										-1.3	1.8	1.3
16. Statistical discrepancy ^{12/}		0.0	0.0	0.0	0.0	0.0							0.0		0.0
17. Total change in financial instruments (1 + 10 + 16)	7.5	3.9	-3.6	0.1	0.5	0.4	1.0	4.9	4.0	1.9	1.9	0.0	5.9	5.1	-0.8 ^{13/}

1/ Preliminary figures. Figures may not add up due to rounding.

2/ Excludes the effect of exchange rate fluctuations (MXN/USD).

3/ Private sector includes firms, individuals, non-bank financial intermediaries.

4/ States and municipalities show their position in relation to the banking sector and the debt market.

5/ Public sector measured as Public Sector Borrowing Requirements (*Requerimientos Financieros del Sector Público*, RFSP), including non-recurrent revenues.

6/ Banking sector includes Banco de México, development banks and commercial banks (including agencies abroad). By construction, this sector has a total net position of zero (line item 17), which has to do with financial intermediaries. Statistics on assets and liabilities from commercial banks, development banks and Banco de México were used to consolidate banking sector's financial flows.

7/ In addition to firms, private sector includes non-bank financial intermediaries.

8/ Includes government securities, IPAB securities, BREMS, private securities and state and municipal securities, and securities held by Siefos.

9/ Includes retirement saving funds from both the Public Employees' Social Service Institute (*Instituto de Seguridad y Servicios Sociales para los Trabajadores del Estado*, ISSSTE) and the Social Security Institute (*Instituto Mexicano del Seguro Social*, IMSS) held by Banco de México, and housing funds.

10/ In addition to firms, private sector includes individuals with business activities, and non-bank financial intermediaries and securities associated to restructuring programs.

11/ Includes non-classified assets, real estate assets and others, as well as banking sector's capital accounts and balance sheets.

12/ Difference between financial data and data drawn from the balance of payments.

13/ Corresponds to the balance of payments' current account. A negative figure implies external financing to the domestic economy (external sector surplus), which is equivalent to Mexico's current account deficit.

Source: Banco de México.

Table A 34
Banco de México's Bonds (BONDES D)
 Three years
 Weekly auction results

	Maturity (days)	Amount in MXN million			Price			
		Offered	Allotted	Tendered	Weighted placement	Maximum	Minimum allotted	Minimum
05/01/2012	1,162	3,000	3,000	6,100	99.06591	99.08657	99.05558	98.90000
12/01/2012	1,155	3,000	3,000	8,716	99.04585	99.04693	99.04530	98.10000
19/01/2012	1,211	3,000	3,000	26,400	99.12726	99.12726	99.12726	98.91030
26/01/2012	1,204	3,000	3,000	79,663	99.18267	99.19500	99.17000	98.94858
02/02/2012	1,197	3,000	3,000	28,731	99.23300	99.23452	99.23287	99.00000
09/02/2012	1,190	3,000	3,000	21,065	99.23349	99.24464	99.22600	99.14245
16/02/2012	1,183	3,000	3,000	9,188	99.21600	99.21660	99.20999	99.14716
23/02/2012	1,176	3,000	3,000	7,809	99.21704	99.22709	99.21650	99.15166
01/03/2012	1,225	3,000	3,000	74,676	99.10525	99.19741	99.06192	98.50000
08/03/2012	1,218	3,000	3,000	30,241	99.13000	99.13000	99.13000	98.96890
15/03/2012	1,211	3,000	3,000	18,450	99.15700	99.17189	99.15500	98.90000
22/03/2012	1,204	3,000	3,000	20,311	99.18000	99.18000	99.18000	97.01000
29/03/2012	1,197	3,000	3,000	27,555	99.26067	99.27600	99.23000	99.00000
04/04/2012	1,191	2,500	2,500	13,205	99.29009	99.29440	99.29000	99.11143
12/04/2012	1,092	2,500	2,500	10,205	99.35679	99.36303	99.34915	99.20813
19/04/2012	1,085	2,500	2,500	6,380	99.33960	99.36591	99.32370	99.00000
26/04/2012	1,078	2,500	2,500	18,853	99.35841	99.37071	99.35500	97.01000
03/05/2012	1,071	2,500	2,500	51,137	99.38975	99.39038	99.38880	98.50000
10/05/2012	1,064	2,500	2,500	20,072	99.38381	99.40045	99.37866	90.01000
17/05/2012	1,057	2,500	2,500	40,504	99.37481	99.39583	99.37046	99.25000
24/05/2012	1,050	2,500	2,500	37,212	99.37436	99.38052	99.37263	99.29378
31/05/2012	1,043	2,500	2,500	43,746	99.35969	99.37896	99.35673	98.00000
07/06/2012	1,036	2,500	2,500	54,600	99.37128	99.38017	99.36960	99.00000
14/06/2012	1,029	2,500	2,500	8,110	99.37362	99.38399	99.36390	99.30446
21/06/2012	1,022	2,500	2,500	6,545	99.37956	99.38791	99.37461	99.15000
28/06/2012	1,015	2,500	2,500	11,769	99.37973	99.38384	99.37857	99.33955
05/07/2012	1,008	2,500	2,500	15,200	99.39971	99.39990	99.39950	99.37465
12/07/2012	1,001	2,500	2,500	12,750	99.45650	99.45810	99.45600	99.40080
19/07/2012	994	2,500	2,500	33,747	99.45697	99.46800	99.45511	99.41630
26/07/2012	987	2,500	2,500	18,778	99.44215	99.46013	99.42670	99.40800
02/08/2012	980	2,500	2,500	8,334	99.42759	99.44586	99.41390	99.31040
09/08/2012	973	2,500	2,500	21,365	99.42176	99.44069	99.41530	99.36747
16/08/2012	1,092	2,500	2,500	6,249	99.30764	99.34873	99.29250	99.21000
23/08/2012	1,085	2,500	2,500	42,814	99.26997	99.31905	99.26400	99.21367
30/08/2012	1,078	2,500	2,500	16,597	99.25338	99.27319	99.25035	99.16297
06/09/2012	1,071	2,500	2,500	17,721	99.23801	99.24289	99.23597	99.22210
13/09/2012	1,064	2,500	2,500	17,799	99.23059	99.24393	99.21875	99.17490
20/09/2012	1,057	2,500	2,400	2,500	99.16981	99.22488	99.09817	99.00000
27/09/2012	1,050	2,500	2,500	7,900	99.21880	99.21880	99.21880	99.03322
04/10/2012	1,043	2,500	2,500	23,487	99.25148	99.26820	99.24120	99.13627
11/10/2012	1,036	2,500	1,000	1,900	99.21101	99.24596	99.17892	99.00000
18/10/2012	1,029	2,500	2,500	5,250	99.18312	99.22406	99.17070	99.13082
25/10/2012	1,022	2,500	2,500	5,450	99.18071	99.19020	99.17603	99.15250
01/11/2012	1,015	2,500	2,500	3,650	99.14651	99.19440	99.12880	99.12500
08/11/2012	1,008	2,500	2,500	5,300	99.14712	99.18660	99.13430	71.01000
15/11/2012	1,001	2,500	2,500	3,300	99.09794	99.15942	99.03000	98.95902
22/11/2012	994	2,500	2,500	18,174	99.05474	99.09392	99.03600	98.94460
29/11/2012	987	2,500	2,500	7,550	99.03430	99.04884	99.02327	98.96500
06/12/2012	980	2,500	2,500	40,326	99.05640	99.08044	99.05430	98.97882
13/12/2012	973	2,500	2,500	9,418	99.08847	99.08880	99.08670	98.98855
20/12/2012	966	2,500	2,500	18,680	99.16932	99.17500	99.16854	99.09608
27/12/2012	959	2,500	2,500	45,350	99.20782	99.23057	99.20300	99.05068

Continues

Continuation

Banco de México's Bonds (BONDES D)
Five years
Weekly auction results

	Maturity (days)	Amount in MXN million			Weighted placement	Price		
		Offered	Allotted	Tendered		Maximum	Minimum allotted	Minimum
05/01/2012	1,820	2,000	2,000	5,000	98.34147	98.34148	98.34147	98.07271
12/01/2012	1,813	2,000	2,000	6,200	98.34526	98.35450	98.33478	98.21060
19/01/2012	1,806	2,000	2,000	8,900	98.44000	98.44000	98.44000	98.25845
26/01/2012	1,799	2,000	2,000	53,400	98.64000	98.64000	98.64000	98.44425
02/02/2012	1,792	2,000	2,000	21,700	98.76213	98.76250	98.76201	98.44961
09/02/2012	1,785	2,000	2,000	6,710	98.75096	98.75200	98.75091	98.49878
16/02/2012	1,778	2,000	2,000	4,450	98.71088	98.73308	98.70020	98.50796
23/02/2012	1,771	2,000	2,000	6,950	98.68304	98.68333	98.68300	98.40000
01/03/2012	1,820	2,000	850	52,491	98.54115	98.56603	98.51784	98.00000
08/03/2012	1,813	2,000	2,000	9,700	98.54000	98.54000	98.54000	98.47795
15/03/2012	1,806	2,000	2,000	11,762	98.56113	98.57168	98.56000	98.43981
22/03/2012	1,799	2,000	2,000	10,200	98.59108	98.59860	98.59000	98.44424
29/03/2012	1,792	2,000	2,000	15,850	98.75932	98.76614	98.75700	98.44944
04/04/2012	1,786	1,500	1,500	24,373	98.77942	98.78000	98.77128	98.54205
12/04/2012	1,778	1,500	1,500	4,450	98.76058	98.77029	98.72304	98.54751
19/04/2012	1,771	1,500	1,500	3,100	98.70931	98.72365	98.68000	98.66902
26/04/2012	1,764	1,500	1,500	3,403	98.66207	98.73136	98.61794	98.55947
03/05/2012	1,820	1,500	1,500	10,263	98.59557	98.59600	98.59535	98.51730
10/05/2012	1,813	1,500	1,500	9,590	98.64136	98.64492	98.63425	98.22000
17/05/2012	1,806	1,500	1,500	16,461	98.61247	98.61690	98.60360	98.50612
24/05/2012	1,799	1,500	1,500	11,950	98.62117	98.62117	98.62117	98.00000
31/05/2012	1,792	1,500	1,500	6,650	98.64750	98.65190	98.64310	98.58237
07/06/2012	1,785	1,500	1,500	5,600	98.65927	98.67410	98.64120	98.58638
14/06/2012	1,778	1,500	1,500	2,950	98.60099	98.65650	98.59090	98.50000
21/06/2012	1,771	1,500	1,500	9,400	98.66770	98.68520	98.65740	98.30000
28/06/2012	1,820	1,500	1,500	6,100	98.62083	98.62864	98.61000	98.59469
05/07/2012	1,813	1,500	1,500	9,200	98.68857	98.68900	98.68850	98.59913
12/07/2012	1,806	1,500	1,500	13,189	98.70860	98.70860	98.70860	98.61544
19/07/2012	1,799	1,500	1,500	8,350	98.71058	98.71287	98.70787	98.66400
26/07/2012	1,792	1,500	1,500	5,259	98.68448	98.70853	98.66880	98.65000
02/08/2012	1,785	1,500	1,500	13,062	98.63627	98.67347	98.61079	98.54000
09/08/2012	1,778	1,500	1,500	17,873	98.61375	98.61510	98.61290	98.54600
16/08/2012	1,771	1,500	1,500	21,970	98.62066	98.63270	98.61566	98.45000
23/08/2012	1,764	1,500	1,500	16,688	98.55257	98.56100	98.53836	98.47207
30/08/2012	1,820	1,500	1,500	22,918	98.47722	98.47723	98.47722	98.34101
06/09/2012	1,813	1,500	1,500	14,400	98.48753	98.49535	98.48202	98.43319
13/09/2012	1,806	1,500	1,500	11,650	98.49169	98.49605	98.48278	98.30768
20/09/2012	1,799	1,500	1,500	3,240	98.43286	98.47250	98.40450	98.13800
27/09/2012	1,792	1,500	1,500	6,150	98.45156	98.45450	98.44960	98.32140
04/10/2012	1,785	1,500	1,500	24,145	98.43963	98.46800	98.42545	98.34601
11/10/2012	1,778	1,500	1,500	6,638	98.35469	98.42760	98.33126	98.20000
18/10/2012	1,771	1,500	1,500	28,645	98.38386	98.40050	98.37400	98.31366
25/10/2012	1,820	1,500	1,500	5,850	98.36172	98.36680	98.35700	98.25210
01/11/2012	1,813	1,500	1,500	14,600	98.31907	98.36710	98.29237	98.21196
08/11/2012	1,806	1,500	1,500	14,000	98.30975	98.31000	98.30632	98.00000
15/11/2012	1,799	1,500	1,500	5,050	98.22269	98.27251	98.18061	98.00000
22/11/2012	1,792	1,500	1,500	19,125	98.19978	98.22983	98.18644	97.96898
29/11/2012	1,785	1,500	1,500	26,750	98.19585	98.19704	98.19268	97.50000
06/12/2012	1,778	1,500	1,500	20,505	98.26991	98.28558	98.26421	98.02551
13/12/2012	1,771	1,500	1,500	25,150	98.33569	98.33570	98.33536	98.12027
20/12/2012	1,764	1,500	1,500	9,090	98.41840	98.41842	98.41840	98.32112
27/12/2012	1,820	1,500	1,500	7,840	98.45540	98.46100	98.45500	90.00000

Continues

Continuation

Banco de México's Bonds (BONDES D)
 Seven years
 Weekly auction results

	Maturity (days)	Amount in MXN million			Weighted placement	Price		
		Offered	Allotted	Tendered		Maximum	Minimum allotted	Minimum
05/01/2012	2,548	1,000	1,000	2,660	98.00000	98.00000	98.00000	97.00000
12/01/2012	2,541	1,000	1,000	3,570	98.00000	98.00000	98.00000	97.00000
19/01/2012	2,534	1,000	1,000	3,350	98.00000	98.00000	98.00000	98.00000
26/01/2012	2,527	1,000	1,000	13,236	98.00000	98.00000	98.00000	98.00000
02/02/2012	2,520	1,000	1,000	9,350	98.00000	98.00000	98.00000	98.00000
09/02/2012	2,513	1,000	1,000	2,750	98.00000	98.00000	98.00000	98.00000
16/02/2012	2,506	1,000	1,000	3,600	98.00000	98.00000	98.00000	98.00000
23/02/2012	2,499	1,000	1,000	5,347	98.00000	98.00000	98.00000	98.00000
01/03/2012	2,492	1,000	1,000	2,950	98.00000	98.00000	98.00000	97.00000
08/03/2012	2,485	1,000	1,000	4,150	98.00000	98.00000	98.00000	98.00000
15/03/2012	2,478	1,000	1,000	4,700	98.00000	98.00000	98.00000	98.00000
22/03/2012	2,471	1,000	1,000	5,050	98.00000	98.00000	98.00000	98.00000
29/03/2012	2,464	1,000	1,000	15,550	98.00000	98.00000	98.00000	98.00000
04/04/2012	2,549	1,000	1,000	5,500	98.00000	98.00000	98.00000	98.00000
12/04/2012	2,541	1,000	1,000	2,300	98.00000	98.00000	98.00000	98.00000
19/04/2012	2,534	1,000	1,000	4,350	98.00000	98.00000	98.00000	98.00000
26/04/2012	2,527	1,000	1,000	5,350	98.00000	98.00000	98.00000	98.00000
03/05/2012	2,520	1,000	1,000	4,114	98.00000	98.00000	98.00000	98.00000
10/05/2012	2,513	1,000	1,000	9,055	98.00000	98.00000	98.00000	98.00000
17/05/2012	2,506	1,000	1,000	2,825	98.00000	98.00000	98.00000	98.00000
24/05/2012	2,499	1,000	1,000	1,725	98.00000	98.00000	98.00000	98.00000
31/05/2012	2,492	1,000	1,000	13,239	98.00000	98.00000	98.00000	98.00000
07/06/2012	2,485	1,000	1,000	6,760	98.00000	98.00000	98.00000	98.00000
14/06/2012	2,478	1,000	1,000	6,500	98.00000	98.00000	98.00000	98.00000
21/06/2012	2,471	1,000	1,000	17,000	98.00000	98.00000	98.00000	98.00000
28/06/2012	2,464	1,000	1,000	4,200	98.00000	98.00000	98.00000	98.00000
05/07/2012	2,457	1,000	1,000	7,200	98.00000	98.00000	98.00000	98.00000
12/07/2012	2,541	1,000	1,000	5,431	98.00000	98.00000	98.00000	98.00000
19/07/2012	2,534	1,000	1,000	10,505	98.00000	98.00000	98.00000	98.00000
26/07/2012	2,527	1,000	1,000	3,650	98.00000	98.00000	98.00000	98.00000
02/08/2012	2,520	1,000	1,000	12,800	98.00000	98.00000	98.00000	90.00000
09/08/2012	2,513	1,000	1,000	16,400	98.00000	98.00000	98.00000	98.00000
16/08/2012	2,506	1,000	1,000	5,033	98.00000	98.00000	98.00000	98.00000
23/08/2012	2,499	1,000	1,000	6,350	98.00000	98.00000	98.00000	98.00000
30/08/2012	2,492	1,000	1,000	11,200	98.00000	98.00000	98.00000	98.00000
06/09/2012	2,485	1,000	1,000	24,058	98.00000	98.00000	98.00000	98.00000
13/09/2012	2,478	1,000	1,000	3,950	98.00000	98.00000	98.00000	98.00000
20/09/2012	2,471	1,000	1,000	2,350	98.00000	98.00000	98.00000	97.00000
27/09/2012	2,464	1,000	1,000	4,400	98.00000	98.00000	98.00000	98.00000
04/10/2012	2,457	1,000	1,000	4,300	98.00000	98.00000	98.00000	98.00000
11/10/2012	2,450	1,000	1,000	18,700	98.00000	98.00000	98.00000	98.00000
18/10/2012	2,443	1,000	1,000	2,775	98.00000	98.00000	98.00000	98.00000
25/10/2012	2,436	1,000	1,000	4,550	98.00000	98.00000	98.00000	98.00000
01/11/2012	2,429	1,000	1,000	1,700	98.00000	98.00000	98.00000	98.00000
08/11/2012	2,422	1,000	1,000	2,650	98.00000	98.00000	98.00000	98.00000
15/11/2012	2,415	1,000	800	1,875	97.00000	98.00000	97.00000	97.00000
22/11/2012	2,408	1,000	1,000	8,410	97.00000	97.00000	97.00000	97.00000
29/11/2012	2,401	1,000	1,000	10,750	97.00000	98.00000	97.00000	97.00000
06/12/2012	2,394	1,000	1,000	10,160	98.00000	98.00000	98.00000	97.00000
13/12/2012	2,387	1,000	1,000	14,860	98.00000	98.00000	98.00000	97.00000
20/12/2012	2,380	1,000	1,000	10,270	98.00000	98.00000	98.00000	98.00000
27/12/2012	2,373	1,000	1,000	11,280	98.00000	98.00000	98.00000	98.00000

Source: Banco de México.

Table A 35
Representative Interest Rates
 Yields on public securities
 Annual rates in percent ^{1/}

	CETES ^{2/}				Fixed rate bond					
	28 days	91 days	182 days	364 days	3 years (1092 days)	5 years (1820 days)	7 years (2520 days)	10 years (3640 days)	20 years (7280 days)	30 years (10800 days)
2001	11.31	12.24	13.10	13.79	13.14	12.98		10.76		
2002	7.09	7.44	8.08	8.54	9.51	9.84	10.19	10.13		
2003	6.23	6.51	6.93	7.37	7.83	8.18	8.80	8.98	8.39	
2004	6.82	7.10	7.38	7.74	8.25	8.75	9.30	9.54	10.45	
2005	9.20	9.33	9.30	9.28	9.11	9.14	9.34	9.42	9.81	
2006	7.19	7.30	7.41	7.51	7.71	7.86	8.19	8.39	8.55	8.08
2007	7.19	7.35	7.48	7.60	7.60	7.70		7.77	7.83	7.83
2008	7.68	7.89	8.02	8.09	8.00	8.24		8.36	8.55	8.44
2009	5.43	5.52	5.60	5.83	6.51	7.41		7.96	8.48	8.79
2010	4.40	4.57	4.68	4.86	5.59	6.35		6.95	7.60	7.85
2011	4.24	4.35	4.51	4.66	5.38	5.93		6.65	7.85	8.00
2012	4.24	4.38	4.51	4.63	4.89	5.09		5.60	6.79	6.80
2010										
Jan	4.49	4.62	4.83	4.99	6.27	7.37			8.41	
Feb	4.49	4.64	4.74	5.00	6.10	7.05	7.66			8.49
Mar	4.45	4.64	4.77	5.08	6.12	6.75			8.14	8.46
Apr	4.44	4.63	4.72	5.09	5.85	6.63	7.54		7.99	
May	4.52	4.64	4.72	4.96	5.73	6.20	7.49			8.20
Jun	4.59	4.66	4.72	4.86	5.37	6.23			7.79	7.69
Jul	4.60	4.64	4.70	4.80	5.43			6.88		
Aug	4.52	4.64	4.71	4.78	5.38			6.49	6.69	
Sep	4.43	4.61	4.65	4.74	5.23			6.25		7.23
Oct	4.03	4.39	4.55	4.66	5.04	5.53			6.71	7.03
Nov	3.97	4.25	4.37	4.52	5.15	5.28		6.13	7.29	
Dec	4.30	4.53	4.68	4.86	5.44	6.11		7.16	7.74	7.84
2011										
Jan	4.14	4.44	4.55	4.76	5.89	6.27				8.18
Feb	4.04	4.29	4.58	4.82	5.87	6.40			8.18	8.31
Mar	4.27	4.32	4.57	4.75	5.90	6.73			8.30	
Apr	4.28	4.39	4.61	4.93	5.87	6.45	7.28			8.50
May	4.31	4.45	4.60	4.84	5.65	6.18			7.80	8.07
Jun	4.37	4.39	4.52	4.72	5.51	5.94		6.92	7.71	7.98
Jul	4.14	4.27	4.49	4.65	5.59			6.90		
Aug	4.05	4.22	4.42	4.52	5.08			5.78		7.68
Sep	4.23	4.28	4.37	4.46	4.74					7.93
Oct	4.36	4.37	4.43	4.40	4.66	5.11		6.85	7.48	
Nov	4.35	4.37	4.43	4.47	4.84	4.98		6.38		7.56
Dec	4.34	4.44	4.52	4.57	5.00	5.30		6.46	7.60	7.76
2012										
Jan	4.27	4.46	4.55	4.71	5.01	5.46			7.41	7.47
Feb	4.32	4.39	4.48	4.60	4.92	5.00			7.24	
Mar	4.24	4.43	4.51	4.64	4.99	5.29				7.67
Apr	4.29	4.35	4.40	4.57	4.89	5.04			7.16	
May	4.39	4.39	4.48	4.61	4.96	5.07		6.22	7.25	
Jun	4.34	4.46	4.53	4.61	4.72	4.79		5.94	6.61	
Jul	4.15	4.41	4.51	4.58	4.71			5.12		6.22
Aug	4.13	4.32	4.51	4.59	4.79				6.22	6.78
Sep	4.17	4.27	4.51	4.59	4.85			5.44	6.57	
Oct	4.21	4.35	4.53	4.64	4.95	4.93		5.35		6.49
Nov	4.29	4.46	4.64	4.76	4.99	5.20		5.52	6.34	6.52
Dec	4.05	4.21	4.47	4.62	4.94	5.05			6.28	6.42

1/ Simple average.

2/ Primary auction placement rate for 28, 91, 182 and 364 days, respectively.

Source: Banco de México.

Continues

Continuation

Representative Interest Rates
 Yields on public securities
 Annual rates in percent ^{1/}

	UDIBONOS ^{2/}				Surtax		
	3 years	10 years	20 years	30 years	BPA _s ^{3/ 4/}	BPAT _s ^{3/ 5/}	BPA 182 ^{3/ 6/}
	(1092 days)	(3640 days)	(7280 days)	(10800 days)	3 years (1092 days)	5 years (1820 days)	7 years (2548 days)
2001		6.63			0.82		
2002		5.52			0.73	0.84	
2003		4.59			0.60	0.69	
2004		4.79			0.38	0.40	0.38
2005		4.92			0.23	0.21	0.20
2006		4.17	4.34	4.41	0.20	0.20	0.20
2007	3.40	3.63	3.58	3.61	0.14	0.11	0.13
2008	3.48	4.04	3.75	4.21	0.22	0.18	0.19
2009	2.53	3.84		4.40	0.44	0.37	0.35
2010	1.47	2.79		3.66	0.26	0.22	0.22
2011	1.47	2.59		3.91	0.31	0.28	0.24
2012	0.99	1.97		3.12	0.38	0.36	0.25
2010							
Jan	1.40	3.36			0.24		
Feb	1.76	3.29			0.24		
Mar	2.07	3.31		4.27	0.28		
Apr	1.96	3.40		4.13	0.29	0.28	0.37
May	2.24	3.40		4.05	0.30	0.25	
Jun	1.50	2.87		3.97	0.21		
Jul	1.38			3.65	0.18	0.18	0.19
Aug	1.21	2.17		2.99	0.18	0.16	0.15
Sep	1.05	2.20		3.26	0.22	0.16	0.17
Oct	0.77	1.97		2.93	0.37	0.22	0.20
Nov	0.97	2.02		3.49	0.36	0.26	0.23
Dec	1.27	2.71		3.90	0.30	0.23	0.21
2011							
Jan	1.86			3.99	0.37	0.27	0.29
Feb	2.16			4.18	0.42	0.30	0.34
Mar	2.11			4.33	0.39	0.29	0.34
Apr	2.17	3.16		4.26	0.32	0.29	0.32
May	1.94	3.10		3.84	0.30	0.24	0.28
Jun	1.67	2.85		3.81	0.23	0.24	0.25
Jul	1.26	2.55		3.76	0.27	0.27	0.21
Aug	0.58	2.04		3.17	0.31	0.28	0.15
Sep	0.85	2.45		3.95	0.28	0.25	0.15
Oct	0.68	2.50		3.80	0.27	0.27	0.20
Nov	1.03	2.22		3.94	0.27	0.31	0.18
Dec	1.38	2.46		3.90	0.29	0.35	0.22
2012							
Jan	1.69	2.58		3.79	0.38	0.38	0.24
Feb	1.31	2.19		3.73	0.36	0.33	0.29
Mar	1.60	2.52		3.78	0.39	0.37	0.34
Apr	1.69	2.26		3.68			0.33
May	1.30	2.20		3.58			0.35
Jun	0.54	1.62		3.02			0.29
Jul	0.50			2.29			0.19
Aug	0.47			2.94			0.16
Sep	0.41			2.81			0.18
Oct	0.54	1.25		2.45			0.16
Nov	0.83	1.60		2.67			0.23
Dec	1.02	1.49		2.67			0.27

1/ Simple average.

2/ Federal government development bonds denominated in UDIs paying a fixed real interest rate.

3/ Savings protection bonds issued by the Institute for the Protection of Bank Savings (*Instituto de Protección al Ahorro Bancario*, IPAB).

4/ Spread in percentage points over the coupon paying the 28-day Cetes primary auction interest rate.

5/ Spread in percentage points over the coupon paying the 91-day Cetes primary auction interest rate.

6/ Spread in percentage points over the coupon paying the 182-day Cetes primary auction interest rate.

Source: Banco de México.

Table A 36
Representative Interest Rates
 Costs of bank deposits (CCP and CPP), interbank interest rate,
 overnight interest rate and short-term private securities
 Annual rates in percent ^{1/}

	Target rate ^{2/}	Weighted funding rate		Interbank rates			Cost of bank deposits					Short-term private securities ^{3/}
		Bank	Government	28-day TIIE	91-day TIIE	91-day Mexibor ^{4/}	CCP	CCP-USD	CCP-Udis	CPP	CCP development banks	
2001		11.95	11.13	12.89	13.43	10.42	10.95	5.33	5.26	10.12	12.75	12.80
2002		7.15	7.00	8.17	8.45	8.09	6.17	3.30	5.82	5.36	7.72	8.21
2003		6.15	5.96	6.83	7.16	6.81	5.15	2.95	5.75	4.45	6.61	7.02
2004		6.75	6.57	7.15	7.44	7.26	5.41	2.91	4.88	4.62	6.95	7.44
2005		9.30	9.00	9.61	9.63	9.50	7.64	3.61	5.50	6.47	9.46	9.70
2006		7.23	7.07	7.51	7.69	7.38	6.06	4.05	5.45	5.14	7.55	7.51
2007		7.23	7.12	7.66	7.78	7.24	5.99	4.44	4.93	5.00	7.47	7.56
2008	7.84	7.82	7.67	8.28	8.35		6.73	3.27	4.74	5.69	7.94	8.71
2009	5.59	5.62	5.55	5.93	5.93		5.07	2.62	4.67	4.25	6.06	7.07
2010	4.50	4.59	4.55	4.91	5.00		4.17	2.18	4.20	3.41	4.87	5.29
2011	4.50	4.48	4.46	4.82	4.86		4.18	2.15	3.89	3.34	4.67	4.92
2012	4.50	4.49	4.50	4.79	4.81		4.20	2.79	4.37	3.25	4.79	4.73
2010												
Jan	4.50	4.61	4.54	4.91	5.06		4.18	2.08	4.28	3.44	4.95	5.32
Feb	4.50	4.64	4.60	4.92	5.03		4.17	2.24	4.34	3.41	4.95	5.44
Mar	4.50	4.57	4.52	4.92	5.03		4.15	1.93	4.43	3.40	4.91	5.31
Apr	4.50	4.60	4.55	4.94	5.03		4.13	2.08	4.63	3.40	4.92	5.50
May	4.50	4.60	4.55	4.94	5.04		4.14	2.56	4.78	3.40	4.92	5.34
Jun	4.50	4.59	4.55	4.94	5.01		4.17	2.60	4.53	3.43	4.92	5.40
Jul	4.50	4.61	4.58	4.92	5.01		4.19	2.51	4.16	3.43	4.90	5.35
Aug	4.50	4.61	4.57	4.90	4.99		4.21	2.22	4.00	3.45	4.88	5.25
Sep	4.50	4.57	4.54	4.90	4.98		4.21	2.12	3.88	3.47	4.85	5.18
Oct	4.50	4.54	4.51	4.87	4.95		4.20	2.03	3.81	3.44	4.77	5.04
Nov	4.50	4.56	4.53	4.87	4.92		4.12	1.91	3.77	3.35	4.75	5.16
Dec	4.50	4.62	4.58	4.89	4.95		4.14	1.87	3.79	3.28	4.75	5.15
2011												
Jan	4.50	4.58	4.53	4.86	4.92		4.18	1.84	3.78	3.29	4.76	5.11
Feb	4.50	4.55	4.51	4.84	4.88		4.15	1.85	3.83	3.31	4.74	5.05
Mar	4.50	4.51	4.47	4.84	4.87		4.17	2.10	3.86	3.34	4.71	5.05
Apr	4.50	4.52	4.49	4.85	4.88		4.21	2.13	4.15	3.38	4.69	5.08
May	4.50	4.49	4.45	4.85	4.88		4.20	2.15	4.44	3.35	4.66	5.04
Jun	4.50	4.51	4.48	4.85	4.89		4.22	2.21	4.44	3.38	4.64	4.90
Jul	4.50	4.49	4.47	4.82	4.86		4.22	2.12	3.82	3.39	4.65	4.92
Aug	4.50	4.46	4.44	4.81	4.85		4.19	2.25	3.68	3.33	4.65	4.80
Sep	4.50	4.38	4.37	4.78	4.80		4.16	2.33	3.67	3.33	4.62	4.75
Oct	4.50	4.38	4.37	4.79	4.81		4.17	2.20	3.67	3.35	4.61	4.78
Nov	4.50	4.40	4.41	4.80	4.81		4.16	2.26	3.67	3.32	4.63	4.77
Dec	4.50	4.48	4.50	4.80	4.81		4.17	2.35	3.67	3.26	4.67	4.74
2012												
Jan	4.50	4.47	4.48	4.79	4.80		4.19	2.34	3.67	3.23	4.71	4.78
Feb	4.50	4.49	4.50	4.78	4.80		4.18	2.38	4.25	3.26	4.73	4.71
Mar	4.50	4.49	4.50	4.77	4.79		4.19	2.22	4.45	3.26	4.74	4.74
Apr	4.50	4.48	4.48	4.74	4.76		4.19	2.32	4.45	3.28	4.76	4.80
May	4.50	4.50	4.51	4.76	4.78		4.17	2.66	4.45	3.25	4.76	4.69
Jun	4.50	4.49	4.49	4.76	4.78		4.19	2.75	4.45	3.24	4.75	4.70
Jul	4.50	4.47	4.48	4.78	4.79		4.17	2.76	4.45	3.22	4.77	4.70
Aug	4.50	4.48	4.49	4.79	4.80		4.16	2.87	4.45	3.22	4.80	4.76
Sep	4.50	4.49	4.50	4.80	4.82		4.17	3.19	4.45	3.26	4.80	4.70
Oct	4.50	4.50	4.50	4.82	4.84		4.22	3.24	4.46	3.28	4.84	4.77
Nov	4.50	4.50	4.51	4.84	4.86		4.24	3.48	4.45	3.30	4.88	4.69
Dec	4.50	4.51	4.51	4.84	4.86		4.27	3.23	4.45	3.25	4.92	4.73

1/ Simple average.

2/ Banco de México's target for the interest rate on overnight operations in the interbank funding market (operational target).

3/ 28-day interest rate calculated based on Indeval data.

4/ The Mexibor rate stopped being calculated since March 13, 2007 as stated in Nacional Financiera, S.N.C. press release in Mexico's Official Gazette (*Diario Oficial de la Federación*) of that day.

Source: Banco de México, based on Indeval data.

Table A 37
Representative Exchange Rates
MXN/USD

	Exchange rate to settle liabilities payable in foreign currency in Mexico ^{1/}		48-hour Interbank Exchange Rate Closing references ^{2/}			
	End of period	Period average	Buy		Sell	
			End of period	Period average	End of period	Period average
2007	10.8662	10.9282	10.9180	10.9280	10.9195	10.9297
2008	13.0587	13.5135	13.0730	13.5063	13.0820	13.5124
2009	13.0587	13.5135	13.0730	13.5063	13.0820	13.5124
2010	12.3571	12.6360	12.3550	12.6316	12.3650	12.6347
2011	13.9904	12.4233	13.9655	12.4375	13.9725	12.4404
2012	13.0101	13.1695	12.8684	13.1570	12.8704	13.1599
2009						
Jan	14.1513	13.8492	14.2725	13.8815	14.2790	13.8899
Feb	14.9275	14.5180	15.0900	14.6063	15.0990	14.6154
Mar	14.3317	14.7393	14.2050	14.6599	14.2100	14.6683
Apr	13.8667	13.4890	13.8350	13.4342	13.8435	13.4408
May	13.1590	13.2167	13.1710	13.1625	13.1750	13.1690
Jun	13.2023	13.3439	13.1625	13.3370	13.1695	13.3419
Jul	13.2643	13.3619	13.1980	13.3743	13.2025	13.3800
Aug	13.2462	13.0015	13.3390	13.0144	13.3440	13.0186
Sep	13.5042	13.3987	13.5000	13.4233	13.5035	13.4284
Oct	13.2823	13.2626	13.2215	13.2289	13.2270	13.2338
Nov	12.9475	13.1305	12.9650	13.1008	12.9695	13.1056
Dec	13.0587	12.8504	13.0730	12.8524	13.0820	12.8570
2010						
Jan	12.9295	12.8070	13.0265	12.8106	13.0300	12.8146
Feb	12.8539	12.9624	12.7735	12.9356	12.7790	12.9395
Mar	12.4640	12.6138	12.3560	12.5668	12.3570	12.5694
Apr	12.3698	12.2420	12.2840	12.2236	12.2870	12.2259
May	12.8846	12.6826	12.9210	12.7494	12.9300	12.7542
Jun	12.6567	12.7234	12.8840	12.7265	12.8900	12.7302
Jul	12.6798	12.8341	12.6565	12.8192	12.6600	12.8226
Aug	13.0148	12.7261	13.2325	12.7744	13.2340	12.7769
Sep	12.5011	12.8610	12.6240	12.8034	12.6250	12.8063
Oct	12.4776	12.4535	12.3630	12.4413	12.3660	12.4439
Nov	12.4890	12.3251	12.4580	12.3347	12.4610	12.3373
Dec	12.3571	12.4011	12.3550	12.3931	12.3650	12.3960
2011						
Jan	12.0239	12.1477	12.1561	12.1246	12.1591	12.1272
Feb	12.1730	12.0726	12.1030	12.0677	12.1050	12.0696
Mar	11.9678	12.0173	11.8888	11.9953	11.8903	11.9973
Apr	11.5868	11.7584	11.5028	11.7054	11.5038	11.7071
May	11.6256	11.6479	11.5662	11.6491	11.5682	11.6511
Jun	11.8389	11.7920	11.7085	11.8051	11.7100	11.8068
Jul	11.6527	11.6760	11.7244	11.6679	11.7269	11.6699
Aug	12.4148	12.1707	12.3390	12.2372	12.3440	12.2402
Sep	13.4217	12.9291	13.8815	13.0642	13.8835	13.0681
Oct	13.1973	13.4808	13.2948	13.4385	13.2988	13.4427
Nov	14.0344	13.6358	13.6640	13.7151	13.6670	13.7205
Dec	13.9904	13.7516	13.9655	13.7799	13.9725	13.7843
2012						
Jan	12.9504	13.5047	13.0238	13.4006	13.0278	13.4042
Feb	12.8779	12.8014	12.7829	12.7903	12.7849	12.7932
Mar	12.8039	12.7561	12.8005	12.7428	12.8035	12.7459
Apr	13.2093	13.0512	13.0277	13.0649	13.0311	13.0677
May	13.9169	13.5556	14.2901	13.6687	14.2941	13.6719
Jun	13.6652	13.9820	13.3374	13.9078	13.3396	13.9112
Jul	13.2837	13.3894	13.3075	13.3597	13.3115	13.3629
Aug	13.2746	13.1790	13.1980	13.1815	13.2000	13.1841
Sep	12.9170	12.9871	12.8563	12.9303	12.8593	12.9327
Oct	13.0900	12.8728	13.0694	12.8982	13.0714	12.9006
Nov	13.0372	13.0872	12.9370	13.0683	12.9390	13.0713
Dec	13.0101	12.8670	12.8684	12.8705	12.8704	12.8729

1/ The FIX exchange rate is determined by Banco de México as an average of wholesale foreign exchange references for transactions payable in 48 hours. It is published in Mexico's Official Gazette (*Diario Oficial de la Federación*) one banking business day after its setting date. It is used to settle liabilities denominated in foreign currency payable in Mexico the day after its publishing.

2/ Representative exchange rate for wholesale transactions (between banks, securities firms, foreign exchange firms and other major financial and non-financial companies). Payable two banking business days after it has been settled.

Source: Banco de México.

Table A 38
Mexican Stock Exchange (*Bolsa Mexicana de Valores*, BMV) Market Capitalization
 MXN million, according to last listed prices

Previous methodology: indices by sector according to the previous classification of Mexican Stock Exchange								
	Overall total	Mining	Manufacturing	Construction	Retail and commerce	Communications and transport	Services	Other ^{1/}
2004	1,916,618	72,479	282,035	241,646	294,503	740,438	143,762	141,755
2005	2,543,771	89,036	362,336	368,992	399,823	953,698	168,316	201,570
2006	3,771,498	142,574	572,818	497,754	650,601	1,395,233	271,454	241,064
2007	4,340,886	273,841	586,815	453,355	644,805	1,772,050	390,211	219,810
2008	3,220,900	141,652	516,354	217,308	632,165	1,239,884	313,449	160,088
2007								
Jan	3,913,893	159,576	584,392	523,214	686,725	1,445,725	272,927	241,333
Feb	3,832,303	170,370	573,036	518,959	645,178	1,418,774	278,568	227,417
Mar	4,114,981	184,568	584,043	518,859	702,902	1,570,875	304,561	249,173
Apr	4,211,416	206,279	590,771	512,628	677,685	1,639,947	336,276	247,831
May	4,553,781	216,700	621,506	579,198	675,223	1,842,954	360,116	258,083
Jun	4,557,468	223,457	616,893	580,709	674,899	1,831,792	375,705	254,013
Jul	4,500,724	259,809	609,272	550,394	682,319	1,753,651	400,414	244,866
Aug	4,447,516	239,114	584,517	531,416	676,377	1,797,302	381,663	237,127
Sep	4,442,831	278,613	584,392	506,299	679,080	1,802,060	363,185	229,201
Oct	4,566,888	356,109	571,289	501,224	705,923	1,790,600	397,432	244,312
Nov	4,370,523	305,970	539,076	468,501	668,734	1,778,275	390,350	219,617
Dec	4,340,886	273,841	586,815	453,355	644,805	1,772,050	390,211	219,810
2008								
Jan	4,215,720	268,704	555,655	461,093	638,710	1,701,257	375,152	215,150
Feb	4,258,349	301,698	597,974	460,261	636,353	1,658,264	376,175	227,623
Mar	4,483,960	315,522	605,295	441,826	705,025	1,778,918	402,917	234,456
Apr	4,382,527	332,787	632,963	455,806	699,076	1,614,075	391,486	256,334
May	4,619,520	344,048	670,331	490,154	760,944	1,696,804	412,462	244,777
Jun	4,271,885	311,578	648,423	427,249	703,959	1,528,599	401,141	250,935
Jul	4,009,636	260,837	629,652	375,043	703,719	1,425,274	386,785	228,326
Aug	3,861,576	217,972	622,733	349,383	656,516	1,445,782	362,045	207,144
Sep	3,653,418	154,185	580,825	311,390	640,870	1,411,917	356,567	197,664
Oct	3,005,325	139,177	489,392	192,992	548,903	1,152,003	323,224	159,635
Nov	2,981,598	116,986	478,424	181,339	605,936	1,142,233	313,258	143,423
Dec	3,220,900	141,652	516,354	217,308	632,165	1,239,884	313,449	160,088
2009								
Jan	2,879,821	118,556	496,867	191,876	495,116	1,168,246	276,741	132,419
Feb	2,652,792	125,187	463,339	159,527	459,557	1,058,985	262,011	124,186
New methodology: Mexican Stock Exchange classification by sector ^{2/}								
		Materials	Industrial	Services and non-basic consumer goods	Frequently consumed goods	Health care	Financial services	Tele-communication services
2009	4,596,094	673,709	374,927	299,754	1,255,922	41,975	366,018	1,583,789
2010	5,603,894	890,805	553,538	308,804	1,537,221	59,004	501,174	1,753,348
2011	5,703,430	909,660	460,721	539,049	1,758,093	57,958	448,577	1,529,373
2012	6,818,386	1,267,993	659,865	390,524	2,214,939	62,058	837,627	1,385,379
2011								
Jan	5,456,658	945,762	478,092	304,192	1,481,594	61,501	486,423	1,699,094
Feb	5,453,348	933,714	484,275	306,835	1,494,059	57,456	476,369	1,700,640
Mar	5,501,147	935,733	495,702	306,904	1,538,822	53,751	486,930	1,683,305
Apr	5,455,001	886,794	546,995	301,331	1,553,871	55,680	515,038	1,595,291
May	5,323,964	908,997	514,590	315,121	1,538,942	56,940	494,334	1,495,040
Jun	5,399,234	905,749	518,261	331,808	1,562,321	62,061	480,911	1,538,123
Jul	5,373,137	956,547	505,418	395,053	1,525,699	59,172	482,140	1,449,108
Aug	5,396,668	932,985	467,339	441,940	1,525,277	57,967	466,532	1,504,627
Sep	5,137,744	792,807	434,956	434,159	1,544,124	56,181	424,221	1,451,296
Oct	5,517,357	871,283	452,513	428,896	1,632,707	54,842	466,801	1,610,316
Nov	5,634,401	907,269	450,299	515,249	1,705,702	56,266	447,626	1,551,991
Dec	5,703,430	909,660	460,721	539,049	1,758,093	57,958	448,577	1,529,373
2012								
Jan	5,738,906	993,092	503,210	475,304	1,772,023	59,827	482,710	1,452,739
Feb	5,768,622	999,932	505,810	482,965	1,777,317	51,610	468,172	1,482,816
Mar	5,997,342	1,016,562	511,371	504,806	1,908,223	53,055	501,008	1,502,318
Apr	6,029,158	1,057,723	523,751	399,968	1,835,600	52,157	540,639	1,619,321
May	5,788,851	997,330	478,281	320,313	1,848,726	55,959	564,681	1,523,561
Jun	6,086,175	1,056,120	511,591	349,470	1,966,162	56,898	584,475	1,561,459
Jul	6,210,443	1,045,427	525,200	370,692	1,991,608	57,414	620,795	1,599,307
Aug	6,096,612	1,059,939	513,694	344,325	1,912,984	60,709	671,420	1,533,542
Sep	6,303,525	1,144,770	543,197	334,331	1,998,600	59,595	724,766	1,498,267
Oct	6,493,240	1,184,465	566,883	367,292	2,057,613	60,544	748,884	1,507,558
Nov	6,515,512	1,187,426	603,770	382,934	2,130,861	58,652	754,211	1,397,657
Dec	6,818,386	1,267,993	659,865	390,524	2,214,939	62,058	837,627	1,385,379

1/ Mainly holding companies.

2/ The new BMV methodology of classifying by sector in force since March 2009.

Source: Mexican Stock Exchange (*Bolsa Mexicana de Valores*, BMV).

Table A 39
Mexican Stock Exchange Main Benchmark Index (Índice de Precios y Cotizaciones, IPC, de la Bolsa Mexicana de Valores, BMV)

End of period
 October 1978 = 100

Previous methodology: indices by sector according to the previous classification of Mexican Stock Exchange								
	Overall total	Mining	Manufacturing	Construction	Retail and commerce	Communications and transport	Services	Other ^{1/}
2004	12,918	16,686	4,159	21,353	20,040	56,329	1,858	4,399
2005	17,803	20,214	4,611	30,743	27,731	80,359	2,144	5,406
2006	26,448	32,778	7,167	40,316	44,267	121,352	3,331	6,833
2007	29,537	62,127	7,604	34,786	44,610	155,119	4,128	7,094
2008	22,380	30,885	5,894	16,985	36,242	117,947	3,340	4,395
2007								
Jan	27,561	36,646	7,275	42,167	46,976	126,368	3,407	6,841
Feb	26,639	39,118	6,960	41,843	43,775	123,644	3,347	6,540
Mar	28,748	42,375	7,194	41,722	47,212	138,488	3,695	7,170
Apr	28,997	47,396	7,302	41,184	45,180	143,208	3,732	7,477
May	31,399	49,803	7,727	46,071	44,084	162,220	3,937	7,786
Jun	31,151	51,287	7,701	45,607	44,223	159,443	3,995	7,646
Jul	30,660	59,451	7,577	43,154	44,751	151,036	4,316	7,836
Aug	30,348	54,821	7,371	41,735	44,402	155,461	4,012	7,607
Sep	30,296	63,878	7,393	39,097	44,870	153,871	3,719	7,410
Oct	31,459	81,346	7,266	38,665	47,676	154,812	4,223	7,731
Nov	29,771	69,714	6,941	35,851	45,041	155,216	4,099	6,887
Dec	29,537	62,127	7,604	34,786	44,610	155,119	4,128	7,094
2008								
Jan	28,794	60,949	7,288	35,368	43,952	149,535	3,949	6,921
Feb	28,919	68,471	7,487	35,197	43,925	145,208	4,001	7,355
Mar	30,913	71,844	7,660	33,942	49,260	157,831	4,302	7,569
Apr	30,281	74,254	8,030	34,764	48,565	145,373	4,364	7,811
May	31,975	74,207	8,558	36,334	52,977	153,781	4,717	7,479
Jun	29,395	67,260	8,261	32,673	48,121	141,239	4,332	7,431
Jul	27,501	56,368	7,907	29,732	46,827	131,709	4,202	6,838
Aug	26,291	47,173	7,734	26,886	42,691	131,480	3,935	6,195
Sep	24,889	33,432	6,982	23,440	40,847	130,871	3,763	5,823
Oct	20,445	30,269	5,443	17,032	29,465	111,675	3,014	4,647
Nov	20,535	25,498	5,348	15,211	33,231	106,754	3,005	3,917
Dec	22,380	30,885	5,894	16,985	36,242	117,947	3,340	4,395
2009								
Jan	19,565	25,850	5,624	14,830	28,482	109,444	2,943	3,651
Feb	17,752	27,295	5,210	13,330	26,265	95,479	2,767	3,475
New methodology: Mexican Stock Exchange classification by sector ^{2/}								
	Materials	Industrial	Services and non-basic consumer goods	Frequently consumed goods	Health care	Financial services	Tele-communication services	
2009	32,120	461	106	310	360	338	59	709
2010	38,551	635	135	329	423	477	70	720
2011	37,078	597	120	351	462	467	52	657
2012	43,706	797	169	407	623	496	75	664
2011								
Jan	36,982	595	134	326	418	497	70	691
Feb	37,020	601	132	322	419	464	69	686
Mar	37,441	604	134	314	432	469	66	690
Apr	36,963	589	137	330	431	485	67	671
May	35,833	575	132	323	429	495	63	647
Jun	36,558	568	132	322	452	502	63	669
Jul	35,999	608	130	323	432	477	60	654
Aug	35,721	616	119	323	417	467	55	626
Sep	33,503	524	110	301	423	453	51	612
Oct	36,160	568	115	318	440	476	57	641
Nov	36,829	607	117	340	454	487	53	644
Dec	37,078	597	120	351	462	467	52	657
2012								
Jan	37,423	623	128	335	458	482	55	634
Feb	37,817	651	128	343	459	449	57	634
Mar	39,521	649	131	353	492	461	59	636
Apr	39,461	633	134	326	494	453	58	646
May	37,873	607	126	317	508	484	55	631
Jun	40,200	638	136	327	547	492	56	644
Jul	40,704	651	135	348	550	495	56	646
Aug	39,422	667	134	336	535	490	61	636
Sep	40,867	718	142	344	572	475	65	655
Oct	41,620	742	148	362	584	483	70	659
Nov	41,834	749	156	371	598	468	68	641
Dec	43,706	797	169	407	623	496	75	664

1/ Mainly holding companies.

2/ The new BMV methodology of classifying by sector in force since March 2009.

Source: Mexican Stock Exchange (*Bolsa Mexicana de Valores, BMV*).

Table A 40
USD Daily Auction with Minimum Price ^{1/}
 Auctioned amount (USD million)

Daily auctions' summary				
Date	Type of auction ^{2/}	Amount offered	Amount allotted	Allotted weighted exchange rate (MXN/USD)
23/05/2012	1	400	258	14.0100
31/05/2012	1	400	107	14.3565
23/07/2012	1	400	281	13.5607

1/ Daily USD sale auctions, according to the Foreign Exchange Commission's announcement in its press release of November 29, 2011 and Banco de México's Circular 47/2008.

2/ When the daily auction is interactive, number 1 is assigned; when the auction is conventional, number 2 is reported.

Public Finances

Table A 41
Public Finance Indicators: 2007-2012
 Percent of GDP

Item	2007	2008	2009	2010	2011	2012 ^{p/}
Budgetary revenues	22.0	23.5	23.6	22.6	22.7	22.7
Net budgetary expenditures	21.9	23.6	25.9	25.5	25.2	25.3
Budgetary balance	0.0	-0.1	-2.3	-2.9	-2.5	-2.6
Non-budgetary balance ^{1/}	0.0	0.0	0.0	0.0	0.0	0.0
Economic balance on a cash basis	0.0	-0.1	-2.3	-2.8	-2.5	-2.6
Primary balance on a cash basis ^{2/}	2.2	1.8	-0.1	-0.9	-0.6	-0.6
Accrued operational balance ^{3/}	0.4	0.7	-2.3	-1.6	-2.1	-2.7
Net broad economic debt ^{4/}	14.1	18.1	27.3	29.0	30.0	32.6
Budgetary sector financial cost ^{5/}	2.1	1.9	2.2	2.0	1.9	2.0
Memo:						
Economic balance (excl. investment by Pemex)	0.4	0.5	-0.2	-0.8	-0.6	-0.6
Primary balance (excl. investment by Pemex) ^{2/}	2.5	2.4	2.0	1.2	1.3	1.4

1/ Includes statistical difference with sources of financing.

2/ Defined as public sector balance less the financial cost of budgetary and non-budgetary sectors.

3/ Defined as public sector accrued economic balance less the inflationary component of the financial cost. Measured by Banco de México.

4/ Includes net liabilities of the federal government, public entities and official financial intermediaries (development banks and public funds and trusts). Stocks at end of period. Measured by Banco de México.

5/ Excludes financial cost of public entities under indirect budgetary control.

p/ Preliminary figures.

Note: Figures may not add up due to rounding.

Source: Ministry of Finance (SHCP).

Table A 42
Public Sector Revenues, Expenditures and Balances in 2011 and 2012

Item	2011		2012		2012		Real growth % 2012-2011
	Observed		Programmed		Observed ^{p/}		
	MXN billion	Percentage of GDP	MXN billion	Percentage of GDP ^{1/}	MXN billion	Percentage of GDP	
Budgetary revenues	3,271.1	22.7	3,310.0	21.9	3,517.5	22.7	3.3
Federal government	2,320.2	16.1	2,313.6	15.3	2,452.4	15.8	1.5
Tax revenues	1,294.1	9.0	1,467.3	9.7	1,314.5	8.5	-2.4
ISR-IETU-IDE	759.2	5.3	802.6	5.3	803.9	5.2	1.7
Income tax (ISR) ^{2/}	720.4	5.0	748.0	4.9	758.9	4.9	1.2
Flat rate business tax (IETU)	47.2	0.3	50.7	0.3	42.2	0.3	-14.1
Tax on cash deposits (IDE)	-8.4	-0.1	3.9	0.0	2.8	0.0	d.n.a.
VAT	537.1	3.7	556.2	3.7	580.0	3.7	3.7
Excise tax (IEPS)	-76.4	-0.5	46.0	0.3	-130.2	-0.8	-63.6
Import duties	26.9	0.2	27.3	0.2	27.9	0.2	-0.3
Tax on crude oil returns	3.0	0.0	1.5	0.0	0.6	0.0	-81.8
Other	44.3	0.3	33.7	0.2	32.2	0.2	-30.1
Non-tax revenues	1,026.2	7.1	846.3	5.6	1,138.0	7.3	6.5
Public entities and enterprises^{3/}	950.8	6.6	996.4	6.6	1,065.0	6.9	7.6
Pemex	395.2	2.7	428.9	2.8	468.7	3.0	13.9
Other	555.6	3.9	567.6	3.8	596.3	3.8	3.1
Net paid budgetary expenditures	3,631.3	25.2	3,678.9	24.3	3,923.0	25.3	3.8
Programmable	2,860.9	19.9	2,841.6	18.8	3,104.9	20.0	4.2
Deferred payments	d.n.a.	d.n.a.	-28.0	-0.2	d.n.a.	d.n.a.	d.n.a.
Programmable accrued expenditures	d.n.a.	d.n.a.	2,869.6	19.0	d.n.a.	d.n.a.	d.n.a.
Current expenditures	2,157.4	15.0	2,197.0	14.5	2,363.7	15.2	5.2
Wages and services	861.4	6.0	911.4	6.0	926.2	6.0	3.3
Other current expenditures	1,296.0	9.0	1,285.6	8.5	1,437.5	9.3	6.5
Capital expenditures	703.5	4.9	672.6	4.4	741.2	4.8	1.2
Fixed investment	650.1	4.5	653.9	4.3	680.4	4.4	0.5
Other capital expenditures ^{4/}	53.4	0.4	18.8	0.1	60.7	0.4	9.2
Non-programmable	770.4	5.4	837.3	5.5	818.1	5.3	2.0
Financial cost	273.9	1.9	318.1	2.1	305.2	2.0	7.0
Federal government	225.1	1.6	257.8	1.7	243.6	1.6	4.0
Public entities and enterprises	33.4	0.2	48.0	0.3	48.2	0.3	38.8
Debtor and saving support program	15.4	0.1	12.3	0.1	13.3	0.1	-17.1
Revenue sharing	477.3	3.3	504.9	3.3	494.0	3.2	-0.6
Adefas and other	19.2	0.1	14.4	0.1	18.9	0.1	-5.4
Budgetary balance	-360.2	-2.5	-368.9	-2.4	-405.5	-2.6	-8.1
Non-budgetary balance	6.8	0.0	0.0	0.0	1.9	0.0	-73.3
Direct balance	5.2	0.0	0.0	0.0	5.7	0.0	5.2
Differences with sources of financial methodology ^{5/}	1.6	0.0	0.0	0.0	-3.8	0.0	d.n.a.
Economic balance	-353.5	-2.5	-368.9	-2.4	-403.6	-2.6	-9.7
Primary balance^{6/}	-81.1	-0.6	-50.3	-0.3	-94.6	-0.6	-12.1
Memo:							
Economic balance (excl. investment by Pemex)	-86.2	-0.6	-67.6	-0.4	-92.1	-0.6	-2.7
Primary balance (excl. investment by Pemex) ^{6/}	186.2	1.3	251.0	1.7	216.9	1.4	11.9

1/ Programmed GDP of 2012 was used.

2/ Includes the asset tax (*Impuesto al Activo*, IMPAC).

3/ Excludes contributions to the Government Employees' Social Security Institute (*Instituto de Seguridad y Servicios Sociales para los Trabajadores del Estado*, ISSSTE).

4/ Includes recoverable expenditures and transfers for non-budgetary entities' debt amortization and financial investment.

5/ Difference between the public balance calculated with the revenue-expenditure methodology and that calculated according to the sources of financing methodology.

6/ Defined as public sector balance less interest paid by the budgetary and non-budgetary sectors, plus investment by Pemex.

d.n.a. Does not apply.

p/ Preliminary figures.

Note: Figures may not add up due to rounding.

Source: Ministry of Finance (SHCP).

Table A 43
Public Sector Revenues, Expenditures and Balances: 2007-2012
 Percent of GDP

Item	2007	2008	2009	2010	2011	2012 ^{p/}
Budgetary revenues	22.0	23.5	23.6	22.6	22.7	22.7
Federal government	15.1	16.8	16.8	15.9	16.1	15.8
Tax revenues	8.9	8.2	9.5	9.6	9.0	8.5
Non-tax revenues	6.3	8.7	7.3	6.3	7.1	7.3
Public entities and enterprises ^{1/}	6.8	6.7	6.8	6.7	6.6	6.9
Pemex	3.3	3.0	3.2	2.9	2.7	3.0
Other	3.5	3.7	3.6	3.8	3.9	3.8
Net paid budgetary expenditures	21.9	23.6	25.9	25.5	25.2	25.3
Programmable expenditures	16.7	18.1	20.4	20.0	19.9	20.0
Current expenditures	13.2	13.8	15.3	15.0	15.0	15.2
Capital expenditures	3.6	4.4	5.1	5.0	4.9	4.8
Non-programmable expenditures	5.2	5.4	5.5	5.5	5.4	5.3
Financial cost	2.1	1.9	2.2	2.0	1.9	2.0
Revenue sharing	2.9	3.5	3.1	3.3	3.3	3.2
Adefas and other ^{2/}	0.1	0.1	0.1	0.2	0.1	0.1
Budgetary balance	0.0	-0.1	-2.3	-2.9	-2.5	-2.6
Non-budgetary balance ^{3/}	0.0	0.0	0.0	0.0	0.0	0.0
Economic balance	0.0	-0.1	-2.3	-2.8	-2.5	-2.6
Primary balance ^{4/}	2.2	1.8	-0.1	-0.9	-0.6	-0.6
Memo:						
Economic balance (excluding investment by Pemex)	0.4	0.5	-0.2	-0.8	-0.6	-0.6
Primary balance (excluding investment by Pemex) ^{4/}	2.5	2.4	2.0	1.2	1.3	1.4

1/ Excludes contributions made to the Government Employees' Social Security Institute (*Instituto de Seguridad y Servicios Sociales para los Trabajadores del Estado, ISSSTE*).

2/ Includes other net flows from the federal government.

3/ Includes the difference with sources of financing.

4/ Defined as public sector balance less the financial cost of budgetary and non-budgetary sectors.

p/ Preliminary figures.

Note: Figures may not add up due to rounding.

Source: Ministry of Finance (SHCP).

Table A 44
Public Sector Budgetary Revenues: 2007-2012
 Percent of GDP

Item	2007	2008	2009	2010	2011	2012 ^{p/}
Budgetary revenues	22.0	23.5	23.6	22.6	22.7	22.7
Classification I						
Federal government	15.1	16.8	16.8	15.9	16.1	15.8
Tax revenues	8.9	8.2	9.5	9.6	9.0	8.5
ISR-IETU-IDE	4.7	5.1	5.0	5.2	5.3	5.2
Income tax (ISR) ^{1/}	4.7	4.6	4.5	4.8	5.0	4.9
Flat rate business tax (IETU)	d.n.a.	0.4	0.4	0.3	0.3	0.3
Tax on cash deposits (IDE)	d.n.a.	0.1	0.1	0.1	-0.1	0.0
Value added tax (VAT)	3.6	3.8	3.4	3.9	3.7	3.7
Excise tax (IEPS)	-0.1	-1.4	0.4	0.0	-0.5	-0.8
Tax on crude oil returns	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.6	0.6	0.6	0.5	0.5	0.4
Non-tax revenues	6.3	8.7	7.3	6.3	7.1	7.3
Rights	5.1	7.7	4.3	5.2	6.1	6.2
Fees	0.1	0.1	0.1	0.0	0.0	0.0
Others	1.1	0.9	2.9	1.1	0.9	1.1
Public entities and enterprises ^{2/}	6.8	6.7	6.8	6.7	6.6	6.9
Pemex	3.3	3.0	3.2	2.9	2.7	3.0
Other	3.5	3.7	3.6	3.8	3.9	3.8
Classification II						
Oil revenues	7.8	8.7	7.3	7.4	7.7	7.7
Pemex	3.3	3.0	3.2	2.9	2.7	3.0
Exports	2.4	2.4	1.7	1.9	2.1	1.9
Domestic sales ^{3/}	5.8	8.1	5.6	6.0	6.6	7.1
(-) Taxes ^{4/}	4.9	7.5	4.1	5.0	6.0	6.0
Federal government ^{5/}	4.5	5.7	4.1	4.5	4.9	4.6
Non-oil revenues	14.2	14.8	16.3	15.2	15.1	15.0
Federal government	10.6	11.1	12.6	11.4	11.2	11.2
Tax revenues	9.3	9.9	9.4	10.1	10.0	9.8
ISR ^{1/}	4.7	4.6	4.5	4.8	5.0	4.9
IETU	d.n.a.	0.4	0.4	0.3	0.3	0.3
IDE	d.n.a.	0.1	0.1	0.1	-0.1	0.0
VAT	3.6	3.8	3.4	3.9	3.7	3.7
IEPS	0.4	0.4	0.4	0.5	0.5	0.5
Other	0.6	0.6	0.6	0.5	0.5	0.4
Non-tax revenues	1.4	1.2	3.2	1.4	1.2	1.4
Rights	0.2	0.2	0.2	0.2	0.2	0.3
Fees	0.1	0.1	0.1	0.0	0.0	0.0
Others	1.1	0.9	2.9	1.1	0.9	1.1
Public entities and enterprises ^{2/}	3.5	3.7	3.6	3.8	3.9	3.8

1/ Includes the asset tax (*Impuesto al Activo*, IMPAC).

2/ Excludes contributions to the Government Employees' Social Security Institute (*Instituto de Seguridad y Servicios Sociales para los Trabajadores del Estado*, ISSSTE).

3/ Includes various revenues.

4/ Excludes taxes paid on behalf of third parties (VAT and IEPS).

5/ Includes duties and benefits from oil extraction and IEPS on gasoline and diesel.

d.n.a. Does not apply.

p/ Preliminary figures.

Note: Figures may not add up due to rounding.

Source: Ministry of Finance (SHCP).

Table A 45
Public Sector Budgetary Expenditures: 2007-2012
 Percent of GDP

Item	2007	2008	2009	2010	2011	2012 ^{p/}
Net paid budgetary expenditures	21.9	23.6	25.9	25.5	25.2	25.3
Programmable	16.7	18.1	20.4	20.0	19.9	20.0
Current expenditures	13.2	13.8	15.3	15.0	15.0	15.2
Wages and salaries	5.8	5.8	6.4	6.1	6.0	6.0
Direct	3.1	3.1	3.5	3.4	3.3	3.3
Indirect ^{1/}	2.7	2.7	2.9	2.8	2.7	2.7
Acquisitions	1.5	1.8	1.6	1.7	1.7	1.7
Other ^{2/}	3.6	3.4	4.2	4.1	4.1	4.3
Subsidies and transfers ^{3/}	2.3	2.7	3.1	3.1	3.3	3.3
Capital expenditures	3.6	4.4	5.1	5.0	4.9	4.8
Fixed investment	3.0	3.1	4.6	4.8	4.5	4.4
Direct	1.4	1.4	3.0	3.2	3.1	3.0
Indirect ^{4/}	1.6	1.7	1.6	1.6	1.4	1.4
Financial investment and other ^{5/}	0.6	1.3	0.5	0.3	0.4	0.4
Non-programmable	5.2	5.4	5.5	5.5	5.4	5.3
Financial cost	2.1	1.9	2.2	2.0	1.9	2.0
Federal government	1.4	1.4	1.7	1.5	1.6	1.6
Public entities and enterprises	0.4	0.2	0.3	0.3	0.2	0.3
Debtor and saving support program	0.2	0.2	0.3	0.1	0.1	0.1
Revenue sharing	2.9	3.5	3.1	3.3	3.3	3.2
Adefas and other ^{6/}	0.1	0.1	0.1	0.2	0.1	0.1

1/ Includes contributions to state governments for basic education, and transfers for wages and salaries paid by non-budgetary entities.

2/ Expenditures by budgetary entities on behalf of third parties.

3/ Includes subsidies and transfers other than those paid for wages and salaries, and for capital expenditure. Transfers are included in the corresponding items (see notes 1, 4 and 5).

4/ Includes transfers to non-budgetary entities' fixed investment.

5/ Includes recoverable expenditures and transfers for non-budgetary entities' debt amortization and financial investment.

6/ Includes other net flows from the federal government.

p/ Preliminary figures.

Note: Figures may not add up due to rounding.

Source: Ministry of Finance (SHCP).

Table A 46
Public Sector Net Debt ^{1/}
Average stocks

Years	Net broad economic debt ^{2/}				Debt consolidated with Banco de México ^{3/}				
	Domestic		External		Domestic		External		Total
	MXN billion	USD million	MXN billion	Percentage of GDP	MXN billion	USD million	MXN billion	Percentage of GDP	
2007	1,240.1	43,388.8	473.6	15.1	2,158.0	-36,826.8	-402.0	15.5	
2008	1,393.9	25,922.6	358.6	14.4	2,467.0	-49,322.2	-682.2	14.7	
2009	2,090.7	88,878.3	1,161.3	27.2	3,232.4	-525.4	-6.9	27.0	
2010	2,430.6	101,058.1	1,248.0	28.1	3,907.2	-6,291.3	-77.7	29.3	
2011	January	2,603.5	106,227.2	1,290.9		4,252.2	-13,586.4	-165.1	
	February	2,608.6	107,955.1	1,306.9		4,275.0	-13,544.1	-164.0	
	March	2,618.1	109,703.0	1,306.4	29.4	4,298.1	-14,145.3	-168.4	30.9
	April	2,636.1	112,512.4	1,297.0		4,328.3	-15,297.7	-176.3	
	May	2,669.0	110,988.7	1,285.0		4,368.1	-16,289.6	-188.6	
	June	2,690.6	109,423.3	1,282.8	29.1	4,400.1	-17,010.8	-199.4	30.8
	July	2,714.9	109,585.4	1,286.8		4,438.1	-17,852.6	-209.6	
	August	2,737.7	105,248.3	1,299.6		4,477.6	-18,242.1	-225.3	
	September	2,756.5	96,197.1	1,327.5	29.2	4,509.1	-17,292.3	-238.6	30.5
	October	2,775.9	102,045.9	1,345.0		4,543.7	-19,096.5	-251.7	
	November	2,790.6	100,219.7	1,364.0		4,573.3	-19,482.8	-265.2	
	December	2,809.4	99,291.5	1,384.9	29.1	4,607.5	-19,909.1	-277.7	30.1
2012 ^{p/}	January	3,115.8	117,944.1	1,534.2		5,132.1	-32,482.6	-422.5	
	February	3,106.4	118,869.9	1,520.2		5,130.5	-33,280.1	-425.6	
	March	3,096.5	118,646.2	1,519.8	31.3	5,131.6	-33,380.7	-427.6	31.9
	April	3,098.3	117,794.1	1,530.6		5,149.0	-33,514.3	-435.5	
	May	3,105.1	109,163.0	1,561.5		5,166.2	-31,797.3	-454.9	
	June	3,135.8	117,089.6	1,570.0	31.3	5,212.6	-34,748.0	-465.9	31.5
	July	3,173.0	118,733.8	1,577.2		5,264.7	-35,715.9	-474.4	
	August	3,198.9	119,242.5	1,580.8		5,302.2	-36,385.5	-482.4	
	September	3,230.7	122,564.8	1,577.3	31.3	5,342.4	-37,928.6	-488.1	31.6
	October	3,248.8	120,535.0	1,577.9		5,371.0	-37,836.0	-495.3	
	November	3,272.0	122,108.7	1,578.5		5,404.2	-38,661.8	-499.8	
	December	3,302.1	121,801.8	1,579.3	31.5	5,442.3	-38,743.1	-502.3	31.9

p/ Preliminary figures.

1/ Present data may not match those previously published due to a methodological revision resulting from including new items such as assets and liabilities from both Banco de México and commercial and development banks. GDP ratio is calculated using the average GDP of the last four quarters.

2/ The net broad economic debt includes net liabilities of the federal government and non-financial public entities and enterprises, as well as of official intermediaries (development banks and public funds and trusts).

3/ The net economic debt consolidated with Banco de México includes central bank's assets and liabilities and all sectors of the broad economic debt.

(-) Means financial assets' stocks are larger than gross debt stocks.

Source: Banco de México.

Table A 47
Public Sector Net Debt ^{1/}
Stocks at end of period

Years	Net broad economic debt ^{2/}				Debt consolidated with Banco de México ^{3/}				
	Domestic	External		Total	Domestic	External		Total	
	MXN billion	USD million	MXN billion	Percentage of GDP	MXN billion	USD million	MXN billion	Percentage of GDP	
2007	1,307.4	34,545.4	377.1	14.1	2,296.1	-52,877.8	-577.2	14.4	
2008	1,817.1	28,948.6	400.4	18.1	3,018.1	-66,591.1	-921.1	17.1	
2009	2,244.4	92,964.3	1,214.7	27.3	3,528.2	-3,176.6	-41.5	27.5	
2010	2,641.6	109,638.4	1,354.0	29.0	4,252.9	-7,309.1	-90.3	30.2	
2011	January	2,603.5	106,227.2	1,290.9		4,252.2	-13,586.4	-165.1	
	February	2,613.7	109,281.9	1,323.0		4,297.8	-13,450.5	-162.8	
	March	2,637.1	109,612.6	1,305.3	29.0	4,344.5	-14,897.7	-177.4	30.7
	April	2,690.1	110,074.7	1,268.9		4,418.9	-17,353.9	-200.1	
	May	2,800.4	106,845.2	1,237.1		4,526.9	-20,522.6	-237.6	
	June	2,798.6	108,460.2	1,271.5	29.0	4,560.5	-21,624.2	-253.5	30.7
	July	2,861.1	111,648.4	1,311.0		4,666.1	-23,072.8	-270.9	
	August	2,896.8	112,504.6	1,389.2		4,754.1	-27,096.6	-334.6	
	September	2,907.1	112,346.4	1,550.3	30.7	4,760.5	-25,043.5	-345.6	30.4
	October	2,950.3	114,011.1	1,502.7		4,856.0	-28,022.6	-369.3	
	November	2,938.0	114,183.7	1,554.0		4,868.9	-29,376.5	-399.8	
	December	3,015.6	115,765.3	1,614.6	30.0	4,983.6	-29,785.3	-415.4	29.6
2012 ^{p/}	January	3,115.8	117,944.1	1,534.2		5,132.1	-32,482.6	-422.5	
	February	3,097.0	117,779.7	1,506.3		5,128.8	-33,522.5	-428.7	
	March	3,076.8	118,573.6	1,518.8	30.6	5,133.8	-33,686.8	-431.5	31.3
	April	3,103.5	120,302.8	1,563.2		5,201.5	-35,339.9	-459.2	
	May	3,132.2	117,804.3	1,685.2		5,234.9	-37,210.9	-532.3	
	June	3,289.7	120,237.2	1,612.2	32.1	5,444.6	-38,873.8	-521.2	32.2
	July	3,396.0	121,982.6	1,620.3		5,577.2	-39,560.1	-525.5	
	August	3,380.7	121,160.5	1,606.2		5,564.3	-40,578.1	-537.9	
	September	3,485.2	120,413.2	1,549.7	32.1	5,664.1	-41,506.7	-534.2	32.7
	October	3,411.5	120,939.0	1,583.2		5,629.1	-42,781.4	-560.1	
	November	3,503.9	122,526.2	1,583.9		5,736.2	-42,110.1	-544.3	
	December	3,633.7	122,465.4	1,587.9	32.6	5,860.6	-40,916.7	-530.5	33.3

p/ Preliminary figures.

1/ Present data may not match those previously published due to a methodological revision resulting from including new items such as assets and liabilities of Banco de México and commercial and development banks. GDP ratio is calculated using the average GDP of the corresponding quarter. In the case of annual ratios, the GDP of the last quarter of the corresponding year is used.

2/ The net broad economic debt includes net liabilities from the federal government and non-financial public entities and enterprises, as well as of official intermediaries (development banks and public funds and trusts).

3/ The net economic debt consolidated with Banco de México includes central bank's assets and liabilities and all sectors of the broad economic debt.

(-) Means financial assets' stocks are larger than gross debt stocks.

Source: Banco de México.

Table A 48
Non-financial Public Sector Net Debt ^{1/}
 Traditional methodology
 Stocks at end of period

Stock at end of:		Public sector non-financial net economic debt			Total net debt Percentage of GDP
		Domestic	External		
		MXN billion	USD million	MXN billion	
2007		1,443.4	29,977.3	327.2	14.8
2008		1,983.4	23,933.8	331.1	18.9
2009		2,298.9	88,107.6	1,151.2	27.2
2010	January	2,316.5	89,413.5	1,163.3	
	February	2,332.6	88,929.1	1,136.2	
	March	2,380.4	89,144.3	1,099.2	28.0
	April	2,396.3	89,471.5	1,097.2	
	May	2,425.2	88,852.4	1,147.5	
	June	2,524.3	88,695.4	1,139.2	28.5
	July	2,579.7	92,009.6	1,163.5	
	August	2,570.3	92,734.9	1,221.1	
	September	2,653.6	93,830.3	1,182.2	29.1
	October	2,732.0	94,950.2	1,171.6	
	November	2,672.0	94,442.6	1,177.4	
	December	2,743.2	101,656.1	1,255.4	29.0
2011	January	2,688.4	100,053.7	1,215.8	
	February	2,684.1	101,556.4	1,229.5	
	March	2,705.7	102,073.3	1,215.5	28.8
	April	2,759.7	103,384.9	1,191.8	
	May	2,851.2	100,009.4	1,157.9	
	June	2,865.9	102,128.2	1,197.2	28.9
	July	2,950.2	103,946.1	1,220.6	
	August	3,025.0	106,061.7	1,309.6	
	September	3,022.0	104,528.2	1,442.4	30.7
	October	3,059.2	106,528.1	1,404.1	
	November	3,052.2	106,589.7	1,450.7	
	December	3,095.0	108,173.2	1,508.8	29.8
2012 ^{p/}	January	3,175.1	110,624.1	1,439.0	
	February	3,144.7	110,519.5	1,413.4	
	March	3,142.7	111,845.9	1,432.7	30.5
	April	3,171.8	113,388.2	1,473.4	
	May	3,194.3	111,075.3	1,588.9	
	June	3,360.1	113,695.9	1,524.5	32.0
	July	3,461.9	115,502.8	1,534.3	
	August	3,437.6	115,197.2	1,527.2	
	September	3,525.9	115,044.1	1,480.6	31.9
	October	3,462.0	115,332.1	1,509.8	
	November	3,554.3	116,510.7	1,506.1	
	December	3,701.1	115,918.6	1,503.0	32.5

^{1/} Non-financial public sector (federal government and public entities) net debt is computed on an accrued basis with data available from the banking sector. Federal government domestic securities are reported at market value and external debt is classified by debtor and not by end user.

^{p/} Preliminary figures.

Source: Banco de México.

Table A 49
Federal Government Domestic Debt Securities
 Total circulation per instrument ^{1/}
 Current stocks in MXN billion at market value

Stocks at end of:		Total securities in circulation	Cetes	Bondes	Udibonos	Fixed rate bonds	Bondes D
2007		2,082.4	352.6	140.7	258.1	975.8	355.2
2008		2,361.8	368.9	59.5	350.6	1,148.9	433.8
2009		2,767.9	512.6	20.9	466.4	1,299.7	468.4
2010	January	2,800.1	505.8	11.1	479.0	1,330.4	473.8
	February	2,874.3	508.5	11.1	488.8	1,400.6	465.2
	March	2,963.2	517.3	11.2	515.3	1,449.8	469.7
	April	3,024.4	532.6	11.2	526.7	1,496.8	457.0
	May	3,060.5	523.4	11.3	536.2	1,529.3	460.3
	June	3,071.1	540.1	0.0	554.2	1,528.1	448.7
	July	3,146.8	506.3	0.0	582.3	1,606.0	452.1
	August	3,129.7	496.0	0.0	596.2	1,640.7	396.8
	September	3,223.5	502.4	0.0	623.2	1,699.2	398.7
	October	3,228.2	466.6	0.0	641.3	1,730.4	389.9
	November	3,194.0	457.7	0.0	621.3	1,715.1	400.0
	December	3,152.9	557.1	0.0	583.1	1,612.5	400.2
2011	January	3,156.6	564.1	0.0	556.0	1,617.2	419.2
	February	3,187.1	537.5	0.0	558.9	1,660.6	430.1
	March	3,243.0	536.8	0.0	578.2	1,685.0	442.9
	April	3,355.5	540.7	0.0	607.6	1,737.6	469.5
	May	3,481.6	563.2	0.0	624.2	1,797.9	496.4
	June	3,504.4	631.9	0.0	619.8	1,731.1	521.7
	July	3,614.2	631.2	0.0	648.9	1,782.6	551.4
	August	3,763.7	641.3	0.0	671.4	1,867.8	583.2
	September	3,810.3	631.4	0.0	681.3	1,873.6	624.1
	October	3,947.1	663.6	0.0	703.1	1,938.2	642.2
	November	3,980.2	672.7	0.0	698.4	1,939.4	669.7
	December	3,875.9	696.0	0.0	703.1	1,779.2	697.6
2012 ^{p/}	January	4,024.1	709.1	0.0	740.8	1,856.9	717.2
	February	4,066.3	713.4	0.0	745.4	1,876.5	731.0
	March	4,089.4	717.4	0.0	733.0	1,878.5	760.5
	April	4,207.0	730.6	0.0	769.6	1,939.0	767.8
	May	4,313.4	736.0	0.0	793.3	1,987.0	797.0
	June	4,362.6	830.6	0.0	793.0	1,933.4	805.6
	July	4,536.7	843.5	0.0	847.3	2,016.8	829.1
	August	4,565.7	844.7	0.0	848.3	2,032.2	840.4
	September	4,690.9	835.7	0.0	897.3	2,094.5	863.3
	October	4,698.5	818.3	0.0	901.6	2,108.0	870.5
	November	4,791.1	825.1	0.0	910.5	2,172.6	882.9
	December	4,663.1	811.9	0.0	887.1	2,057.5	906.5

p/ Preliminary figures.

1/ Total circulation includes federal government securities and placements of monetary regulation bonds.

Source: Banco de México.

Table A 50
Federal Government Domestic Debt Securities
 Total circulation per holding sector ^{1/}
 Current stocks in MXN billion at market value

Stocks at end of:	Total securities in circulation	Private firms and individuals ^{2/3/}	Non-bank public sector ^{3/}	Development banks	Commercial banks	Repors
2007	2,082.4	1,573.9	211.3	37.2	119.9	140.2
2008	2,361.8	1,900.2	173.4	41.1	147.1	100.0
2009	2,767.9	2,162.7	122.7	21.0	338.0	123.5
2010						
January	2,800.1	2,244.1	121.2	17.7	260.1	157.1
February	2,874.3	2,264.2	148.0	18.0	293.1	151.0
March	2,963.2	2,301.9	133.0	25.7	316.0	186.6
April	3,024.4	2,363.8	120.5	20.1	311.5	208.5
May	3,060.5	2,418.0	125.3	27.0	289.5	200.7
June	3,071.1	2,374.4	139.1	42.6	402.3	112.8
July	3,146.8	2,473.2	142.5	33.5	389.2	108.3
August	3,129.7	2,524.4	135.4	28.3	371.3	70.2
September	3,223.5	2,609.8	147.6	23.9	377.2	65.0
October	3,228.2	2,662.0	146.2	34.0	374.6	11.4
November	3,194.0	2,583.6	153.3	29.8	419.4	7.9
December	3,152.9	2,530.9	120.2	27.8	449.4	24.6
2011						
January	3,156.6	2,634.6	129.2	41.4	351.4	0.0
February	3,187.1	2,664.9	147.2	46.4	328.5	0.0
March	3,243.0	2,715.7	143.3	34.4	349.6	0.0
April	3,355.5	2,726.2	166.8	44.1	418.1	0.4
May	3,481.6	2,838.0	162.2	49.7	430.0	1.7
June	3,504.4	2,834.7	162.0	76.9	430.7	0.1
July	3,614.2	2,956.8	176.1	46.4	434.8	0.0
August	3,763.7	3,063.2	190.5	50.7	459.3	0.0
September	3,810.3	3,062.6	221.6	51.3	455.7	19.1
October	3,947.1	3,109.4	200.8	62.7	506.7	67.5
November	3,980.2	3,180.7	190.5	48.2	456.3	104.6
December	3,875.9	3,199.4	152.3	37.7	428.6	57.9
2012 ^{p/}						
January	4,024.1	3,353.0	154.1	53.5	455.2	8.4
February	4,066.3	3,393.4	168.0	56.9	429.6	18.4
March	4,089.4	3,381.1	152.6	74.4	446.8	34.5
April	4,207.0	3,517.7	165.4	56.1	376.6	91.2
May	4,313.4	3,576.3	196.2	59.2	375.3	106.5
June	4,362.6	3,694.4	150.0	68.6	423.5	26.1
July	4,536.7	3,922.4	155.1	38.9	331.9	88.4
August	4,565.7	3,933.0	177.0	40.7	347.5	67.5
September	4,690.9	4,008.2	161.5	33.6	380.0	107.6
October	4,698.5	4,005.0	195.9	45.0	311.1	141.5
November	4,791.1	4,107.2	203.6	44.4	304.8	131.1
December	4,663.1	4,081.0	148.8	39.5	337.5	56.2

p/ Preliminary figures.

1/ Total circulation includes federal government securities and placement of monetary regulation bonds.

2/ Includes securities held by Siefores since 1997.

3/ Modified since 2000 due to methodological changes in the holding of securities by private enterprises and the non-bank public sector.

Source: Banco de México.

External Sector

Table A 51
External Sector Indicators

	2005	2006	2007	2008	2009	2010	2011	2012 p/
Balance of payments	USD billion							
Current account	-5.6	-6.2	-13.0	-18.7	-5.8	-1.9	-9.7	-9.2
Trade balance	-7.6	-6.1	-10.1	-17.3	-4.7	-3.0	-1.5	0.2
Financial account	14.8	9.8	22.0	33.0	16.5	42.4	49.2	43.7
Foreign direct investment in Mexico	24.4	20.3	31.4	27.9	16.6	21.4	21.5	12.7
Change in gross international reserves	9.9	2.2	10.9	8.1	4.6	20.7	28.6	17.8
Stock of gross international reserves	74.1	76.3	87.2	95.3	99.9	120.6	149.2	167.1
	Percent of GDP							
Current account	-0.7	-0.6	-1.3	-1.7	-0.7	-0.2	-0.8	-0.8
Financial account	1.7	1.0	2.1	3.0	1.9	4.1	4.2	3.7
Foreign trade	Annual change in percent							
Exports	14.0	16.7	8.8	7.2	-21.2	29.9	17.1	6.2
Oil	34.8	22.4	10.2	17.7	-39.1	35.2	35.2	-5.9
Non-oil	11.0	15.7	8.5	5.2	-17.4	29.1	14.1	8.5
Manufactures	11.0	15.7	8.4	5.1	-17.8	29.5	13.4	8.4
Other	8.9	14.1	12.2	7.4	-6.6	20.3	30.3	10.2
Imports	12.7	15.4	10.1	9.5	-24.0	28.6	16.4	5.7
Consumer goods	24.0	17.1	16.7	11.3	-31.5	26.2	25.0	4.8
Intermediate goods	10.3	15.0	8.8	7.9	-22.9	34.5	14.9	5.3
Capital goods	16.0	16.4	10.1	16.4	-21.6	-1.3	15.8	10.1
Gross external debt and interest paid ^{1/}	Percent of income in current account							
Total external debt	68.5	59.8	64.5	65.1	69.8	66.8	61.7	62.0
Public sector ^{2/}	27.7	18.4	17.1	16.6	37.9	33.0	30.2	30.8
Private sector	40.8	41.4	47.4	48.5	31.9	33.8	31.5	31.2
Interest ^{3/}	4.9	4.9	5.2	4.9	4.7	4.1	4.4	4.8
	Percent of GDP							
Total external debt	20.8	18.7	20.2	20.3	21.5	22.4	21.2	22.2
Public sector ^{2/}	8.4	5.8	5.3	5.2	11.7	11.1	10.4	11.0
Private sector	12.4	12.9	14.8	15.1	9.8	11.3	10.8	11.2
Interest ^{3/}	1.5	1.5	1.6	1.5	1.5	1.4	1.5	1.7

p/ Preliminary figures.

1/ As of 2009, debt associated with Pidiregas is reclassified from the private sector to the public sector.

2/ Includes Banco de México.

3/ Includes private and public sector.

Note: Figures may not add up due to rounding.

Source: Banco de México, Ministry of Finance (SHCP) and Foreign Trade Statistics Working Group (*Grupo de Trabajo de Estadísticas de Comercio Exterior*), composed of Banco de México, the National Bureau of Statistics (*Instituto Nacional de Estadística y Geografía*, INEGI), the Ministry of Finance's Tax Collection System (*Servicio de Administración Tributaria*, SAT) and the Ministry of Economics.

Table A 53
Foreign Trade
USD million

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012 p/
Exports	164,766.4	187,998.6	214,233.0	249,925.1	271,875.3	291,342.6	229,703.6	298,473.1	349,375.0	370,914.6
Oil	18,597.2	23,663.1	31,888.6	39,016.8	43,013.8	50,635.4	30,831.3	41,693.4	56,385.1	53,078.5
Crude oil ^{1/}	16,676.3	21,257.8	28,329.5	34,707.1	37,937.2	43,341.5	25,614.0	35,918.5	49,322.2	46,975.1
Other	1,920.9	2,405.3	3,559.1	4,309.7	5,076.7	7,293.8	5,217.3	5,774.9	7,062.8	6,103.4
Non-oil	146,169.2	164,335.5	182,344.4	210,908.3	228,861.5	240,707.2	198,872.2	256,779.7	292,990.0	317,836.1
Agriculture	5,022.5	5,666.5	5,981.1	6,835.9	7,415.0	7,894.6	7,725.9	8,610.4	10,309.5	10,937.0
Mining	496.4	900.8	1,167.7	1,320.6	1,737.1	1,931.0	1,447.9	2,424.0	4,063.5	4,906.5
Manufactures	140,650.3	157,768.2	175,195.6	202,751.8	219,709.4	230,881.6	189,698.4	245,745.3	278,617.1	301,992.7
Imports	170,545.8	196,809.7	221,819.5	256,058.4	281,949.0	308,603.3	234,385.0	301,481.8	350,842.9	370,751.6
Oil	8,519.3	11,228.8	16,393.7	19,637.0	25,469.2	35,656.9	20,462.5	30,211.2	42,704.1	41,138.5
Non-oil	162,026.6	185,580.9	205,425.8	236,421.3	256,479.9	272,946.3	213,922.5	271,270.7	308,138.8	329,613.1
Consumer goods	21,509.0	25,409.0	31,512.9	36,901.0	43,054.5	47,940.7	32,828.1	41,422.7	51,790.2	54,272.4
Oil	1,588.4	2,639.8	5,570.7	7,303.1	10,931.9	15,805.1	8,929.7	12,820.3	18,964.6	18,668.8
Non-oil	19,920.6	22,769.2	25,942.1	29,597.9	32,122.6	32,135.6	23,898.4	28,602.4	32,825.7	35,603.6
Intermediate goods	128,831.5	148,803.7	164,091.1	188,632.5	205,295.5	221,565.4	170,911.7	229,812.4	264,020.2	277,911.1
Oil	6,930.8	8,589.0	10,823.0	12,333.9	14,537.3	19,851.8	11,532.8	17,390.8	23,739.5	22,469.7
Non-oil	121,900.6	140,214.7	153,268.1	176,298.5	190,758.2	201,713.6	159,378.9	212,421.6	240,280.7	255,441.4
Capital goods	20,205.3	22,597.0	26,215.5	30,524.9	33,599.0	39,097.1	30,645.2	30,246.7	35,032.4	38,568.1
Trade balance	-5,779.4	-8,811.1	-7,586.6	-6,133.2	-10,073.7	-17,260.7	-4,681.4	-3,008.7	-1,467.8	163.0
Oil trade balance	10,078.0	12,434.3	15,494.9	19,379.8	17,544.6	14,978.4	10,368.9	11,482.3	13,681.0	11,940.0
Non-oil trade balance	-15,857.4	-21,245.4	-23,081.4	-25,513.0	-27,618.4	-32,239.1	-15,050.3	-14,490.9	-15,148.8	-11,776.9

p/ Preliminary figures.

Note: Figures may not add up due to rounding.

^{1/} Data provided by PMI Internacional, S.A. de C.V. (operation figures).

Source: Foreign Trade Statistics Working Group composed of Banco de México, the National Bureau of Statistics (*Instituto Nacional de Estadística y Geografía*, INEGI), the Ministry of Finance's Tax Collection System (*Servicio de Administración Tributaria*, SAT), and the Ministry of the Economy.

Table A 54
Exports by Economic Sector
USD million

Item	2006	2007	2008	2009	2010	2011	2012 p/
Total	249,925.1	271,875.3	291,342.6	229,703.6	298,473.1	349,375.2	370,914.7
I. Agriculture and forestry	5,544.8	6,192.6	6,851.2	6,575.5	7,325.5	8,652.9	9,308.9
II. Livestock and fishing	1,291.1	1,222.4	1,043.4	1,150.4	1,284.9	1,656.6	1,628.1
III. Mining industries	40,337.4	44,750.9	52,566.4	32,279.3	44,117.4	60,448.6	57,985.0
Crude oil ^{1/}	34,707.1	37,937.2	43,341.5	25,614.0	35,918.5	49,322.2	46,975.1
Other	5,630.3	6,813.7	9,224.9	6,665.3	8,198.9	11,126.4	11,009.9
IV. Manufacturing	202,751.8	219,709.4	230,881.6	189,698.4	245,745.3	278,617.1	301,992.7
A. Food, beverages and tobacco	6,871.1	7,376.2	8,467.3	8,346.4	9,552.1	11,528.9	11,699.4
B. Textile, apparel and leather products	9,326.8	8,213.4	7,684.5	6,400.3	7,151.0	7,856.4	8,036.5
C. Timber industry	751.6	647.2	582.2	479.0	492.9	530.6	583.7
D. Paper, printing and publishing	1,862.8	1,920.8	1,944.8	1,665.7	1,959.7	2,119.1	1,962.8
E. Chemical industry	6,540.4	7,487.3	8,382.1	7,582.3	8,521.5	9,910.2	10,945.6
F. Plastic and rubber products	5,873.9	6,354.6	6,409.7	5,390.9	6,870.4	8,094.6	9,265.3
G. Non-metal mineral products	2,977.9	2,965.0	3,051.1	2,430.5	2,951.6	3,094.9	3,407.7
H. Iron and steel	6,263.7	7,016.4	8,728.4	4,943.3	6,542.5	7,913.0	7,743.6
I. Mining and metallurgy	6,009.7	7,666.3	8,686.8	8,561.1	12,333.8	17,397.8	17,020.4
J. Metallic products, machinery and equipment	150,633.1	163,704.4	169,410.3	137,566.1	182,696.7	202,353.1	222,030.5
1. For agriculture and stockbreeding	415.7	391.6	463.1	409.6	558.5	691.2	807.8
2. For other transport and communications	54,727.2	58,398.2	58,168.2	43,690.7	66,489.4	81,655.5	91,566.9
Automotive industry	53,094.0	56,117.8	55,681.0	42,373.1	64,947.9	79,176.5	88,377.2
3. Special machinery and equipment for different industries	27,800.1	28,684.3	27,894.3	24,073.5	33,560.7	38,514.2	43,732.0
4. Metallic products (domestic use)	2,499.8	2,788.0	3,344.6	3,820.3	4,715.6	5,152.9	5,252.7
5. Professional and scientific equipment	8,163.3	8,269.3	9,007.4	8,227.3	9,808.2	10,602.0	11,459.6
6. Electric and electronic equipment	56,346.6	64,560.0	70,090.9	56,932.6	67,089.2	65,325.9	68,818.0
7. Photographic and optical equipment, and watchmaking	680.3	612.9	441.9	412.1	475.2	411.4	393.4
K. Other industries	5,640.8	6,357.9	7,534.3	6,332.6	6,673.0	7,818.6	9,297.1

p/ Preliminary figures.

Note: Figures may not add up due to rounding.

1/ Data provided by PMI Internacional, S.A. de C.V. (operation figures).

Source: Foreign Trade Statistics Working Group composed of Banco de México, the National Bureau of Statistics (*Instituto Nacional de Estadística y Geografía*, INEGI), the Ministry of Finance's Tax Collection System (*Servicio de Administración Tributaria*, SAT), and the Ministry of the Economy.

Table A 55
Imports by Economic Sector
USD million

Item	2006	2007	2008	2009	2010	2011	2012 p/
TOTAL	256,058.4	281,949.0	308,603.3	234,385.0	301,481.8	350,842.9	370,751.6
I. Agriculture and forestry	6,855.1	8,531.5	11,291.1	8,303.6	9,416.7	12,632.3	12,695.6
II. Livestock and fishing	368.0	462.3	546.4	306.4	428.4	508.7	535.8
III. Mining industries	21,371.9	27,047.6	37,530.5	21,274.7	31,414.9	44,355.3	42,751.6
IV. Manufacturing	227,463.4	245,907.6	259,235.3	204,500.3	260,221.8	293,346.6	314,768.6
A. Food, beverages and tobacco	8,959.8	10,535.4	11,524.9	9,884.6	11,231.0	13,333.7	13,912.0
B. Textile, apparel and leather products	10,609.4	10,144.5	9,947.6	7,745.9	9,336.7	10,979.2	11,642.8
C. Timber industry	1,590.3	1,677.7	1,671.4	1,120.0	1,308.2	1,424.2	1,541.4
D. Paper, printing and publishing	6,134.9	6,485.7	6,700.8	5,474.4	6,612.3	6,898.9	6,885.4
E. Chemical industry	15,644.7	17,353.7	19,804.1	16,685.0	19,507.8	22,004.1	23,508.4
F. Plastic and rubber products	16,476.0	16,890.0	16,606.8	13,270.0	18,375.3	19,891.8	22,072.8
G. Non-metal mineral products	2,293.1	2,498.8	2,233.1	1,658.7	2,174.0	2,547.8	2,686.7
H. Iron and steel	12,718.1	13,000.8	15,118.4	10,113.3	13,356.4	15,252.5	18,037.3
I. Mining and metallurgy	7,851.5	8,558.6	8,520.1	5,550.9	8,198.3	10,191.0	9,513.3
J. Metallic products, machinery and equipment	136,938.1	148,645.9	155,547.4	123,195.1	158,232.0	176,808.0	191,131.1
1. For agriculture and stockbreeding	641.9	738.3	877.3	682.8	785.9	927.7	989.0
2. For other transport and communications	32,940.8	35,839.6	36,119.3	24,752.5	34,599.9	41,222.3	46,902.6
Automotive industry	31,303.2	33,332.9	33,993.1	23,703.5	33,283.6	38,890.7	44,143.9
3. Special machinery and equipment for different industries	36,257.4	38,619.7	40,850.7	33,492.7	41,281.1	46,948.0	53,268.0
4. Metallic products (domestic use)	964.1	1,064.6	1,008.4	737.5	1,007.8	1,223.4	1,221.5
5. Professional and scientific equipment	9,386.0	12,209.7	11,958.9	8,192.4	9,794.7	10,789.0	11,328.3
6. Electric and electronic equipment	55,947.0	59,393.1	63,983.9	54,765.4	70,070.5	74,931.6	76,625.3
7. Photographic and optical equipment, and watchmaking	800.8	781.0	749.0	571.9	692.1	766.2	796.3
K. Other industries	8,247.5	10,116.5	11,560.8	9,802.4	11,889.7	14,015.2	13,837.4

p/ Preliminary figures.

Note: Figures may not add up due to rounding.

Source: Foreign Trade Statistics Working Group composed of Banco de México, the National Bureau of Statistics (*Instituto Nacional de Estadística y Geografía*, INEGI), the Ministry of Finance's Tax Collection System (*Servicio de Administración Tributaria*, SAT), and the Ministry of the Economy.

Table A 56
Foreign Trade by Country
 USD million

	Exports				Imports			
	2009	2010	2011	2012 ^{p/}	2009	2010	2011	2012 ^{p/}
Total	229,704	298,473	349,375	370,915	234,385	301,482	350,843	370,752
America	208,494	270,599	311,806	327,468	130,528	167,153	198,988	209,713
North America	193,345	249,370	285,126	298,763	119,738	153,615	184,002	195,000
U.S.	185,101	238,684	274,431	287,824	112,434	145,007	174,356	185,110
Canada	8,244	10,686	10,695	10,938	7,304	8,608	9,645	9,890
Central America	3,770	4,638	5,481	5,994	1,880	2,933	3,923	4,573
Costa Rica	651	806	998	994	923	1,902	2,650	3,259
El Salvador	463	658	666	609	71	105	110	106
Guatemala	1,192	1,468	1,787	1,829	500	488	543	612
Panama	770	882	1,024	1,136	95	32	121	83
Other countries of Central America	694	824	1,006	1,427	292	405	499	513
South America	9,856	14,820	18,871	20,564	8,122	9,611	10,084	9,075
Argentina	1,084	1,769	1,958	1,932	1,145	1,093	1,061	1,004
Brazil	2,438	3,781	4,891	5,658	3,495	4,328	4,562	4,495
Colombia	2,491	3,757	5,633	5,593	619	795	825	877
Chile	1,049	1,864	2,072	2,252	1,651	1,952	2,101	1,503
Peru	586	974	1,286	1,528	355	337	582	440
Venezuela	1,418	1,564	1,661	2,118	435	640	373	189
Other countries of South America	790	1,112	1,369	1,483	422	466	579	568
Antilles	1,523	1,770	2,328	2,148	789	995	980	1,065
Europe	12,286	15,806	21,100	23,956	29,602	35,891	41,477	44,685
European Union	11,626	14,432	18,945	21,988	27,226	32,497	37,585	40,738
Germany	3,210	3,572	4,343	4,497	9,727	11,077	12,863	13,508
Belgium	698	873	1,212	1,146	613	780	878	984
Denmark	65	119	116	190	372	528	443	466
Spain	2,508	3,838	4,870	7,158	3,004	3,232	3,843	4,081
France	496	587	720	1,282	2,503	3,024	3,360	3,467
Netherlands	1,695	1,842	2,083	1,926	2,171	2,811	3,061	3,562
Italy	516	651	1,559	1,303	3,147	3,997	4,983	5,462
Portugal	34	183	332	175	297	461	520	437
United Kingdom	1,243	1,734	2,159	2,604	1,838	2,005	2,142	2,392
Other countries of European Union	1,160	1,033	1,552	1,707	3,556	4,581	5,493	6,379
Other European countries	661	1,374	2,154	1,968	2,376	3,394	3,892	3,948
Asia	7,561	10,704	14,547	17,364	72,158	95,918	107,111	113,714
China	2,208	4,183	5,964	5,721	32,529	45,608	52,248	56,936
Korea	500	944	1,523	1,728	10,959	12,777	13,690	13,350
Philippines	51	82	47	67	1,070	1,546	1,636	1,389
Hong Kong	380	463	450	825	296	344	343	339
India	1,112	1,015	1,791	3,356	1,140	1,797	2,385	2,951
Indonesia	77	67	126	146	854	1,232	1,231	1,191
Israel	86	89	116	116	416	510	542	736
Japan	1,601	1,926	2,252	2,613	11,397	15,015	16,494	17,655
Malaysia	137	110	124	203	4,036	5,276	5,610	4,736
Singapore	386	657	592	725	1,378	1,457	1,185	1,371
Thailand	100	149	320	407	1,983	2,698	3,089	3,806
Taiwan	176	321	468	371	4,592	5,621	5,770	6,183
Other Asian countries	748	698	773	1,087	1,509	2,040	2,889	3,072
Africa	635	466	738	686	928	1,332	1,809	1,334
Oceania	575	718	993	1,196	1,119	1,157	1,433	1,295
Australia	515	657	894	1,086	788	770	984	935
New Zealand	44	58	92	102	327	374	435	335
Other countries of Oceania	16	3	7	8	4	13	14	25
Not identified	152	180	192	243	51	31	25	11

p/ Preliminary figures.

Note: Figures may not add up due to rounding.

Source: Foreign Trade Statistics Working Group composed of Banco de México, the National Bureau of Statistics (*Instituto Nacional de Estadística y Geografía*, INEGI), the Ministry of Finance's Tax Collection System (*Servicio de Administración Tributaria*, SAT), and the Ministry of the Economy.

Table A 57
Main Traded Goods

	Exports			Total (USD million)	Imports		
	2010	2011	2012 p/		2010	2011	2012 p/
Total (USD million)	298,473	349,375	370,915	Total (USD million)	301,482	350,843	370,752
	Percent of total				Percent of total		
Crude oil ^{1/}	12.0	14.1	12.7	Automobile spare parts	4.9	5.0	5.6
Automobiles	7.7	7.7	7.9	Gasoline	4.0	5.1	4.9
Automobile spare parts	4.6	4.8	5.1	Telephone electric parts	4.2	3.9	3.6
Computers	4.5	4.7	5.0	Electronic microcircuits	3.5	3.6	3.1
T.V. sets	6.9	5.4	4.8	Spare parts for recorders and T.V. sets	3.8	2.8	2.7
Telephone electric devices	6.1	4.6	4.6	Computers	2.1	2.2	2.2
Trucks and cargo vehicles	3.5	3.6	4.0	Automobiles	2.1	2.1	2.1
Insulating cables for electric installations	2.3	2.3	2.4	Diesel oil	0.4	1.8	1.7
Gold (crude, worked and ground)	1.9	2.2	2.2	Computer spare parts	1.8	1.5	1.5
Tractors	1.2	1.7	1.6	Devices to cut and connect electric circuits	1.5	1.3	1.4
Oils other than crude oil	1.6	1.7	1.3	Insulating cables for electric installations	1.3	1.3	1.3
Medical and veterinarian devices	1.5	1.3	1.3	Diesel motors	0.8	1.0	1.1
Seats and their parts	1.1	1.1	1.3	LP gas	1.3	1.4	1.0
Silver (crude, worked and ground)	0.9	1.3	1.2	Plastic parts for furniture, automobiles, apparel, etc.	1.4	0.9	1.0
Refrigerators	1.3	1.2	1.1	Motor parts	0.9	0.9	0.9
Motor parts	1.0	1.0	1.0	Air and vacuum pumps	0.7	0.8	0.9
Devices to cut and connect electric circuits	1.0	0.9	0.8	Medicine (retail)	0.9	0.8	0.9
Electric motors and generators	0.8	0.7	0.7	Liquid crystal monitors	1.0	0.9	0.9
Gasoline motors	0.5	0.7	0.7	New rubber tiers	0.6	0.7	0.8
Electric transformers	0.7	0.7	0.7	Corn	0.5	0.9	0.8
Malta beer	0.6	0.6	0.6	Electric transformers	0.9	0.8	0.8
Faucet and tap-related products	0.6	0.5	0.5	T.V. sets	0.8	0.8	0.8
Automatic-regulating instruments	0.5	0.5	0.5	Faucet and tap-related products	0.7	0.7	0.8
Centrifuges, filters and purifiers	0.5	0.4	0.5	Parts of sound reproduction and recording devices	0.7	0.7	0.8
Air-conditioning machines and devices	0.4	0.5	0.5	Iron and steel bars and hooks	0.7	0.7	0.7
Diesel motors	0.5	0.5	0.5	Cyclical hydrocarbons	0.6	0.7	0.7
Suits and pants (men and boys)	0.5	0.5	0.5	Semiconductor devices	0.7	0.7	0.7
Fresh or refrigerated tomato	0.5	0.6	0.5	Propeller shafts, bearings and gear assemblies	0.6	0.6	0.6
Lead ores and concentrates	0.1	0.3	0.4	Gasoline motors	0.6	0.6	0.6
Fresh and refrigerated legumes	0.5	0.4	0.4	Plastic containers	0.6	0.6	0.6
Electric machines and devices	0.4	0.4	0.4	Screws, iron and steel bolts	0.6	0.6	0.6
Liquid pumps	0.4	0.4	0.4	Liquid pumps	0.5	0.5	0.6
Lathe, jack and block and tackle parts	0.4	0.4	0.4	Trucks and cargo vehicles	0.7	0.6	0.6
Plastic containers	0.4	0.3	0.4	Cleaning machines and devices	0.8	0.7	0.6
Medicines (retail)	0.4	0.4	0.4	Polyethylenes	0.6	0.6	0.5
Microelectronic circuits	0.3	0.3	0.4	Soy beans	0.5	0.5	0.5
Microphones and their support bases	0.4	0.3	0.4	Medical and veterinarian devices	0.6	0.6	0.5
Copper ores and concentrates	0.2	0.3	0.4	Printed circuit board assembly	0.6	0.5	0.5
Lamps and illuminated signs	0.3	0.3	0.4	Centrifuges, filters and purifiers	0.5	0.5	0.5
Plastic parts for furniture, automobiles, apparel, etc.	0.3	0.3	0.4	Laminated products veneered panels	0.5	0.4	0.5
Other	30.5	30.1	30.8	Other	49.4	48.9	49.4

p/ Preliminary figures.

^{1/} Data provided by PMI Internacional, S.A. de C.V. (operation figures). Subject to revisions.

Note: Figures may not add up due to rounding.

Source: Foreign Trade Statistics Working Group composed of Banco de México, the National Bureau of Statistics (*Instituto Nacional de Estadística y Geografía*, INEGI), the Ministry of Finance's Tax Collection System (*Servicio de Administración Tributaria*, SAT), and the Ministry of the Economy.

Table A 58
International Travelers

Item	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012 ^{p/}
Balance (USD million)	2,698.7	2,798.3	3,108.4	3,836.5	4,203.0	4,068.3	4,457.5	4,802.0	4,305.4	4,736.8	4,036.9	4,333.0
Incoming												
Revenues (USD million)	8,400.6	8,858.0	9,361.7	10,795.6	11,803.4	12,176.6	12,919.0	13,369.7	11,512.7	11,991.7	11,868.8	12,720.2
International tourists	6,538.4	6,724.7	7,251.7	8,382.2	9,146.3	9,559.4	10,367.0	10,860.5	9,430.8	9,990.8	10,006.3	10,712.2
Incoming tourists	5,941.4	6,083.7	6,680.1	7,783.5	8,502.4	8,954.6	9,737.2	10,152.4	8,827.0	9,442.8	9,448.5	10,148.4
In border areas	597.0	640.9	571.6	598.8	643.9	604.8	629.8	708.1	603.7	548.0	557.9	563.9
International hikers	1,862.2	2,133.3	2,110.0	2,413.3	2,657.1	2,617.1	2,552.1	2,509.1	2,081.9	2,000.9	1,862.5	2,008.0
In border areas	1,646.9	1,850.9	1,821.5	1,992.5	2,204.5	2,158.8	2,053.7	2,026.2	1,628.0	1,472.0	1,383.7	1,528.1
On cruises	215.3	282.5	288.5	420.8	452.6	458.3	498.4	483.0	453.9	528.8	478.8	479.9
Number of travelers (thousands)	100,719	100,153	92,330	99,250	103,146	97,701	93,582	92,948	88,044	81,953	75,732	75,970
International tourists	19,810	19,667	18,665	20,618	21,915	21,353	21,606	22,931	22,346	23,290	23,403	23,113
Incoming tourists	10,151	9,883	10,353	11,553	12,534	12,608	13,041	13,425	12,501	13,327	13,237	13,483
In border areas	9,659	9,784	8,312	9,065	9,381	8,745	8,565	9,505	9,845	9,962	10,166	9,631
International hikers	80,908	80,487	73,664	78,632	81,231	76,348	71,976	70,017	65,698	58,664	52,329	52,857
In border areas	77,103	75,352	68,690	72,139	74,524	69,832	65,034	63,526	59,997	52,615	47,039	47,726
On cruises	3,805	5,136	4,974	6,493	6,707	6,516	6,943	6,491	5,701	6,048	5,289	5,130
Average spending (USD)	83.4	88.4	101.4	108.8	114.4	124.6	138.1	143.8	130.8	146.3	156.7	167.4
International tourists	330.0	341.9	388.5	406.6	417.4	447.7	479.8	473.6	422.0	429.0	427.6	463.5
Incoming tourists	585.3	615.6	645.2	673.7	678.4	710.3	746.7	756.2	706.1	708.5	713.8	752.7
In border areas	61.8	65.5	68.8	66.1	68.6	69.2	73.5	74.5	61.3	55.0	54.9	58.5
International hikers	23.0	26.5	28.6	30.7	32.7	34.3	35.5	35.8	31.7	34.1	35.6	38.0
In border areas	21.4	24.6	26.5	27.6	29.6	30.9	31.6	31.9	27.1	28.0	29.4	32.0
On cruises	56.6	55.0	58.0	64.8	67.5	70.3	71.8	74.4	79.6	87.4	90.5	93.5
Outgoing												
Expenditures (USD million)	5,701.9	6,059.7	6,253.3	6,959.0	7,600.4	8,108.3	8,461.6	8,567.7	7,207.3	7,254.9	7,831.9	8,387.2
International tourists	2,767.5	2,777.6	2,835.0	3,227.3	3,653.5	4,193.3	4,794.0	4,945.9	4,396.8	4,540.1	5,014.0	5,387.4
Incoming tourists	2,399.5	2,429.1	2,565.3	2,910.9	3,313.7	3,805.4	4,372.5	4,566.4	4,058.0	4,187.4	4,692.7	5,058.1
In border areas	368.0	348.5	269.7	316.4	339.7	387.9	421.5	379.5	338.8	352.7	321.3	329.2
International hikers	2,934.4	3,282.0	3,418.3	3,731.7	3,946.9	3,914.9	3,667.6	3,621.8	2,810.6	2,714.8	2,817.9	2,999.8
Number of tourists (thousands)	123,737	124,633	123,015	128,903	128,392	122,022	109,540	107,519	98,228	91,658	88,113	90,017
International tourists	12,075	11,948	11,044	12,494	13,305	14,002	15,257	14,527	14,104	14,334	14,799	15,821
Incoming tourists	6,423	6,492	6,603	7,398	8,000	8,486	9,387	9,397	9,037	9,331	10,200	11,323
In border areas	5,652	5,456	4,441	5,096	5,305	5,516	5,870	5,129	5,067	5,003	4,599	4,498
International hikers	111,657	112,685	111,971	116,409	115,087	108,020	94,283	92,992	84,124	77,323	73,314	74,196
Average spending (USD)	46.1	48.6	50.8	54.0	59.2	66.4	77.2	79.7	73.4	79.2	88.9	93.2
International tourists	229.2	232.5	256.7	258.3	274.6	299.5	314.2	340.5	311.7	316.7	338.8	340.5
Incoming tourists	373.6	374.1	388.5	393.5	414.2	448.4	465.8	485.9	449.0	448.8	460.1	446.7
In border areas	65.1	63.9	60.7	62.1	64.0	70.3	71.8	74.0	66.9	70.5	69.9	73.2
International hikers	26.3	29.1	30.5	32.1	34.3	36.2	38.9	38.9	33.4	35.1	38.4	40.4

Note: Figures may not add up due to rounding.
p/ Preliminary figures.
Source: Banco de México.

Table A 59
Revenues from Workers' Remittances

	2008	2009	2010	2011	2012 ^{p/}
Total remittances (USD million)	25,145.0	21,306.3	21,303.9	22,803.0	22,445.8
Money orders	598.6	386.2	389.7	206.8	194.8
Electronic transfers	24,113.7	20,547.5	20,583.3	22,228.9	21,860.4
Cash and kind	432.6	372.6	330.9	367.3	390.5
Number of remittances (thousands)	72,627.7	67,109.6	67,535.6	69,860.9	71,621.1
Money orders	1,353.3	866.4	816.1	427.3	393.3
Electronic transfers	70,478.0	65,381.4	65,930.0	68,553.1	70,349.0
Cash and kind	796.3	861.8	789.4	880.5	878.8
Average remittance (USD)	346	317	315	326	313
Money orders	442	446	478	484	495
Electronic transfers	342	314	312	324	311
Cash and kind	543	432	419	417	444

p/ Preliminary figures.

Note: Figures may not add up due to rounding.

Source: Banco de México.

Table A 60
Revenues from Workers' Remittances
By state and international comparison

State	By state										International comparison: selected countries in 2011		
	Ranking					Percentage structure					Country	USD million	As a percentage of GDP
	1995	2001	2010	2011	2012 p/	1995	2001	2010	2011	2012 p/			
											India	61,578	3.4
Michoacán	1	1	1	1	1	16.25	11.69	10.07	9.85	9.84	China	23,915	0.3
Guanajuato	3	2	2	2	2	10.25	8.31	9.30	9.45	9.53	Mexico		
Jalisco	2	3	3	3	3	12.70	7.89	8.24	8.31	8.40			
Estado de México	7	4	4	4	4	4.39	7.16	7.69	7.27	6.97	2009	21,306	2.4
Puebla	6	9	5	5	5	4.84	3.97	6.44	6.44	6.25	2010	21,304	2.1
Oaxaca	8	8	6	6	6	4.34	4.03	6.09	6.26	6.09	2011	22,803	2.0
Guerrero	4	5	8	8	7	6.11	6.27	5.64	5.54	5.49	2012	22,446	1.9
Veracruz	15	6	7	7	8	2.07	5.99	5.81	5.58	5.24	Nigeria	20,438	8.4
Distrito Federal	5	7	9	9	9	5.34	5.67	4.69	5.05	4.52	Philippines	17,138	7.6
San Luis Potosí	10	12	11	11	10	3.26	2.82	2.95	3.07	3.29	Egypt	14,324	6.1
Hidalgo	16	10	10	10	11	1.95	3.89	3.36	3.34	3.21	Pakistan	12,235	5.8
Zacatecas	11	17	12	12	12	3.12	2.10	2.73	2.74	2.92	Bangladesh	12,054	10.6
Chiapas	27	15	13	13	13	0.54	2.51	2.70	2.61	2.55	Spain	7,956	0.5
Morelos	9	11	14	14	14	3.56	2.82	2.60	2.57	2.50	Korea	7,621	0.7
Sinaloa	13	14	15	15	15	2.99	2.62	2.21	2.24	2.24	Morocco	7,256	7.3
Tamaulipas	21	13	16	16	16	1.27	2.69	1.89	1.95	2.16	Lebanon	6,776	17.4
Chihuahua	19	18	17	17	17	1.75	2.05	1.87	1.84	2.08	Indonesia	6,736	0.8
Baja California	23	23	20	19	18	0.85	1.64	1.63	1.74	2.07	Sri Lanka	5,145	8.7
Durango	14	16	18	18	19	2.08	2.11	1.78	1.83	1.92	Guatemala	4,412	9.4
Querétaro	17	20	19	20	20	1.93	1.79	1.66	1.68	1.69	Colombia	4,168	1.3
Nuevo León	22	24	24	23	21	1.05	1.56	1.33	1.35	1.52	Nepal	4,010	21.1
Nayarit	20	19	21	21	22	1.57	1.91	1.58	1.56	1.51	Poland	3,816	0.7
Aguascalientes	12	25	22	24	23	3.11	1.24	1.38	1.34	1.48	El Salvador	3,649	16.0
Sonora	24	22	23	22	24	0.76	1.67	1.37	1.43	1.46	Portugal	3,382	1.4
Coahuila	18	21	26	26	25	1.84	1.69	1.10	1.08	1.26	Dominican Republic	3,200	5.7
Tlaxcala	26	27	25	25	26	0.60	0.75	1.21	1.20	1.13	Romania	3,194	1.7
Colima	25	26	27	27	27	0.75	1.15	0.81	0.81	0.80	Serbia	3,083	7.1
Yucatán	28	29	28	28	28	0.31	0.42	0.53	0.52	0.53	Tajikistan	3,039	46.6
Tabasco	32	28	29	29	29	0.09	0.70	0.52	0.49	0.50	Jordan	3,031	10.5
Quintana Roo	29	30	30	30	30	0.13	0.37	0.41	0.40	0.42	Ukraine	2,997	1.8
Campeche	31	31	31	31	31	0.10	0.28	0.26	0.25	0.25	Thailand	2,816	0.8
Baja California Sur	30	32	32	32	32	0.12	0.21	0.16	0.16	0.18	Honduras	2,798	16.1
											Peru	2,697	1.5
											Ecuador	2,672	4.0
											Brazil	2,134	0.1
TOTAL						100.00	100.00	100.00	100.00	100.00			

p/ Preliminary figures.

Source: Prepared with data from IMF Balance of Payments Division. In case of Mexico the source is Banco de México.

Table A 61
Foreign Investment in Government Securities
 End of period outstanding stocks at face value
 USD billion

	CETES		BONDES		UDIBONOS		IPAB bonds ^{1/}		Bonds ^{2/}		Total ^{3/}	
	Stock	%	Stock	%	Stock	%	Stock	%	Stock	%	Stock	%
1999 Dec	1.0	88.7	0.1	9.5	*	1.7	d.n.e.	0.0	d.n.e.	0.0	1.1	100.0
2000 Dec	0.7	72.0	0.1	9.7	*	0.2	d.n.e.	0.0	0.2	18.1	0.9	100.0
2001 Dec	0.7	37.0	*	0.9	*	2.5	0.1	7.2	0.9	52.4	1.8	100.0
2002 Dec	0.3	17.4	0.1	3.3	*	0.2	0.1	8.2	1.1	70.9	1.6	100.0
2003 Dec	0.4	18.0	0.5	21.9	*	0.4	*	2.1	1.2	57.5	2.1	100.0
2004 Dec	0.6	9.1	*	0.3	*	0.7	0.2	2.7	6.1	87.2	7.0	100.0
2005 Dec	0.3	3.2	0.2	2.3	0.3	2.6	0.5	4.7	8.8	87.2	10.1	100.0
2006 Dec	0.6	4.7	*	0.0	0.4	3.3	0.6	5.1	10.8	86.9	12.4	100.0
2007 Dec	0.9	4.3	*	0.0	0.5	2.4	0.1	0.5	18.8	92.8	20.2	100.0
2008 Dec	1.3	6.4	0.0	0.0	0.7	3.3	0.1	0.5	17.9	89.8	20.0	100.0
2009 Dec	0.9	3.7	0.0	0.0	0.9	3.9	*	0.2	22.1	92.2	24.0	100.0
2010 Dec	8.1	16.8	0.0	0.0	2.0	4.1	0.8	1.7	37.5	77.4	48.4	100.0
2011 Dec	15.6	22.3	0.0	0.0	3.0	4.3	0.6	0.9	50.7	72.6	69.8	100.0
2012 Dec	38.4	31.7	0.0	0.0	6.9	5.7	0.4	0.3	75.4	62.3	121.2	100.0
2009 Jan	1.3	6.3	0.0	0.0	0.6	3.1	0.1	0.3	17.9	90.3	19.9	100.0
Feb	1.1	5.9	0.0	0.0	0.6	3.4	0.1	0.4	16.3	90.2	18.0	100.0
Mar	0.9	4.7	*	0.0	0.7	3.8	0.1	0.4	16.6	91.1	18.2	100.0
Apr	0.7	3.5	0.0	0.0	0.7	3.8	0.1	0.4	17.1	92.2	18.6	100.0
May	0.7	3.3	0.0	0.0	0.8	3.8	*	0.2	18.5	92.7	20.0	100.0
Jun	0.6	3.0	0.0	0.0	0.8	3.9	*	0.1	18.3	93.0	19.7	100.0
Jul	0.5	2.3	0.0	0.0	0.8	4.0	*	0.2	18.8	93.6	20.0	100.0
Aug	0.4	1.8	0.0	0.0	0.8	3.9	*	0.2	19.5	94.2	20.7	100.0
Sep	0.7	3.3	0.0	0.0	0.8	3.8	0.1	0.4	19.9	92.6	21.5	100.0
Oct	0.7	2.9	*	0.0	0.8	3.7	0.1	0.3	21.2	93.0	22.8	100.0
Nov	0.7	2.9	0.0	0.0	0.9	3.9	*	0.2	22.0	93.0	23.6	100.0
Dec	0.9	3.7	0.0	0.0	0.9	3.9	*	0.2	22.1	92.2	24.0	100.0
2010 Jan	1.3	5.1	0.0	0.0	1.0	3.9	0.1	0.4	23.7	90.6	26.2	100.0
Feb	1.6	5.8	0.0	0.0	1.0	3.6	0.2	0.6	24.3	89.9	27.0	100.0
Mar	2.9	9.4	0.0	0.0	1.1	3.6	0.2	0.8	26.4	86.1	30.6	100.0
Apr	3.9	11.6	0.0	0.0	1.3	3.8	0.3	0.8	28.3	83.8	33.8	100.0
May	2.1	6.8	0.0	0.0	1.2	4.0	0.3	0.9	27.8	88.3	31.4	100.0
Jun	1.6	5.0	0.0	0.0	1.2	3.8	0.4	1.4	28.9	89.9	32.2	100.0
Jul	1.9	5.8	0.0	0.0	1.3	3.9	0.3	0.8	29.8	89.5	33.3	100.0
Aug	2.5	7.2	0.0	0.0	1.1	3.3	0.3	0.9	30.2	88.6	34.1	100.0
Sep	2.2	5.8	0.0	0.0	1.2	3.2	0.4	1.2	33.4	89.8	37.2	100.0
Oct	5.6	12.9	0.0	0.0	1.3	3.1	0.3	0.8	36.0	83.2	43.2	100.0
Nov	6.8	14.9	0.0	0.0	1.7	3.8	0.3	0.6	36.6	80.7	45.3	100.0
Dec	8.1	16.8	0.0	0.0	2.0	4.1	0.8	1.7	37.5	77.4	48.4	100.0
2011 Jan	12.2	22.7	0.0	0.0	2.2	4.0	0.3	0.6	38.9	72.7	53.5	100.0
Feb	14.1	24.4	0.0	0.0	2.6	4.5	0.3	0.5	40.8	70.6	57.7	100.0
Mar	15.4	25.4	0.0	0.0	2.8	4.6	0.3	0.5	42.3	69.5	60.8	100.0
Apr	14.8	22.5	0.0	0.0	3.0	4.6	0.3	0.5	47.7	72.5	65.8	100.0
May	15.2	21.9	0.0	0.0	2.9	4.1	0.3	0.5	51.2	73.5	69.5	100.0
Jun	14.6	21.6	0.0	0.0	3.0	4.5	0.4	0.5	49.7	73.4	67.7	100.0
Jul	16.4	22.0	0.0	0.0	2.7	3.7	1.3	1.8	54.1	72.6	74.5	100.0
Aug	16.2	22.0	0.0	0.0	2.8	3.8	0.4	0.5	54.1	73.7	73.5	100.0
Sep	11.8	18.7	0.0	0.0	2.6	4.1	0.4	0.6	48.5	76.7	63.2	100.0
Oct	12.3	18.2	0.0	0.0	2.8	4.2	0.5	0.8	52.2	76.9	67.9	100.0
Nov	12.4	18.4	0.0	0.0	2.8	4.2	0.3	0.4	51.7	76.9	67.2	100.0
Dec	15.6	22.3	0.0	0.0	3.0	4.3	0.6	0.9	50.7	72.6	69.8	100.0
2012 Jan	19.4	24.1	0.0	0.0	4.0	4.9	0.4	0.5	56.7	70.5	80.4	100.0
Feb	24.4	28.2	0.0	0.0	4.4	5.0	0.4	0.4	57.3	66.3	86.3	100.0
Mar	25.3	28.2	0.0	0.0	5.1	5.7	0.3	0.3	59.0	65.8	89.7	100.0
Apr	26.4	28.7	0.0	0.0	6.2	6.7	0.4	0.4	59.1	64.2	92.1	100.0
May	21.7	26.0	0.0	0.0	5.6	6.7	0.3	0.4	55.7	66.9	83.3	100.0
Jun	23.9	26.3	0.0	0.0	5.8	6.4	0.3	0.3	61.1	67.0	91.1	100.0
Jul	26.9	27.6	0.0	0.0	5.5	5.7	0.3	0.3	64.7	66.4	97.4	100.0
Aug	29.7	29.5	0.0	0.0	5.6	5.6	0.3	0.3	65.1	64.6	100.8	100.0
Sep	29.6	27.4	0.0	0.0	6.2	5.7	0.3	0.2	72.1	66.7	108.1	100.0
Oct	28.7	26.4	0.0	0.0	6.5	5.9	0.3	0.3	73.4	67.4	109.0	100.0
Nov	29.2	25.7	0.0	0.0	6.6	5.8	0.3	0.3	77.8	68.3	114.0	100.0
Dec	38.4	31.7	0.0	0.0	6.9	5.7	0.4	0.3	75.4	62.3	121.2	100.0

1/ Includes BREMs and since August 2006, Bondes D.

2/ Placement of this type of bonds began in January 2000.

3/ Includes *Ajustabonos* from 1996 to 1999 (in the latter year they were liquidated).

*/ Less than USD 50 million.

d.n.e. Does not exist.

Table A 62
Gross External Debt Position
 By residence criteria ^{1/}
 End of period outstanding stocks

Item	USD million			Percent of GDP		
	2011 ^{p/}	2012 ^{p/}	Difference	2011 ^{p/}	2012 ^{p/}	Difference
TOTAL (I + II + III + IV)	210,959.2	229,031.6	18,072.4	19.08	18.77	-0.31
TOTAL AJUSTED (I + II + III + IV + V)	282,190.6	348,497.8	66,307.2	25.52	28.56	3.04
PUBLIC SECTOR (I + 3.3 + 4.2.1)	116,420.2	125,726.0	9,305.8	10.53	10.30	-0.23
I. Federal government ^{2/}	61,351.5	67,460.5	6,109.0	5.55	5.53	-0.02
II. Monetary authority	0.0	0.0	0.0	0.00	0.00	0.00
III. Banking sector	21,247.3	18,363.4	-2,883.9	1.92	1.50	-0.42
3.1 Commercial banks ^{3/}	12,710.4	8,999.7	-3,710.7	1.15	0.74	-0.41
3.2 Other depository corporations ^{4/}	907.7	1,162.1	254.4	0.08	0.10	0.01
3.3 Development banks ^{2/}	7,629.2	8,201.5	572.3	0.69	0.67	-0.02
IV. Other sectors	128,360.4	143,207.7	14,847.3	11.61	11.73	0.13
4.1 Non-bank financial corporations ^{5/}	0.0	0.0	0.0	0.00	0.00	0.00
4.2 Non-financial enterprises	128,360.4	143,207.7	14,847.3	11.61	11.73	0.13
4.2.1 Public enterprises and entities ^{2/}	47,439.5	50,064.0	2,624.5	4.29	4.10	-0.19
4.2.2 Private sector ^{6/}	80,920.9	93,143.7	12,222.8	7.32	7.63	0.31
4.2.3 IPAB ^{7/}	0.0	0.0	0.0	0.00	0.00	0.00
V. Adjustments (5.1-5.2+5.3+5.4+5.5)	71,231.4	119,466.2	48,234.8	6.44	9.79	3.35
5.1 Non-residents' holdings of MXN-denominated debt ^{8/}	69,828.9	121,180.8	51,351.9	6.31	9.93	3.62
5.2 Residents' holdings of foreign currency-denominated debt ^{9/}	3,387.2	4,395.5	1,008.3	0.31	0.36	0.05
5.3 Agencies' claims on Mexican residents ^{10/}	4,655.2	2,557.3	-2,097.9	0.42	0.21	-0.21
5.4 Pidiregas-Pemex ^{11/}	0.0	0.0	0.0	0.00	0.00	0.00
5.5 Other debt liabilities with non-residents ^{12/}	134.4	123.5	-10.9	0.01	0.01	0.00

p/ Preliminary figures. Calculations based on GDP of the last quarter of the year and end of period FIX exchange rate.

1/ Gross external debt statistics are compiled by Banco de México and the Ministry of Finance (SHCP). In order to comply with IMF's "External Debt Statistics: Guide for Compilers and Users" (2003) and, at the same time, facilitate its comparison with official figures published by the Ministry of Finance (available at www.shcp.gob.mx), both official statistics on Mexico's public external debt and its corresponding adjustments are presented following IMF's Special Data Dissemination Standard (SDDS) for residence criteria.

2/ Public sector data (federal government, development banks and public enterprises and institutions) are classified according to "user" criteria.

3/ Unlike official statistics, the present figures do not include debt with other non-resident entities of Mexican commercial bank agencies' located abroad. The reason for such exclusion is that IMF's "External Debt Statistics: Guide for Compilers and Users (2003)" considers agencies as non-residents. Figures include accrued interests.

4/ Includes financial leasing companies, financial factoring companies, limited purpose financial companies (*Sociedades Financieras de Objeto Limitado*, Sofoles), savings and loan companies, credit unions, and investment funds.

5/ Includes insurance companies, deposit warehouses, brokerage houses and bonding companies. Since official statistics do not include this item, it is reported as zero. However, liabilities of these financial auxiliaries with non-residents are considered in the adjustments section.

6/ Data on short and long-term loans is drawn from Banco de México's Survey "Outstanding Consolidated Claims on Mexico" on foreign creditor banks. Since official statistics for private sector's debt are based on debtor data, figures may not coincide with those published by the Ministry of Finance.

7/ Institute for the Protection of Banks' Savings (*Instituto para la Protección al Ahorro Bancario*, IPAB). Since official statistics do not include this item, it is reported as zero. However, IPAB's liabilities with non-residents are considered in the adjustments section.

8/ Defined as non-residents' holdings of Treasury bills (Cetes), federal government development bonds (Bondes); fixed-rate federal government development bonds (Bonos), federal government bonds denominated in investment units (Udibonos), monetary regulation bonds (BREMs) and savings protection bonds (BPAs and BPATs).

9/ Federal government bonds denominated in foreign currency held by Mexican residents.

10/ Corresponds to Mexican residents' liabilities with Mexican commercial banks' agencies abroad. Includes both agencies' direct loans to Mexican residents and agencies' holdings of bonds issued by Mexican residents.

11/ Pidiregas (*Proyectos de Infraestructura Productiva a Largo Plazo*) is a mechanism used since 1995 for financing strategic long-term investment projects for the oil, gas and energy industries. This item does not include debt related with Pidiregas-CFE because such debt is assumed as part of the private sector. If such assumption were incorrect, the Gross External Debt associated with Pidiregas would be underestimated. In 2009 the Pidiregas model of Pemex was cancelled, after which this firm's investment is funded by own sources or debt, and, therefore, it is registered as budget investment.

12/ Includes deposits of Banco de México, international financial entities and foreign central banks.

Source: Banco de México and Ministry of Finance (SHCP).

Balance Sheet

BALANCE SHEET AS OF DECEMBER 31, 2012			
MXN MILLION			
<u>ASSETS</u>		<u>LIABILITIES AND EQUITY</u>	
INTERNATIONAL RESERVES	\$ <u>2,120,108</u>	MONETARY BASE	\$ <u>846,019</u>
INTERNATIONAL ASSETS	2,165,937	BANKNOTES AND COINS IN CIRCULATION	845,395
LIABILITIES TO BE DEDUCTED	(45,829)	BANK DEPOSITS IN CURRENT ACCOUNT	624
CREDIT GRANTED TO THE FEDERAL GOVERNMENT	0	FEDERAL GOVERNMENT CURRENT ACCOUNT DEPOSITS	126,136
SECURITIES	<u>47,349</u>	OTHER FEDERAL GOVERNMENT DEPOSITS	20,977
GOVERNMENT SECURITIES	0	MONETARY REGULATION DEPOSITS	<u>1,253,495</u>
IPAB SECURITIES	47,349	BANKS	279,215
CREDIT GRANTED TO FINANCIAL INTERMEDIARIES AND DEBTORS FROM REPO OPERATIONS	84,453	GOVERNMENT SECURITIES	974,280
CREDIT GRANTED TO TRUST FUNDS	2,505	OTHER DEPOSITS FROM BANKS AND CREDITORS FROM REPO OPERATIONS	1,026
SHARES IN INTERNATIONAL FINANCIAL INSTITUTIONS	9,530	TRUST FUNDS' DEPOSITS	0
FIXED ASSETS, FURNISHINGS AND EQUIPMENT	4,087	INTERNATIONAL MONETARY FUND	0
OTHER ASSETS	19,796	SPECIAL DRAWING RIGHTS	56,817
TOTAL ASSETS	\$ <u>2,287,828</u>	OTHER LIABILITIES	62,070
		TOTAL LIABILITIES	<u>2,366,540</u>
		CAPITAL	8,487
		CAPITAL RESERVES	107,507
		FISCAL YEAR'S ACCOUNTS	(194,706)
		TOTAL EQUITY	<u>(78,712)</u>
		TOTAL LIABILITIES AND EQUITY	\$ <u>2,287,828</u>

MEMORANDUM ACCOUNTS \$20,798,575

The present Balance Sheet was prepared according to the rules and requirements set in the Law governing Banco de México and Banco de México's Internal Bylaw, and according to internal financial information standards, following adequate practices of central banks. In compliance with Article 38 of the referred Bylaw, international reserves are defined as stated in Article 19 of the Law governing Banco de México; government securities are presented as net holdings after deducting monetary regulation deposits, excluding any securities purchased or transmitted via repo operations, and if there is a creditor position, it is listed under line item Monetary Regulation Deposits; IPAB securities correspond to instruments from the Bank Savings' Protection Institute (*Instituto para la Protección al Ahorro Bancario*, IPAB) acquired by Banco de México; credit granted to financial intermediaries and debtors via repo operations includes commercial banks, development banks and repo operations. Capital reserves correspond to asset revaluation reserve. Outstanding stocks in foreign currency were valued at the daily exchange rate and capital reflects a surplus of MXN 7,119, due to the revaluation of fixed assets and inventories.

DR. AGUSTÍN GUILLERMO CARSTENS CARSTENS
GOVERNOR

DR. LORENZA MARTÍNEZ TRIGUEROS
STRATEGY, RISKS AND PAYMENT SYSTEMS
GENERAL DIRECTOR

C.P.C. JUAN MANUEL SÁNCHEZ RAMÍREZ
ACCOUNTING AND BUDGET DIRECTOR

External Auditors' Report

We have examined Banco de México' financial statements, comprising the Balance Sheet as of December 31, 2012, and its Profits and Loss Statement for the fiscal year ending on the aforementioned date, as well as the summary of the significant accounting policies and other explanatory information.

The financial statements have been prepared by Banco de México's Administrative Department, based on the requirements for financial information, specified in the Law governing Banco de México and Banco de México's Internal Bylaw.

Banco de México's Administrative Department is responsible for these financial statements, prepared according to the requirements for financial information, specified in the Law governing Banco de México and Banco de México's Internal Bylaw, and the internal control that is considered necessary to allow error free preparation of financial statements, whether due to fraud or error.

Our responsibility is to express an opinion on the abovementioned, based on our audit. We carried out our audit of 2012 in accordance with the international standards on auditing. In line with these standards we must comply with ethical requirements, plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes examining, on a test basis, the evidence supporting the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation and a fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Banco de México's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by Banco de México's Administrative Department, as well as evaluating the overall presentation of the consolidated financial statements.

In our opinion, Banco de México's financial statements as of December 31, 2012 have been prepared, in all material respects, in accordance with requirements for financial information prescribed in the Law governing Banco de México and Banco de México's Internal Bylaw.

PricewaterhouseCoopers, S.C.
C.P.C. José Antonio Quesada Palacios
Audit Partner



BANCO DE MÉXICO

April 2013

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