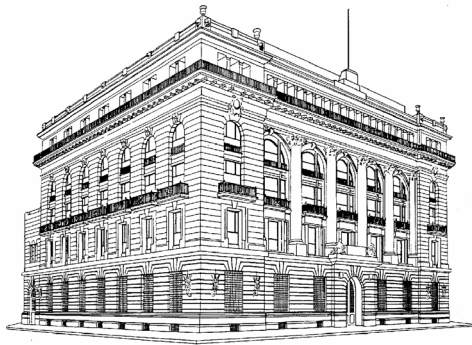


Annual Report

2005



BANCO DE MEXICO

APRIL 2006

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Annual Report
Submitted to the President and the Mexican Congress
according to Article 51, Section III of Banco de México's Law

FOREWARNING

Banco de México has always given the utmost importance to the publication of information that aids decision-making and allows the public to assess its policies. This text is provided for the reader's convenience only and discrepancies may eventually arise from the translation of the original document into English. The original and unabridged Annual Report in Spanish is the only official document.

Figures for 2005 are preliminary and subject to change. Although data is consistent within each section, comparing figures drawn from different sections may differ because they have been estimated on the basis of different sources and methodologies.

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I. Introduction

The world economy exhibited a favorable performance during 2005. The strength of world economic growth, particularly of some Asian economies that make intensive use of energy goods in their productive processes, together with restrictions to increase the supply of these products, led to a significant increase in energy prices. The hurricanes that affected the supply of some energy goods during the second half of the year also contributed to such results.

Favorable conditions prevailed in international financial markets throughout 2005. Under such context, sovereign spreads for some emerging economies recorded historically low levels during the last quarter of 2005. Prevailing conditions in international financial markets, as well as the substantial increase in international prices of several commodities, contributed to the appreciation of assets and currencies in emerging economies.

The Mexican economy grew 3 percent in 2005, figure below that recorded during 2004 (4.2 percent) and lower than that anticipated by analysts at the start of the year. During 2005, just like in the previous year, the performance of domestic expenditure and economic activity benefited from the significant increase in Mexico's oil trade balance surplus and by revenues from workers' remittances.

Headline inflation decreased significantly throughout 2005, reaching 3.33 percent in December. This mainly reflects both the reversion of the supply shocks that affected the economy in 2004 and the effects of the monetary policy actions. The atypical behavior of the prices of certain fruits and vegetables also contributed to the swift reduction of inflation in the last few months of 2005. Core inflation, which is a better indicator of the medium-term trend of headline inflation, fell significantly, reaching an annual variation of 3.12 percent at the end of 2005. These results have contributed to reduce inflation expectations for all terms.

The evident improvement in the inflationary outlook for the Mexican economy and a benign global financial environment created favorable conditions for the Board of Governors of Banco de México to begin to revert its stance of monetary astringency adopted during 2004 and the first half of 2005.

II. International Environment

The world economy continued to exhibit vigorous growth during 2005, while inflation remained low despite further increases in oil prices. Economic activity in the U.S. slowed, while economic growth remained strong in Asia due to vigorous expansion in China and to Japan's economic rebound. Despite higher short-term interest rates, emerging economies continued to benefit from very favorable conditions of access to international financial markets. Furthermore, sovereign debt spreads recorded historically low levels.

Table 1
GDP and World Trade
Annual percentage change

	2000	2001	2002	2003	2004	2005e
World GDP	4.8	2.6	3.1	4.1	5.3	4.8
Advanced Economies	3.9	1.2	1.6	2.0	3.3	2.7
Main Advanced Economies ^{1/}	3.6	1.1	1.2	1.9	3.1	2.6
United States	3.7	0.8	1.6	2.7	4.2	3.5
European Union	3.8	1.9	0.9	0.7	2.1	1.3
Japan	2.9	0.4	0.1	1.8	2.3	2.7
Asian NICs ^{2/}	7.9	1.1	5.3	3.2	5.8	4.6
Developing Countries	6.1	4.4	5.1	6.7	7.6	7.2
Africa	3.1	4.2	3.6	4.6	5.5	5.2
Asia	7.0	6.1	7.0	8.4	8.8	8.6
Middle East and Turkey	5.4	3.2	4.3	6.6	5.4	5.9
Latin America and the Caribbean	3.9	0.5	--	2.2	5.6	4.3
World Trade (Goods and Services)	12.1	0.3	3.4	5.4	10.4	7.3

e/ estimated.

^{1/} Includes the U.S., Japan, Germany, France, Italy, United Kingdom and Canada.

^{2/} Includes Hong Kong SAR, South Korea, Singapore and Taiwan.

Source: IMF, World Economic Outlook, April 2005. U.S. data drawn from the Bureau of Economic Analysis (BEA); European Union data from Eurostat; and Japan data from the Economic and Social Research Institute (ESRI).

The dynamism of emerging economies, particularly those in Asia, explains to a large extent the extraordinary strength of world economic growth over the last few years. The vigorous expansion of these economies, which make intensive use of energy and other raw materials, has led to price increases in these goods and, as a result, to an improvement in the terms of trade of countries which export them. Thus, oil prices continued to increase during 2005.¹ Oil prices also reflected the narrow margin of idle capacity, supply disruptions due to natural disasters, and political uncertainty in several oil producing countries. In this context, expectations that energy prices would remain high for a considerable period of time were reaffirmed.

¹ During 2005, the price of WTI oil averaged 56.6 US dollars per barrel, 15 US dollars above the average figure observed in 2004.



During 2005, the U.S. economy grew 3.5 percent, figure close to what is considered its potential.² This result was attained despite new surges in oil prices, higher interest rates and the hurricanes that struck the Gulf of Mexico, which contributed to slower economic growth during the last quarter of the year. The expansion of demand continued to be fueled by strong investment and household expenditure. The increase of consumption expenditure surpassed that of disposable income, as a result of the stimulus from a further increase in real estate wealth. As a result, the savings rate turned negative since the second quarter of the year. Although nonresidential fixed investment grew at a slower rate than in 2004 (8.6 compared to 9.4 percent), it outpaced residential investment for the first time since the end of the previous economic expansion. Nonetheless, the pickup of firms' capital expenditure was below what would have been expected given the rapid expansion of corporate profits. As for residential investment, it declined gradually.

Table 2
U.S. Aggregate Supply and Demand
Annual and annualized quarterly percentage change

	2003	2004	2005	2005			
				I	II	III	IV
GDP	2.7	4.2	3.5	3.8	3.3	4.1	1.7
Domestic Absorption ^{1/}	3.0	4.4	3.9	3.7	4.2	4.5	1.2
Private Consumption	2.9	3.9	3.5	3.5	3.4	4.1	0.9
Private Fixed Investment	3.6	9.7	8.1	7.0	9.6	8.0	3.9
Memo: Nonresidential	1.3	9.4	8.6	5.7	8.8	8.4	4.5
Government Expenditure	2.8	2.2	1.8	1.9	2.5	2.9	-0.8
Exports of Goods and Services	1.8	8.4	6.9	7.5	10.7	2.5	5.0
Imports of Goods and Services	4.6	10.7	6.3	7.4	-0.2	2.4	12.1

^{1/} Excluding inventories.

Source: Bureau of Economic Analysis (BEA).

Industrial production and manufacturing indexes rose 3.2 and 3.9 percent, respectively, in 2005. These figures were below those recorded in 2004 but similar to their historical averages. The hurricanes that struck the Gulf of Mexico had a significant negative impact, particularly on activities related to oil production and refining, although their effect on manufacturing activity proved to be short lived. Manufacturing grew 4.4 percent at an annual rate in December. One of the most dynamic components of manufacturing was the high tech sector, which has exhibited double-digit growth since 2004.

During 2005, conditions improved significantly in the labor market. Such performance has only been achieved in two years since 2001. Although job creation was reduced compared with other periods of economic recovery, the labor force participation rate remained depressed, thus contributing to a decline in the unemployment rate.³ During 2005, 2.03 million jobs were created, by far the highest figure in the current recovery phase. Nonetheless, this number is below the average annual growth of the previous economic upswing (2.6 million). By the

² According to the Congressional Budget Office, the average growth of potential GDP was 3.3 percent from 1996 to 2005.

³ The labor force participation rate closed 2005 at 66 percent, below the maximum registered in April 2000 (67.3 percent).

end of the year, the unemployment rate was 4.9 percent, the lowest since August 2001 and less than its average during the previous period of economic expansion (5.5 percent from 1992 to 2000).

The general government's deficit measured as a proportion of GDP declined from 4.7 percent in 2004 to 3.8 percent in 2005.⁴ The reduction of the general government's fiscal imbalance was brought about by a surprising increase in revenues (10.9 percent) stemming from strong economic growth. In particular, fiscal revenues were boosted significantly by taxes on corporate profits, which rose 41 percent with respect to 2004 and accounted for 2.9 percent of GDP, their highest level for several decades.⁵

In 2005 the U.S. current account deficit widened by 137 billion dollars as compared with 2004 and accounted for 6.4 percent of GDP, a new historic record. This result responded to strong domestic demand, higher prices on imported oil and a significant decline in the positive balance of factor services (from 30.4 to just 1.6 billion dollars). Although the global economic rebound has fueled solid growth in U.S. exports for two consecutive years, the volume of the country's imports has meant that export growth has been insufficient to reduce the deficit. Nonetheless, the size of the deficit has not particularly affected the exchange rate or interest rates.

The inflationary outlook for the U.S. economy deteriorated during 2005. Increasing energy prices led to upward pressure on headline CPI inflation, which reached 3.4 percent in 2005 -its highest level since 1991. However, core inflation remained at modest levels, below long-term inflation expectations implicit in yields on inflation-indexed and nominal bonds, as well as those obtained from economic analysts' surveys (around 2.5 percent). Annual core CPI inflation was 2.2 percent, while the personal consumption deflator grew 2 percent. Although high energy prices have not affected core inflation, possible inflationary pressures stemming from such prices continue to be a cause for concern. Furthermore, inflationary risks related to increased resource utilization and moderation of productivity growth have also become more evident.

Financial conditions continued to favor the expansion of demand, despite a two percentage point increase in the target for the federal funds rate, which ended the year at 4.25 percent. Up to its meeting in November, the Federal Reserve reiterated its intention to continue its policy of gradually withdrawing monetary stimulus. In its December meeting, the Federal Open Market Committee hinted that the process of rising the federal funds rate would probably come to an end shortly.

As in 2004, financial markets continued to absorb smoothly additional hikes in short-term interest rates. Furthermore, similar to what has happened since the start of the tightening cycle, long-term interest rates did not seem to react significantly to changes in monetary conditions. Thus, the yield on 10-year U.S. Treasury bills rose just 17 basis points during 2005, to a level of 4.39 percent

⁴ The Federal Government's deficit for fiscal year 2005 (2.6 percent of GDP) was also below that for fiscal year 2004 (3.6 percent of GDP). The structural deficit fell once again as compared with the previous fiscal year, from -2.4 percent of potential GDP in 2004 to -1.8 percent in 2005. U.S. fiscal years start on October 1 and end on September 30.

⁵ *The Budget and Economic Outlook: Fiscal Years 2007 to 2016*, Congressional Budget Office, January 2006.



at the end of the year. This situation has surprised analysts as it does not seem to be compatible with movements in short-term interest rates, the pace of economic growth or existing external imbalances. As a result, the spread between long and short-term interest rates has narrowed considerably. The US dollar appreciated significantly vis-à-vis other major currencies as improved prospects for economic growth and increases in short-term interest rates offset the effects of the widening U.S. trade deficit. The real effective US dollar exchange rate index rose 9.1 percent against other major currencies and 3.7 percent against a wider basket of currencies.⁶ Regarding U.S. stock markets, the NASDAQ recorded a modest improvement (1.37 percent), while the Dow Jones declined slightly (-0.6 percent).

Amongst other advanced nations, economic performance was mixed. On the one hand, the Canadian economy benefited from the high prices of its exports of raw materials and expanded at rates close to its potential (2.9 percent). The Japanese economy once again grew above its potential rate (2.7 percent) supported both by domestic and external demand, while improvements in the financial system and strong private investment have contributed to the belief that the present economic recovery will last longer than previous ones. On the other hand, the euro area and the United Kingdom exhibited only modest economic growth during 2005. Euro area GDP expanded 1.3 percent, a figure below that observed in 2004. This slowdown was due to sluggish growth of private consumption and even more meager growth of exports. These trends were present in all the main economies (Germany, France, Italy and Spain). The stagnation of consumption in Germany is noteworthy. In the United Kingdom, the slowing real estate market affected consumption, and GDP grew 1.8 percent (compared with 3.1 percent in the previous year). In Canada and the European countries, headline inflation remained under control and at relatively low levels. Although inflation in Japan registered negative growth for the seventh consecutive year (-0.3 percent), signs that such deflation was coming to an end were observed.

The favorable performance of the world economy in recent years is mainly due to the improvement in emerging markets compared with their performance during the eighties and nineties. This trend continued during 2005, with such economies accounting for almost half of world GDP.⁷

GDP in Asian emerging economies declined compared with 2004. Nonetheless, economic expansion in this region was still the highest in the world and although most of it stemmed from China (9.9 percent), the other economies in the region also exhibited solid growth. Rising crude oil prices do not seem to have affected the strength of economic activity, although the current account surpluses were reduced. Headline inflation in the region's economies increased slightly, partly as a result of higher crude oil prices, while core inflation remained under control in most countries in the region.

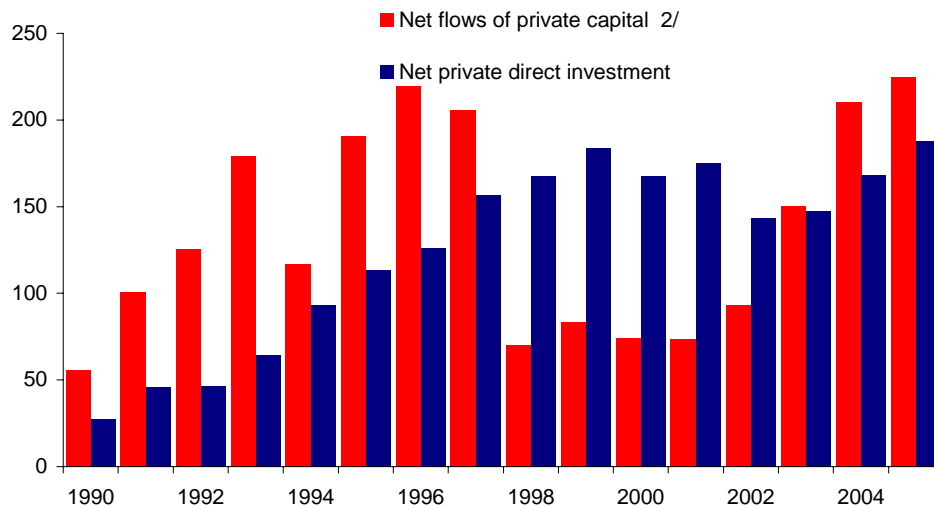
⁶ The real effective exchange rate of the US dollar against the main currencies, prepared by the Federal Reserve, is an average of its value vis-à-vis the euro, the yen, the Canadian dollar, the pound sterling, the Swiss franc, the Australian dollar and the Swedish crown, weighted by the trade of the country of the corresponding currency with the U.S. The wider index calculated by the Federal Reserve includes currencies of 26 countries.

⁷ According to the International Monetary Fund, in 2005 emerging and developing economies accounted for 46.8 percent of world GDP (calculated using the purchasing power parity methodology).

In 2005, robust growth in Latin America (4.3 percent) was, once again, accompanied by a surplus in the region’s current account balance. Such result contrasts with other periods when economic expansion coincided with deteriorating external accounts. One of the main reasons for such performance is the high prices of some raw materials, such as copper, crude oil and agricultural products, although the strengthening of domestic demand has started to play a greater role. In Argentina, GDP grew by more than 9 percent in response to both domestic demand and exports. Economic expansion in Brazil slowed compared with the solid growth it exhibited in 2004, mainly as a result of weaker domestic demand. In Chile, GDP grew more than 6 percent reflecting higher exports and solid consumption. Inflation in Argentina rebounded (9.6 percent at an annual rate), while in Brazil and Chile consumer price inflation was 6.9 and 3.1 percent, respectively.

The ample liquidity and higher appetite for risk in financial markets continued to favor emerging economies. This situation, combined with improved economic fundamentals in several countries and a decline in external borrowing requirements in many of them, brought about a reduction in sovereign risk spreads, which reached record lows in the last months of the year, despite the increase in short-term interest rates in the U.S. Towards the end of 2005, the average spread for emerging economies (EMBI Global) was 237 basis points. Furthermore, the composition of private net capital flows to emerging economies has improved. In particular, foreign direct investment has become more important as compared with other private capital flows, including short-term flows. The latter were more predominant at the beginning of the nineties, before the 1994-95 Mexican and the 1997 Asian financial crises. Thus, emerging countries are now less vulnerable to sudden outflows of short-term capital. Several emerging economies have taken advantage of the current favorable environment to reduce the share of foreign currency liabilities in their total debt, extend the average maturity of their debt and cover their external borrowing requirements for 2006.

Graph 1
Net flows of private capital to emerging economies
 Billion US dollars 2000 ^{1/}



Source: World Economic Outlook (IMF), September 2005 and April 2006.
 1/ Current US dollars deflated by the U.S. consumer price index.
 2/ Includes direct and portfolio investment, and other private flows.

III. Developments in the Mexican Economy: General Overview

III.1. Economic Activity

GDP grew 3 percent in 2005, figure below that recorded in 2004 (4.2 percent) and lower than private sector forecasts at the beginning of the year. It is important to mention that, just like in 2004, during 2005 the performance of domestic expenditure and economic activity benefited from the significant increase in Mexico's oil trade balance surplus and by revenues from workers' remittances.

Economic growth was unbalanced among the economic sectors in 2005. The services sector expanded significantly, the agricultural sector decreased and recorded high volatility, while the industrial sector exhibited a modest performance, particularly in its manufacturing production component. Nonetheless, some industrial activities, including the automotive industry, recorded improvements in annual terms at the end of the year.

Economic activity fluctuated throughout 2005. GDP reduced significantly its rate of growth during the first semester of the year, compared with growth recorded during the second half of 2004, mainly in response to a decrease in external demand. Nonetheless, seasonally adjusted quarterly figures for GDP recorded significant growth during the second half of 2005 as economic activity benefited from improved exports.

As for aggregate demand, private consumption expenditure continued to make the highest contribution to real GDP growth, followed by gross capital formation, while the net trade balance of goods and services made a negative contribution. Consumption, measured at constant prices, was higher than in 2004. Meanwhile, investment grew slightly more than during the previous year, although there was a noteworthy increase in private sector investment during the last quarter of 2005.

In 2005, the performance of the Mexican economy was mainly characterized by the following aspects:

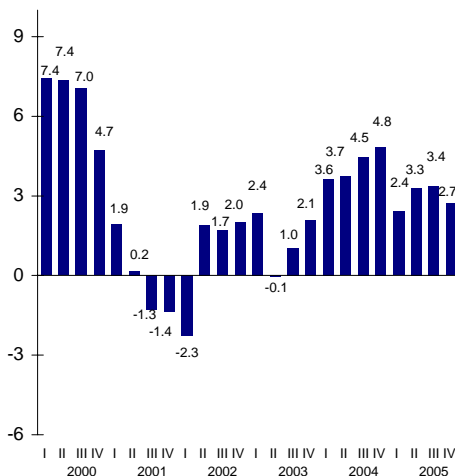
- a) Aggregate demand and GDP grew at a lower rate than in 2004.
- b) The strength of consumption expenditure stemmed from several factors, among which were: the greater availability of financing, job creation, the increase in real average earnings in different sectors and a significant amount of external resources from workers' remittances.
- c) Investment outpaced economic growth for the second consecutive year.

- d) Total public expenditure remained at a level similar to that observed in 2004 due to a combination of a slight rise in consumption expenditure and reduced investment expenditure.
- e) Exports of goods and services grew at a slower rate during 2005, although they recovered during the last months of the year.
- f) At the end of the year, Banco de México's Business Confidence and Consumer Confidence Indexes exhibited upward corrections.
- g) GDP growth responded to expansion in the services and industrial sectors, while the agricultural sector declined for the first time in thirteen years.
- h) Similar to previous years, in 2005, economic growth was higher in the non-tradable than the tradable goods sector.
- i) Manufacturing output improved during the second half of the year mainly as a result of expansion in the automotive industry.

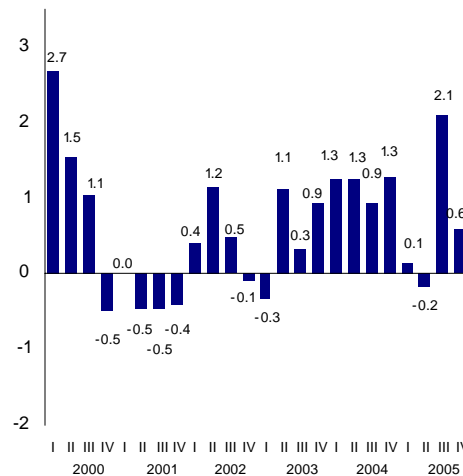
According to the National Statistics Bureau (*Instituto Nacional de Estadística, Geografía e Informática*, INEGI), GDP rose 3 percent in 2005 at constant prices as a result of annual variations of 2.4, 3.3, 3.4 and 2.7 percent during the first, second, third and fourth quarters, respectively (Graph 2). It is important to mention that GDP growth in 2005 was below that originally forecasted by private sector analysts. In fact, economic analysts revised downward their monthly forecasts throughout 2005, from 3.8 percent in January to 3.1 percent in December.

Graph 2
GDP Quarterly Growth

a) Original Data
Annual percentage change



b) Seasonally adjusted data
Quarterly percentage change



Source: National Accounts, INEGI.

In 2005, aggregate supply and demand rose 4.6 percent. On the supply side, this result stemmed from GDP growth and an 8.7 percent increase in imports

of merchandise and services. On the demand side, these results originated from the positive growth exhibited by consumption (4.8 percent), investment expenditure (7.6 percent), and exports of goods and services (6.9 percent) (Graph 3 and Table 3).

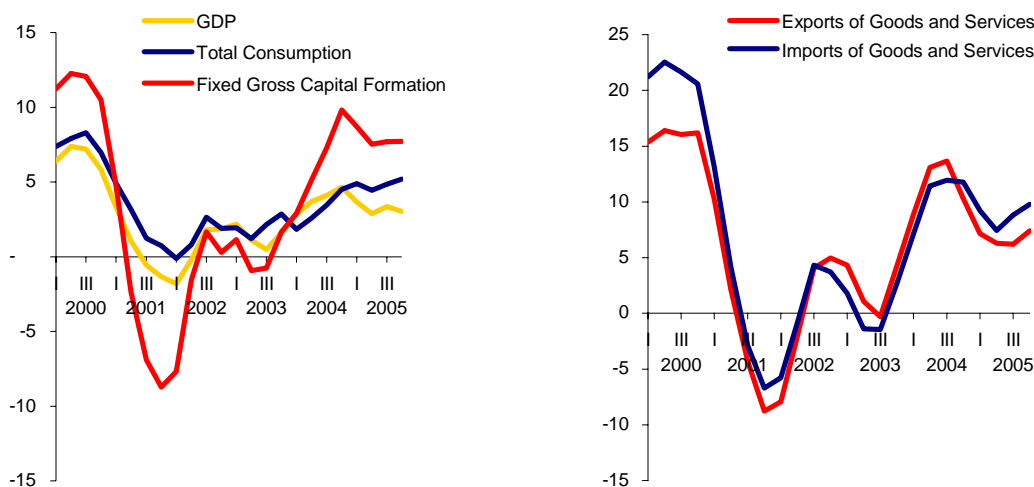
Table 3
Aggregate Supply and Demand
 Annual percentage change in relation to the same period of the previous year

	2002	2003	2004	2005				Annual
	Annual	Annual	Annual	I	II	III	IV	
Aggregate Supply	1.0	1.2	6.2	3.4	4.8	5.0	5.0	4.6
GDP	0.8	1.4	4.2	2.4	3.3	3.4	2.7	3.0
Imports	1.5	0.7	11.6	6.0	8.7	8.9	10.6	8.7
Aggregate Demand	1.0	1.2	6.2	3.4	4.8	5.0	5.0	4.6
Total Consumption	1.4	2.1	3.6	4.7	4.2	5.5	4.9	4.8
Private	1.6	2.2	4.1	5.4	4.7	6.1	5.3	5.4
Public	-0.3	0.8	-0.4	-0.8	0.1	-0.1	2.1	0.5
Total Investment	-0.6	0.4	7.5	6.5	8.5	6.9	8.5	7.6
Private	-4.1	-1.6	8.8	4.7	7.7	6.5	20.9	9.6
Public	17.0	8.5	2.5	17.1	12.2	9.3	-19.6	-0.5
Exports	1.4	2.7	11.6	5.8	6.7	5.7	9.1	6.9

Source: National Accounts, INEGI.

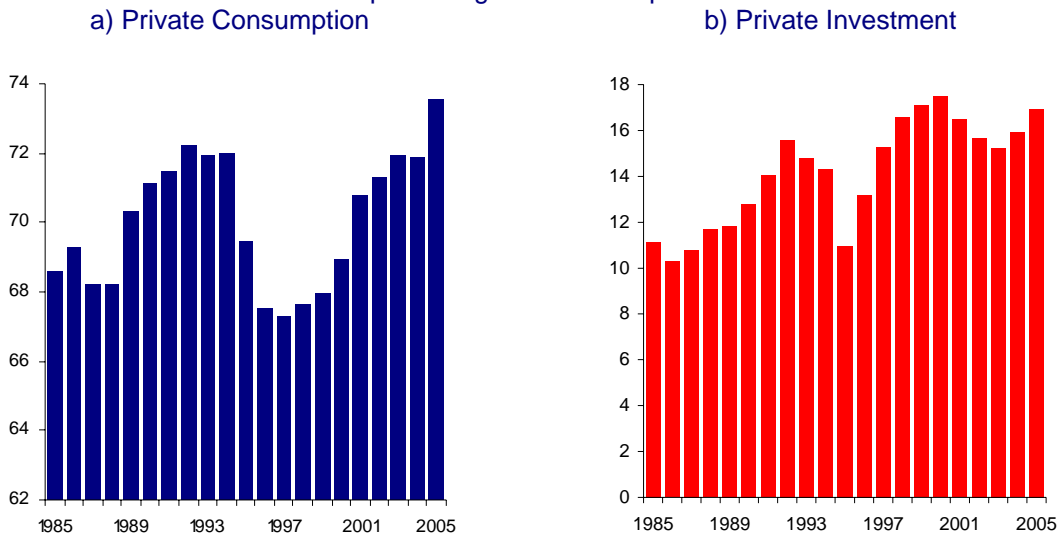
The boost in consumption expenditure during 2005 came mainly from the private sector, which increased 5.4 percent, while that of the public sector rose only 0.5 percent. Consumption measured as a proportion of GDP at constant prices reached 82.4 percent, one percentage point above its level in the previous year. Meanwhile, private consumption grew as a proportion of GDP, accounting for 73.5 percent of economic growth (Graph 4), its highest level since quarterly national accounts began to be recorded in 1980.

Graph 3
Aggregate Supply and Demand Components
 Annual change in constant pesos
 Moving average of two quarters



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

Graph 4
Private Consumption and Private Investment
 GDP percentage at constant prices



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

Consumption growth in 2005 reflected greater purchases of different products. In particular, purchases of durable goods rose 8.1 percent, while those of nondurable goods and services increased 5 percent (5.4 percent growth in goods and 4.6 percent in services). The evolution of private consumption benefited from: the improvement in employment; an increase in real average earnings in several sectors; the greater availability of consumer credit from banks, non-bank financial intermediaries and commercial chain stores; and a significant inflow of resources from workers' remittances.

In 2005, gross fixed capital formation at constant prices rose 7.6 percent, figure similar to that observed during the previous year (7.5 percent). Investment in machinery and equipment grew 11.5 percent, while investment in construction did so by 3.3 percent. Regarding the former, investment in imported and domestic machinery rose 15.9 and 3.4 percent, respectively.

In 2005, private sector investment, measured at constant prices, expanded 9.6 percent and accounted for most of total investment growth in 2005 due to the fact that public sector investment decreased 0.5 percent. In the first three quarters of 2005, private investment grew at an annual rate of 6.3 percent. However, during the last quarter of the year its annual growth rose to 20.9 percent, while that of public sector investment fell 19.6 percent. In 2005, private investment equaled 16.9 percentage points of real GDP. Entrepreneurs from various sectors of the economy, such as manufacturing, construction and trade, enjoyed greater access to credit and obtained higher profits which enabled them to finance investment. Nonetheless, it is important to recognize that the lack of advance in structural reforms in Mexico has limited a more robust recovery of investment. In the surveys conducted periodically by Banco de México on manufacturing firms, foreign investment firms and private sector economic analysts, this factor has been pointed out on numerous occasions as the main obstacle to achieve greater levels of investment and, therefore, to strengthen productivity and competitiveness of the different sectors.

During 2005, public expenditure in goods and services rose 0.2 percent at constant prices. This variation resulted from a 0.5 percent increase in consumption expenditure and a 0.5 percent reduction in investment.

In response to the slowing of external demand in 2005, exports of goods and services (at constant prices) grew at a lower rate than during 2004 (6.9 percent compared to 11.6 percent). Nonetheless, the significant improvement in external demand during the last quarter of 2005 led to a 9.1 percent annual increase in exports of goods. Exports measured as a proportion of GDP at constant prices was 38.4 percent, figure higher than in the previous year (37 percent). In 2005, Mexico's foreign trade at constant prices accounted for 80.4 percent of GDP.

Financing of gross capital formation measured as a proportion of GDP at current prices was 21.8 percent in 2005 (Table 4). Given that domestic saving equaled 21 percent of GDP in the same year, the difference necessary to finance gross capital formation was covered with external savings, equaling 0.8 percentage points of GDP (the same figure as that for the current account deficit).

Table 4
Saving and Investment
Percentage of GDP at current prices

Item	2000	2001	2002	2003	2004	2005 ^{1/}
Financing of Gross Capital Formation ^{1/}	23.8	20.8	20.6	20.5	22.0	21.8
External Saving	3.1	2.9	2.2	1.4	1.1	0.8
Domestic Saving	20.7	17.9	18.4	19.1	20.9	21.0

Source: Prepared by Banco de México with data from Mexico's National Accounts (*Sistema de Cuentas Nacionales de México*), INEGI, except for external saving figures, which are obtained from the balance of payments' current account measured in current pesos.

* Preliminary figures.

^{1/} Includes gross fixed capital formation plus changes in inventories.

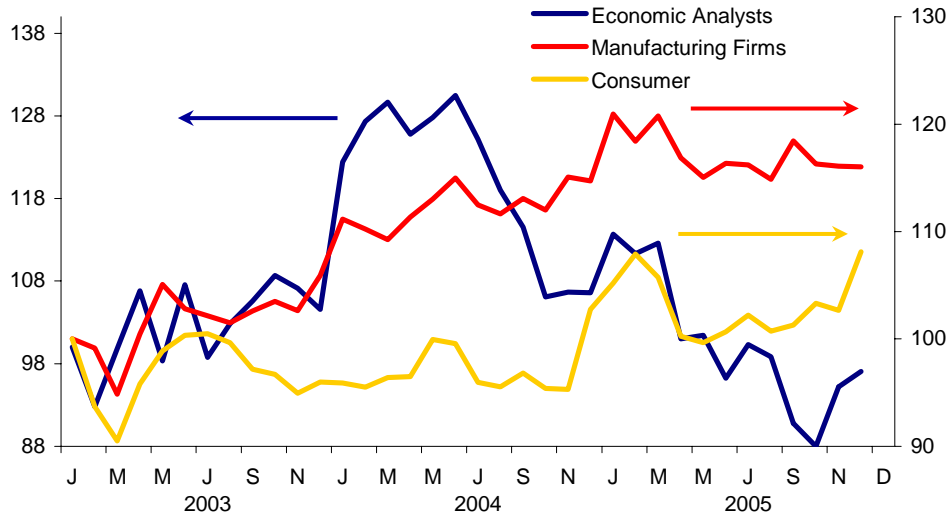
All three of México's confidence indicators exhibited poor results during the first half of 2005. In the second half of the year such indicators improved, particularly during the fourth quarter. In fact, at the end of 2005 the Consumer Confidence and Business Confidence indexes were higher than in December 2004. On the other hand, the Private Sector Analysts' Confidence Index declined in 2005 (Graph 5).

Mexico's economic expansion in 2005 was attributed to a combination of growth in the industrial and services sectors (1.6 and 4.2 percent, respectively) and contraction in the agriculture sector (1.5 percent) (Table 5). These results, in particular, the modest performance of manufacturing production, implied that, similar to during the previous year, the tradable goods component of GDP grew less than its non-tradable goods component in 2005 (Graph 6).

Agriculture, forestry and fishing GDP decreased 1.5 percent, its first negative growth since 1993. This sector recorded an unbalanced behavior throughout the year given the fact that it registered zero growth in the first quarter and recorded -4.0, 7.1 and -6.9 percent in the second, third and fourth quarters, respectively. Agriculture was affected by adverse weather conditions such as the delay in seasonal rains, which usually start in June, causing serious drought in central and northern Mexico. The crops which suffered the most from these

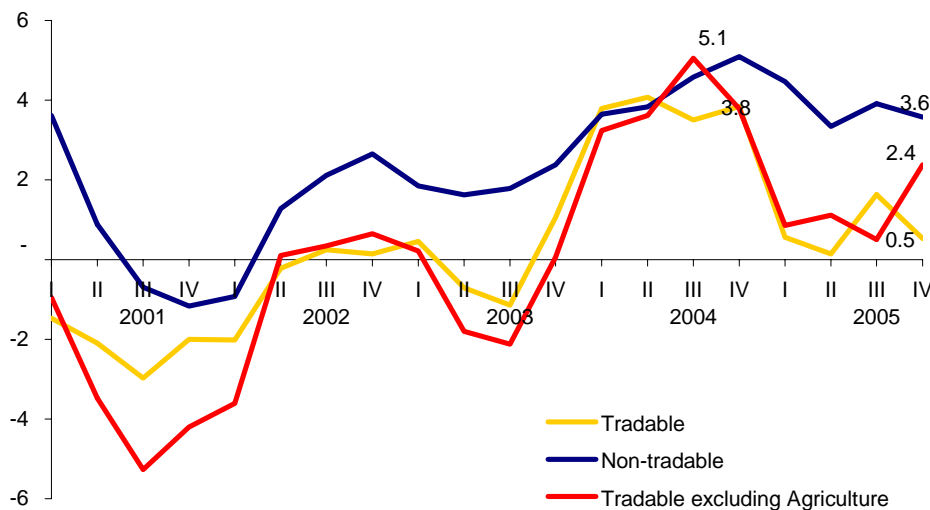
conditions were corn, beans, sorghum and wheat. Furthermore, during the fourth quarter of the year, agriculture also suffered the impact of hurricanes “Stan” and “Wilma”, which mainly affected corn, coffee, sugar cane, papaya and banana crops.⁸

Graph 5
Consumer, Private Sector Economic Analysts’, and Manufacturing Firms Confidence Indicators
 January 2003=100



Source: Banco de México and INEGI.

Graph 6
Tradable and Non-tradable GDP
 Seasonally adjusted data, III Quarter 2000=100, annual percentage change



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

⁸ According to the Ministry of Agriculture (SAGARPA), the drought and the hurricanes affected 1.6 million and 254 thousand hectares of Mexican territory, respectively.

Table 5
Real GDP
Annual percentage change compared with the same period of the previous year

	2002	2003	2004	2005				
	Annual	Annual	Annual	I	II	III	IV	Annual
Total	0.8	1.4	4.2	2.4	3.3	3.4	2.7	3.0
Agriculture, Forestry and Fishing	0.1	3.1	3.5	0.0	-4.0	7.1	-6.9	-1.5
Industrial Sector	-0.1	-0.2	4.2	-0.4	3.1	0.7	2.7	1.6
Mining	0.4	3.7	3.4	-1.8	2.3	1.4	3.0	1.2
Manufacturing	-0.7	-1.3	4.0	-0.6	2.8	0.3	2.4	1.2
Construction	2.1	3.3	6.1	1.0	5.0	2.1	5.1	3.3
Electricity, Gas and Water	1.0	1.5	2.8	0.3	3.0	1.9	0.5	1.4
Services Sector	1.6	2.1	4.4	4.0	4.3	4.5	3.9	4.2
Trade, Hotels and Restaurants	0.0	1.5	5.5	3.3	3.8	3.2	2.0	3.1
Transport and Communications	1.8	5.0	9.2	7.8	7.3	6.9	6.3	7.1
Financial, Insurance and Real Estate	4.2	3.9	3.9	5.2	5.5	6.2	6.2	5.8
Community, Social and Personal Services	0.9	-0.6	0.6	1.3	1.8	2.6	2.7	2.1

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

Industrial GDP grew 1.6 percent in 2005 due to positive results in all four of its components: construction (3.3 percent); manufacturing (1.2 percent); mining (1.2 percent); and electricity (1.4 percent). All the preceding figures were below those recorded for such sectors during the previous year. Mining rose due to a combination of a 3.6 percent expansion in non-oil mining and a 0.7 percent contraction in oil mining. The positive results in construction were due mainly to a greater number of general projects (especially single-family and multi-family projects), as well as construction works for schools, business offices and industry.

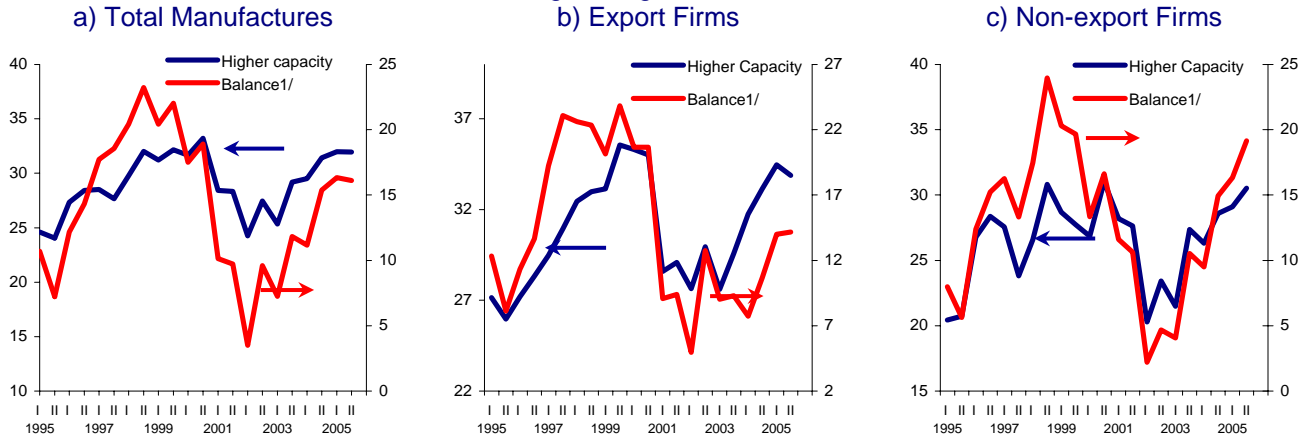
The modest growth in manufacturing GDP resulted from increases of 3.5 percent and 1.0 percent in both maquiladora and non-maquiladora industries, respectively. The manufacturing industry recorded an improvement during the fourth quarter of the year which mainly responded to increased exports, especially in the automotive sector. Other sectors also contributed to the aforementioned expansion such as: machinery and electrical equipment; cement; beer and malt; leather and footwear; other metallic products besides machinery; and vehicle bodywork, engines and spare parts.

The automotive industry rebounded significantly in the fourth quarter of 2005. Thus, automotive production registered an annual decline of 1.9 percent in the first half of the year and annual growth of 3.6 and 34.8 percent in the third and fourth quarters, respectively. These results implied that automotive production in Mexico rose 8.3 percent in 2005, after having declined 1.2, 12.5, 1.9 and 4 percent in 2004, 2003, 2002 and 2001, respectively. This increase in automotive production mainly resulted from a 10.7 percent rise in the number of export units, while those destined for the domestic market increased only 2.8 percent. Car retail sales rose 3.3 percent, after having grown 12.1 percent in 2004. In 2005, vehicle exports accounted for 74 percent of domestic production, while 64 percent of domestic demand was fulfilled with imported units.

Banco de México's Business Climate surveys conducted every six months reveal that the percentage of manufacturing firms which have increased their output capacity has risen over the last few years. Thus, 33 percent of firms who took part in the survey in 2005 stated that their output capacity was higher than during the previous year, while in 2004, 2003 and 2002 the percentage was

31, 29 and 26, respectively. These results have enabled manufacturing firms (both exporting and non-exporting) to increase their production capacity (Graph 7).

Graph 7
Percentage of Manufacturing Firms that Expanded their Installed Capacity
Weighted Percentages (Opinion)
 Moving average of 3 semesters



Source: Banco de México, Half-yearly Survey of Current Economic Conditions.

1/ Refers to the percentage of firms mentioning higher installed capacity during the reference semester minus the percentage of firms mentioning reduced installed capacity.

In 2005, services GDP rose 4.2 percent due to increases in its four components: transport, warehousing and communications (7.1 percent); financial, insurance and real estate services (5.8 percent); community, social and personal services (2.1 percent); and commerce, restaurants and hotels (3.1 percent). The higher sales in the domestic market were one of the main contributors to growth of commerce, restaurants and hotels. According to INEGI, retail sales rose 3.6 percent in 2005, while the National Retailers Association (*Asociación Nacional de Tiendas de Autoservicio y Departamentales*, ANTAD) reported consumer sales increased 8.9 percent. Hotel occupancy exhibited significant dynamism throughout most of 2005, although it did suffer the adverse effects of hurricane “Wilma” in the state of Quintana Roo during the fourth quarter of the year.

The growth of transport and communications continued to reflect strong demand for cellular, satellite and traditional phone services, as well as for specialized courier services and air transportation. Community, social and personal services GDP grew 2.1 percent due to increases in entertainment, medical and education services as well as in its “other services” component.

III.2. Employment, Earnings and Productivity

The expansion of economic activity in 2005 was reflected in an increase in the demand for labor, which contributed to an important improvement of different employment indicators. In this regard, the significant increase in formal employment in almost all States of the Mexican Republic and most sectors of economic activity deserves mention.

The most relevant aspects of the labor market during the year were the following:

- a) A significant increase in the number of workers insured by the IMSS, which led to increasing annual percentage variations throughout the year.
- b) Formal employment growth was more evident in temporary jobs in urban areas than in permanent jobs.
- c) Job creation included practically all states.
- d) The increase in the number of workers insured by the IMSS was highest in the services and construction sectors, while in the manufacturing industry it exhibited more moderate growth.
- e) INEGI's monthly surveys of manufacturing employment reveal a significant recovery of employment in the maquiladora industry. Nonetheless, its level exhibited a significant decline as compared with its maximum historic level in 2000.
- f) The improvement of formal employment in 2005 did not translate into a shortage of skilled labor.
- g) The national open unemployment rate decreased during the year.

In 2005 the number of workers insured by the Social Security Institute (*Instituto Mexicano del Seguro Social*, IMSS) rose by 576,599 (from December 2004 to December 2005), representing annual growth of 4.6 percent, the highest total annual increase since December 2000. The number of permanent workers in urban areas rose by 184,954 (1.7 percent) while that of temporary workers increased by 391,645 (23.8 percent). According to seasonally adjusted figures, at the end of 2005 formal employment surpassed its maximum level reached at the end of 2000 by 559,857 jobs.

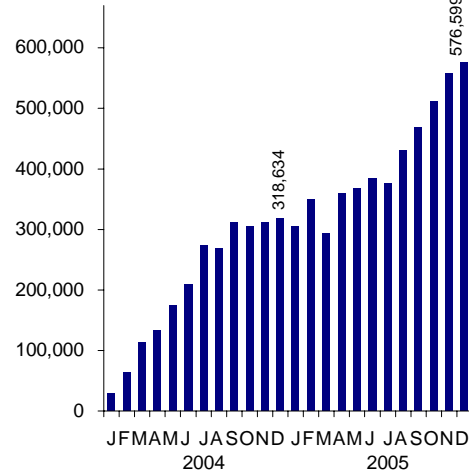
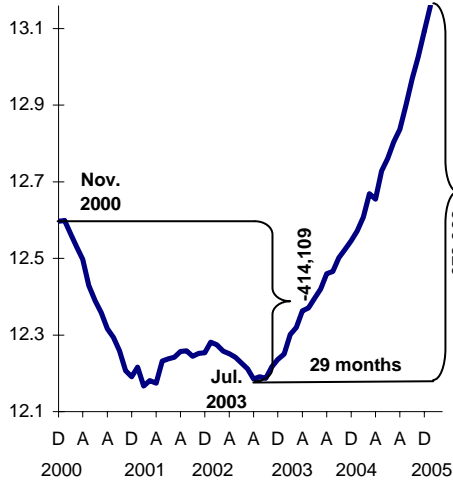
The improvement of job creation in 2005 was notable in most states, except the state of Tlaxcala where formal employment fell slightly. The states which registered the highest annual increases were: the Federal District (105,340), Nuevo León (52,057) and Jalisco (43,689). Furthermore, the improvement of formal employment was notable in most economic sectors, although the most significant growth was recorded in trade (145,109 workers and 5.9 percent). Formal employment in the industrial sector increased at a more moderate rate, reflecting employment growth in construction (105,930 workers and 11.7 percent) and manufacture (78,645 workers and 2.1 percent). The latter allowed the improvement already observed in manufacturing employment in 2004 to continue, after having contracted for three years in a row. Nonetheless, at the end of 2005, the number of manufacturing workers insured by the IMSS with seasonally adjusted data fell by 633,000 as compared with its level of October 2000.

Graph 8

Workers Insured by the IMSS: Permanent and Temporary in Urban Areas

a) Millions of Workers Insured
Seasonally adjusted data

b) Number of Workers Insured by the IMSS
Annual variation of original data



Source: IMSS. Seasonal adjustments by Banco de México.

According to INEGI, in December 2005 1,163,362 workers were employed in the maquiladora industry, representing an average annual increase of 4.7 percent (5 percent in 2004). Nonetheless, at the end of 2005 the number of workers employed in this industry was still 184,441 (13.7% lower) below the historic maximum level of 1,347,803 workers reached in October 2000. Seasonally adjusted figures for formal employment in the maquiladora industry reveal an accumulated increase of 134,378 workers from August 2003 to December 2005 (Graph 9).

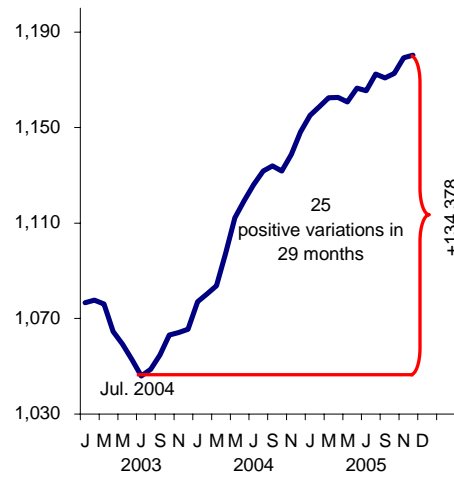
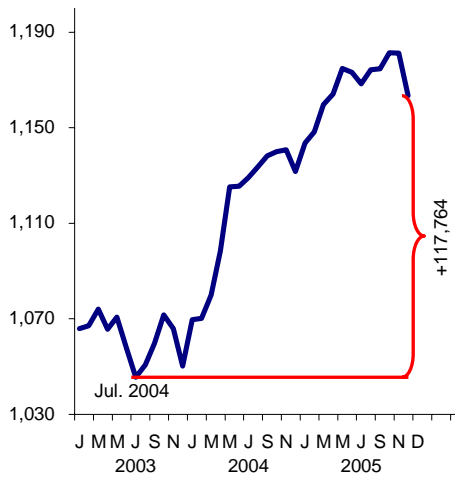
Graph 9

Maquiladora Sector: Work Force

Thousand workers

a) Original Series

b) Seasonally Adjusted Series

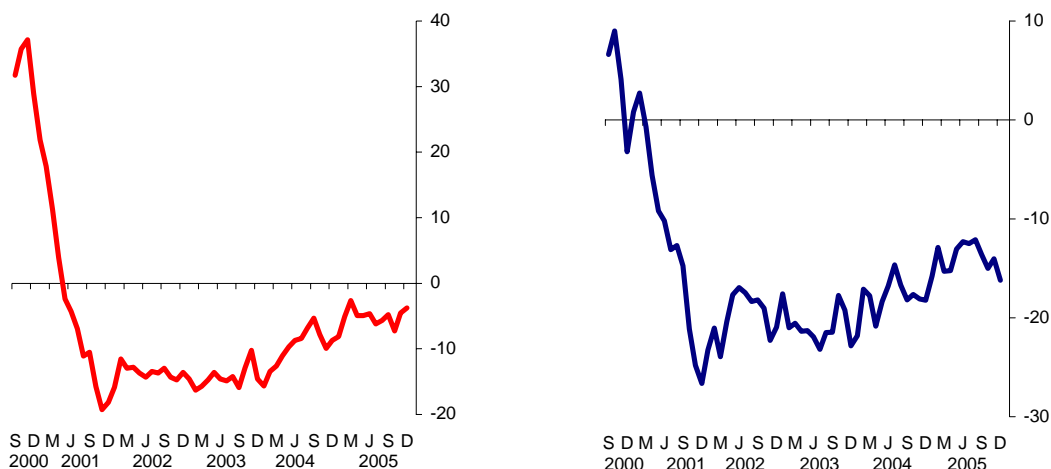


Source: INEGI. Seasonal adjustments by Banco de México.

Despite the considerable growth of formal employment, monthly indicators for the manufacturing sector prepared by Banco de México reveal that, in 2005, enterprises did not face any difficulties in hiring skilled labor for their production sales and administrative areas (Graph 10).

Graph 10
Manufacturing Sector, Labor Shortage Indicators
2-month Moving Average of Balance of Responses

a) More competition among firms to hire skilled labor b) Number of workers that resigned to be hired in other firms



Source: Banco de México, Monthly Survey of Manufacturing Firms' Conditions. Balance of responses refers to the weighted percentage of firms that faced greater competition from other firms to hire skilled labor (or firms mentioning that the number of workers that resigned to be hired in other firms increased) minus those mentioning to have faced less competition in hiring workers.

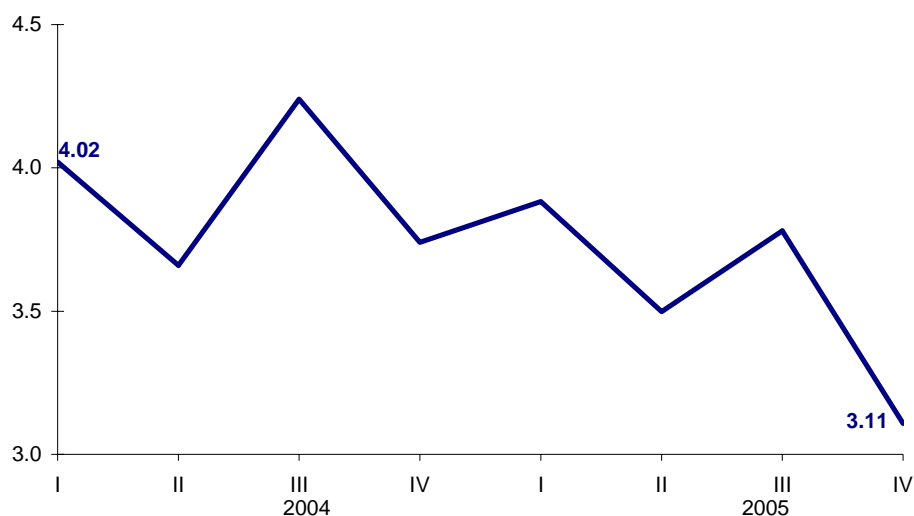
Table 6
Employment Indicators

	2002	2003	2004	2005						
	Annual	Annual	Annual	I	II	III	IV	Nov.	Dec.	Annual
Workers Insured by the IMSS	Annual percentage change									
Total	-0.98	-0.03	1.71	2.58	3.00	3.40	4.35	4.40	4.61	3.34
Permanent	-1.21	-0.66	1.16	2.05	1.72	1.44	1.71	1.77	1.70	1.73
Temporary in Urban Areas	0.68	4.39	5.45	6.10	11.37	16.02	21.21	20.84	23.79	13.81
Manufacturing	-5.93	-4.12	-0.28	1.35	1.13	0.96	1.87	1.91	2.11	1.33
Agriculture	2.87	-10.91	-9.67	-7.80	-7.03	13.78	7.53	7.80	5.70	0.38
Extractive Industry	-2.83	2.41	3.24	4.56	7.42	3.16	2.88	2.70	3.65	4.48
Construction	-1.67	2.36	2.43	2.51	5.53	7.65	10.23	10.42	11.66	6.54
Workers Employed in Maquiladora	-10.65	-0.85	5.00	7.19	4.86	3.42	3.33	3.54	2.80	4.66
	Percentage of Economically Active Population									
Open Unemployment Rate	2.98	3.41	3.92	3.88	3.50	3.78	3.11	2.99	2.84	3.57
Mexico City	N.A.	N.A.	N.A.	5.68	5.37	6.36	4.87	N.A.	N.A.	5.57
Jalisco	N.A.	N.A.	N.A.	3.82	2.95	4.27	3.34	N.A.	N.A.	3.60
Monterrey	N.A.	N.A.	N.A.	5.43	4.73	5.95	4.48	N.A.	N.A.	5.15

Source: IMSS; Export-maquiladora statistics and National Employment Survey (*Encuesta Nacional de Ocupación y Empleo, ENOE*), INEGI.
 N.A. Not available.

According to the National Employment Survey (*Encuesta Nacional de Ocupación y Empleo, ENOE*) conducted by INEGI, the National Unemployment Rate fell from an average of 3.92 percent in 2004 to 3.57 percent in 2005 (Table 6). Despite the favorable behavior of employment in 2005, the percentage of the working population employed in informal-related activities rose throughout the year to an average of 28.3 percent, while those who considered themselves as underemployed also remained high (7.5 percent, Table 7).

Graph 11
National Unemployment Rate
Percent



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

Table 7
Employment Characteristics
Percentage of Working Population

	2005				
	I	II	III	IV	Annual
Wage earning working rate	58.7	58.4	58.3	59.5	58.7
Underemployment rate	8.9	7.5	7.3	6.3	7.5
Employment rate (informal sector)	28.0	28.3	28.2	28.7	28.3

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

Some of the most important aspects regarding earnings and unit labor costs during 2005 were:

- a) The main indicators for earnings exhibited mixed growth. In particular, in the manufacturing industry the IMSS average reference wage and real average wages (based on INEGI's monthly survey) rose at a lower rate than in 2004, while average contractual wage increases rebounded.
- b) Unit labor costs (ULC) in the non-maquiladora manufacturing industry and retail trade sector fell at a lower rate than during the previous year. ULC in the maquiladora industry increased during 2005 after having

contracted in 2004. This behavior is mainly explained by reduced labor productivity growth.

Earnings of formal sector workers, measured by the IMSS average reference wage, were 188.9 pesos per day on average in 2005. This result implied a nominal increase of 5.8 percent, 0.3 percentage points below that of 2004. The slowing of this indicator was seen in most sectors of the economy, particularly in agriculture, livestock, forestry, hunting and fishing, as well as in construction, transport and communications. Only the mining and manufacturing industries registered higher earnings than those observed during the previous year (Table 8).

During 2005, workers hired by small companies (defined as those with less than 10 employees) were granted the highest average wage increases (8.4 percent in nominal terms).⁹ However, after analyzing companies according to their size, IMSS average reference wage increases were lower in all size groups than those recorded in 2004 (Table 8).

Table 8
IMSS Average Reference Wage
Annual percentage change, pesos per day, and percentage structure of insured permanent workers

Activity	Annual percentage change			Pesos per day		Percentage structure of permanent workers insured
	2004	2005	(B) - (A)	2004	2005	2005
	(A)	(B)		(A)	(B)	
Total	6.1	5.8	-0.3	178.6	188.9	100.0
By economic activity						
Agriculture, Forestry, and Hunting and Fishing	5.6	2.1	-3.5	106.5	108.7	2.6
Mining Industries	10.7	15.0	4.3	195.5	224.8	0.6
Manufacturing	5.4	6.0	0.6	179.4	190.2	32.9
Construction	9.0	7.2	-1.8	138.8	148.9	4.4
Electricity, and Potable Water Supply Services	8.3	7.2	-1.1	374.0	400.9	1.3
Commerce	6.4	6.8	0.4	154.1	164.5	21.5
Transportation and Communications	7.1	5.2	-1.9	237.2	249.6	5.9
Services provided to Businesses and Individuals	5.5	4.9	-0.6	184.7	193.7	23.6
Social and Community Services	7.9	6.8	-1.1	188.2	201.1	7.2
By firm size						
1-10 Workers	9.0	8.4	-0.6	91.8	99.5	15.7
11-50 Workers	7.0	6.3	-0.7	140.1	148.9	18.5
51-100 Workers	5.4	5.0	-0.4	174.4	183.2	9.7
101-300 Workers	5.5	4.6	-0.9	196.5	205.5	17.8
301-above Workers	4.9	4.4	-0.5	228.6	238.6	38.3

Source: Estimates prepared by Banco de México with data from the Minimum Wages' Commission (*Comisión Nacional de los Salarios Mínimos, CONASAMI*).

As for workers in enterprises and entities under federal jurisdiction, contractual wages recorded an average nominal increase of 4.4 percent during 2005, 0.3 percentage points above its observed level of the previous year, therefore interrupting the downward trend that nominal contractual wage increases have exhibited over the last eight years.

⁹ The grouping of companies according to the number of employees is carried out by Mexico's Minimum Wage Commission (*Comisión Nacional de los Salarios Mínimos, CONASAMI*).

The rebound in contractual wages mainly stemmed from increases granted to workers in public enterprises during 2005 (4.0 percent compared to 3.5 percent in 2004), as wage revisions granted to workers in private firms remained, on average, similar to during the previous year (4.6 percent) (Table 9).

Table 9
Contractual Wages in Enterprises under Federal Jurisdiction
 Percentage change, weighted average of period ^{1/}

	2004					2005				
	I	II	III	IV	Annual	I	II	III	IV	Annual
Total	4.5	4.5	4.3	3.4	4.1	4.5	4.4	4.4	4.2	4.4
Public	3.9	3.9	4.0	3.1	3.5	3.6	4.0	4.1	4.0	4.0
Private	4.6	4.6	4.7	4.3	4.6	4.7	4.6	4.7	4.7	4.6
Manufactures	4.5	4.8	4.8	4.1	4.6	4.7	4.7	4.7	4.7	4.7
Other Sectors	4.5	4.4	4.2	3.3	3.9	4.3	4.3	4.3	4.1	4.2

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

1/Weighted average is calculated based on the number of workers benefited in each wage revision.

As for its size, 70 percent of workers in enterprises and entities under federal jurisdiction and 87 percent of workers in public enterprises accepted wage increases of between 4.0 and 4.9 percent (Table 10).

Table 10
Contractual Wage Revisions by Interval
 Percentage distribution

Interval Increase	2004					2005				
	I	II	III	IV	Average	I	II	III	IV	Average
According to number of workers benefited										
0.0-3.9%	22.6	13.0	7.9	82.2	36.0	20.6	12.3	7.5	11.2	13.3
4.0- 4.9%	52.8	58.4	71.0	9.0	44.0	56.1	64.5	75.9	82.0	69.8
5.0- 5.9%	19.6	18.3	14.8	7.5	14.6	15.2	13.9	10.9	5.4	11.1
6.0% and over	5.0	10.3	6.3	1.4	5.4	8.1	9.3	5.7	1.3	5.8
According to number of wage revisions										
0.0-3.9%	14.3	18.5	18.1	24.9	18.3	18.8	21.9	28.7	28.4	23.6
4.0- 4.9%	39.2	36.2	38.2	33.5	37.0	35.9	39.4	32.5	34.0	35.9
5.0- 5.9%	33.9	31.9	26.1	27.4	30.6	30.1	25.3	25.4	25.2	26.8
6.0% and over	12.6	13.4	17.7	14.2	14.2	15.2	13.3	13.4	12.3	13.7

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

In December 2005, Mexico's Minimum Wage Commission (*Comisión Nacional de los Salarios Mínimos*, CONASAMI) determined an increase of 4.0 percent to the General Minimum Wage to take effect on January 1, 2006 (the weighted increase for 2005 was 4.4 percent). Thus, the average minimum wage was 47.05 pesos per day (Table 11).

The increase in the minimum wage (4.0 percent) applied equally to the three geographic areas. However, it represented different wage dynamics in each of them. In particular, the minimum wage increase decelerated in geographic region "C".

Table 11
Nominal Minimum Wage
 Pesos per day and annual percentage change

Period	Pesos per day				Annual percentage change			
	General	Geographic area			General	Geographic area		
		A	B	C		A	B	C
2001	37.57	40.35	37.95	35.85	6.99	6.50	8.09	9.68
2002	39.74	42.15	40.10	38.30	5.78	4.50	5.70	6.90
2003	41.53	43.65	41.85	40.30	4.50	3.56	4.36	5.22
2004	43.30	45.24	43.73	42.11	4.25	3.64	4.50	4.50
2005	45.24	46.80	45.35	44.05	4.50	3.50	3.70	4.60
2006	47.05	48.67	47.16	45.81	4.00	4.00	4.00	4.00

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

During 2005, labor productivity in the manufacturing industry (maquiladora and non-maquiladora), and in the retail sector, grew at a lower rate than in 2004. Thus, average Unit Labor Costs (ULC) decreased less than in the previous year in the non-maquiladora manufacturing industry and the retail sector, while in the maquiladora manufacturing industry ULC increased after having declined in 2004.

Table 12
Average Earnings per Worker, Labor Productivity, and Unit Labor Costs (ULC)
 Annual average percentage change

Activity	2004					2005					Difference (B) - (A)
	I	II	III	IV	Average (A)	I	II	III	IV	Average (B)	
Real average earnings											
Manufacturing	1.5	0.6	0.1	-0.9	0.3	-0.1	-0.1	-0.7	0.3	-0.1	-0.4
Maquiladora	1.9	0.6	-0.7	-2.6	-0.2	-1.3	-0.4	2.1	1.4	0.4	0.6
Retail	1.1	4.2	5.5	-0.1	2.6	1.1	-0.3	-0.4	-0.2	0.1	-2.5
Productivity per worker											
Manufacturing	8.0	7.1	7.4	5.9	7.1	0.4	4.2	0.7	2.6	2.0	-5.1
Maquiladora	2.1	4.0	2.8	0.9	2.5	-1.3	-2.5	-0.7	0.2	-1.1	-3.6
Retail	9.6	7.3	5.3	5.7	6.9	4.0	5.1	4.6	2.8	4.1	-2.8
Unit labor costs											
Manufacturing	-5.9	-6.0	-6.8	-6.5	-6.3	-0.6	-4.2	-1.3	-2.1	-2.1	4.2
Maquiladora	-0.2	-3.2	-3.4	-3.7	-2.6	0.0	2.2	2.9	1.2	1.6	4.2
Retail	-7.8	-3.0	0.0	-5.4	-4.1	-2.7	-4.9	-4.7	-3.2	-3.9	0.2

Source: Estimates prepared by Banco de México with data from INEGI.

Labor productivity in the manufacturing non-maquiladora industry declined in 2005, especially during the first quarter (Graph 12). This indicator grew at an annual rate of 2.0 percent, 5.1 percentage points below its level in 2004. Meanwhile, real average earnings fell slightly (-0.1 percent). Consequently, ULC continued to register negative annual growth, recording an average annual rate of -2.1 percent during 2005. Nonetheless, the decline of ULC in 2005 was lower than that observed during the previous year (Table 12).

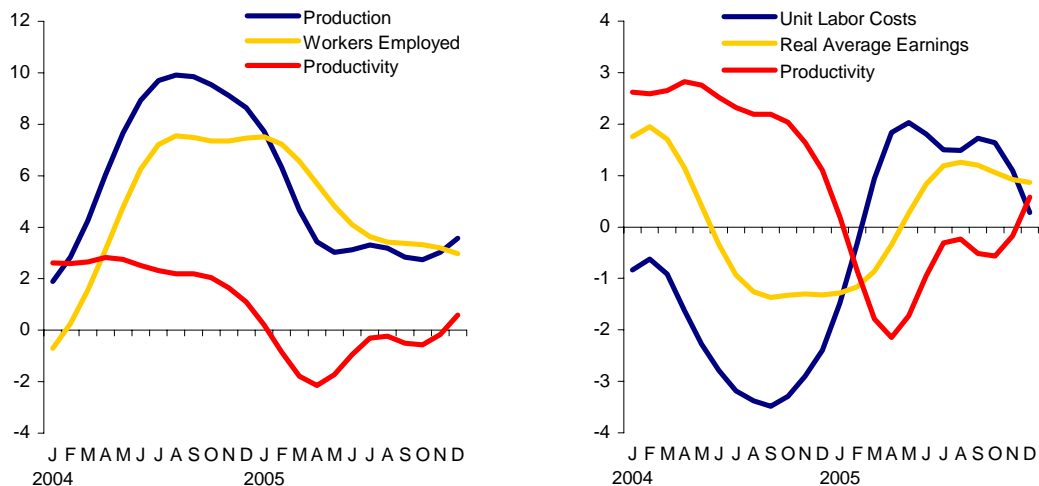
Graph 12
Non-maquiladora Manufacturing Industry
 Earnings, Labor Productivity and ULC
 Trend, annual percentage change



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

ULC in the maquiladora manufacturing industry grew at an annual rate of 1.6 percent in 2005 (Table 12 and Graph 13). This result was due to a rise in real average earnings (0.4 percent), combined with a fall in labor productivity (-1.1 percent).

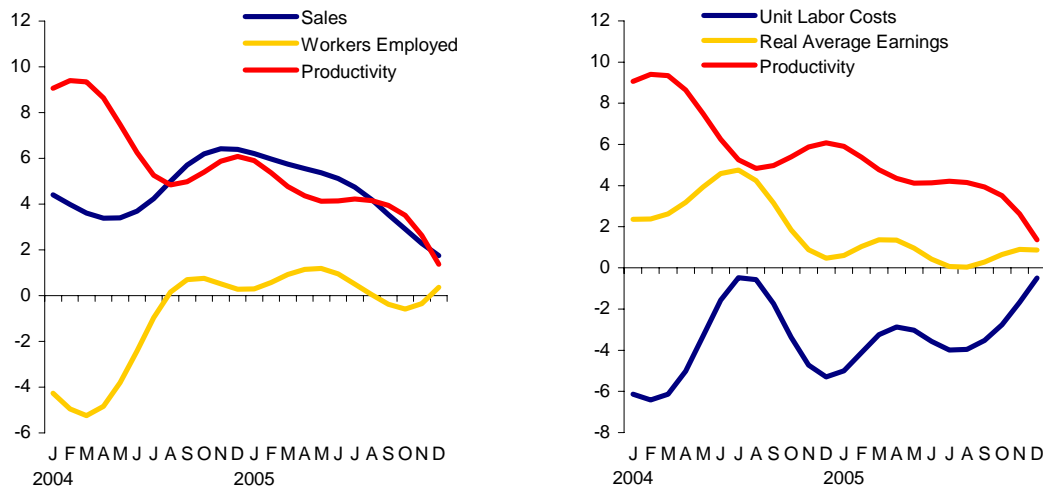
Graph 13
Maquiladora Industry
 Earnings, Labor Productivity and ULC
 Trend, annual percentage change



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

As for the retail sector, in 2005, real average earnings rose 0.1 percent and labor productivity grew 4.1 percent.¹⁰ Consequently ULC fell, on average, 3.9 percent (Table 12 and Graph 14).

Graph 14
Retail Sector
 Earnings, Labor Productivity and ULC
 Trend, annual percentage change



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

III.3. External Sector

During 2005, Mexico's external sector performance was characterized by the following: weak external demand; the significant rise in international crude oil prices; the loss of competitiveness of Mexican products in international markets; weaker domestic output, reflected in the demand for imports; and, significant and increasing inflow of workers' remittances. It is important to mention that after deducting the higher surplus of the oil trade balance and the increased inflow of workers' remittances from the trade balance and current account, these deficits widened significantly, consistent with the higher growth of domestic expenditure observed during the year as compared with that of GDP.

In 2005 the external sector was characterized by the following aspects:

- a) Lower growth of non-oil exports than during 2004 due to the slowdown of external demand and the persistent loss of competitiveness of Mexican products in external markets. The latter was partly a result of the lack of advances in implementing pending structural reforms.

¹⁰ INEGI recently carried out a complete review of the data collection system used in its Monthly Survey of Retail Stores (*Encuesta Mensual sobre Establecimientos Comerciales, EMEC*). However, in order for data concerning the retail sector to be compatible with Banco de México's monthly inflation reports published during 2005, the figures shown in this Report were calculated based on the EMEC's previous methodology. Data available to December 2005.

- b) Significant increase in the value of oil exports in response to considerably higher crude oil prices in international markets, which contributed to a reduction in the trade balance deficit compared with 2004.
- c) Lower annual growth of merchandise imports with respect to that observed in 2004. This result responded to a reduction in production for the domestic market and a decrease in manufactured exports that use imported inputs for their production.
- d) Unfavorable performance of Mexican products in the U.S. market for the third year in a row. Mexico's exports to the U.S. grew less vigorously than total exports of the rest of U.S. trading partners. As a result, the share of Mexican products in U.S. imports decreased.
- e) Higher inflow of resources from workers' remittances.
- f) Reduction in the current account deficit of the balance of payments, measured in both US dollars and in relation to GDP. As in 2004, such deficit was mainly covered with long-term financial resources.
- g) Capital account surplus mainly due to inflows from foreign investment (both direct and portfolio) as well as external financing channeled to the non-bank private sector and financed investment projects known as PIDIREGAS.
- h) Significant inflow of financial resources from Foreign Direct Investment (FDI), very similar to levels observed in 2004.
- i) Public and commercial bank foreign indebtedness. There were also outflows of resources associated with an increase of Mexican residents' assets abroad.
- j) Significant increase in net international reserves.

The trade deficit was 7.559 billion US dollars, figure below that observed in 2004 (8.811 billion). Merchandise exports rose 13.7 percent in 2005, in response to increases of 34.8 percent in oil exports and 10.6 percent in non-oil exports. Manufacturing exports also rose 10.6 percent. Regarding the latter, maquiladora and non-maquiladora exports increased 11.3 percent and 9.8 percent, respectively (Table 13).

During 2005, the international oil market was again characterized by very high prices, which produced an increase of 34.8 percent in Mexican oil exports. For the year as a whole, the average price of the Mexican crude oil export mix was 42.72 US dollars per barrel, 11.67 US dollars above that in 2004. Oil imports also exhibited significant annual growth (47.2 percent). As a result of the aforementioned, Mexico's oil trade balance surplus (including petrochemicals) totaled 15.612 billion US dollars, an increase of 3.01 billion compared with 2004.

Table 13
Trade Balance
Million US dollars

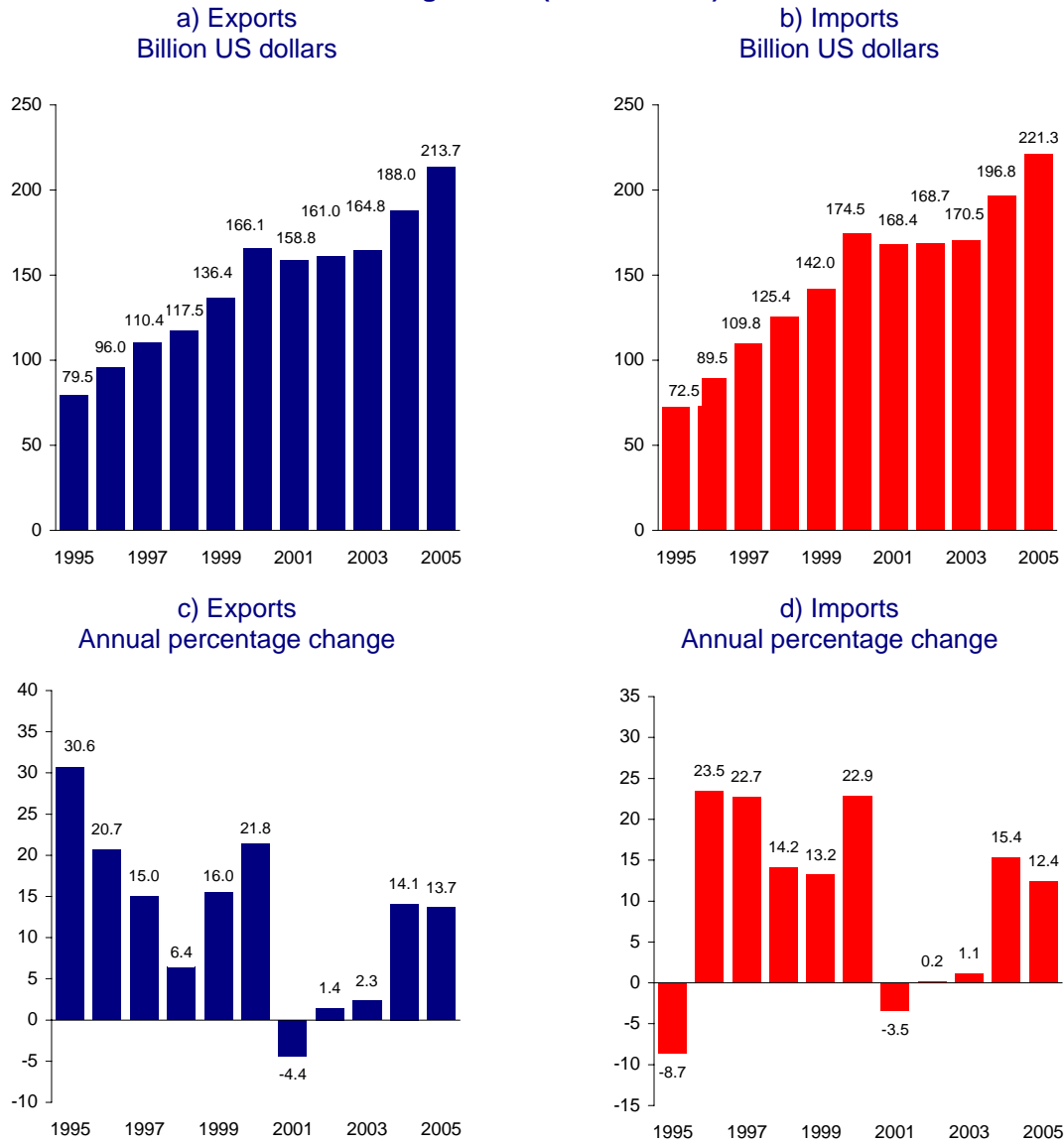
Item				Absolute	Percentage change	
	2003	2004	2005	Variation in 2005 (3)-(2)	2004 (2)/(1)	2005 (3)/(2)
	(1)	(2)	(3)			
Exports	164,766	187,999	213,711	25,713	14.1	13.7
Oil	18,602	23,667	31,895	8,229	27.2	34.8
Non-oil	146,164	164,332	181,816	17,484	12.4	10.6
Agriculture	5,036	5,684	6,127	443	12.9	7.8
Mining	496	901	1,168	267	81.5	29.6
Manufacturing	140,632	157,747	174,521	16,774	12.2	10.6
Maquiladora	77,467	86,952	96,756	9,805	12.2	11.3
Other	63,165	70,796	77,765	6,969	12.1	9.8
Imports	170,546	196,810	221,270	24,460	15.4	12.4
Consumer Goods	21,509	25,409	31,513	6,104	18.1	24.0
Intermediate Goods	128,831	148,804	163,542	14,738	15.5	9.9
Maquiladora	59,057	67,742	75,129	7,387	14.7	10.9
Other	69,774	81,061	88,412	7,351	16.2	9.1
Capital Goods	20,205	22,597	26,216	3,619	11.8	16.0
Total Trade Balance	-5,779	-8,811	-7,559	1,253	52.5	-14.2
Oil Trade Balance	10,232	12,602	15,612	3,010	23.2	23.9
Trade Balance Excluding Oil Exports	-16,011	-21,413	-23,170	-1,757	33.7	8.2

Note: Figures may not add up due to rounding.

Merchandise imports increased 12.4 percent in 2005, figure below the 15.4 percent growth observed during the previous year (Graph 15). This result was due to reduced production for the domestic market and a decline in manufacturing exports that use imported inputs for their production. Imports of intermediate goods rose 9.9 percent, those of capital goods 16 percent and those of consumer goods 24 percent. Regarding the latter, purchases of gasoline and automobiles exhibited the most significant growth.

From a regional perspective, Mexico's foreign trade in 2005 was once again characterized by two aspects: i) a large surplus with NAFTA trading partners; and, ii) a deficit with the rest of the countries in America, and with Europe and Asia. The narrowing of Mexico's total trade deficit in 2005 was due to a combination of a higher surplus with the NAFTA region, a reduced deficit with the rest of the countries in America and larger deficits with the other mentioned areas. China remains the second largest supplier of merchandise to Mexico and the country with which Mexico has the highest deficit (Table 14).

Graph 15
Foreign Trade (Merchandise)



In 2005, the performance of Mexican exports to the U.S. weakened in relative terms. Thus, Mexican exports to the U.S. grew at an annual rate of 9.2 percent, less vigorously than total exports of the rest of U.S. trading partners which increased 14.2 percent (Table 15). As a result, the share of Mexican products in U.S. imports decreased again, from 10.6 percent in 2004, to 10.2 percent in 2005 (Graph 16). It is important to mention that during 2005 exports of several countries (such as China, Canada, the U.K., Germany and Malaysia) performed better than those of Mexico in the U.S. market. In 2005, Mexico was the third largest supplier of U.S. imports behind Canada and China.

Table 14
Trade Balance by Regions
Million US dollars

	2003 (A)	2004 (B)	2005 (C)	Absolute Variation (C)-(B)	Percentage Change			
					Exports		Imports	
					2004	2005	2004	2005
TOTAL	-5,779	-8,811	-7,559	1,253	14.1	13.7	15.4	12.4
NAFTA	37,854	51,659	62,857	11,197	13.9	11.6	6.1	7.1
United States	38,933	53,695	64,790	11,095	14.0	11.3	5.2	6.7
Canada	-1,079	-2,036	-1,934	102	8.2	28.5	29.3	15.7
REST OF THE WORLD	-43,633	-60,470	-70,415	-9,945	15.8	30.9	32.1	20.1
Rest of America	-1,100	-2,556	-1,828	728	25.4	32.0	40.1	18.2
Europe	-13,643	-16,784	-18,909	-2,125	9.2	34.4	18.6	19.1
Asia	-28,171	-40,459	-48,667	-8,208	7.0	20.8	39.4	20.3
Other	-719	-671	-1,011	-340	36.4	42.9	8.7	47.2

Note: Figures may not add up due to rounding.

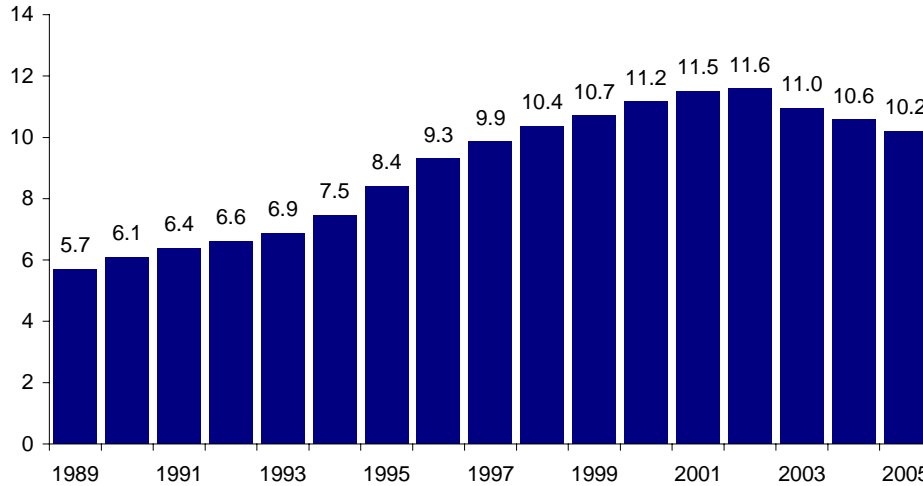
Table 15
U.S. Imports
Percent

	Share		Total	Annual Percentage Change: 2005			
	2004	2005		Oil	Total excluding Oil	Automotive	Total excluding Oil and Automotive
Total	100.00	100.00	13.69	33.31	11.76	5.05	13.13
Total excluding Mexico	89.39	89.81	14.23	33.97	12.36	5.48	13.61
Total excluding Mexico and China	76.01	75.24	12.55	33.81	10.14	5.48	11.19
1 Canada	17.44	17.23	12.29	28.57	11.00	4.90	13.39
2 China	13.38	14.57	23.78	130.69	23.68	--	23.68
3 Mexico	10.61	10.19	9.17	29.08	6.59	3.14	8.07
4 Japan	8.83	8.26	6.38	--	6.38	7.68	5.60
5 Germany	5.26	5.08	9.77	--	9.77	2.04	13.82
6 United Kingdom	3.15	3.06	10.35	65.11	6.80	17.48	4.94
7 South Korea	3.14	2.62	-5.17	--	-5.17	-3.97	-5.59
8 Taiwan	2.36	2.08	0.62	--	0.62	12.27	-0.01
9 France	2.15	2.03	7.09	--	7.09	--	7.09
10 Malaysia	1.92	2.02	19.60	-22.31	19.98	--	19.98

Source: Prepared by Banco de México with data from the U.S. Department of Commerce.

In 2005, the current account of the balance of payments recorded a small deficit totaling 5.708 billion U.S. dollars (0.8 percent of GDP). This figure was below that recorded in 2004: 7.180 billion US dollars and 1.1 percent of GDP (Table 16 and Graph 17). The moderate current account deficit in 2005 was financed by the significant surplus of the capital account. The latter benefited from the favorable environment in international financial markets, characterized by a higher risk preference. The current account deficit in 2005 originated from the deficit in the trade balance, which combined with deficits in the factor and non-factor services balances to more than offset the surplus in the transfers account (Table 16).

Graph 16
Share of Mexican Exports in U.S. Imports
 Percent

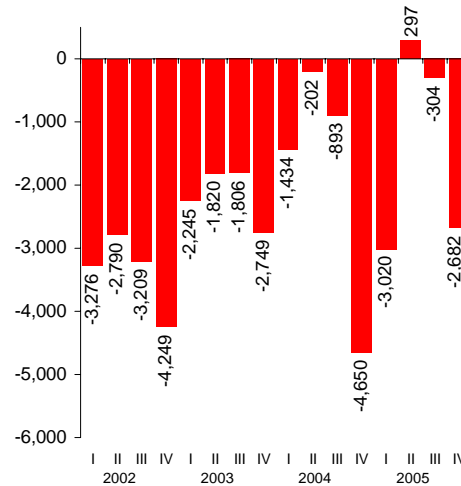
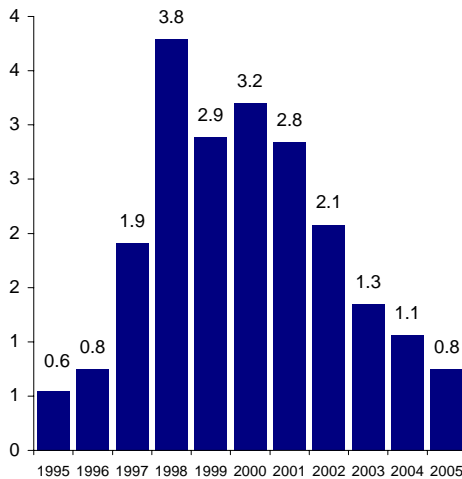


Source: Prepared by Banco de México with data from the Bureau of the Census (U.S Department of Commerce).

Graph 17
Current Account of the Balance of Payments

a) Current Account Deficit
 Percentage of GDP

b) Current Account Balance
 Million US dollars



The non-factor services deficit was 5.231 billion US dollars in 2005. Within this balance, the international travelers item exhibited a surplus of 4.188 billion US dollars due to inflows totaling 11.795 billion (9.7 percent increase) and outflows of 7.607 billion (9.3 percent increase). Meanwhile, the other components registered a deficit of 9.419 billion US dollars, mainly due to expenditures associated with foreign trade.

Table 16
Current Account of the Balance of Payments
 Million US dollars

Item	2004 (A)	2005 (B)	Absolute variation (B - A)
Curent Account	-7,180	-5,708	1,471
Trade Balance	-8,811	-7,559	1,253
Exports	187,999	213,711	25,713
Imports	196,810	221,270	24,460
Nonfactor services	-4,649	-5,231	-582
Factor services	-10,763	-13,402	-2,640
Transfers	17,044	20,484	3,440

Note: Figures may not add up due to rounding.

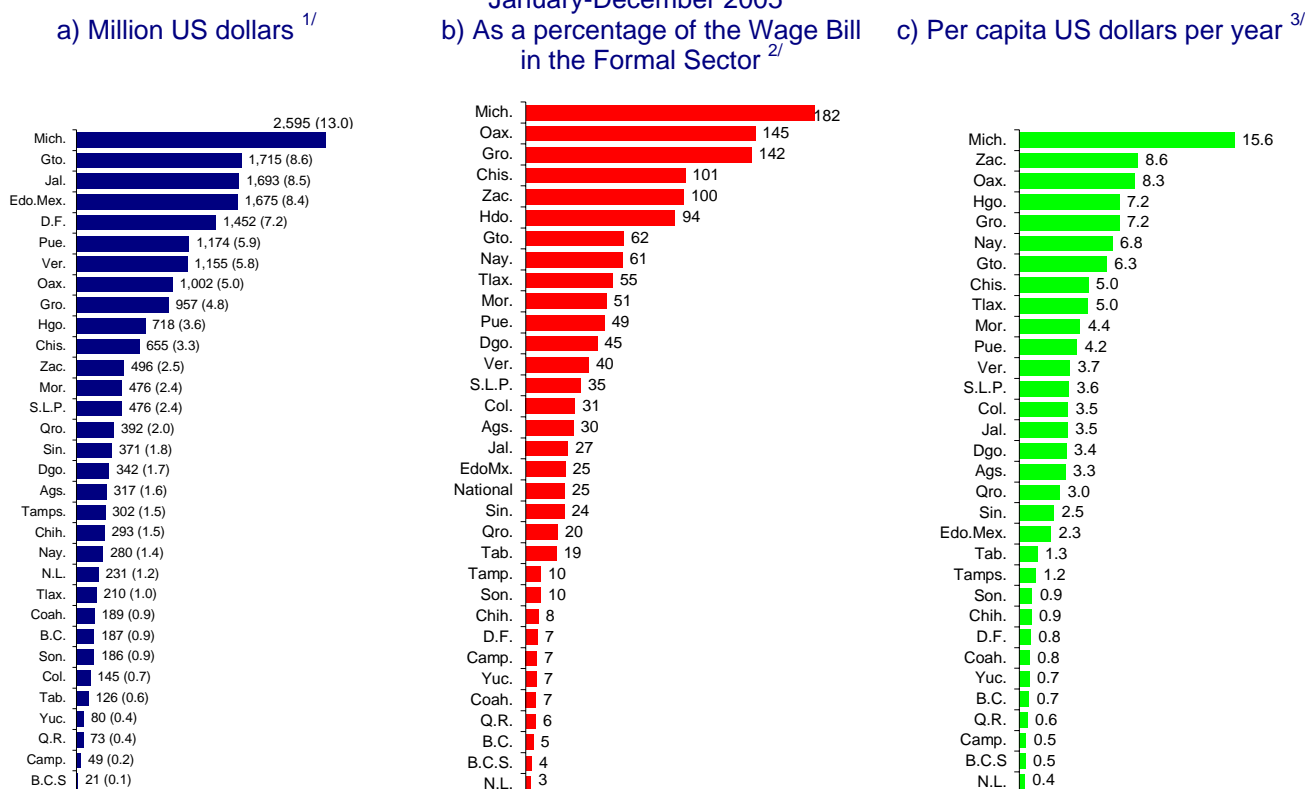
The factor services deficit was 13.402 billion US dollars in 2005. Net interest (expenditures less revenues) amounted to 9.249 billion US dollars, 2.6 percent above that in 2004. The other items from the factor services balance accumulated a net deficit of 4.153 billion US dollars, mainly from expenditures from FDI firms' profits (remitted or reinvested) amounting to 5.355 billion US dollars.

In 2005, the transfers account exhibited a surplus of 20.484 billion US dollars. Its main component, workers' remittances, accumulated 20.35 billion US dollars (an annual increase of 20.6 percent). The rapid growth of workers' remittances over the last few years is a result of the following: 1) an improvement in the accounting records which began in 2001 as part of an important effort by the Central Bank and financial intermediaries to improve records of these transactions and later as part of Regulations implemented by Banco de México (October 2002) which obliged all companies offering fund transfer services to register with the Central Bank and provide monthly reports on workers' remittance transfers to Mexico; 2) a significant increase in the number of Mexican immigrants in the U.S.; 3) reductions in the cost of sending remittances as a result of greater competition between intermediaries and increased use of electronic transfers. The latter has increased the availability of safer and faster transfer methods; and, 4) the incorporation to the formal market of a high number of transactions, which were previously carried out through informal channels.

Inflows from worker's remittances in 2005 surpassed FDI, equaled 71 percent of crude oil exports, 128 percent of the oil product trade balance surplus, 25 percent of the formal sector's total wage bill, and 2.6 percentage points of GDP. In 2005, 58.7 million transactions from remittances were carried out, for an average of 341 US dollars each. As for their destination, Michoacán, Guanajuato, Jalisco, Estado de México and the Federal District received the highest amount (46 percent of the total) of remittances (Graph 18).

The capital account of the balance of payments exhibited a surplus of 13.826 billion US dollars, mainly from FDI inflows, the money market (mainly long-term government bonds at fixed rates), as well as foreign financing for the non-bank private sector and PIDIREGAS projects. On the other hand, the outflow of resources stemmed from a reduction in the foreign indebtedness of the public sector and commercial banks as well as an increase in Mexican assets abroad (Table 17).

Graph 18
Workers' Remittances by State
 January-December 2005



1/ Figures in parentheses correspond to states' percentage share in total remittances.

2/ Prepared by Banco de México with data from IMSS.

3/ States' GDP is obtained by applying the structure of states' GDP of 2003 to data of 2005 at current prices as reported by INEGI.

In 2005, FDI amounted to 17.805 billion US dollars (Graph 19). As for its sectorial distribution, FDI was mostly channeled to manufacturing (57.7 percent), commerce (17.7 percent) and transport and communications (9.9 percent). Its breakdown by country of origin is as follows: U.S. (68.8 percent), Spain (10.1 percent), Netherlands (9.4 percent) and France (2 percent). Net foreign portfolio investment totaled 6.699 billion US dollars, mainly due to inflows to the stock market (3.353 billion) and the money market (3,346) where inflows were mostly channeled into long-term instruments. Thus, foreign investment flows (direct and portfolio) in 2005 totaled 24.503 billion US dollars.

In 2005, the public sector reduced its foreign indebtedness by 10.093 billion US dollars, as a result of 10.265 billion in disbursements and 20.358 billion in amortizations.¹¹ The reduction in public sector's indebtedness included net amortizations from the federal government (0.056 billion), non-financial public enterprises (6.568 billion) and development banks (3.469 billion). During the year

¹¹ Data on public sector's foreign indebtedness as reported in Banco de México's balance of payments differs from that reported by the Ministry of Finance. This is due to the fact that the balance of payments excludes certain public sector external debt transactions that are not considered as effective flow of resources. Furthermore, previous to 2004 there is another difference, which concerns the different criteria for entering Brady bonds redeemed. While the ministry of Finance considers these redemptions at face value and for the period in which Brady bonds are redeemed with the U.S. Treasury, the balance of payments considers them at market value and for the period in which the federal government acquires these bonds abroad.

the federal government issued three bonds in the international markets for a total of 2.101 billion US dollars. These placements have an average maturity of 9.1 years. Capital inflows channeled to financing PIDIREGAS projects amounted to 8.749 billion US dollars in 2005. Meanwhile, private sector's foreign indebtedness totaled 1.63 billion US dollars as a result of net amortizations by commercial banks (2.28 billion) and net disbursements by non-banks (3.91 billion). During 2005, non-bank private enterprises made 22 security placements in the international markets totaling 6.404 billion US dollars, with an average maturity of 9.2 years.

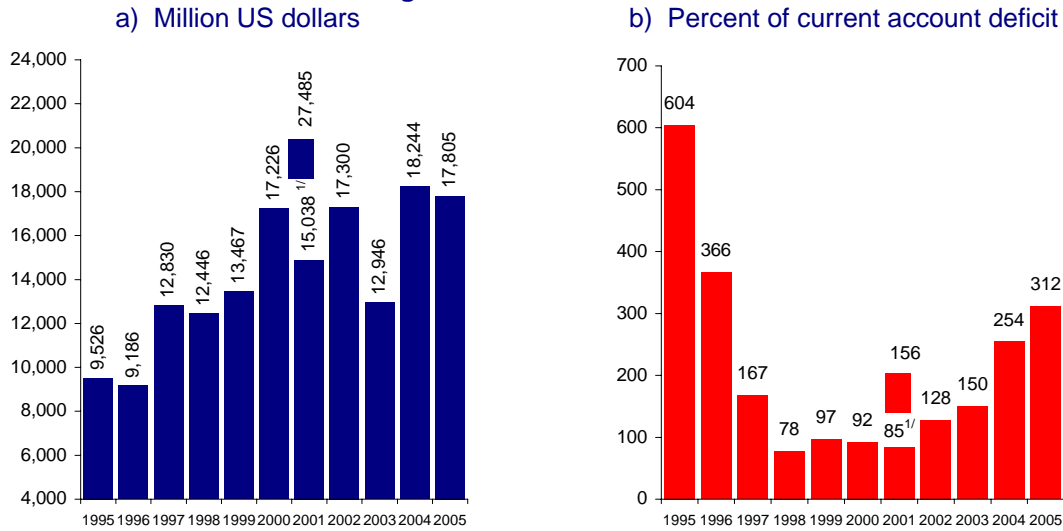
Table 17
Balance of Payments
Million US dollars

Item	2004	2005
Current Account	-7,180	-5,708
Capital Account	13,706	13,826
Liabilities	19,544	24,790
Indebtedness	-1,372	286
Development Banks	-2,680	-3,469
Commercial Banks	-906	-2,280
Banco de México	0	0
Non-bank public sector	-1,759	-6,624
Non-bank private sector	-1,975	3,910
PIDIREGAS	5,949	8,749
Foreign Investment	20,916	24,503
Direct	18,244	17,805
Portfolio	2,671	6,699
Equity	-2,522	3,353
Money Market	5,193	3,346
Assets	-5,837	-10,964
Errors and Omissions	-2,468	-953
Change in Net International Reserves	4,061	7,173
Valuation Adjustments	-3	-8

Note: Figures may not add up due to rounding.

Mexican assets abroad rose in 2005, resulting in an outflow of resources from the country totaling 10.964 billion US dollars. This behavior originated mainly from an increase in non-bank's external deposits and direct investment abroad by Mexican companies. The abovementioned rise in international assets was partly due to increased deposits by PEMEX in Banco de México, which raised gross international reserves but had no effect on net international reserves (given that such deposits raise both central bank's assets and liabilities), item included in Mexico's balance of payments. These deposits are registered in the capital account as external assets. However, the variation in the external assets item corresponds to the accounting entry and does not represent an outflow of resources from the Mexican economy.

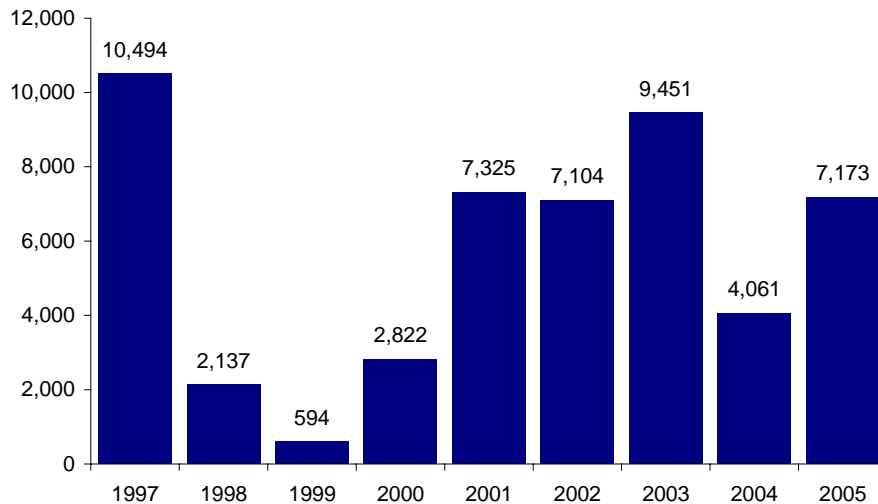
Graph 19
Foreign Direct Investment Flows



^{1/}Excluding the sale of Banamex.

Summing up, Mexico's balance of payments results in 2005 were as follows: a 5.708 billion US dollar current account deficit, a 13.826 billion US dollar capital account surplus, 953 million US dollar net negative flow in errors and omissions, and a 7.173 billion US dollar increase in international reserves (Graph 20).¹² As a result of such an increase, international reserves totaled 68.669 billion US dollars on December 31, 2005.

Graph 20
International Reserves Variation
Million US dollars



¹² For a definition of international reserves see Banco de México's Law. For the adding up of current account and capital accounts plus the errors and omissions item, to result in the variation of international reserves, an 8 million US dollar adjustment must be made.

III.4. Public Finances

III.4.1. Economic Balance

During 2005, the public sector's economic deficit amounted to 7.5 thousand million pesos, equal to 0.09 percent of GDP (Table 18 and Graph 21).¹³ Excluding outlays from the Retirement Program for Public Employees (*Programa de Conclusión de la Relación Laboral*, CRL), such deficit totaled 3.1 thousand million pesos (0.04 percent of GDP). The primary surplus, defined as revenues less expenditures other than financial costs, was 207.4 thousand million pesos (2.48 percent of GDP).

Table 18
Public Balance in 2003 - 2005^{1/}

	Thousand million pesos of 2005			Percentage of GDP		
	2003	2004	2005	2003	2004	2005
Economic Balance	-46.2	-20.0	-7.5	-0.62	-0.25	-0.09
Budgetary Balance	-52.2	-21.8	-5.5	-0.70	-0.27	-0.07
Federal Government	-108.8	-107.3	-102.6	-1.45	-1.34	-1.22
Public Enterprises and Institutions (1+2)	56.6	85.4	97.1	0.75	1.07	1.16
1 PEMEX	29.5	50.2	55.2	0.39	0.63	0.66
2 Other	27.1	35.3	41.8	0.36	0.44	0.50
Non-budgetary balance	6.0	1.8	-2.0	0.08	0.02	-0.02
Primary Balance	156.6	199.2	207.4	2.09	2.48	2.48
Economic Balance Excluding CRL	-28.6	-12.3	-3.1	-0.38	-0.15	-0.04
Primary Balance Excluding CRL	174.2	206.9	211.9	2.32	2.58	2.53

Source: Ministry of Finance.

1/ Deficit (-) Surplus (+).

CRL= refers to End-of-Working-Relationship Program for Public Employees (*Programa de Conclusión de la Relación Laboral*) previously known as Voluntary Retirement Program for Public Employees (*Programa de Separación Voluntaria*, PSV).

Note: Figures may not add up due to rounding.

In 2005, budgetary revenues totaled 1,948.2 thousand million pesos (23.26 percent of GDP) (Graph 22a), 167.2 thousand million above federal budget figures (Table 19). This surplus was mainly due to: a) higher oil revenues (which equaled 1.3 percent of GDP and 65.3 percent excess revenues); b) an increase in revenues from public enterprises and institutions other than PEMEX, mainly from the Federal Electricity Commission (*Comisión Federal de Electricidad*, CFE) and the Public Employees' Social Security Institute (*Instituto de Seguridad y Servicios Sociales de los Trabajadores del Estado*, ISSSTE), which accounted for 19 percent of excess revenues; and, c) higher non-oil nontax revenues (mainly from duties and benefits).

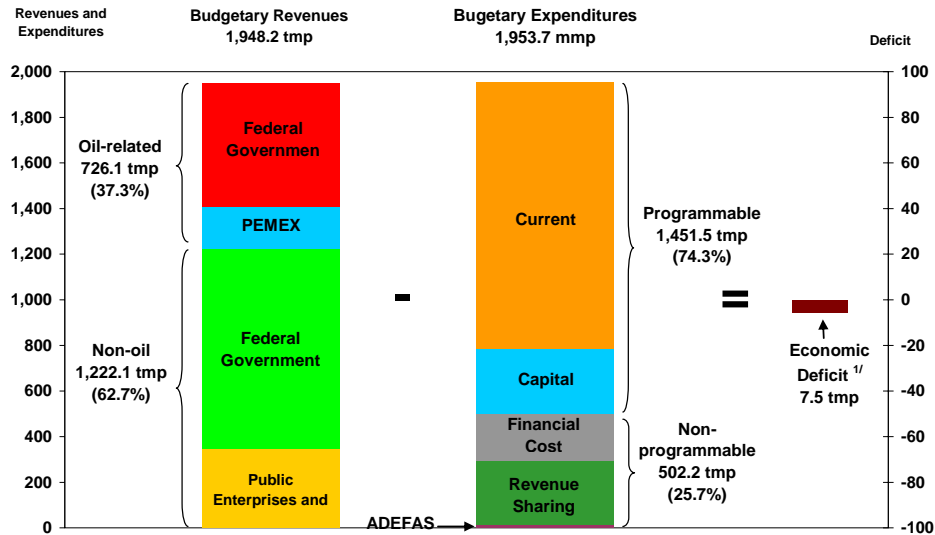
In 2005, budgetary revenues increased 5.8 percent, at constant prices. This result stemmed from increases in both oil (9.6 percent) and non-oil revenues (3.6 percent). The behavior of the oil component mainly responded to the price of the Mexican crude oil export mix, which was 10.3 US dollars per barrel (d.p.b.) higher than in 2004.¹⁴ Furthermore, the oil component's share in budgetary

¹³ The economic balance is an indicator for evaluating federal government's budget obligations.

¹⁴ In 2005, the price of Mexican crude oil surpassed that programmed by 12.4 d.p.b, while production was 60 thousand barrels per day less than anticipated.

revenues was 37.3 percent during 2005, its highest level since 1988 (37.3 percent).¹⁵

Graph 21
Revenues, Expenditures and Economic Balance in 2005
 Thousand million pesos



Source: Ministry of Finance (SHCP).
 1/ Includes non-budgetary deficit (2.0 thousand million pesos).

In 2005, non-oil tax revenues rose 6.4 percent in real terms, due mainly to higher revenues from the VAT (which increased at a real annual rate of 7.5 percent in response to robust private consumption) and income tax (7.1 percent, as a result of fiscal reforms and measures implemented in 2005). Non-oil tax revenues accounted for 9.47 percentage points of GDP in 2005 (9.29 percentage points in 2004). Meanwhile, non-oil nontax revenues decreased 28.5 percent at constant prices due to lower non-recurrent revenues, which amounted to 20.2 thousand million pesos, figure one third of that observed in 2004.

¹⁵ Oil revenues are defined as PEMEX revenues, oil duties and benefits plus the Special Tax (*Impuesto Especial sobre Producción y Servicios*, IEPS) on gasoline and diesel.

Table 19
Public Balance 2004 and 2005 ^{1/}

	Thousand million pesos				Real Growth (3/1)
	2004	2005		Difference (3-2)	
	Observed (1)	Approved (2)	Observed (3)		
Economic Balance	-19.2	-17.5	-7.5	10.0	-62.4
Non-budgetary balance	1.8	0.0	-2.0	-2.0	d.n.a.
Budgetary balance	-21.0	-17.5	-5.5	11.9	-74.7
Fiscal Revenues	1,771.3	1,781.0	1,948.2	167.2	5.8
Oil	637.4	617.0	726.1	109.1	9.6
Federal Government	446.6	433.8	540.5	106.8	16.4
PEMEX	190.8	183.2	185.6	2.4	-6.5
Non-oil	1,134.0	1,164.0	1,222.1	58.1	3.6
Federal Government	823.6	846.3	872.7	26.3	1.9
Tax revenues	716.8	789.1	793.2	4.1	6.4
Income Tax (ISR)	345.2	388.1	384.5	-3.6	7.1
VAT (IVA)	285.0	313.7	318.7	4.9	7.5
Special Tax on Production and Services (IEPS)	31.9	34.9	34.4	-0.5	3.8
Imports	29.5	26.0	26.8	0.8	-12.6
Other	25.1	26.3	28.8	2.5	10.3
Non-tax revenues	106.8	57.2	79.4	22.2	-28.5
Duties	16.6	13.1	20.2	7.1	16.9
Proceeds	5.4	5.7	7.9	2.3	41.1
Benefits	84.8	38.5	51.3	12.9	-41.8
Public Enterprises and Institutions	310.3	317.7	349.4	31.7	8.3
Net Paid Expenditures	1,792.3	1,798.4	1,953.7	155.2	4.8
Programmable	1,317.0	1,297.1	1,451.5	154.4	6.0
Deferred Payments	d.n.a.	-20.0	d.n.a.	20.0	d.n.a.
Programmable Accrued Expenditures	1,317.0	1,317.1	1,451.5	134.4	6.0
Current Expenditures	1,044.6	1,127.7	1,169.6	41.9	7.7
Personal Services	517.9	558.7	557.5	-1.2	3.5
Other ^{2/}	526.7	569.0	612.1	43.1	11.7
Capital Expenditures	272.4	189.4	281.9	92.5	-0.5
Fixed Investment ^{3/}	227.6	187.0	234.8	47.8	-0.8
Financial Investment ^{4/}	44.7	2.4	47.1	44.7	1.2
Non-programmable	475.3	501.3	502.2	0.9	1.6
Financial Cost	206.8	221.6	210.4	-11.2	-2.2
Federal Government	129.8	158.1	145.0	-13.1	7.4
Public Enterprises and Institutions	32.1	31.8	37.9	6.2	13.8
Debtor and Savings Support Programs	44.9	31.8	27.5	-4.3	-41.2
Revenue Sharing	239.9	272.5	278.8	6.4	11.8
ADEFAS and other	28.6	7.3	13.0	5.7	-56.3
Memo:					
Economic Balance Excluding CRL	-11.8	-17.5	-3.1	14.4	-75.2
Primary Balance	191.6	205.0	207.4	2.4	4.1

Source: Ministry of Finance (SHCP).

1/Deficit (-) Surplus (+).

2/ Due to methodological changes, starting 2005 the cost of the End-of-Working-Relationship Program for Public Employees (*Programa de Conclusión de la Relación Laboral*, CRL) was reclassified from "Personal Services" (as done in previous years) to "Aids and Other Expenditures". For comparison purposes, figures for 2004 were calculated just like those of 2005.

3/ For 2005, includes contributions from the State Infrastructure Trust (*Fideicomiso para la Infraestructura de los Estados*, FIES) and transfers to PEMEX from "Benefits over PEMEX Excess Revenues" and surplus revenues from the Federal Budget 2005, section "j", Art. 21.

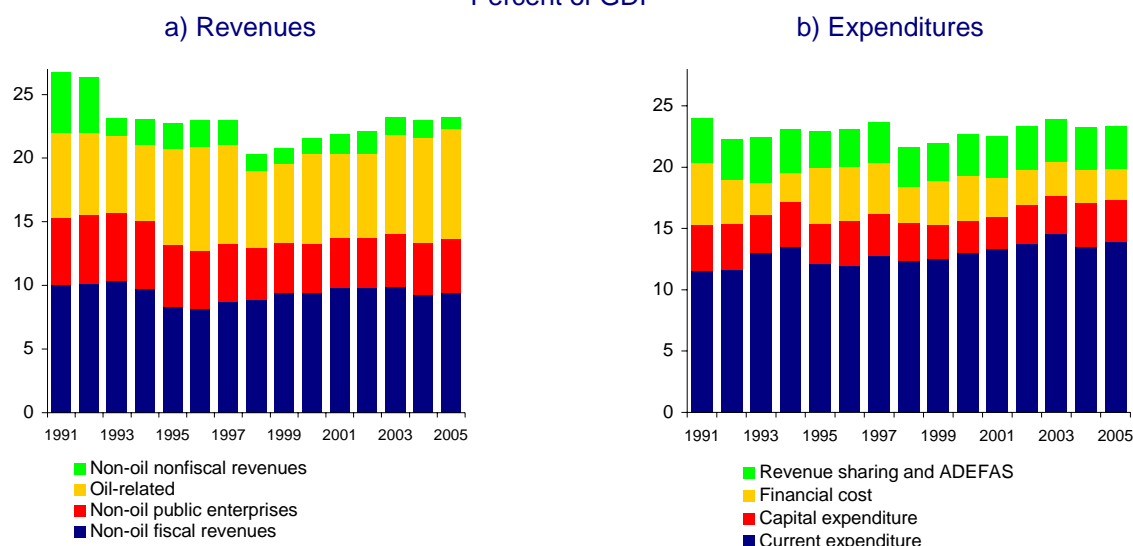
4/ Oil Revenues Stabilization Fund (*Fondo de Estabilización de Ingresos Petroleros*, FEIP).

d.n.a./ does not apply.

Note: Figures may not add up due to rounding. Real growth is estimated according to average inflation per year.

In 2005, budgetary expenditures totaled 1,953.7 thousand million pesos. This result represented an annual increase of 4.8 percent at constant prices and accounted for 23.33 percentage points of GDP (23.23 percentage points in 2004) (Graph 22b).

Graph 22
Public Sector Fiscal Revenues and Expenditures (1991-1995)
 Percent of GDP



Source: Ministry of Finance (SHCP).

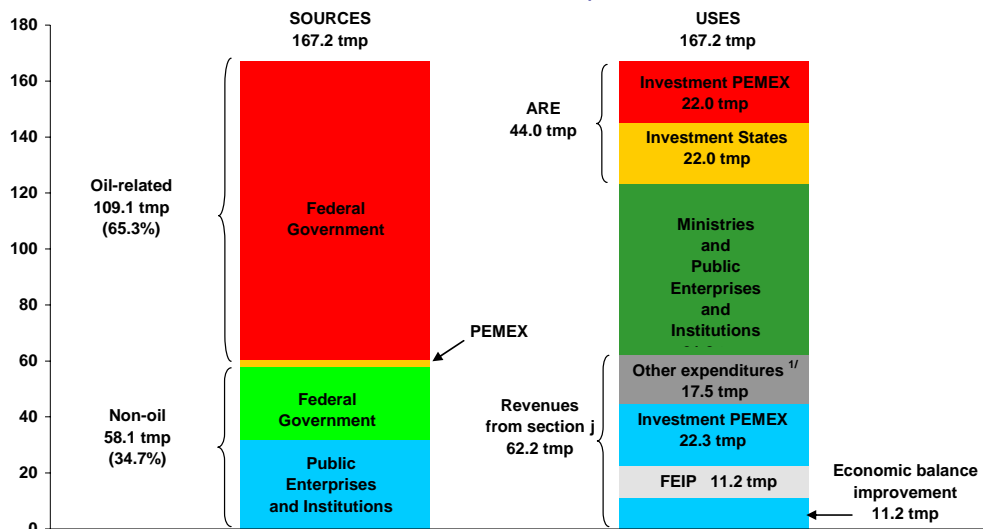
One factor that influenced public expenditure during 2005 was excess revenues (167.2 thousand million pesos, 2 percent of GDP), which were distributed according to the Federal Expenditure Budget as follows (Graph 23): a) 44 thousand million pesos obtained from Excess Yield Benefits (*Aprovechamiento sobre Rendimientos Excedentes*, ARE) was channeled equally into investment in PEMEX and government entities;¹⁶ b) public entities and enterprises could use their own excess revenues (61 thousand million pesos) to distribute as they deemed necessary; c) 17.5 thousand million to cover higher non-programmable expenditure, to the CFE to cover the increased cost of fuel for generating electricity, to relieve damage caused by natural disasters and to compensate reductions in other revenues; and, d) remaining excess revenues (44.7 thousand million) were shared as follows: 50 percent to PEMEX to invest in its infrastructure, 25 percent to improving the public balance and 25 percent to the Oil Revenues Stabilization Fund (*Fondo de Estabilización de los Ingresos Petroleros*, FEIP). At the end of 2005 the FEIP showed a balance of 16.2 thousand million pesos.

Programmable expenditure rose 6.0 percent at a real annual rate. This result was due to a 7.7 percent increase in current expenditure (which accounted for 80.6 percent of programmable outlays) and a 0.5 percent decrease in capital

¹⁶ Refers exclusively to Excess Yield Benefits obtained from crude oil prices above 27 d.p.b. Excess Yield Benefits derived from crude oil prices of between 23 and 27d.p.b. were channeled to federal government's expenditure on infrastructure investment and to the Program to Support the Strengthening of States (*Programa de Apoyo al Fortalecimiento de las Entidades Federativas*, PAFEF) (article 20 of the Federal Budget for 2005).

expenditure (representing 19.4 percent of programmable outlays). The behavior of current expenditure was mainly due to higher outlays in the following: personal services (3.5 percent at constant prices); pensions and retirements (14.4 percent at constant prices); operation costs (10.6 percent at constant prices, mainly in response to the higher cost of fuels used to generate electricity); and, subsidies and transfers (9.6 percent at constant prices). The latter include federal government transfers to States and Municipalities as well as to social and economic development programs.

Graph 23
Surplus Revenue Sources and Uses in 2005
 Thousand million pesos



Source: Ministry of Finance (SHCP).

^{1/} Refers to higher non-programmable expenditure (1.2 tmp), the higher cost of fuel (7.1 tmp), and to additional outlays to cover natural disasters (8.3 tmp) and to compensate the reduction of revenues due to other items (0.9 tmp).

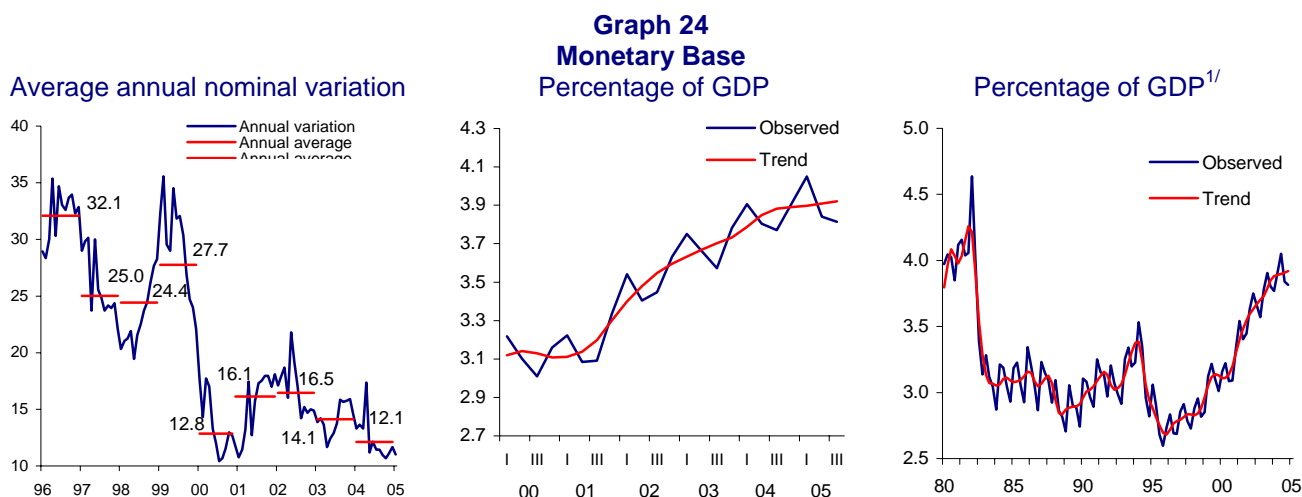
In 2005, total budgetary investment (including fixed and financial investment) remained practically the same in real terms compared with 2004. Meanwhile, total public capital expenditures (which include budgetary, non-budgetary and financed investment) rose at a real annual rate of 7.1 percent and amounted to 358.9 thousand million pesos (4.29 percent of GDP).

In 2005, non-programmable expenditure rose 1.6 percent at constant prices. This result was mainly due to the following: a) a decrease in the financial cost (2.2 percent in real terms), reflecting reduced interest payments and a reduction in payments to debtor and saver support programs; b) an 11.8 percent increase in real terms in revenue sharing to States and Municipalities due to higher federal tax participation; and, c) a decrease in payments of accrued expenditures from the previous year (*Adeudos de Ejercicios Fiscales Anteriores*, ADEFAS).

III.5. Monetary and Credit Aggregates

III.5.1. Monetary Base, Net Domestic Credit and Net International Assets

At the end of 2005, the monetary base was 380 thousand million pesos. During the same year, the monetary base grew, on average, 12.1 percent at an annual rate, 2 percentage points below that observed in 2004 (Graph 24).¹⁷ As stated in previous reports, although the process by which the ratio monetary base to GDP has increased (remonetization), it has lost strength in recent years.¹⁸



1/ Currency in circulation (banknotes and coins) is considered between 1980 and 1993.

At the end of 2005, international assets rose by 9.881 billion US dollars; thus their stock at December 31, 2005 was 74.115 billion US dollars.¹⁹ In 2005, the monetary base grew by 39,856 thousand million pesos. As a result, Banco de México's net domestic credit decreased by 65,062 million pesos during the year (Table 20).

In 2005, international reserves increased 7.173 billion US dollars as a result of a 9.913 billion US dollar increase in gross reserves which was partly offset by a 2.74 billion US dollar increase in Banco de México's liabilities with maturities of less than six months. The latter reflects the federal government's

¹⁷ Changes calculated on the average of daily stocks.

¹⁸ Historic evidence shows that in low inflation economies: i) the effects of shocks to income or interest rates are reflected more slowly on the demand for money; and ii) demand tends to become more sensitive to interest rate fluctuations. See Inflation Report April-June 2003.

¹⁹ For a definition of international assets and international reserves refer to the glossary of the weekly press release on Banco de México's balance sheet. Banco de México's broad credit position vs. the domestic market (net domestic credit) is obtained after deducting international assets from the monetary base; i.e., financing granted or received domestically by Banco de México. The international reserves definition excludes short-term foreign currency liabilities (less than six months).

purchase of 2.878 billion US dollars to fulfill its obligations regarding the redemption of bonds placed abroad which mature in 2006 and 2007.²⁰

The main source of international reserves was the purchasing of US dollars from PEMEX (20.378 billion). As for its uses, the federal government demanded 7.29 billion US dollars, while Banco de México auctioned 4.402 billion US dollars through the mechanism to slow the pace of international reserve accumulation (Table 20).

Table 20
Monetary Base, International Assets and Net Domestic Credit
Millions

	Stocks at end of period			Flows accumulated by		
	2003	2004	2005	2003	2004	2005
(A) Monetary Base (Pesos)	303,614	340,178	380,034	39,677	36,564	39,856
(B) Net International Assets (Pesos) ^{1/ 2/}	663,657	716,170	788,167	92,650	57,567	104,918
Net International Assets (US dollars) ^{2/}	59,059	64,233	74,115	8,337	5,174	9,881
(C) Net Domestic Credit (Pesos) [(A)-(B)] ^{1/}	-360,043	-375,992	-408,133	-52,972	-21,004	-65,062
(D) International Reserves (US dollars) [(E)-(F)] ^{3/}	57,435	61,496	68,669	9,451	4,061	7,173
(E) Gross Reserves (US dollars)	59,028	64,198	74,110	8,354	5,169	9,913
PEMEX				15,380	13,832	20,378
Federal Government				-5,823	-3,240	-7,290
Sale of US dollars to banks ^{4/}				-3,218	-6,712	-4,402
Other ^{5/}				2,015	1,289	1,227
(F) Liabilities with less than six months to maturity (US dollars)	1,593	2,701	5,441	-1,097	1,108	2,740

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

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

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

4/ Daily sales of US dollars according to the mechanism to slow the pace of international reserve accumulation (see Foreign Exchange Commission's press bulletin of March 20, 2003).

5/ Includes yields on international reserves, and other transactions.

III.5.2. Monetary Aggregates and Financing to the Private Sector

The monetary aggregate M1 grew at a lower rate throughout 2005, recording an annual average variation of 11.3 percent, below that observed in 2004 (13.9 percent). The slower growth rate of the narrow monetary aggregate was mirrored by all its main components. In 2005, currency in circulation, checking accounts in domestic currency and current account deposits recorded annual variations of 12.3, 9.9 and 15.7 percent, respectively, figures below those recorded in 2004 (Table 21). These results are partly explained by the rise in interest rates on commercial bank term deposits, which, throughout the year, increased the cost for holding liquid assets. However, when the aforementioned interest rates began to decline during the second half of the year, the annual growth of checking accounts and bank deposits rebounded.

²⁰ See Ministry of Finance's press bulletin of July 14, 2005 (Bulletin 053/2005).

Table 21
Monetary Aggregate M1
 Annual percentage change of average stocks

	2003	2004	2005	2005			
				Quarters			
				I	II	III	IV
M1	11.9	13.9	11.3	12.0	10.0	11.2	12.2
Circulating Currency (bills and coins)	14.7	14.5	12.3	14.0	11.7	12.4	11.4
Checking Accounts (Pesos)	12.2	10.8	9.9	9.4	5.9	10.0	13.9
Current Account Deposits	20.6	22.5	15.7	11.5	15.9	18.1	17.0
Checking Accounts (US dollars)	-4.6	14.1	8.9	18.0	15.1	3.7	0.9

During 2005, the expansion of the broad monetary aggregates strengthened (Table 22). The monetary aggregate M4, which measures financial savings in domestic instruments, recorded an annual real variation of 10.4 percent, 2.9 percentage points above the growth rate recorded in 2004 (7.5 percent at an annual real rate). M4 recovered significantly during the second half of 2005, registering real annual growth of 12.3 percent compared with 8.3 percent during the first half of the year.

Table 22
Broad Monetary Aggregates
 Annual real percentage change of average stocks

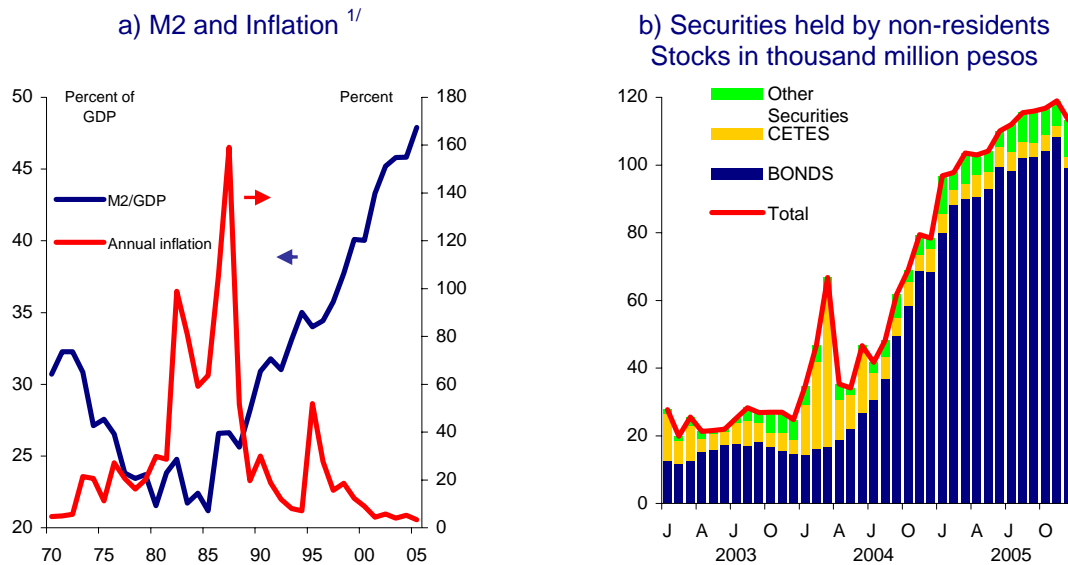
	2003	2004	2005	2005			
				Quarters			
				I	II	III	IV
M2	6.7	6.9	9.2	7.1	6.9	10.3	12.3
M3	6.9	7.6	10.4	8.3	8.6	11.8	12.9
M4	6.6	7.5	10.4	8.1	8.5	11.8	12.9
Memo:							
Domestic Bank Term Deposits	5.7	6.0	3.5	6.2	3.1	2.9	2.3
Non-residents' Savings	33.9	69.5	81.0	78.6	131.9	99.9	41.2

In 2005, residents' financial savings (M2) equaled 47.9 percent of GDP, 7.9 percentage points higher than the figure observed in 2000 (Graph 25a). Both voluntary and non-voluntary savings rose significantly. The former registered a real average annual increase of 7.7 percent in 2005 and represented 71.4 percent of total M2 flows, figure above that recorded in 2004 (69.0 percent). Meanwhile, at the end of 2005, non-voluntary savings equaled 12 percent of GDP and registered real average annual growth of 14.2 percent.

The abovementioned results were due to an increase in residents' financial savings and the significant expansion of foreigners' public security holdings (Graph 25b). The strength of financial savings in domestic instruments responded to both the ample liquidity characterizing international financial markets and progress towards low and stable inflation, which reduces uncertainty associated with the yield on these instruments. Macroeconomic stability attained in recent years has led to a significant recovery of financial savings, which reached in 2005 historically high levels as a percentage of GDP (Graph 25a). Stability has been crucial for the development of the Mexican financial market, as evidenced by the placement of government securities at longer-term fixed interest

rates.²¹ The latter has not only contributed to increase the certainty of financial resources for the public sector, but also allowed for sellers and bidders of financial resources to have a reference in pesos to issue long-term debt instruments.

Graph 25
Broad Monetary Aggregates



1/ M2 average stocks during the period.

The greater availability of financial resources has been accompanied by an important change in its final uses. In particular, the decline in public sector borrowing requirements and the slower pace of reserve accumulation by Banco de México have increased the availability of financial resources for the private sector. Thus, while in 2003, the increase in total financing to the private sector accounted for only 1.9 percent of GDP, in 2004 and 2005 it rose to 2.0 and 2.4 percent of GDP, respectively.

Thus, after a prolonged process of financial repression, access to domestic financing has gradually improved. Regarding the availability of resources for the private sector, two trends should be highlighted: a) greater availability of both consumer and mortgage credit to households; and, b) relative stagnation of total financing to firms. In 2005, total financing to households expanded at a real annual rate of 14.4 percent, with an accumulated annual flow accounting for 79.5 percent of total financing to the private sector (Table 23). However, mortgage and consumption credit remain at low levels as compared with GDP, reaching stocks of 8.7 and 3.7 percent of GDP in December 2005, respectively (Graph 26). Furthermore, financing granted to the non-bank private sector by commercial banks represented only 10.3 percent of GDP in December 2005, while in 1995 it had accounted for 38.1 percent.

²¹ In December 2005, the average maturity term of government debt increased by 13.0 percent in annual terms, while the share of fixed-rate government securities (BONOS) did so by 5.4 percentage points.

Table 23
Total Financing to the Non-financial Private Sector

	Stocks in thousand million pesos				Percent of GDP				Real annual percentage change
									Dec.04- Dec.05
	Dec.95	Dec.00	Dec.04	Dec.05	Dec.95	Dec.00	Dec.04	Dec.05	
Total financing	1,159.3	1,680.1	2,130.7	2,332.8	63.0	30.6	27.6	27.9	6.0
Foreign	239.9	520.2	549.5	568.2	13.0	9.5	7.1	6.8	0.1
Foreign direct financing ^{1/}	141.3	322.3	376.5	361.0	7.7	5.9	4.9	4.3	-7.2
Foreign debt issuance ^{2/}	98.5	197.9	173.0	207.2	5.4	3.6	2.2	2.5	15.9
Domestic	919.5	1,159.9	1,581.2	1,764.6	50.0	21.1	20.5	21.1	8.0
Commercial banks ^{3/}	700.6	700.4	727.6	865.1	38.1	12.7	9.4	10.3	15.1
Other intermediaries ^{4/}	141.3	158.5	279.0	304.9	7.7	2.9	3.6	3.6	5.8
Debt issuance	19.2	79.7	162.8	166.0	1.0	1.5	2.1	2.0	-1.3
From INFONAVIT ^{5/}	58.4	221.1	411.8	428.5	3.2	4.0	5.3	5.1	0.7
Memo:									
Households	271.4	513.6	879.9	1,040.6	14.7	9.3	11.4	12.4	14.4
Consumption	43.8	60.6	213.7	312.9	2.4	1.1	2.8	3.7	41.7
Housing	227.5	453.0	666.2	727.7	12.4	8.2	8.6	8.7	5.7
Firms ^{6/}	887.9	1,166.5	1,250.7	1,292.2	48.2	21.2	16.2	15.4	0.0
Foreign financing	239.9	520.2	549.5	568.2	13.0	9.5	7.1	6.8	0.1
Domestic financing ^{7/}	648.1	646.3	701.3	723.9	35.2	11.8	9.1	8.6	-0.1
Foreign financing in US dollars ^{8/}	31.0	54.1	49.3	53.4	--	--	--	--	8.4

1/ Including firms' foreign suppliers, credit granted by foreign banks, and other creditors. Source: Balance of Payments. Does not include PIDIREGAS-PEMEX.

2/ Commercial paper, bonds and emissions placed abroad. Source: Balance of Payments. Does not include PIDIREGAS-PEMEX.

3/ Including total credit portfolio and accrued interests, and portfolio related with debt-restructuring programs (UDIs and IPAB-FOBAPROA).

4/ Includes credit granted by development banks, financial factoring companies, financial leasing companies, credit unions, SAPS, and Special-purpose financial companies (*Sociedades Financieras de Objeto Limitado*, SOFOLES).

5/ Refers to performing and non-performing mortgage loans from the Public Housing Institute (*Instituto del Fondo Nacional de la Vivienda para los Trabajadores*, INFONAVIT). Source: INFONAVIT Quarterly financial statements.

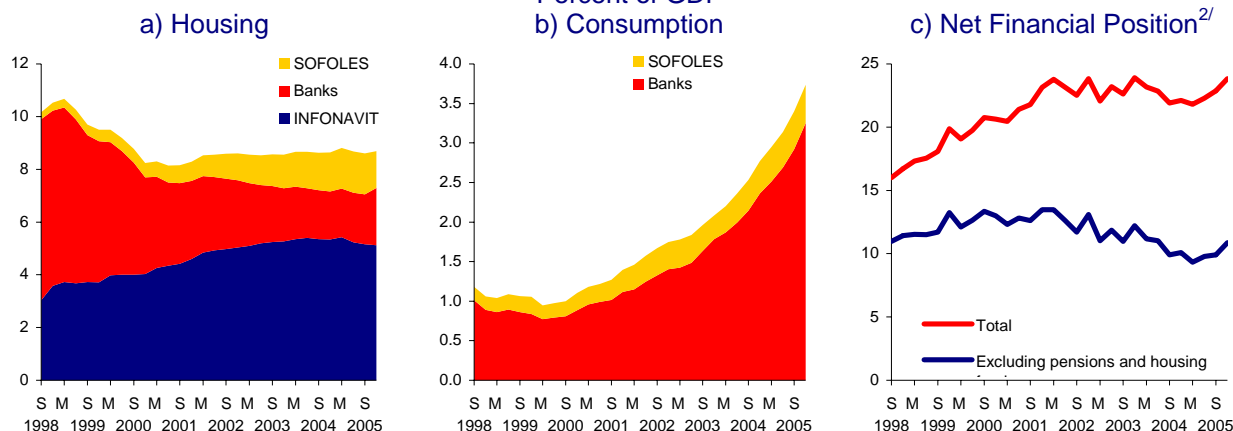
6/ Including individuals with business activity.

7/ Total financing granted by financial factoring companies, financial leasing companies and credit unions is included in domestic financing to firms. Financing granted by SAPS is mainly destined to households.

8/ Billion US dollars. Nominal variation. Does not include PIDIREGAS-PEMEX.

Despite the expansion of financing, households have been able to maintain, and even increase during 2005, a significant creditor position with the domestic financial market. It is also important to underline the fact that a large amount of households' financial saving is long-term, such as pension and housing funds (Graph 26c).

Graph 26
Total Financing to Households ^{1/}
Percent of GDP

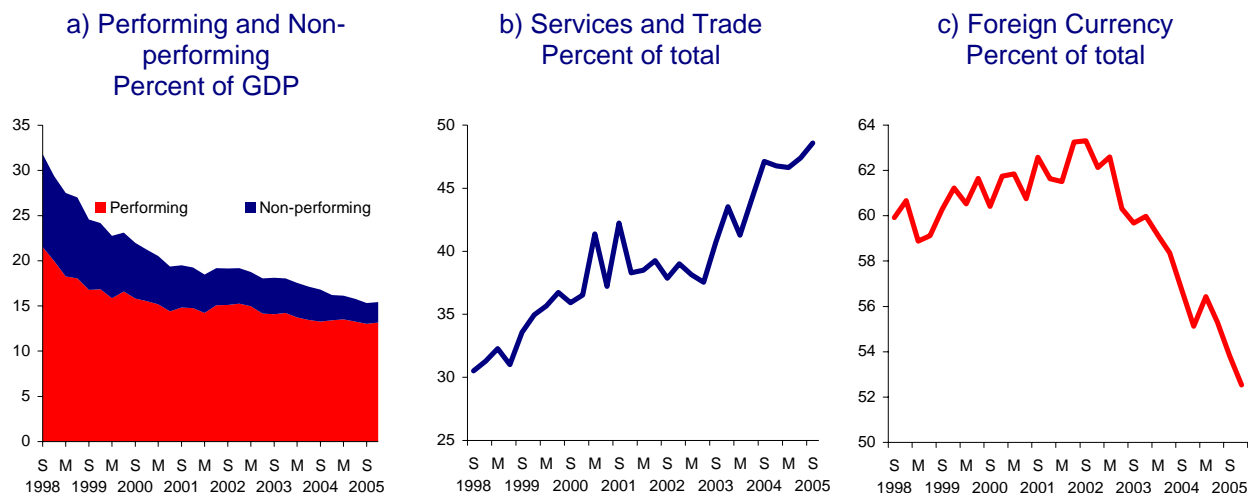


1/ Includes commercial and development banks' financing, which includes total credit portfolio and accrued interests and portfolio associated to restructuring programs, credit granted by SAPS, SOFOLES and INFONAVIT performing and non-performing mortgage portfolio.

2/ The net financial position is obtained by subtracting domestic financing to households from M2 (residents' total domestic financial assets).

Total financing to firms remained weak, accounting for 15.4 percent of GDP at the end of 2005. This result reflects the effort to reduce firms' past-due loan portfolios. In particular, the trade and services component has increased its participation and at the end of 2005 represented 48.6 percent of total financing granted to firms (Graph 27b). Furthermore, the amount of total credit denominated in foreign currency (including foreign credit) has declined (Graph 27c).

Graph 27
Total Financing to Enterprises^{1/}



1/ Includes foreign direct financing comprised of enterprises' foreign suppliers, foreign commercial banks' lending and other creditors. Debt issued in the domestic market and debt placements in foreign markets (excluding PIDIREGAS from PEMEX), credit granted by commercial and development banks, financial factoring companies, financial leasing companies, credit unions and SOFOLES are also considered.

III.5.3. Flow of Funds

The flow of funds exercise presents, in a summarized format, the financial flows among the different sectors of the economy (public, private, bank and foreign), identifying them as net suppliers or net users of resources during the year.²² Flows equal net positions: a positive sign means a sector received financing while a negative sign implies a creditor position, i.e., a sector granted financing.²³ In order to identify the total demand for public sector's financial resources, a broader definition of the Public Sector Borrowing Requirements (PSBR), is considered.²⁴

Overall, external financing to the Mexican economy equaled 0.8 percent of GDP, figure corresponding to the balance of payments current account deficit and below that observed in 2004 (1.1 percent of GDP). The main component of external financing was foreign direct investment which accounted for 2.3 percent of GDP (0.3 percentage points less than in 2004). Foreign direct investment was partly offset by an increase in Mexican residents' financial assets abroad (1.4 percent of GDP) and by an accumulation of Banco de México's international

²² For a detailed description of the methodology for preparing the flow of funds matrix, see Banco de México's Annual Report 1998, Appendix 6, p. 243.

²³ For a detailed matrix of financial sources and uses for 2005 refer to the Statistical Appendix of this Report.

²⁴ For a detailed description of PSBR, see Appendix 2 of this Report. The flow of funds matrix uses the PSBR version that includes non-recurrent revenues.

reserves amounting to 0.9 percent of GDP in 2005 (0.3 percentage points higher than in 2004).

In 2005, PSBR accounted for 1.6 percent of GDP, 0.2 percentage points lower than in 2004. PSBR were largely financed with domestic resources (89.8 percent), mainly through the placement of securities. In addition, net external financing to the public sector accounted for 0.2 percent of GDP (0.3 percentage points below the figure observed in 2004), resources mostly associated with PIDIREGAS. Public sector's reduced use of resources has implied, at the margin, a greater amount of available financing for the private sector.

Table 24
Flow of Funds of Mexico's Financial System ^{1/}
 Net financing received by sector
 (Positive sign=debtor position, negative sign=creditor position)
 Flows revalued as a percentage of GDP ^{2/}

	Private ^{3/}	Public ^{4/}	Bank ^{5/}	External	Private ^{3/}	Public ^{4/}	Bank ^{5/}	External
	2004				2005			
1. Change in domestic financial instruments (2 + 7 + 8 + 9)	-1.9	1.3	1.1	-0.4	-2.5	1.5	1.9	-0.8
2. Financial instruments	-3.9	2.7	2.0	-0.8	-5.0	3.0	2.4	-0.4
3. Currency	-0.5		0.5		-0.4		0.4	
4. Checkable, time and savings deposits	-1.6	-0.4	2.1	-0.1	-1.6	-0.4	2.1	-0.1
4.1 Non-financial enterprises and other institutions	-0.7	-0.4	1.1	-0.1	-0.8	-0.4	1.3	-0.1
4.2 Households	-0.9		0.9	-0.1	-0.8		0.8	0.0
5. Securities issued ^{6/}	-1.7	3.0	-0.6	-0.7	-2.8	3.3	-0.1	-0.3
6. Retirement and housing funds ^{7/}	-0.1	0.1			-0.1	0.1		
7. Loans	1.2	-0.9	-0.3		1.9	-2.4	0.4	
7.1 Non-financial enterprises and other institutions ^{8/}	0.3	-0.9	0.6		0.2	-2.4	2.2	
7.2 Households	0.9		-0.9		1.7		-1.7	
8. Shares and other equity	-0.2		-0.1	0.4	0.4		0.0	-0.4
9. Other financial system items ^{9/}	1.0	-0.5	-0.4		0.1	0.8	-0.9	
10. Change in external financial instruments (11 + 12 + 13 + 14 + 15)	1.2	0.5	-1.1	-0.6	1.6	0.2	-1.9	0.1
11. Foreign direct investment	2.6			-2.6	2.3			-2.3
12. External financing	-0.8	0.3	0.3	0.2	0.9	0.1	-0.9	-0.1
13. Financial assets held abroad	-0.3	0.2	-0.7	0.9	-1.4	0.1	-0.1	1.4
14. Banco de México's international reserves			-0.6	0.6			-0.9	0.9
15. Errors and omissions (Balance of payments)	-0.4			0.4	-0.1			0.1
16. Statistical discrepancy ^{10/}	0.0			0.0	0.0			0.0
17. Total change in financial instruments (1+10+16)	-0.8	1.8	0.0	-1.1 ^{11/}	-0.9	1.6	0.0	-0.8 ^{11/}

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

2/ Excludes the effect of Mexican peso's exchange rate fluctuations vis-à-vis other currencies.

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

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

5/ Banking sector includes Banco de México, development and commercial banks (including the latter's 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 and development banks, and Banco de México.

6/ Includes government securities, bonds issued by the IPAB (BPAs and BPATs), Banco de México's monetary regulation bonds (BREMAs), private securities, and securities from states and municipalities. As for the private sector, it includes securities held by SIEFORES.

7/ 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 held by Banco de México, and housing funds.

8/ Private sector includes firms, credit unions, savings and loan companies, investment funds, financial leasing companies, financial factoring companies, special-purpose financial companies (Sociedades Financieras de Objeto Limitado, SOFOLES), insurance companies, investment funds specialized in retirement savings (Sociedades de Inversión Especializadas en Fondos para el Retiro, SIEFORES), bonding companies, deposit warehouses, public funds and trusts, brokerage houses, states and municipalities, and securities associated with debt-restructuring programs. The public sector includes entities as defined by PSBR.

9/ Includes items such as non-classified assets, real estate assets and other, and banking sector's equity and profit and loss accounts.

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

11/ 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.

In 2005, the private sector had a total net creditor position of 0.9 percent of GDP (item 17 of Table 24) and a similar surplus to that observed in 2004 (0.8 percent of GDP). Private sector's net savings in domestic financial instruments equaled 2.5 percent of GDP.²⁵ Meanwhile, net foreign financing to this sector increased from 1.2 percent of GDP in 2004 to 1.6 percent in 2005.

Private sector's net domestic financial position was composed of savings in financial instruments, 5 percent of GDP (compared to 3.9 percent in 2004), and bank financing to the private sector (1.9 percent of GDP in 2005 compared to 1.2 percent in 2004). Bank financing partly reflected credit granted to firms and other institutions amounting to 0.2 percent of GDP, as well as household loans, which accounted for 1.7 percent of GDP.

III.5.4. Securities and Derivatives Markets

In 2005, capital markets benefited from the prevailing conditions in international financial markets. Under this context, in 2005, Mexico's Stock Exchange Price and Quotations Index (*Índice de Precios y Cotizaciones de la Bolsa Mexicana de Valores*, IPC) surpassed its previous historical maximum level on 50 occasions, ending the year with an annual nominal yield of 37.8 percent. Measured in US dollars, the IPC accumulated an annual variation of 44 percent. Furthermore, an international comparison of the IPC performance during 2005 shows that it provided one of the highest accumulated yields in US dollars among all the main developed and emerging markets (Table 25).

Table 25
Main Stock Exchange Indexes ^{1/}

Country	Index	Yield in US dollars					
		2001	2002	2003	2004	2005	2001-05
South Korea	KOSPI	32.4	0.2	28.5	27.3	57.8	242.4
Brazil	BOVESPA	-24.9	-45.8	141.6	28.3	45.2	83.1
Mexico	IPC	18.0	-14.8	31.7	46.5	44.0	179.7
Canada	S&P / TSX	-19.0	-12.8	50.6	21.4	26.1	62.8
Japan	NIKKEI-225	-33.5	-9.8	37.9	12.4	22.2	13.6
Chile	IGPA GENERAL	-3.8	-14.6	77.6	30.3	11.5	111.9
Singapore	STI	-20.8	-12.1	34.3	22.0	11.5	27.1
Argentina	MERVAL	-29.2	-47.1	134.2	26.5	10.1	22.0
Germany	DAX	-24.3	-33.9	64.5	15.5	10.0	4.6
France	CAC-40	-26.4	-21.9	39.4	15.6	6.9	-0.9
United Kingdom	FTSE-100	-18.3	-16.4	26.0	15.5	4.8	4.2
Hong Kong	HANG SENG	-24.5	-18.2	35.5	13.0	4.8	-0.9
United States	DJIA	-7.1	-16.8	25.3	3.1	-0.6	-0.6
	SP 500	-13.0	-23.4	26.4	9.0	3.0	-5.5
	NASDAQ	-21.1	-31.5	50.0	8.6	1.4	-10.7

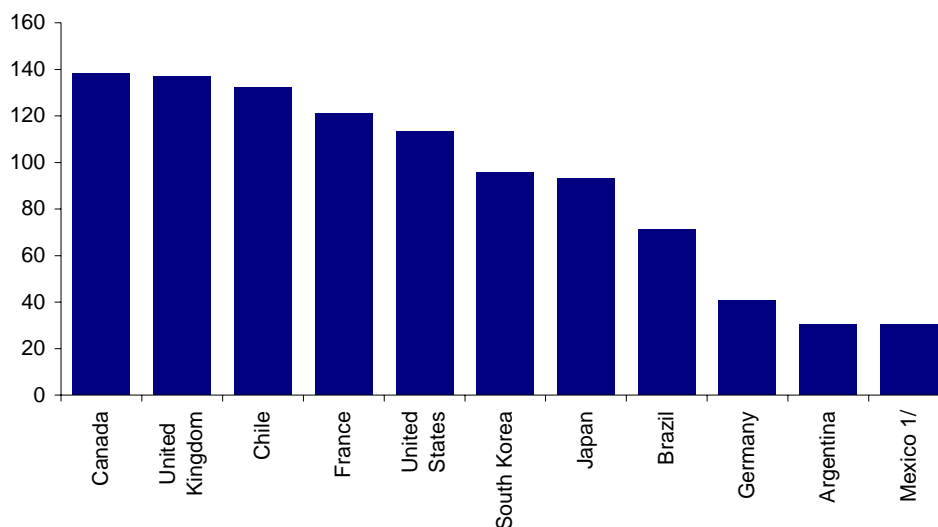
Source: Prepared by Banco de México with data from Mexico's Stock Exchange (*Bolsa Mexicana de Valores*, BMV) and Reuters. End-of-year data (each year).

Although the IPC has risen considerably during the last years, the capitalization value of the Mexican Stock Market at the end of 2005 represented

²⁵ This section refers to financial saving and not total savings, which is reported in section III.1 of this Report. Thus, financial savings referred to in this section is a component of total saving.

30.4 percent of GDP, figure which compares unfavorably to other economies (Graph 28). In addition, although there were eight new stock offerings in 2005, there were still only 154 firms listed on the Mexican Stock Market, figure which indicates the Mexican Stock Market role is limited. Under this context, it is important to mention the implementation of the new Securities Market Law, published in Mexico's Official Gazette (*Diario Oficial de la Federación*) on December 30, 2005, which creates a new legal framework for a corporation called *Sociedad Anónima Promotora de Inversión Bursátil* and offers a means for medium-sized companies to gradually incorporate themselves into the capital market and thereby have access to an additional source of financing.

Graph 28
Stock Market Capitalization Value (2004)
 Percent of GDP



1/ Corresponds to 2005.

III.6. Inflation

During 2005, inflation reflected mainly the effect of two factors: first, the reversion of multiple supply shocks that affected the economy during 2004 and, second the monetary policy actions undertaken. These actions were geared towards both preventing the referred shocks from contaminating the price determination process and fostering favorable conditions for the reduction of core inflation.

Annual headline inflation exhibited a converging trajectory with the 3 percent target and, starting August, it remained within the variability interval of plus/minus one percentage point determined around the target (Graph 29). In December, the referred indicator was 3.33 percent, 1.86 percentage points below the level recorded during the same month of the previous year. Headline inflation was influenced by both its core and non-core components, although the latter decreased more significantly.



Graph 29
Consumer Price Index
 Annual percentage change

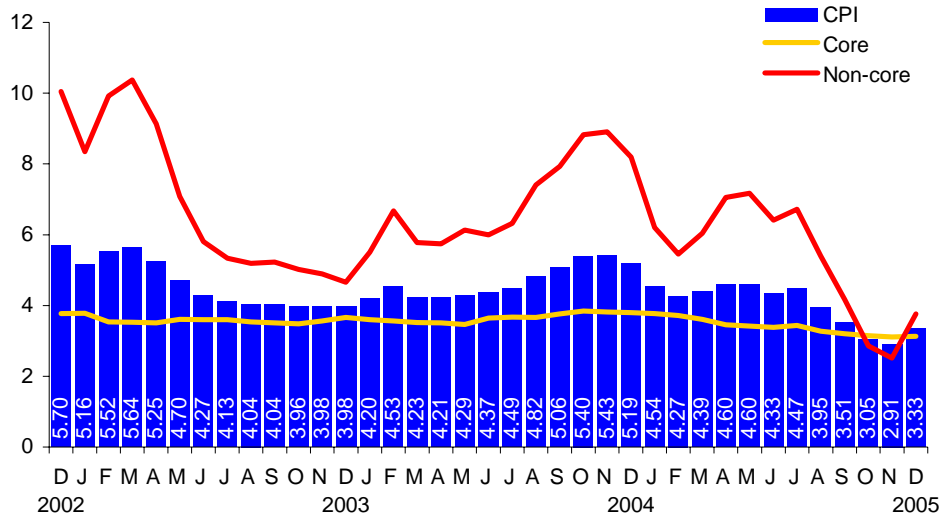
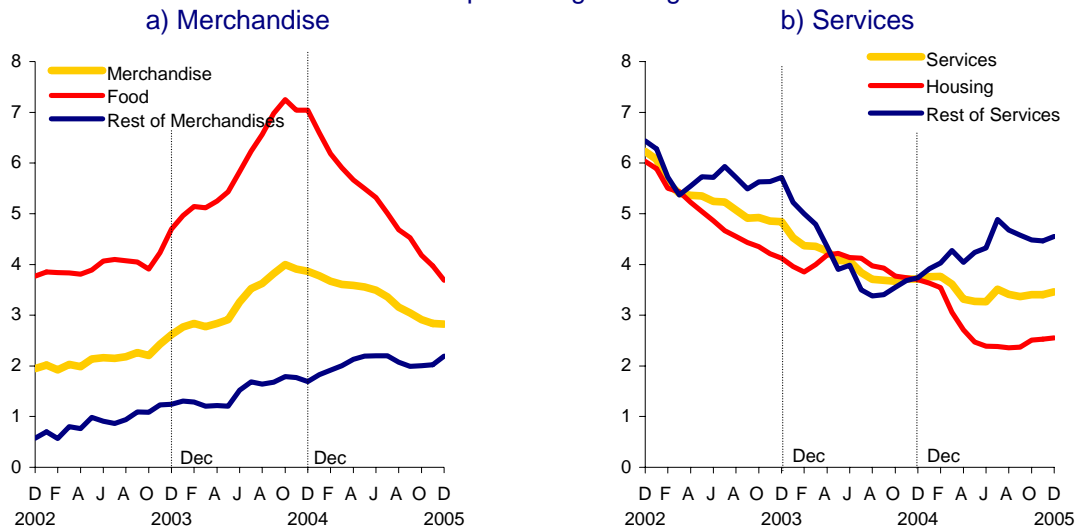


Table 26
Consumer Price Index
 Annual percentage changes

Month	2004			2005		
	CPI	Core	Non-core	CPI	Core	Non-core
January	4.20	3.60	5.51	4.54	3.77	6.20
February	4.53	3.56	6.67	4.27	3.71	5.46
March	4.23	3.52	5.78	4.39	3.61	6.04
April	4.21	3.51	5.74	4.60	3.46	7.06
May	4.29	3.46	6.13	4.60	3.42	7.17
June	4.37	3.64	5.99	4.33	3.38	6.41
July	4.49	3.67	6.32	4.47	3.44	6.72
August	4.82	3.66	7.40	3.95	3.28	5.40
September	5.06	3.76	7.93	3.51	3.20	4.17
October	5.40	3.84	8.83	3.05	3.14	2.85
November	5.43	3.82	8.90	2.91	3.11	2.52
December	5.19	3.80	8.20	3.33	3.12	3.76

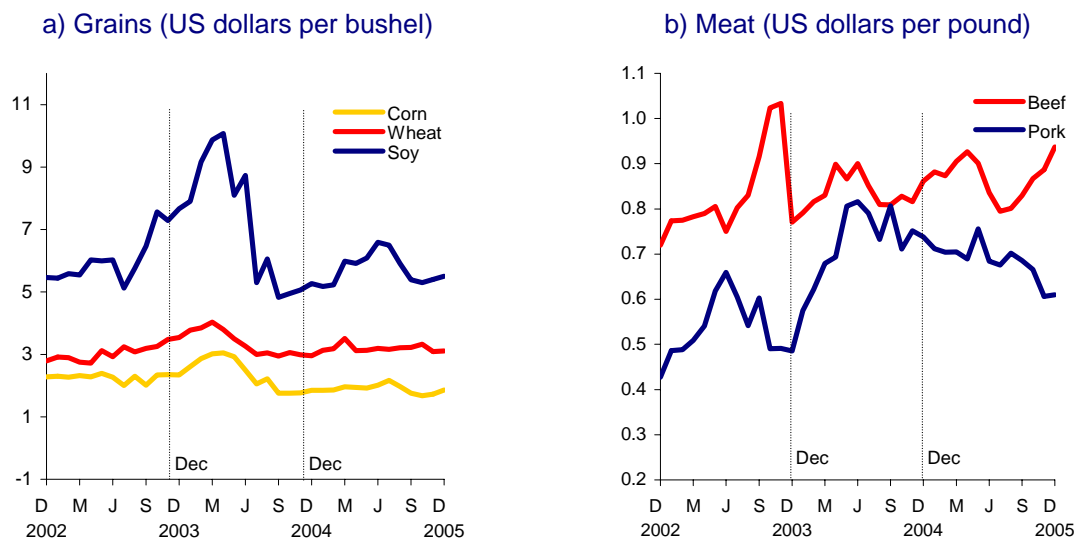
Core inflation fell significantly, reaching at the end of the year an annual variation of 3.12 percent, 0.68 percentage points below the figure observed in December 2004. The declining trend of core inflation was mainly influenced by the slower growth rates of processed food prices and housing-services prices (Graph 30).

Graph 30
Core Subindexes
Annual percentage changes



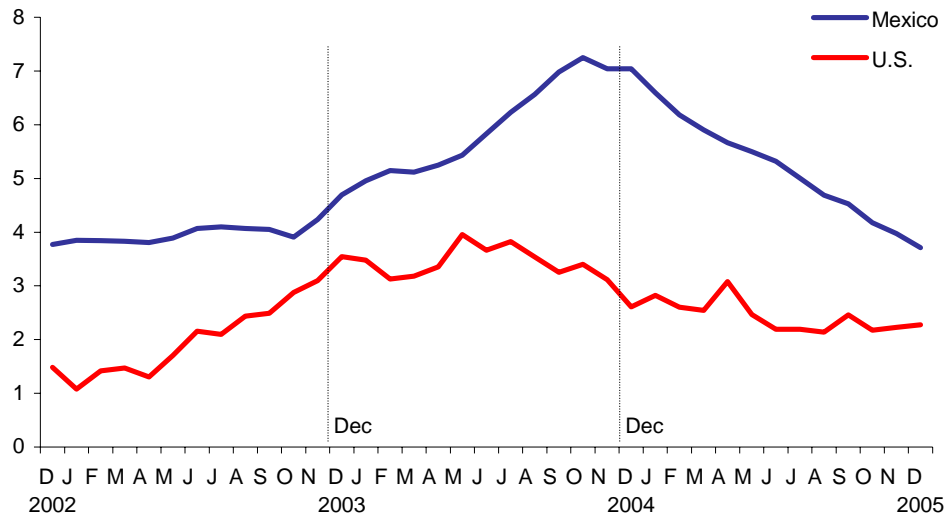
At the end of 2005, the core merchandise subindex registered an annual growth rate of 2.82 percent, 1.05 percentage points below the figure observed in December 2004. The decline of this indicator was due to the significant fall in the annual growth of processed food prices (from 7.04 in December 2004 to 3.69 percent in December 2005). This result is due to greater stability in the prices of raw materials used as an input for this type of foods. Furthermore, international prices of grains and livestock products attained a lower level than in 2004 (Graph 31). Thus, lower inflation of foodstuffs was a phenomenon observed in Mexico and other countries, such as the United States (Graph 32).

Graph 31
International Prices of Agricultural Raw Materials



Source: U.S. Department of Agriculture.

Graph 32
Food Prices in Mexico and the United States ^{1/}
 Annual percentage change

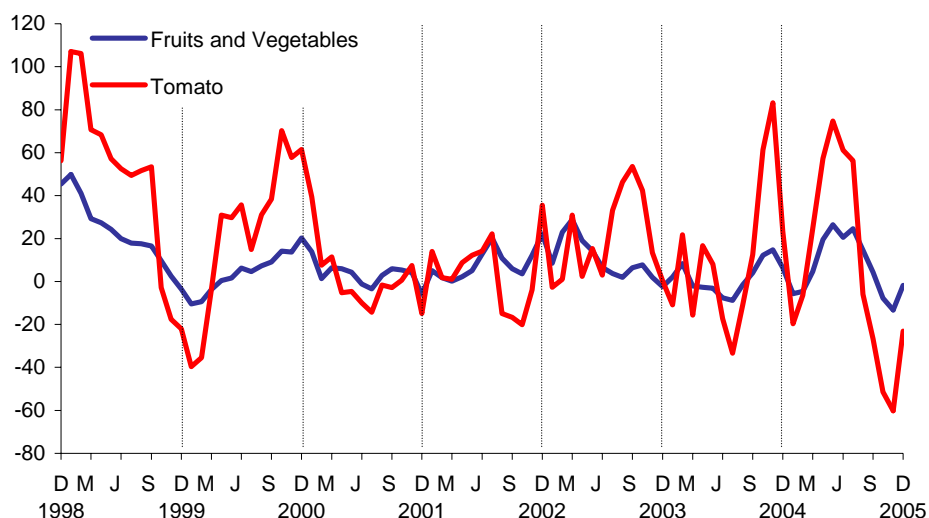


^{1/}Food series of Mexico corresponds to the core food merchandise subindex published by Banco de México, while that of the U.S. corresponds to the consumer price index series of food and beverages published by the Bureau of Labor Statistics.

The annual variation of the core services subindex was 3.46 percent in December 2005, implying a reduction of 0.26 percentage points compared with the figure observed in 2004. This decrease was mainly due to the decline of housing services inflation in response to a greater supply of housing and a fall in the prices of certain construction materials. Among the latter, one of the most important was the price of steel, which increased significantly during 2004. Nonetheless, the reduced inflationary pressure from housing services was partly offset by an upward trend in non-housing services inflation which continued until July. In the second half of 2005, the annual variation of the non-housing services subindex began to decline, moving from 4.89 to 4.55 percent (Graph 30b).

Annual headline inflation's fluctuations around the downward trend it exhibited during 2005 are explained by the behavior of the CPI non-core component. Fruits and vegetables prices recorded particularly volatile annual variations, moving between -13.25 and 26.47 percent during the year (Graph 33). Although this subindex prices are characterized by fluctuating annual variations during the year, those observed in 2005 were the highest for the last 6 years. This result responded mainly to adverse weather conditions during the second half of 2004, which affected negatively the supply of a small number of vegetables, such as tomato. The reduced supply of the latter led to a significant rise in its monthly inflation from August to November, while during the three following months its price contracted considerably. These fluctuations in the comparison base of this subindex led to extremely volatile annual variations during 2005.

Graph 33
Fruits and Vegetables Price Subindex
 Annual percentage change



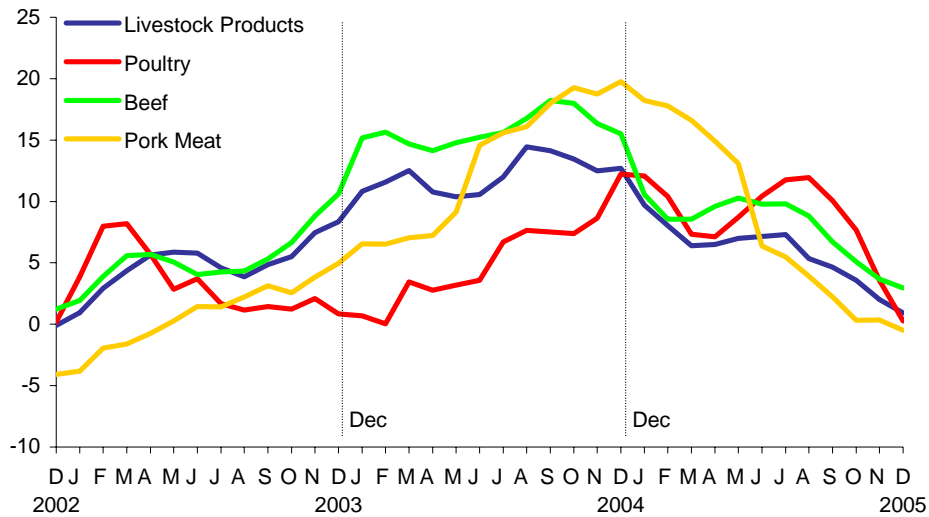
The decline of annual non-core inflation between December 2005 and December 2004 (from 8.20 to 3.76 percent), was due to the following: i) a drop in the annual inflation of prices of agricultural products; ii) a relatively contained passthrough of the surge in international oil prices to its domestic counterparts and; iii) a reduced increase in regulated prices of goods and services.

From December 2004 to December 2005, the growth rate of agricultural prices fell from 12.69 to 0.93 percent. This result was due to an improved supply of beef and pork, whose international prices was affected in 2004 by several factors including increased balanced livestock food prices and the “mad cow disease” (Graph 34).

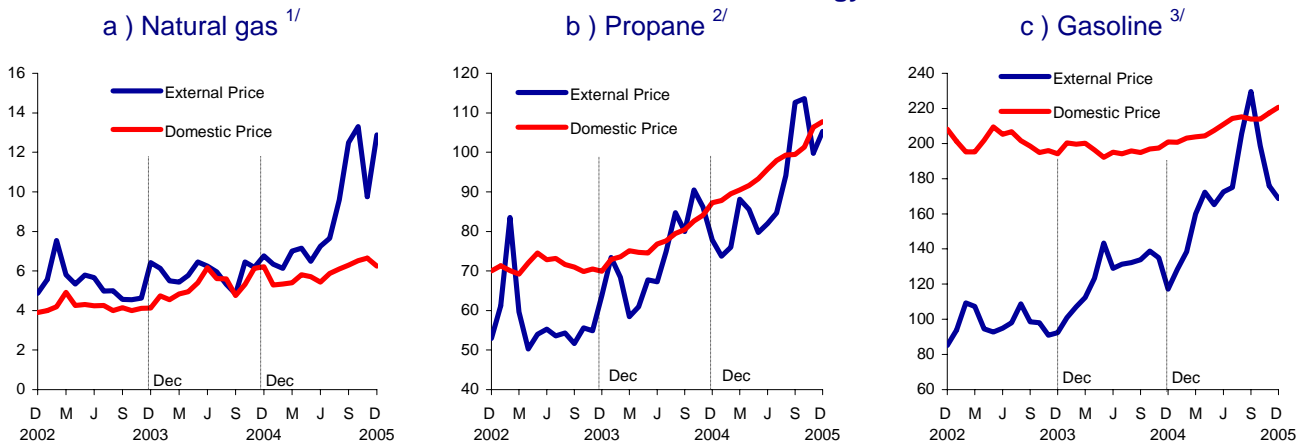
The annual inflation of the administered prices subindex decreased from 10.02 percent in December 2004 to 7.13 percent at the end of 2005. This indicator followed a downward trajectory until September 2005, when it was affected adversely by further increases in international fuel prices due to the damages caused by hurricane Rita to natural gas production infrastructure in the U.S. (Graph 35). Nonetheless, this phenomenon had only a modest passthrough to the domestic market as a result of several measures established by the federal government (Graph 36a), among which the most important were: i) setting a maximum price for gasoline at border cities that should not exceed the price at the rest of the country (which has a predetermined rate of change in line with the inflation target); ii) the adoption, at the beginning of the year, of a monthly variation interval between 0.75 and 1.75 percent for propane prices; iii) the implementation of a maximum price for natural gas, for low-consumption residential use;²⁶ and, iv) a decree that establishes a maximum price for natural gas for industrial use and natural gas distributors.²⁷

²⁶ Decree published in Mexico's Official Gazette (*Diario Oficial de la Federación*), May 16, 2005. This decree sets a maximum price for concessionaries of low-consumption gas for residential use. A

Graph 34
Livestock Products Price Subindex
 Annual percentage change



Graph 35
International Prices of Selected Energy Goods

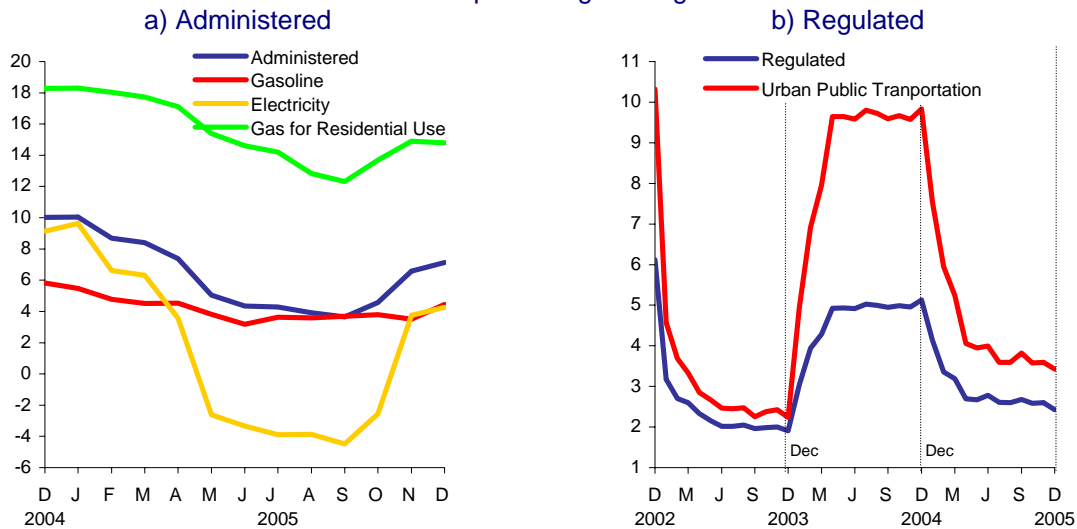


1/ Tetco, Tx. US dollars per MMBtu.
 2/ Mont Belvieu, Tx. US cents.
 3/ Texas, US cents per gallon.

reduction of 28 percent was established on the price of natural gas for residential use with monthly consumptions up to 47m³. This discount is established with a downward rate of change criterion and does not apply to consumption above 60m³. The measure ends September 30, 2006.

²⁷ Decree published in Mexico's Official Gazette, September 12, 2005.

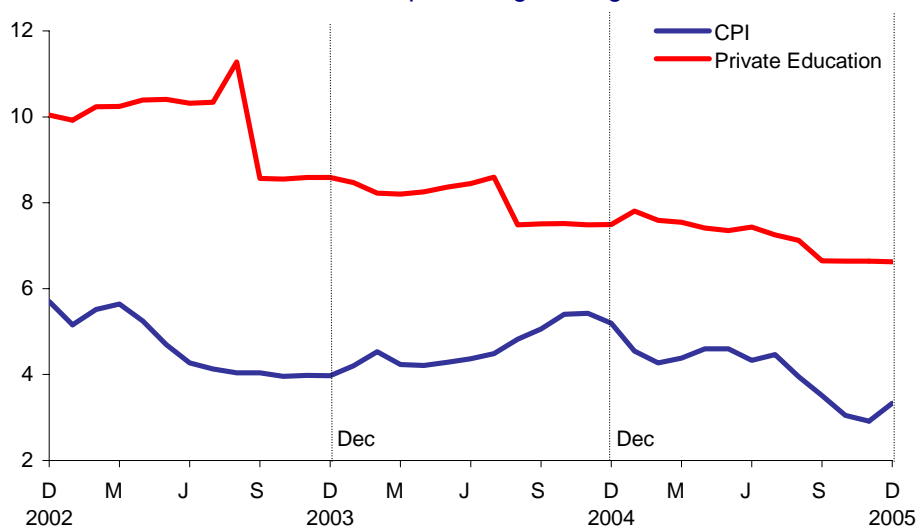
Graph 36
Subindexes of Administered and Regulated Prices of Goods and Services
 Annual percentage change



The annual variation of the regulated prices subindex declined from 5.13 percent at the end of 2004 to 2.43 percent in December 2005. This result was due to the fact that significant price increases in public transportation in urban areas observed in the first four months of 2004 in cities that have a high weight in the CPI, such as the Federal District and Toluca, did not repeat in 2005 (Graph 36b).

The private education subindex declined 0.87 percentage points during 2005, ending the year at 6.63 percent. Nonetheless, this subindex has converged at an extremely slow rate with headline inflation. In order to illustrate the latter point, in December 2005 the annual inflation of private education was 3.3 percentage points above that of the CPI (Graph 37).

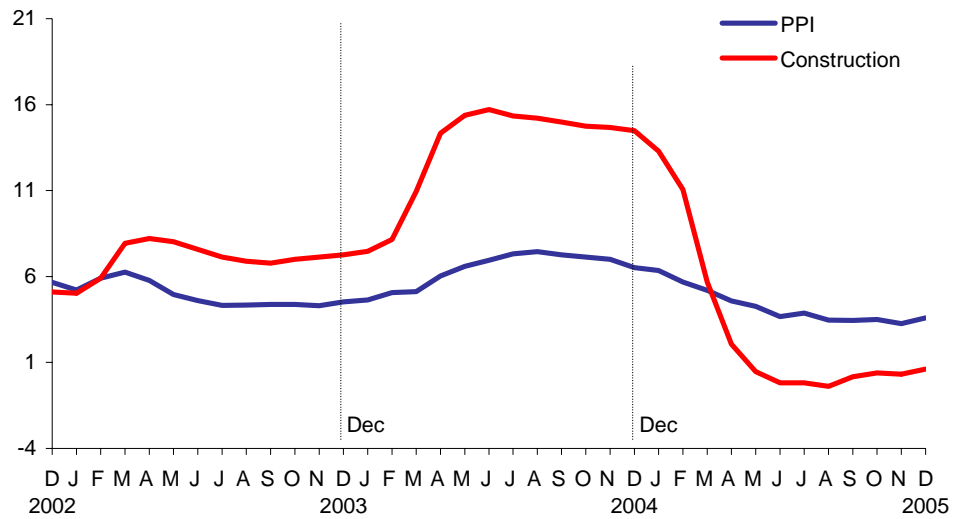
Graph 37
Subindexes of Regulated Prices of Goods and Services and of Private Education
 Annual percentage change



III.6.1. Producer Price Index (PPI)

In December 2005, the Producer Price Index (PPI) excluding oil recorded an annual growth of 3.59 percent, while the corresponding figure in 2004 had been 6.52 percent (Graph 38). Within this index, the components which contributed most to such reduction were construction prices -their annual growth fell from 14.49 percent in December 2004 to 0.61 percent in December 2005.

Graph 38
Producer Price Index Excluding Oil
 Merchandise and final services, annual percentage change



IV. Monetary and Exchange Rate Policy

IV.1. Monetary Policy

IV.1.1. General Aspects

In 2005, Banco de México conducted monetary policy based on an inflation targeting framework. The most important elements of this framework are: i) the announcement of an explicit multi-annual CPI inflation target of 3 percent, with a variability interval of plus/minus one percentage point; ii) a systematic approach for identifying the origin and characteristics of inflation pressures; iii) a description of the instruments used by the Central Bank to attain its inflation objective; and, iv) a communication policy that fosters monetary policy's transparency, and the public's decision-making process.

IV.1.2. Monetary Policy Actions

In 2004, various supply shocks took place which created inflationary pressures in several CPI subindexes (Graph 39). Despite the fact that in general terms the components which exhibit extreme variations are part of the non-core subindex, in 2004 various prices included in the core subindex also showed high variations during the period, particularly processed foods. Although this type of shocks do not usually have a generalized effect on prices, due to the fact that they mostly reflect changes in relative prices, the Central Bank must ensure that they do not lead to subsequent increases (second round effects) in prices and wages. The latter is even more important in economies where inflation has still not converged with its long-term target.

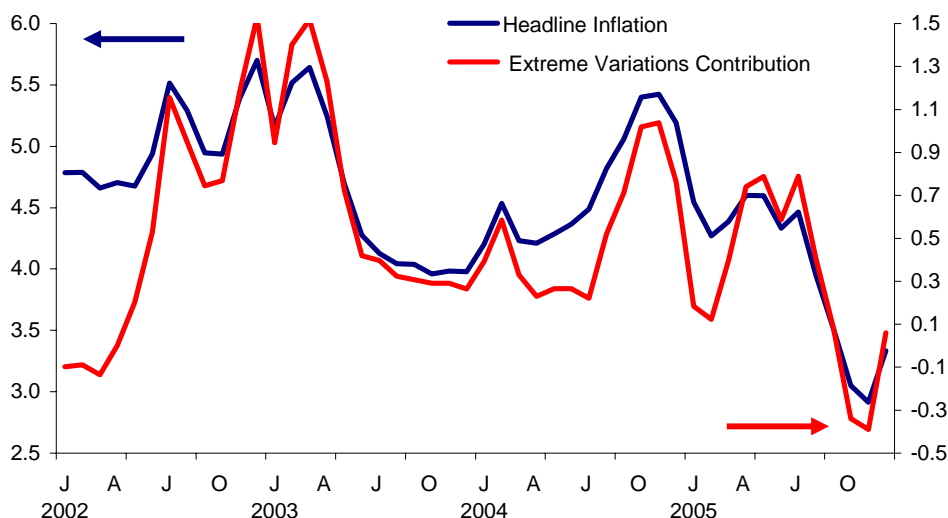
In this regard, it is essential to identify both the origin and characteristics of inflation pressures. When inflation pressures come from the supply side, they usually reflect changes in relative prices, which affect inflation temporarily. Under these conditions, the monetary authority should ensure inflationary pressures do not contaminate the price determination process, especially wage negotiations, in order to prevent subsequent price increases (second round effects). Nonetheless, for the case of economies like Mexico, which have not concluded their disinflation processes, this recommendation should be put in context. On the other hand, when inflation pressures come from the demand side, the monetary authority should tighten the monetary policy stance in order to prevent an upward price movement of all goods and services.

The number and magnitude of supply shocks during 2004 induced a considerable increase in inflation expectations for all terms. In the surveys conducted by Banco de México, expectations for annual inflation for the end of 2006 rose from 3.65 percent in May 2004 to 4.09 percent in December of that year (Graph 40). As a result the Board of Governors of Banco de México

tightened the monetary policy stance in 2004 and the first half of 2005 in order to contain the increase in inflation expectations and avoid that these contaminate the price determination process.

During the first quarter of 2005, Banco de México tightened the monetary policy stance further, thus continuing the process that it had begun in 2004 through two channels: i) by increasing the *corto* (short position) from 69 million pesos in December 2004 to 79 million in March 2005; and ii) by stating in its press releases on monetary policy that until deemed convenient, domestic monetary conditions should mirror, at least, the greater monetary astringency prevailing in the U.S.

Graph 39
Contribution of Item Prices' Extreme Variations (Maximum and Minimum) on Headline CPI Inflation ^{1/}



^{1/}The contribution of extreme variations in the prices of some CPI items to headline CPI inflation is calculated as follows: i) seasonally adjusted monthly variations of CPI items are ordered from maximum to minimum according to the contribution of each variation to CPI's variation; ii) the 10 percent maximum and 10 percent minimum are selected; and iii) the contributions of extreme variations to headline CPI inflation are accumulated. Extreme variations contributions are useful indicators for identifying if the changes in headline CPI inflation are originated by changes in the prices of only a few CPI items (which occurs when the contribution of extreme variations behaves in a similar way to that of headline CPI inflation).

Later, in its press release of April 22, the Board of Governors of Banco de México announced its intention to maintain the *corto* unchanged and, since the press release of June 24, it stopped making reference to item ii) of the above paragraph. Nonetheless, in the latter it stated that, as deemed necessary, domestic monetary conditions should not loosen. As a result of these actions, the one-day banking funding rate rose from 8.75 percent on December 31, 2004 to 9.75 percent at the end of June, remaining at that level until August 25, 2005 (Graph 41).

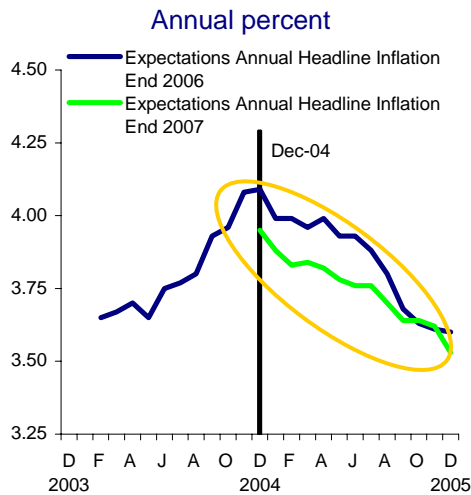
The inflationary pressures that affected the prices of different raw materials during 2004 dissipated throughout 2005, especially in the second half of the year. Furthermore, the supply conditions of several agricultural products, which were affected by adverse weather conditions in 2004, began to stabilize. This context combined with the monetary policy actions adopted in Mexico, led to significant reductions in headline and core inflation. In August, headline inflation was 3.95 percent and core inflation was 3.28 percent, while at the end of 2005 such indicators were 3.33 and 3.12 percent, respectively.

Thus, the abovementioned supply shocks did not have a significant effect on wage negotiations or, on the general price determination process in Mexico. As a result, inflation expectations for headline inflation for 2006 and 2007 were revised downward. Furthermore, at the end of 2005, forecasts included in Banco de México's survey for headline inflation for the end of 2006 were around 3.6 percent, figure similar to that observed before the supply shocks that arose in 2004 (Graph 40).

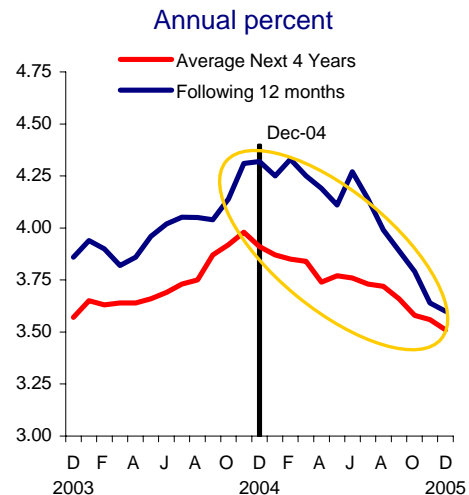
Graph 40

Inflation Expectations: Banco de México Survey

a) Inflation Expectations for the end of 2006 and 2007



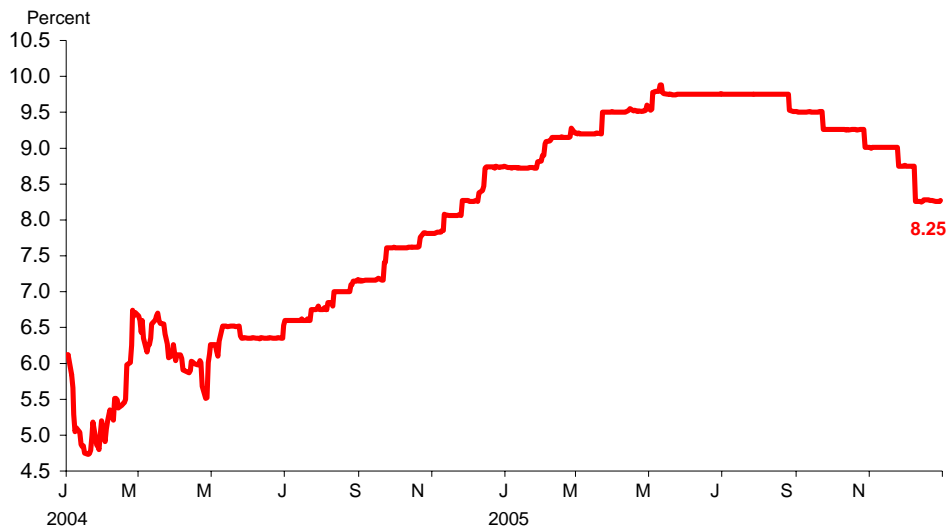
b) Inflation Expectations for the Following 12 Months and Average for the Next Four Years



In general, international financial markets remained slackened during 2005. As a result, sovereign spreads for some emerging economies recorded historically low levels in the last quarter of the year. After taking these favorable conditions and the slight improvements in the path of inflation and its expectations into consideration, at the end of August, the Board of Governors of Banco de México began to reduce monetary restrictions. In its press releases of August, September, October and November, Banco de México allowed a loosening of monetary conditions of no more than 25 basis points on each occasion and no higher than 50 basis points in December. As a result, the one-day bank funding rate fell from 9.75 percent at the end of August to 8.25 percent at the end of 2005 (Graph 41).

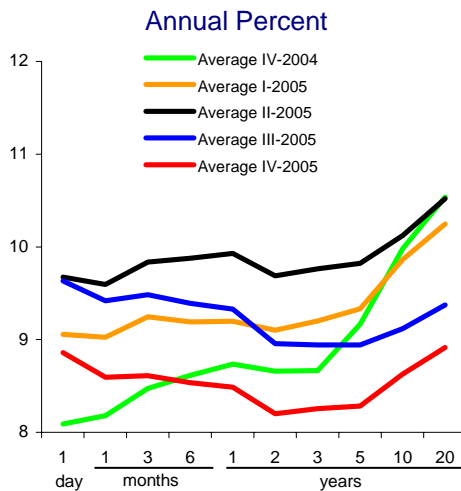
On another front, the yield curve in Mexico has been clearly influenced by global liquidity conditions and the consequent appetite for risk prevailing in international financial markets. Thus, numerous foreign investors searched in the domestic markets of many emerging economies for alternatives to increase the yield of their portfolios. In Mexico this has led to an increase in capital inflows to purchase longer-term debt instruments in domestic currency. This is also evidence that Banco de México's monetary policy actions have contributed to this result by reducing inflation expectations and the risk premia that is usually discounted from fixed rate instruments. Thus, during the second half of 2005, Mexico's yield curve flattened significantly (Graph 42a). Furthermore, the convergence of the aforementioned led to a considerable reduction in interest rate spreads between Mexico and the U.S. (Graph 42b).

**Graph 41
Bank Funding Rate**

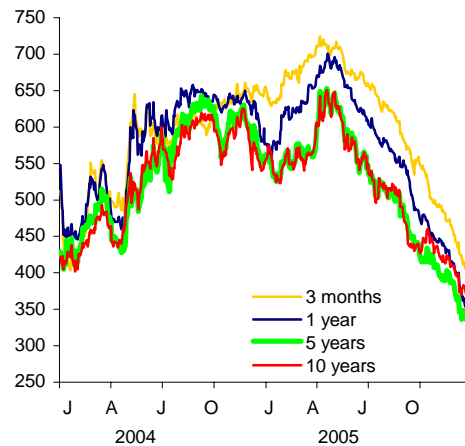


**Graph 42
Yield Curve in Mexico and Spread between Mexico and the U.S.**

a) Yield Curve in Mexico



b) Yield Spread between Mexico and the U.S.
Basis Points



IV.2. Exchange Rate Policy

The Foreign Exchange Commission is solely responsible for conducting Mexico's exchange rate policy.²⁸ In late 1994, the Commission adopted a floating exchange rate regime, in which the exchange rate is determined freely by market forces. A free floating regime simplifies monetary policy management because the

²⁸ The Foreign Exchange Commission is composed of officers from both the Ministry of Finance and Banco de México.

exchange rate can adjust more rapidly to domestic and external shocks, such as changes in international interest rates and in the terms of trade. This, in turn, allows the economy to adjust more easily to these shocks.

In March 2003, the Foreign Exchange Commission announced the implementation of a mechanism to reduce Banco de México's rate of accumulation of international reserves. In 2004 the Commission decided to adequate the mechanism in order to procure a more stable amount of daily US dollar sales. As mentioned in previous reports, the commission achieved the aforementioned by modifying the schedule of US dollar sales, while keeping the total amount of US dollars to be auctioned unchanged. Thus, starting in the quarter May-July of 2004, the amount of US dollars to be auctioned will continue to be 50 percent of the accumulated net reserves from the preceding quarter, after deducting total sales in that period. This amount will be auctioned in equal parts during the following four quarters (Table 27).

Table 27
Daily Amount of US dollars Auctioned by Banco de México
 Million US dollars

Quarter	Daily Amount Auctioned
2-May-03 to 31-Jul-03	32
1-Aug-03 to 31-Oct-03	14
3-Nov-03 to 30-Jan-04	6
2-Feb-04 to 30-Apr-04	45
3-May-04 to 30-Jul-04	22
3-Aug-04 to 29-Oct-04	22
01-Nov-04 to 31-Jan-05	22
1-Feb-05 a 29-Apr-05	23
2-May-05 to 29-Jul-05	15
01-Aug-05 to 31-Oct-05	12
01-Nov-05 to 31-Jan-06	18

IV.2.1. Exchange Rate

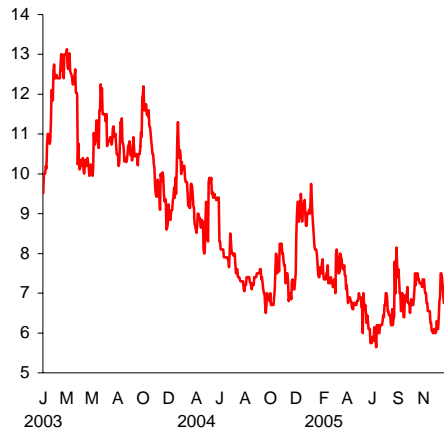
2003 was a year in which the geopolitical uncertainty associated with the war in Iraq reduced investors' appetite for risk and contributed to a depreciation of the peso vis-à-vis the US dollar. During 2004 and 2005, however, favorable conditions prevailed in international markets due to relatively loose monetary conditions and reduced global geopolitical uncertainty. This environment led to a search for higher returns in international financial markets and to a higher appetite for risk among investors, particularly in emerging economies. As a result, the exchange rate of the Mexican peso against the US dollar remained relatively stable (Graph 43).

The significant rise in international prices of several raw materials throughout 2004 and 2005 contributed to an appreciation of the currencies of many emerging economies which mostly export raw materials. Such was the case of Chile, Brazil and Columbia (Graph 44). However, the Mexican peso remained more stable due to the fact that Mexico exports mainly manufactured goods (Graph 44).

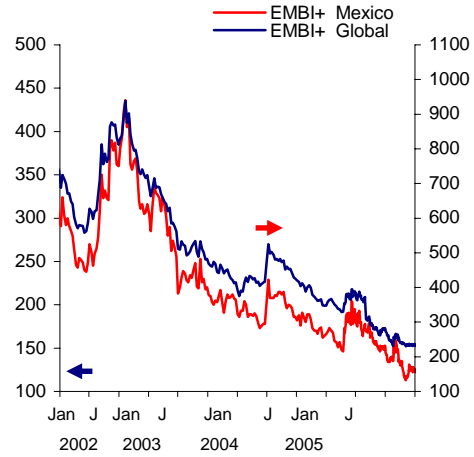
Graph 43

Exchange Rate and Sovereign Risk Spread

a) Implicit Volatility of 1-month Futures Exchange Rate Pesos /US dollar



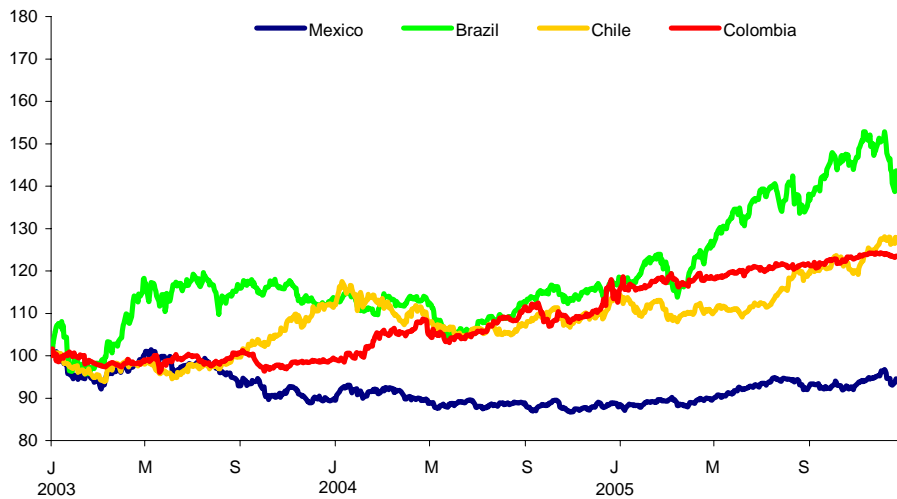
b) Sovereign Risk Spread Measured through EMBI+ Global and EMBI+ Mexico Indexes Basis Points



Source: UBS

Graph 44

Nominal Effective Exchange Rate in Emerging Markets ^{1/}
Index January 2003=100



Source: Bloomberg.
1/ Increase=appreciation.

V. Final Remarks

Despite further increases in crude oil prices and the gradual tightening of restrictive monetary policy in the U.S., the world economy expanded significantly during 2005, while inflation remained at modest levels. Although economic activity in the U.S. declined, growth in Asia remained solid due to the strength of the Chinese economy and economic recovery in Japan. International financial markets absorbed the increases in short-term interest rates in an orderly fashion and sovereign spreads for some emerging economies recorded historically low levels as such countries benefited from extremely favorable external financial conditions.

The Mexican economy grew 3 percent in 2005, although growth was unbalanced among the economic sectors. The services sector expanded significantly, the agricultural sector recorded high volatility, while the performance of the industrial sector was modest, particularly of its manufacturing production component. Nonetheless, some industrial activities, like the automotive industry, recorded an improvement in annual terms during the fourth quarter of the year.

Medium-term inflation expectations rose considerably as a result of the number and intensity of supply shocks which occurred in 2004. Under this environment, the Board of Governors of Banco de México tightened its monetary policy stance throughout 2004 and in the first half of 2005 in order to contain upward pressure on inflation expectations and prevent them from contaminating the price determination process.

Throughout 2005, particularly in the second half of the year, inflationary pressures associated with increases in international prices of different raw materials began to dissipate. The convergence of the aforementioned with the effects of the monetary policy actions adopted led to significant reductions in headline and core inflation. Thus, in 2005 annual headline inflation adopted a path convergent with the 3 percent target and, since August, it remained within the variability interval of plus/minus one percentage point established around the target. In December, annual inflation was 3.33 percent, implying a reduction of 1.86 percentage points from its level in December 2004. This result responded to the behavior of both its core and non-core components.

The favorable external environment and the improvement in the path of inflation and its expectations allowed the Board of Governors of Banco de México to revert, since August 2005, its stance of monetary astringency. As a result, the one-day bank funding interest rate fell from 9.75 percent at the end of August to 8.25 percent at the end of 2005.

A less restrictive monetary policy is congruent with the reduction of inflation and its expectations. Nonetheless, although significant improvements have been observed regarding inflation abatement, inflation expectations are still above the 3 percent target set by Banco de México. Under this context, monetary policy will continue to focus on fostering the convergence of inflation to its target.



It is important to reiterate that stability is a necessary but not the only condition to attain sustained growth. Progress towards a greater stability of the Mexican economy has had a significant influence through its effect on aggregate demand, allowing consumption and investment to expand and become more stable throughout the years. Nonetheless, the current challenge is to implement structural changes destined to increase the flexibility of the economy's productive structure and, hence, to raise its growth potential. Under this context, the need to advance in the pending agenda of structural changes in Mexico is evident. As broad consensus regarding structural reforms with a long-term vision are attained, the lag in competitiveness that the Mexican economy has accumulated in recent years with respect to other economies might be reverted, therefore laying sounder foundations for the country's future growth.



Appendices

Appendix 1

Mexico's Relationship with International Financial Organizations

International Monetary Fund (IMF)

Mexico is a member of the International Monetary Fund since its foundation in 1944. Currently, Mexico's quota in the organization is 2,585.8 million Special Drawing Rights (SDRs), accounting for 1.22 percent of IMF's total quotas.²⁹ A member's quota determines its access to IMF resources as well as its voting power in the institutions governing bodies.

Two issues in Mexico's relationship with the IMF were particularly relevant in 2005: the consultation under Article IV of IMF's charter and Mexico's participation in the IMF Financial Transactions Plan (FTP).

Consultations under Article IV of the IMF Articles of Agreement is an oversight procedure set up by the IMF to monitor and evaluate the economy of each of its members, whether or not these are currently under an IMF-supported program. A mission from the IMF visits the member country, collects and analyzes economic and financial data, and meets with the authorities to discuss the country's economic policies in the context of recent developments. The IMF staff team submits a report on the country to the Executive Board, which discusses the staff's analysis. Afterwards the IMF informs the country's authorities of its findings and recommendations.

The last Article IV consultation for Mexico was discussed in the IMF Executive Board on November 9, 2005. In December the Mexican authorities released a press bulletin with a summary of the consultation's results.³⁰

During the discussion of Mexico's report, the IMF Executive Board recognized the advances made in economic policy and the development of institutions, which, over the last decade, have contributed to macroeconomic stability and reduced financial vulnerability. Special mention was made of the continued attainment of fiscal objectives, the structure of public debt, the prudent management of monetary policy and the implementation of reforms which have strengthened the financial sector. In the Board's opinion, the challenge for the future centers on furthering the process of structural reform, particularly in the energy and telecommunication sectors, the labor market, the tax system and in the regulatory and corporate areas. The Board believed these reforms were

²⁹ On December 30, 2005, one SDR equated 1.42927 US dollars.

³⁰ The documents concerning IMF's consultation for Mexico can be found at the following websites:

<http://www.shcp.gob.mx>

<http://www.banxico.org.mx>

<http://www.imf.org/external/index.htm>

necessary to foster economic efficiency and competitiveness, while the significant advances made in economic policy design and implementation are consolidated.

Each quarter the IMF adopts a Financial Transactions Plan (FTP), which establishes the amounts and the currency to be used for granting loans as well as the distributions of past loan payments. Mexico's participation in the FTP began in June 2002, becoming a creditor of the IMF.³¹ Since then, Mexico has contributed with its currency to financing the FTP on twelve occasions. In September 2005, Mexico's creditor position with the IMF amounted to 631 million SDR, equal to 24.4 percent of its quota. In 2005, the Mexican peso was used four times in the FTP for an equivalent of 52.7 million SDR. As a result of payments made to the IMF by Brazil and Turkey, Mexico received 215.2 million SDR. Thus, Mexico's creditor position declined significantly and at the end of 2005 amounted to 415.8 million SDR (16.1 percent of its quota) Other Latin American and Caribbean countries participating in the FTP are Chile, and Trinidad and Tobago.

Mexico's Role in the IMF Special Data Dissemination Standard (SDDS)

Mexico subscribed to the IMF Special Data Dissemination Standard (SDDS) in August 1996. The SDDS are a set of international guidelines on the scope, periodicity, timeliness and quality of economic and financial statistics. The SDDS encourage immediate and fair access to information, help users of economic and financial statistics to assess data quality, and contribute to ensure the objectivity and integrity in compiling and publishing them. The coverage of SDDS has widened in recent years to include indicators which help to identify the sources of external vulnerability. Currently, 62 countries participating actively in international financial markets have subscribed voluntarily to the SDDS.³²

In 2005, the Sixth Review of the SDDS was conducted. The main conclusion of the Review was that fulfillment of guidelines on the periodicity, timeliness and quality of published information was fundamental to strengthening the credibility of the SDDS. Thus, the Executive Board determined that starting in 2007, advanced release calendars as well as data published on each member country's website would be monitored electronically with the findings being published by the IMF annually.

Bank for International Settlements (BIS)

The Bank for International Settlements (BIS) is an international organization established January 20, 1930 (operating officially since May 17) to foster international monetary and financial cooperation as well as to offer banking services to central banks. The BIS headquarters are also home to various committees and organizations which attempt to foster financial stability such as: the Basel Committee on Banking Supervision, the Committee on the Global Financial System, Committee on Payment and Settlement Systems, the Market

³¹ Mexico's last Stand-by Agreement with the International Monetary Fund ended on November 30, 2000 and since August that year, when advanced settlement of the total debt was made, Mexico has held no liabilities with the IMF.

³² All documents regarding Mexico's role in the SDDS are available at the following website:
<http://www.banxico.org.mx/elInfoFinanciera/infcarteleraelectronica/fmi.html>



Committee, the Financial Stability Forum, the International Association of Insurance Supervisors and the International Association of Deposit Insurers.

The BIS currently has 55 member central banks or monetary authorities. Banco de México is a member of the BIS since November 1996 and holds 3,211 shares of the organization's third tranche of capital, which by December 31, 2005 represent 0.59 percent of the voting rights of BIS shareholders.

Banco de México has actively participated in the meetings of Governors and senior officers of member central banks which analyze the outlook for the world economy and financial markets. These meetings are one of the primary instruments through which the BIS seeks to promote international financial cooperation between central banks.

In the Governor Meetings held during 2005, structural issues and topics of general interest were analyzed, such as: central bank capital; the design and operation of monetary policy bodies; the possible emergence of a new order for the international monetary system; and the link between globalization and inflation. Since January 2004, the BIS includes in its agenda of central bank governors' meetings one focused on satisfying the specific needs of the central banks of emerging market economies and smaller industrial countries.

In November 2005, the Fourth Latin American Regional Meeting of the Financial Stability Forum (FSF) was held in Mexico City to discuss the following topics: sources of vulnerability affecting international and regional financial systems; the priorities of efforts to strengthen regional financial systems; the development of domestic stock markets; and financial stability issues resulting from foreign ownership of financial institutions.

Appendix 2

Public Sector Borrowing Requirements (PSBR)³³

Public Sector Borrowing Requirements (PSBR) are an indicator of the public sector's financial needs, which include: a) the traditional public sector (federal government and public enterprises); b) financial intermediation of development banks and public funds and trusts; and, c) additional liabilities representing obligations guaranteed by the federal government.³⁴ Additional liabilities included in the calculations of PSBR are: a) IPAB's net liabilities; b) financed investment projects (*proyectos de infraestructura productiva de largo plazo*, PIDIREGAS); c) guaranteed liabilities from the toll road rescue program (*Fideicomiso de Apoyo para el Rescate de Autopistas Concesionadas*, FARAC); d) the interest rate swapping cost implied in programs for restructuring bank credits denominated in UDIs; and, e) liabilities associated with debtor support programs.

At the end of 2005, total PSBR (measured by source of financing and in accrued terms), including additional liabilities and public sector non-recurrent revenues, accumulated a deficit of 136.7 thousand million pesos (1.63 percent of GDP).³⁵ This result was slightly lower than that of 2004 (138.8 thousand million pesos, 1.8 percent of GDP). In 2005, public sector's non-recurrent revenues totaled 20.2 thousand million pesos, figure 31.1 thousand million pesos less than that registered in 2004.³⁶ Non-recurrent revenues in 2005 mainly resulted from the sale of Mexican Railroad Transportation (*Transportación Ferroviaria Mexicana*, TFM) stocks (5.6 thousand million pesos), the sale of stocks of the Southeastern Airports Group and duties levied from Mexico City International Airport (5.2 thousand million), revenues from debt repurchase (2.5 thousand million) and revenues from other benefits (6.9 thousand million). In 2005, PSBR excluding non-recurrent revenues accumulated a deficit of 156.9 thousand million pesos and accounted for 1.87 percent of GDP, figure below that registered during the previous year (2.47 percent of GDP).

³³ PSBR reflect public sector's use of net financial resources, both domestic and external. Since 1977, Banco de México has calculated PSBR and published it in its Annual Reports. PSBR definition includes the federal government, public enterprises and institutions, official financial intermediaries and, since 2000, a number of additional items implying liabilities guaranteed by the public sector.

³⁴ The methodology for calculating the PSBR presented in this section is based on sources of financing (accrued deficit) and differs from that of the Ministry of Finance which is based on public sector's revenues and expenditures (cash flow).

³⁵ In 2004 and 2005, the main differences between PSBR calculated with this methodology and those calculated by the Ministry of Finance are: a) the value of assets (market value versus placement value); and b) the recovery of portfolio associated with the Capitalization Program and FOBAPROA portfolio purchases. Regarding the latter, it is important to point out that Banco de México's methodology takes into account changes in IPAB's financial position to obtain necessary resources. Thus, the measurement considered the following as assets: portfolio and asset recovery as well as the participation of losses and the incentive program associated with the Portfolio Capitalization and Purchase Program (*Programa de Capitalización y Compra de Cartera*, PCCC) carried out by FOBAPROA. As a result, in Banco de México's methodology the redemption of promissory notes associated with the PCCC does not generate the benefit reported by the Ministry of Finance.

³⁶ In 2005 federal government's non-recurrent revenues were lower due mainly to the fact that no revenues were received from Banco de México's operational surplus and that revenues from the redemption of Brady Bonds were lower than during the previous year. In 2004, non-recurrent revenues derived from Banco de México's operational surplus amounted to 15 thousand million pesos, while revenues from debt repurchases totaled 13.9 thousand million pesos.

In 2005, PSBR were mainly financed through domestic resources. PSBR domestic financing (including non-recurrent revenues) totaled 145.3 thousand million pesos, while net foreign indebtedness decreased by 8.6 thousand million (the reduction of external liabilities was greater than the amount of external financing needed to cover investment associated with PIDIREGAS). Domestic financing included the following: accumulated net financial assets at Banco de México (69.6 thousand million), a reduction in commercial bank net financing (1.8 thousand million pesos), an increase in private sector financing through government securities (171.5 thousand million pesos), and an increase in other liabilities with the private sector, mainly additional liabilities (45.2 thousand million pesos).

Table 28
Public Sector Borrowing Requirements in 2004 and 2005 ^{1/}
 Thousand million pesos

Item	2004		2005	
	Including non-recurrent revenues	Percent of GDP	Including non-recurrent revenues	Percent of GDP
Sources:				
PSBR ^{2/}	138.8	1.80	136.7	1.63
Net External Financing ^{3/}	38.8	0.50	-8.6	-0.10
(Billion US dollars) ^{4/}	3.4		-0.8	
Net Domestic Financing	100.0	1.30	145.3	1.73
Banco de México	-37.0	-0.48	-69.6	-0.83
Commercial Banks	92.2	1.20	-1.8	-0.02
Government Securities ^{5/}	-41.3	-0.54	171.5	2.05
Other Private Sector Financing	86.1	1.12	45.2	0.54
Uses:				
PSBR	138.8	1.80	136.7	1.63
Financial Balance ^{6/}	46.1	0.60	24.8	0.30
Additional liabilities	92.7	1.20	111.9	1.34
IPAB ^{7/}	5.8	0.07	27.7	0.33
FARAC ^{8/}	15.4	0.20	2.7	0.03
UDI Restructuring Programs	-13.3	-0.17	2.8	0.03
PIDIREGAS ^{9/}	84.9	1.10	78.6	0.94
Debtor Support Programs ^{10/}	-0.1	0.00	0.2	0.00
Memo:				
Non-recurrent Revenues	-51.3	-0.67	-20.2	-0.24
PSBR excluding Non-recurrent revenues	190.1	2.47	156.9	1.87

Source: Ministry of Finance and Banco de México.

1/ By source of financing methodology, a sign (-) represents surplus and a sign (+) represents Deficit.

2/ Excludes the effect of exchange rate fluctuations (peso/US dollar and US dollar/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 as well as 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 in the item Financing to the Public Sector, according to IMF's Government Finance Statistics Manual (2001).

6/ 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.

7/ 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.

8/ 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).

9/ Net investment in financed investment projects (Proyectos de Infraestructura Productiva de Largo Plazo, PIDIREGAS).

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

The breakdown of PSBR according to its uses by government entities was as follows: public sector's accrued financial balance (integrated by the economic balance and financial intermediation by development banks and public funds and trusts) recorded a deficit of 24.8 thousand million pesos (0.30 percent of GDP).

Public sector's additional liabilities recorded a total net indebtedness of 111.9 thousand million pesos (1.34 percent of GDP). This increase comes from: a net indebtedness of 78.6 thousand million pesos from financed investment projects (*proyectos de infraestructura productiva de largo plazo*, PIDIREGAS); an increase in IPAB's net liabilities (27.7 thousand million pesos); accumulated net liabilities from FARAC (2.7 thousand million pesos); and an increase in net liabilities associated with UDI restructuring programs and debtor support programs (2.8 and 0.2 thousand million pesos, respectively, Table 28).

Public Sector Net Debt ³⁷

At the end of 2005, public sector's total net debt (including additional liabilities) accounted for 31.62 percent of GDP, 2.08 percentage points below its level at the end of 2004. These results were due to a decrease in the net broad economic debt measured as a proportion of GDP (Table 29).

Table 29
Public Sector Total Net Debt
End of period outstanding stocks

	Thousand million pesos			Percent of GDP		
	2004 ^{pl}	2005 ^{pl}	Variation	2004 ^{pl}	2005 ^{pl}	Variation
a. Net Broad Economic Debt ^{1/}	1,565.6	1,512.1	-53.55	18.82	16.79	-2.03
1. External	814.3	692.0	-122.30	9.79	7.68	-2.10
2. Domestic	751.3	820.1	68.75	9.03	9.10	0.07
b. Additional liabilities	1,237.7	1,335.3	97.60	14.88	14.83	-0.05
1. IPAB ^{2/}	651.3	679.0	27.70	7.83	7.54	-0.29
2. FARAC ^{3/}	156.6	159.4	2.80	1.88	1.77	-0.11
3. UDI Restructuring Programs ^{4/}	28.4	31.1	2.70	0.34	0.35	0.01
4. Direct PIDIREGAS ^{5/}	396.6	460.8	64.20	4.77	5.11	0.34
5. Debtor Support Programs ^{6/}	4.8	5.0	0.20	0.06	0.06	0.00
c. Public Sector Total Net Debt (a+b)	2,803.3	2,847.4	44.05	33.70	31.62	-2.08

Source: Ministry of Finance and Banco de México.

1/The difference between the increase in the net broad economic debt and PSBR is due to 1) the revaluation of debt flows in foreign currency; 2) the exclusion of liquid assets held by public enterprises in investment funds; and 3) the fact that credit granted to the private sector is considered an asset and not a liability as with "financial intermediation".

2/Corresponds to the difference between IPAB's gross liabilities and total assets as reported in Appendix II of Public Debt from Ministry of Finance's Quarterly Report on Economic Situation, Public Finances and Public Debt for the Fourth Quarter of 2005.

3/FARAC liabilities guaranteed by the federal government.

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

5/Debt balance for direct PIDIREGAS is based on investment flows.

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

*/ Preliminary figures.

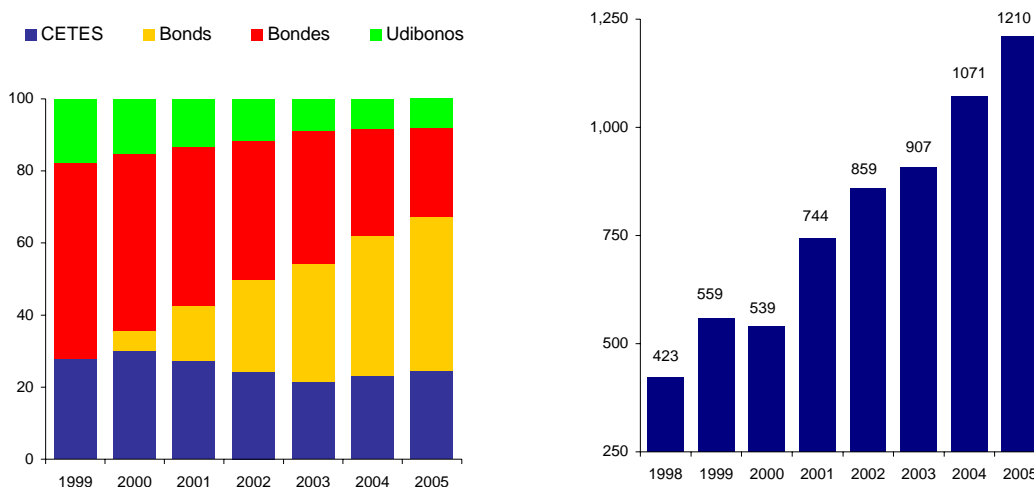
³⁷ The broad net economic debt includes net liabilities of the federal government and non-financial public enterprises, as well as indebtedness and financial assets of official financial intermediaries (development banks and public funds and trusts). The net debt consolidated with Banco de México includes Central Bank's financial assets and liabilities with the private sector, commercial banks and the external sector. The latter definition allows for offsetting the net financing granted by the Central Bank to the public sector. Total net debt includes the broad economic debt plus net liabilities from IPAB, FARAC, PIDIREGAS and debtor support programs. Since financing to the public sector is considered as an asset and given that the methodology for calculating public debt is also different from that of the Ministry of Finance, public debt definitions are not the same as those used by the Ministry of Finance in its Quarterly Reports on Public Finances and Public Debt to the Mexican Congress.

In 2005, the net broad economic debt equaled 16.79 percent of GDP, 2.03 percentage points below the figure in 2004. The external net broad economic debt was 2.1 percentage points of GDP below that registered in 2004. This result is explained mainly by a reduction in federal government's external indebtedness. Significant actions were taken regarding federal government's external debt management, such as the acceleration of the process to substitute external liabilities for domestic ones.³⁸ In this regard, the federal government purchased 2.878 billion US dollars of Banco de México's international reserves in order to make 4.767 billion US dollars available to cover the programmed redemption of external market securities in the near future. From the latter amount, 1,406.9 billion US dollars were used for the early redemption of government securities issued in international markets.

**Graph 45
Government Securities**

a) Percentage Structure

b) Average term to maturity of government securities (days)



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

The domestic net broad economic debt rose by 0.07 percentage points of GDP as compared with 2004. Regarding domestic debt management, the reduced participation of variable interest rate instruments in government securities and the increased participation of fixed rate bonds are noteworthy. Thus, the average maturity of government securities rose by 139 days, moving from 1,071 days in 2004 to 1,210 days in 2005 (Graph 45b).

Additional items decreased 0.05 percent as a percentage of GDP. This result was mainly due to the fact that nominal increases in IPAB and FARAC liabilities were below nominal GDP growth leading to a relative reduction of these liabilities which offset increases in UDIs and PIDIREGAS restructuring programs.

On December 31, 2005, net debt consolidated with Banco de México equaled 17.51 percent of GDP, 1.24 percentage points below that observed at the

³⁸ Economic Policy Guidelines for fiscal year 2005 established that the public sector deficit was to be financed through domestic market resources.

end of 2004 (Table 30). Foreign debt consolidated with Banco de México equaled 1.09 percent of GDP, 2.25 percentage points below that registered in 2004. This result was due to a reduction in public sector's external debt and Banco de México's international reserve accumulation. In 2005, domestic debt consolidated with Banco de México rose 1.01 percentage points of GDP due partly to an increase in Banco de México's liabilities (counterpart of the accumulation of international reserves). Finally, total public sector debt consolidated with Banco de México, including additional liabilities, equaled 32.34 percent of GDP, 1.29 percentage points below that registered in 2004.

Table 30
Public Sector Total Debt Consolidated with Banco de México
End of period outstanding stocks

	Thousand Million Pesos			Percentage of GDP		
	2004	2005 ^{1/}	Variation	2004	2005 ^{1/}	Variation
a. Net Debt Consolidated with Banco de México ^{1/}	1,560.1	1,577.2	17.08	18.75	17.51	-1.24
1. Foreign	96.5	-98.4	-194.91	1.16	-1.09	-2.25
2. Domestic	1,463.7	1,675.7	211.99	17.59	18.60	1.01
b. Additional liabilities	1,237.7	1,335.3	97.60	14.88	14.83	-0.05
1. <i>IPAB</i> ^{2/}	651.3	679.0	27.70	7.83	7.54	-0.29
2. <i>FARAC</i> ^{3/}	156.6	159.4	2.80	1.88	1.77	-0.11
3. UDI Restructuring Programs ^{4/}	28.4	31.1	2.70	0.34	0.35	0.01
4. Direct <i>PIDIREGAS</i> ^{5/}	396.6	460.8	64.20	4.77	5.11	0.34
5. Debtor Support Programs ^{6/}	4.8	5.0	0.20	0.06	0.06	0.00
c. Total Public Sector Debt Consolidated with Banco de México (a+b)	2,797.8	2,912.5	114.68	33.63	32.34	-1.29

Source: Ministry of Finance and Banco de México.

1/The difference between the increase in public sector's net debt consolidated with Banco de México and PSBR is due to 1) the revaluation of debt flows in foreign asset and not a liability as with "financial intermediation".

2/Corresponds to the difference between IPAB's gross liabilities and total assets as reported in Appendix II of Public Debt from Ministry of Finance's Quarterly Report on Economic Situation, Public Finances and Public Debt for the Fourth Quarter of 2005.

3/*FARAC* liabilities guaranteed by the federal government.

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

5/Debt balance for direct *PIDIREGAS* is based on investment flows.

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

*/ Preliminary figures.



Statistical Appendix



Statistical Appendix

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Basic Information

Table A 1
Summary of Selected Indicators

	2001	2002	2003	2004	2005 ^{p/}
Social and Demographic Indicators					
Population (millions) ^{1/}	101.8	103.0	104.2	105.3	106.5
Population annual growth rate ^{1/}	1.2	1.2	1.1	1.1	1.0
Life expectancy at birth ^{1/}	74.3	74.6	74.9	75.2	75.4
Production and Prices					
Gross Domestic Product (thousand million pesos)	5,810	6,263	6,892	7,709	8,374
	Annual percentage change				
GDP at constant prices	-0.2	0.8	1.4	4.2	3.0
Consumer Price Index (Dec-Dec)	4.40	5.70	3.98	5.19	3.33
Money and Finances					
Monetary Aggregates ^{2/}	Annual percentage change				
Monetary Base	5.4	11.4	10.7	8.8	7.9
M1	8.2	12.9	7.0	8.8	7.1
M4	7.0	6.1	6.6	7.5	10.4
Interest Rates ^{3/}	Annual percentage change				
28-day CETES	11.31	7.09	6.23	6.82	9.20
28-day TIIE (Interbank Equilibrium Interest Rate)	12.89	8.17	6.83	7.15	9.61
	Pesos per U.S. dollar				
Exchange Rate (end of period) ^{4/}	9.1423	10.3125	11.2360	11.2648	10.7777
Public Finances					
	GDP Percentage				
Economic Balance (cash flow) ^{5/}	-0.7	-1.2	-0.6	-0.2	-0.1
Primary Balance ^{5/}	2.6	1.7	2.1	2.5	2.5
Net Public Debt ^{6/}	19.8	21.4	21.6	18.8	16.8
External Sector					
	GDP Percentage				
Trade Balance including Maquiladora	-1.5	-1.2	-0.9	-1.3	-1.0
Current Account Balance	-2.8	-2.1	-1.3	-1.1	-0.8
Capital Account Balance	4.2	3.8	3.0	2.0	1.8
Total External Debt	25.3	23.9	24.7	23.7	21.5
Interest Paid	2.0	1.8	1.8	1.6	1.6
	Billion US dollars				
Net International Reserves (end of period) ^{7/}	40.9	48.0	57.4	61.5	68.7

Source: Banco de México, Ministry of Finance (*Secretaría de Hacienda y Crédito Público*, SHCP), National Statistics Bureau (*Instituto Nacional de Estadística, Geografía e Informática*, INEGI), and National Population Council (*Consejo Nacional de Población*, CONAPO).

1/ Estimates for 2005.

2/ Estimates based on the average of stocks at end of period.

3/ Average during the period.

4/ Used for settling liabilities in foreign currency.

5/ Based on the revenue-expenditure methodology.

6/ Refers to the broad economic debt, which includes net liabilities of the Federal Government, public sector, and of official financial intermediaries (development banks, and trust funds). Stocks at end of period. Measurements by Banco de México.

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

p/ Preliminary figures.

Table A 2
Socio-demographic Indicators

	1998	1999	2000	2001	2002	2003	2004	2005 ^{p/}
Population (millions)	97.9	99.3	100.6	101.8	103.0	104.2	105.3	106.5
Urban Population ^{1/}	67.7	68.1	68.5	68.6	68.7	68.9	69.0	69.2
Rural Population ^{1/}	32.3	31.9	31.5	31.4	31.3	31.1	31.0	30.8
Population per sq.km	49.8	50.5	51.1	51.8	52.4	53.0	53.6	54.1
Population annual growth rate	1.4	1.3	1.3	1.2	1.2	1.1	1.1	1.0
National Unemployment Rate ^{2/}	n.a.	n.a.	2.6	2.8	3.0	3.4	3.9	3.6
Unemployment Rate (Urban Areas) ^{3/}	n.a.	n.a.	3.4	3.6	3.9	4.6	5.3	4.7
Life expectancy at birth (years)	73.4	73.7	74.0	74.3	74.6	74.9	75.2	75.4
Fertility rate ^{4/}	2.6	2.5	2.4	2.3	2.3	2.2	2.2	2.1
Mortality rate (per thousand)	4.7	4.6	4.5	4.5	4.5	4.5	4.5	4.5
Infant mortality rate (per thousand live births)	19.0	18.5	18.2	17.2	17.9	16.6	16.5	16.4
Number of hospital beds (per 100,000 inhabitants) ^{5/}	74.5	74.2	74.0	74.1	73.9	72.9	72.2	73.2
Illiteracy rate (population 15 years or over)	9.8	9.5	9.2	9.0	8.7	8.5	8.2	8.0
Number of students per teacher (grade school)	27.2	27.2	27.0	26.9	26.7	26.4	26.2	26.0
Population with access to drinking water ^{1/}	86.4	87.4	88.5	89.0	89.2	89.4	89.6	89.8

Source: Annual Government Report 2005, Mexico's Presidency (*Presidencia de la República*), INEGI, and CONAPO.

1/ Percent of total population.

2/ Ratio Open Unemployed Population to Economic Active Population.

The Open Unemployed Population is made up of individuals that were not engaged in working activities during the reference week but were searching for work during the last month.

3/ Unemployment rate in 32 cities

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

5/ National Health System (*Sistema Nacional de Salud*).

p/ Preliminary figures.

n.a. Not available.

Table A 3
Infrastructure and Natural Resources

	1998	1999	2000	2001	2002	2003	2004	2005 ^{p/}
Roads (km)	319,792	329,533	333,912	340,457	337,168	349,037	352,072	352,357
Federal toll roads (km)	6,388	6,430	6,598	6,759	6,987	6,979	7,423	7,575
Federal non-toll roads (km)	41,653	41,765	41,866	41,645	41,537	41,454	41,152	41,222
Paved roads (km)	104,023	108,087	108,488	110,910	113,125	117,023	121,337	121,553
Railroad transportation								
Total railway network (km)	26,622	26,622	26,655	26,655	26,655	26,662	26,662	26,662
Passengers (million passengers/km)	460	254	82	67	69	78	74	74
Commercial cargo (million tons/km)	46,873	47,274	48,333	46,615	51,616	54,132	54,387	55,997
Air transportation								
International airports	55	55	57	57	57	56	56	56
Passengers (thousands)	30,922	32,662	33,974	33,673	33,190	35,287	39,422	42,235
Cargo (thousand tons)	388	407	379	351	389	410	467	492
Maritime transportation								
Number of ports (sea and river)	107	108	108	108	108	106	106	106
Sea freight (international and domestic cargo)	237,380	231,440	244,252	244,431	253,046	264,739	266,008	275,933
Communications								
Phones (thousand lines in service)	9,927	10,927	12,332	13,774	14,975	16,330	18,073	19,850
Cellular phones (thousand subscribers)	3,350	7,732	14,078	21,758	25,928	30,098	38,451	45,500
Telegraph services (number of offices)	1,868	1,878	1,819	1,609	1,568	1,555	1,555	1,550
Postal services (locations served)	31,515	32,015	32,127	29,216	16,029	14,942	17,609	17,884
Radio stations ^{1/}	1,351	1,349	1,371	1,410	1,413	1,417	1,423	1,429
T.V. stations ^{1/}	584	582	579	642	652	645	658	683
Lodging (number of rooms)	396,968	419,608	421,850	458,123	469,488	496,292	515,904	519,681
Electric generation (gigawatts/hour) ^{2/}	180,491	192,234	204,206	209,074	214,383	223,893	233,984	246,422
Oil reserves (million barrels)	56,505	57,741	58,204	56,154	52,951	50,032	48,041	46,914

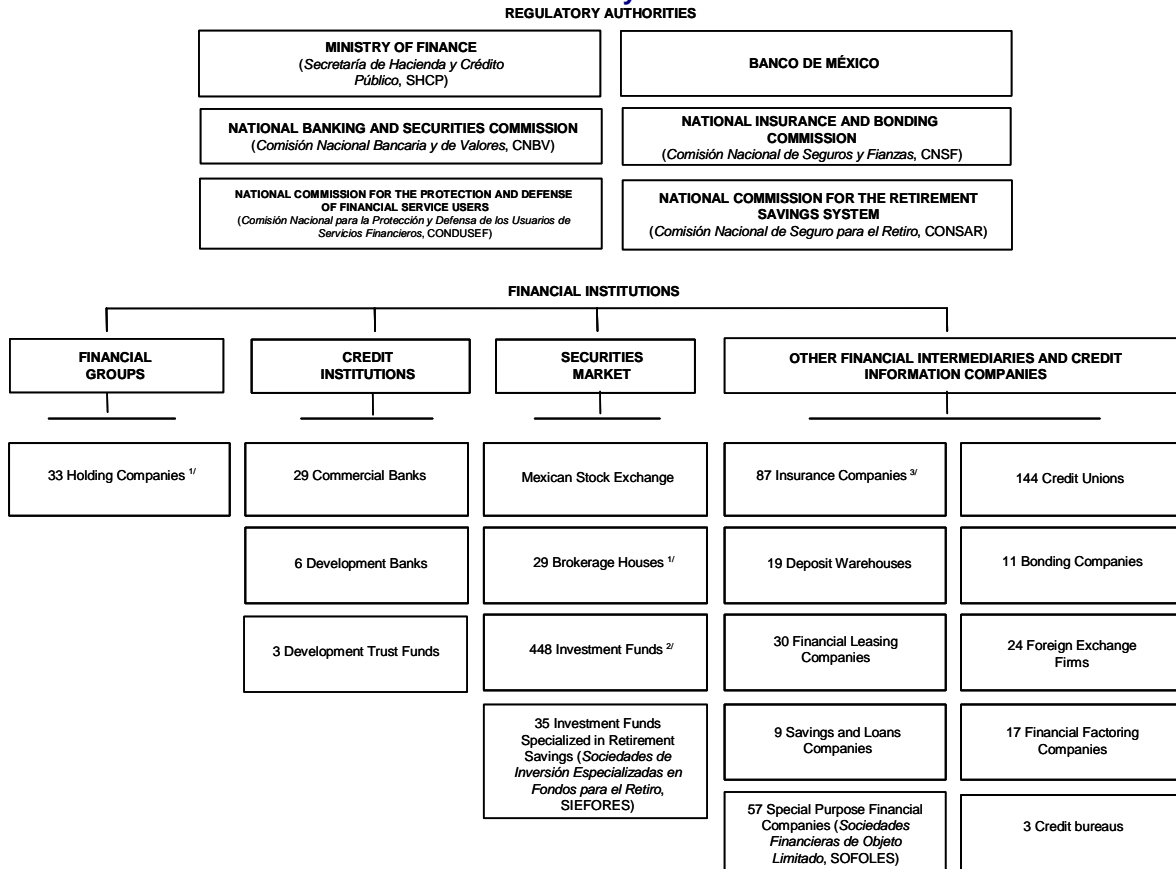
Source: Annual Government Report 2005 (*Presidencia de la República*).

1/ Including broadcasting, concessions and licenses.

2/ Including Federal Electricity Commission (*Comisión Federal de Electricidad*, CFE) and Central Light and Power (*Luz y Fuerza del Centro*, LFC).

p/ Preliminary figures.

Table A 4
Mexican Financial System Structure



1/ Source: National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores, CNBV*).

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

3/ Includes insurance companies, insurance companies specialized in pensions, and health insurance companies. Information up to December 2005.



Production and Employment

Table A 5
Production Indicators
Annual percentage change

	2000	2001	2002	2003	2004	2005
Gross Domestic Product	6.6	-0.2	0.8	1.4	4.2	3.0
Private Consumption	8.2	2.5	1.6	2.2	4.1	5.4
Public Consumption	2.4	-2.0	-0.3	0.8	-0.4	0.5
Private Investment	9.0	-5.9	-4.1	-1.6	8.8	9.6
Public Investment	25.2	-4.2	17.0	8.5	2.5	-0.5
Exports (Goods and Services)	16.3	-3.6	1.4	2.7	11.6	6.9
Imports (Goods and Services)	21.5	-1.6	1.5	0.7	11.6	8.7

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

Table A 6
Gross Domestic Product

	Current Prices	Exchange rate	Million U.S. dollars
1995	1,837,019.1	6.419	286,185
1996	2,525,575.0	7.599	332,356
1997	3,174,275.2	7.918	400,894
1998	3,846,349.9	9.135	421,056
1999	4,594,724.2	9.561	480,569
2000	5,491,708.4	9.456	580,764
2001	5,809,688.2	9.343	621,823
2002	6,263,136.6	9.656	648,626
2003	6,891,992.5	10.789	638,798
2004	7,709,095.8	11.286	683,067
2005	8,374,348.5	10.898	768,430

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

Table A 7
Aggregate Supply and Demand
1993 Prices

	Annual percentage change						Percentage of GDP	
	2000	2001	2002	2003	2004	2005	1995	2005
Aggregate Supply	10.3	-0.6	1.0	1.2	6.2	4.6	120.2	142.0
GDP	6.6	-0.2	0.8	1.4	4.2	3.0	100.0	100.0
Imports of merchandise and services	21.5	-1.6	1.5	0.7	11.6	8.7	20.2	42.0
Aggregate Demand	10.3	-0.6	1.0	1.2	6.2	4.6	120.2	142.0
Total Consumption	7.4	1.9	1.4	2.1	3.6	4.8	80.9	82.4
Private	8.2	2.5	1.6	2.2	4.1	5.4	69.5	73.5
Public	2.4	-2.0	-0.3	0.8	-0.4	0.5	11.4	8.8
Total Investment	11.4	-5.6	-0.6	0.4	7.5	7.6	14.6	20.7
Private	9.0	-5.9	-4.1	-1.6	8.8	9.6	11.0	16.9
Public	25.2	-4.2	17.0	8.5	2.5	-0.5	3.6	3.8
Exports of merchandise and services	16.3	-3.6	1.4	2.7	11.6	6.9	23.9	38.4

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

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

Item	1999	2000	2001	2002	2003	2004	2005 ^{p/}
Gross Capital Formation ^{1/}	23.5	23.8	20.8	20.6	20.5	22.0	21.8
Financed with External Saving	3.0	3.1	2.9	2.2	1.4	1.1	0.8
Financed with Domestic Saving	20.5	20.7	17.9	18.4	19.1	20.9	21.0

Source: Mexico's National Accounts System (*Sistema de Cuentas Nacionales de México*), INEGI, except for external saving figures, which are drawn from the current account balance measured in current pesos.

1/ Includes gross fixed investment plus change in inventories.

p/ Preliminary figures.

Table A 9
Gross Domestic Product by Sectors
 1993 Prices

	Annual percentage change									Percentage of GDP	
	1997	1998	1999	2000	2001	2002	2003 ^{p/}	2004 ^{p/}	2005 ^{p/}	1999	2005 ^{p/}
Gross Domestic Product	6.8	4.9	3.9	6.6	-0.2	0.8	1.4	4.2	3.0	100.0	100.0
Agriculture, forestry and fishery	0.2	0.8	3.6	0.6	3.5	0.1	3.1	3.5	-1.5	5.3	5.0
Industrial sector	9.3	6.3	4.7	6.1	-3.5	-0.1	-0.2	4.2	1.6	26.6	24.7
Mining	4.5	2.7	-2.1	3.8	1.5	0.4	3.7	3.4	1.2	1.2	1.2
Manufacturing Industry	9.9	7.4	4.2	6.9	-3.8	-0.7	-1.3	4.0	1.2	19.7	17.9
Construction	9.3	4.2	5.0	4.2	-5.7	2.1	3.3	6.1	3.3	4.0	3.9
Electricity, Gas and Water	5.2	1.9	15.8	3.0	2.3	1.0	1.5	2.8	1.4	1.7	1.6
Services	6.6	4.7	3.6	7.3	1.2	1.6	2.1	4.4	4.2	62.6	65.7
Commerce, Restaurants and Hotels	10.7	5.6	3.1	12.2	-1.2	0.0	1.5	5.5	3.1	19.0	20.0
Transport, Warehousing and Communications	9.9	6.7	7.8	9.1	3.8	1.8	5.0	9.2	7.1	10.1	12.2
Financial Services, Insurance and Real Estate	3.7	4.6	3.6	5.5	4.5	4.2	3.9	3.9	5.8	14.5	16.3
Social, Community and Personal Services	3.3	2.9	2.1	2.9	-0.3	0.9	-0.6	0.6	2.1	19.0	17.2
Banking services	10.6	5.6	5.9	6.8	6.5	7.6	7.1	7.5	9.7	-2.6	-3.5
Net product taxes (excluding subsidies)	6.7	5.1	3.8	6.6	0.0	0.8	1.4	4.2	3.0	8.1	8.1

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

p/ Preliminary figures.

Table A 10
Manufacturing Growth Rates
1993 Prices

	Annual percentage change									Percentage of GDP	
	1997	1998	1999	2000	2001	2002	2003 ^{p/}	2004 ^{p/}	2005 ^{p/}	1999	2005 ^{p/}
	Total	9.9	7.4	4.2	6.9	-3.8	-0.7	-1.3	4.0	1.2	19.7
Food, beverages and tobacco	3.2	6.6	4.0	3.9	2.3	1.9	1.7	3.3	2.1	4.8	4.8
Textile, apparel and leather industry	10.5	3.9	3.1	5.4	-8.6	-5.9	-6.7	2.8	-2.6	1.7	1.2
Timber and wood by-products	6.7	4.4	0.5	3.9	-6.7	-4.9	-2.2	2.2	0.4	0.5	0.4
Paper, printing and publishing	12.7	5.9	5.0	2.7	-4.3	-1.8	-1.0	2.9	0.9	0.9	0.8
Chemical, plastic, and oil by-products	6.8	6.1	2.4	3.3	-3.8	-0.4	1.5	3.1	1.4	3.0	2.7
Non-metal minerals	5.9	5.2	1.8	4.1	-1.7	3.8	0.1	3.8	2.9	1.3	1.3
Basic metal industries	11.1	4.0	0.4	3.0	-7.1	1.3	4.1	6.9	0.6	1.0	0.9
Metal products, machinery and equipment	19.1	11.5	6.9	13.6	-6.9	-2.0	-4.9	5.2	1.2	6.0	5.4
Other	10.5	7.9	5.8	8.2	-2.1	-3.6	-1.1	2.8	0.5	0.6	0.5

Source: Mexico's National Accounts System (*Sistema de Cuentas Nacionales de México*), INEGI.
p/ Preliminary figures.

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

Year	Crude oil (Million barrels per day)		Natural gas (Million cubic feet per day)	Total oil reserves (Thousand million barrels at end-period)
	Total	Daily average	Total	Total
	1987	927.5	2.541	3,498
1988	917.2	2.506	3,478	69.0
1989	917.2	2.513	3,572	67.6
1990	930.0	2.548	3,651	66.5
1991	976.7	2.676	3,634	65.5
1992	976.5	2.668	3,584	65.0
1993	975.6	2.673	3,576	65.1
1994	980.0	2.685	3,625	64.5
1995	955.2	2.617	3,759	63.2
1996	1,046.0	2.858	4,195	62.1
1997	1,103.0	3.022	4,467	60.9
1998	1,120.9	3.071	4,791	56.5
1999	1,060.7	2.906	4,791	57.7
2000	1,102.4	3.012	4,679	58.2
2001	1,141.4	3.127	4,511	56.2
2002	1,159.6	3.177	4,423	53.0
2003	1,230.4	3.371	4,498	50.0
2004	1,238.2	3.383	4,573	48.0
2005 ^{p/}	1,216.5	3.333	4,818	46.9

Source: PEMEX Activities Report 1989-2005 (*Memorias de Labores 1989-2005*), and crude oil indicators (*Indicadores Petroleros*), vol. XVII, Num.3, PEMEX.
p/ Preliminary figures.

Table A 12
Total Number of Workers Insured by the IMSS
 Thousands

Year	Permanent	Temporary in Urban Areas	Total
1995	8,502	630	9,132
1996	9,163	794	9,957
1997	9,837	714	10,551
1998	10,141	1,170	11,311
1999	10,629	1,388	12,017
2000	11,026	1,520	12,546
2001	10,713	1,450	12,164
2002	10,733	1,493	12,226
2003	10,636	1,555	12,191
2004 Jan	10,599	1,575	12,173
Feb	10,638	1,599	12,237
Mar	10,689	1,631	12,320
Apr	10,714	1,635	12,349
May	10,748	1,637	12,385
Jun	10,767	1,647	12,415
Jul	10,798	1,674	12,472
Aug	10,799	1,671	12,470
Sep	10,855	1,697	12,552
Oct	10,920	1,730	12,650
Nov	10,955	1,747	12,701
Dec	10,863	1,646	12,509
2005 Jan	10,813	1,666	12,479
Feb	10,886	1,699	12,586
Mar	10,881	1,732	12,613
Apr	10,918	1,791	12,709
May	10,930	1,822	12,752
Jun	10,934	1,866	12,800
Jul	10,945	1,904	12,848
Aug	10,957	1,944	12,901
Sep	11,018	2,002	13,021
Oct	11,101	2,061	13,162
Nov	11,149	2,111	13,260
Dec	11,048	2,038	13,086

Source: 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/}	Temporary Employment and Unemployment ^{3/}	Labor Market Pressures ^{4/}	Underemployment ^{5/}	Informal Employment ^{6/}	
2000	2.6	3.4	n.a.	n.a.	n.a.	n.a.	
2001	2.8	3.6	7.4	n.a.	n.a.	n.a.	
2002	3.0	3.9	7.6	n.a.	n.a.	n.a.	
2003	3.4	4.6	8.5	n.a.	n.a.	n.a.	
2004	3.9	5.3	9.5	n.a.	n.a.	n.a.	
2005	3.6	4.7	9.4	6.9	7.5	28.3	
2004	I	4.0	5.4	9.6	n.a.	n.a.	n.a.
	II	3.7	5.1	9.6	n.a.	n.a.	n.a.
	III	4.2	5.8	9.6	n.a.	n.a.	n.a.
	IV	3.7	4.8	9.1	n.a.	n.a.	n.a.
2005	I	3.9	5.1	9.8	4.6	8.9	28.0
	II	3.5	4.7	9.5	8.0	7.5	28.3
	III	3.8	5.1	9.4	8.1	7.3	28.2
	IV	3.1	4.1	8.8	6.7	6.3	28.7

Source: National Employment Survey (*Encuesta Nacional de Ocupación y Empleo, ENOE*), INEGI. This survey began publishing in January 2005.

1/ Ratio Open Unemployed Population to Economic Active Population.

The Open Unemployed Population is made up 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 (PEA) that is not working, plus that working less than 15 hours during the reference week.

4/ Percent of unemployed population and employed population searching for work, in relation to the Economic Active Population (PEA).

5/ Employed individuals needing to work more hours than those covered in their current jobs.

6/ Percent of non-farm employed population working in an economic unit operating with household funds, but not considered as an identified enterprise independent from that household. The operational criteria for determining the non-independent condition of production units in relation to households is given by the lack of conventional accounting practices tending to end in a lance of Assets and Liabilities. The fact that such practices are not carried out means that no distinction is made between household and enterprise wealth, and between enterprise and household's expenditure flows (for example, light and telephone expenditures, vehicle use, etc.).

n.a. not available.

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

Year	Based on Unit Labor Costs in the Non-maquiladora Manufacturing Industry ^{2/}	Annual percentage change
1983	105.4	48.1
1984	100.8	-4.4
1985	101.0	0.2
1986	138.3	37.0
1987	147.9	6.9
1988	121.1	-18.1
1989	106.2	-12.3
1990	100.0	-5.8
1991	91.2	-8.8
1992	78.8	-13.6
1993	73.2	-7.1
1994	76.2	4.1
1995	125.9	65.3
1996	129.2	2.6
1997	113.9	-11.8
1998	113.0	-0.9
1999	102.7	-9.1
2000	93.6	-8.9
2001	83.0	-11.3
2002	84.3	1.5
2003	94.1	11.6
2004	98.4	4.6
2005	95.0	-3.4
2004 I	96.4	3.1
II	98.7	7.2
III	99.6	6.8
IV	98.9	1.4
2005 I	97.4	1.0
II	95.7	-3.0
III	93.3	-6.3
IV	93.7	-5.3

Source: Banco de México, International Monetary Fund and INEGI.

^{1/} Rate increases reflect peso depreciation.

^{2/} Real effective exchange rate estimated according to hourly wages adjusted by hourly output per hour worked in Mexico and its eight major trading partners. Estimates based on seasonally adjusted series.



Prices, Wages and Productivity

Table A 15
Main Price Indexes

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Prices	Annual percentage change									
Consumer prices										
End-period	27.70	15.72	18.61	12.32	8.96	4.40	5.70	3.98	5.19	3.33
Annual average	34.38	20.63	15.93	16.59	9.49	6.37	5.03	4.55	4.69	3.99
Producer prices excluding oil and services										
End-period	24.76	13.66	19.41	8.66	7.38	2.61	6.29	6.24	7.97	2.46
Annual average	33.88	17.55	15.98	14.24	7.84	5.02	3.66	6.31	8.58	3.56
Producer prices excluding oil and including services										
End-period	26.55	15.18	18.59	11.94	8.58	4.33	5.67	4.52	6.52	3.59
Annual average	32.32	19.88	16.01	15.98	9.42	6.14	4.87	4.90	6.43	4.22
Producer prices including oil and services										
End-period	26.68	13.51	17.60	13.71	8.06	3.67	7.05	4.83	6.57	4.01
Annual average	32.56	18.97	14.89	16.62	10.40	5.28	5.19	5.51	6.81	4.52
Construction Cost Index (Residential) ^{1/}										
End-period	25.38	15.88	19.14	14.37	7.59	3.47	3.50	6.92	12.15	-0.39
Annual average	29.09	17.91	18.11	17.62	11.21	5.29	2.27	6.48	12.25	1.19

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

Table A 16
Consumer Price Index (CPI)

	Month	CPI 2nd Half Jun 2002	Percentage change		
			Annual	Annual 12-month moving average	Monthly
1990	Dec	18.605	29.93	26.65	
1991	Dec	22.101	18.79	22.66	
1992	Dec	24.740	11.94	15.51	
1993	Dec	26.721	8.01	9.75	
1994	Dec	28.605	7.05	6.97	
1995	Dec	43.471	51.97	35.00	
1996	Dec	55.514	27.70	34.38	
1997	Dec	64.240	15.72	20.63	
1998	Dec	76.195	18.61	15.93	
1999	Dec	85.581	12.32	16.59	
2000	Dec	93.248	8.96	9.49	
2001	Dec	97.354	4.40	6.37	
2002	Dec	102.904	5.70	5.03	
2003	Dec				
2004	Jan	107.661	4.20	4.47	0.62
	Feb	108.305	4.53	4.39	0.60
	Mar	108.672	4.23	4.27	0.34
	Apr	108.836	4.21	4.19	0.15
	May	108.563	4.29	4.16	-0.25
	Jun	108.737	4.37	4.16	0.16
	Jul	109.022	4.49	4.19	0.26
	Aug	109.695	4.82	4.26	0.62
	Sep	110.602	5.06	4.35	0.83
	Oct	111.368	5.40	4.47	0.69
	Nov	112.318	5.43	4.59	0.85
	Dec	112.550	5.19	4.69	0.21
2005	Jan	112.554	4.54	4.72	0.00
	Feb	112.929	4.27	4.69	0.33
	Mar	113.438	4.39	4.70	0.45
	Apr	113.842	4.60	4.74	0.36
	May	113.556	4.60	4.76	-0.25
	Jun	113.447	4.33	4.76	-0.10
	Jul	113.891	4.47	4.75	0.39
	Aug	114.027	3.95	4.68	0.12
	Sep	114.484	3.51	4.55	0.40
	Oct	114.765	3.05	4.35	0.25
	Nov	115.591	2.91	4.14	0.72
	Dec	116.301	3.33	3.99	0.61



Table A 17
Consumer Price Index (CPI) by Type of Goods
Annual percentage change

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	
1992	Dec	11.94	8.58	13.16	13.55	10.94	16.82	10.09	21.75	14.18
1993	Dec	8.01	4.74	6.65	10.22	5.94	9.28	8.53	15.80	10.37
1994	Dec	7.05	6.94	4.76	8.04	5.69	9.78	6.94	8.64	5.12
1995	Dec	51.97	61.73	44.85	41.77	62.54	58.01	55.84	40.51	39.58
1996	Dec	27.70	29.12	28.65	26.00	26.77	24.68	33.48	20.19	24.46
1997	Dec	15.72	13.30	18.38	17.69	15.61	17.56	15.87	15.18	16.73
1998	Dec	18.61	22.02	16.56	14.10	16.37	20.18	19.86	17.13	18.27
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	Jan	4.20	5.74	0.54	3.73	0.46	4.05	3.13	5.79	5.92
	Feb	4.53	6.98	0.45	3.90	0.50	3.99	3.63	5.43	5.80
	Mar	4.23	5.61	0.26	4.01	0.48	3.90	3.86	5.31	5.48
	Apr	4.21	5.29	0.29	4.11	0.89	3.63	4.54	4.64	5.69
	May	4.29	5.25	0.40	4.38	0.32	3.46	5.16	4.62	5.27
	Jun	4.37	4.90	1.27	4.56	0.45	3.07	5.68	4.88	5.13
	Jul	4.49	5.24	1.80	4.84	0.46	2.82	5.36	4.99	5.01
	Aug	4.82	7.07	1.65	4.97	0.26	2.73	5.22	4.59	4.58
	Sep	5.06	8.07	1.60	5.08	0.27	2.82	4.93	4.78	4.46
	Oct	5.40	9.30	1.49	4.99	0.86	2.90	5.23	4.75	4.70
	Nov	5.43	9.36	1.41	4.89	1.17	2.83	5.41	4.81	4.73
	Dec	5.19	8.17	1.14	5.04	1.28	2.89	5.38	4.77	4.72
2005	Jan	4.54	5.45	1.29	5.02	1.46	2.81	4.74	5.17	4.81
	Feb	4.27	5.03	0.94	4.58	1.55	3.08	4.12	5.20	4.94
	Mar	4.39	5.84	0.98	4.23	1.69	3.27	3.88	5.49	4.86
	Apr	4.60	7.71	1.13	3.66	1.85	3.47	3.62	5.02	4.82
	May	4.60	8.62	1.11	2.84	2.15	3.47	3.46	5.06	4.97
	Jun	4.33	7.65	1.05	2.69	2.39	3.45	3.14	5.34	5.02
	Jul	4.47	8.01	0.94	2.60	2.50	3.48	3.60	5.35	5.14
	Aug	3.95	6.16	0.84	2.48	2.12	3.54	3.46	5.15	5.06
	Sep	3.51	4.53	0.97	2.39	2.07	3.65	3.40	4.90	4.77
	Oct	3.05	2.22	0.92	2.77	1.76	3.81	3.38	4.86	4.66
	Nov	2.91	0.85	0.97	3.52	1.76	3.66	3.35	4.94	4.58
	Dec	3.33	2.24	1.26	3.60	1.87	3.87	3.50	5.09	4.46

Table A 18
Headline and Core CPI Inflation, and Complementary CPI Subindexes
 Annual percentage change

Month	Headline CPI	Core CPI	Administered and Regulated	Livestock	Education
1997 Dec	15.72	15.93	17.35	11.80	19.09
1998 Dec	18.61	17.68	18.13	24.29	17.71
1999 Dec	12.32	14.24	13.36	0.25	18.10
2000 Dec	8.96	7.52	12.58	10.07	15.16
2001 Dec	4.40	5.08	2.21	1.35	14.02
2002 Dec	5.70	3.77	10.96	8.65	10.04
2003 Dec	3.98	3.66	3.91	3.65	8.59
2004 Jan	4.20	3.60	3.85	7.10	8.47
Feb	4.53	3.56	4.54	10.28	8.22
Mar	4.23	3.52	4.71	6.46	8.20
Apr	4.21	3.51	5.13	5.36	8.26
May	4.29	3.46	5.99	4.92	8.37
Jun	4.37	3.64	6.51	3.24	8.45
Jul	4.49	3.67	6.95	3.47	8.60
Aug	4.82	3.66	7.10	7.98	7.49
Sep	5.06	3.76	7.09	9.99	7.51
Oct	5.40	3.84	7.30	12.92	7.52
Nov	5.43	3.82	7.24	13.41	7.49
Dec	5.19	3.80	7.51	10.11	7.50
2005 Jan	4.54	3.77	6.99	3.49	7.81
Feb	4.27	3.71	5.92	3.06	7.59
Mar	4.39	3.61	5.70	5.73	7.55
Apr	4.60	3.46	4.95	11.33	7.41
May	4.60	3.42	3.78	14.24	7.35
Jun	4.33	3.38	3.52	11.95	7.43
Jul	4.47	3.44	3.40	13.53	7.25
Aug	3.95	3.28	3.23	8.76	7.12
Sep	3.51	3.20	3.14	4.53	6.65
Oct	3.05	3.14	3.54	-1.05	6.64
Nov	2.91	3.11	4.57	-4.31	6.64
Dec	3.33	3.12	4.76	-0.18	6.63



Table A 19
Producer Price Index (PPI) Excluding Oil
December 2003 = 100

Period	Merchandise			Services			Merchandise and Services		
	Index	Percentage change		Index	Percentage change		Index	Percentage change	
		Annual	Monthly		Annual	Monthly		Annual	Monthly
1996 Dec	54.501	24.76	2.58	50.468	28.04	3.59	52.272	26.55	3.11
1997 Dec	61.943	13.66	1.08	58.786	16.48	1.08	60.205	15.18	1.09
1998 Dec	73.966	19.41	1.61	69.218	17.75	2.51	71.399	18.59	2.08
1999 Dec	80.374	8.66	0.78	79.512	14.87	1.07	79.924	11.94	0.93
2000 Dec	86.305	7.38	0.57	87.146	9.60	1.03	86.781	8.58	0.82
2001 Dec	88.556	2.61	-0.32	92.178	5.77	0.37	90.541	4.33	0.06
2002 Dec	94.128	6.29	0.31	96.960	5.19	0.31	95.672	5.67	0.31
2003 Dec	100.000	6.24	0.85	100.000	3.13	0.27	100.000	4.52	0.53
2004 Jan	100.403	6.18	0.40	100.527	3.39	0.53	100.469	4.64	0.47
Feb	101.991	6.56	1.58	101.188	3.80	0.66	101.564	5.06	1.09
Mar	103.465	6.70	1.45	101.491	3.78	0.30	102.414	5.13	0.84
Apr	104.917	8.49	1.40	101.968	3.96	0.47	103.348	6.04	0.91
May	105.324	9.59	0.39	102.125	4.08	0.15	103.621	6.60	0.26
Jun	105.553	9.45	0.22	102.995	4.83	0.85	104.192	6.94	0.55
Jul	105.841	9.60	0.27	103.555	5.40	0.54	104.624	7.32	0.41
Aug	106.547	9.84	0.67	103.857	5.40	0.29	105.116	7.44	0.47
Sep	107.079	9.86	0.50	104.196	5.07	0.33	105.545	7.27	0.41
Oct	107.497	9.46	0.39	104.490	5.14	0.28	105.897	7.14	0.33
Nov	108.282	9.20	0.73	104.828	5.11	0.32	106.444	7.01	0.52
Dec	107.969	7.97	-0.29	105.254	5.25	0.41	106.524	6.52	0.08
2005 Jan	108.057	7.62	0.08	105.792	5.24	0.51	106.852	6.35	0.31
Feb	108.716	6.59	0.61	106.125	4.88	0.31	107.337	5.68	0.45
Mar	109.075	5.42	0.33	106.549	4.98	0.40	107.731	5.19	0.37
Apr	109.524	4.39	0.41	106.818	4.76	0.25	108.084	4.58	0.33
May	108.907	3.40	-0.56	107.287	5.05	0.44	108.044	4.27	-0.04
Jun	108.246	2.55	-0.61	107.821	4.69	0.50	108.020	3.67	-0.02
Jul	108.833	2.83	0.54	108.553	4.83	0.68	108.684	3.88	0.61
Aug	108.787	2.10	-0.04	108.743	4.70	0.18	108.764	3.47	0.07
Sep	109.267	2.04	0.44	109.091	4.70	0.32	109.173	3.44	0.38
Oct	109.753	2.10	0.44	109.485	4.78	0.36	109.610	3.51	0.40
Nov	110.127	1.70	0.34	109.728	4.67	0.22	109.915	3.26	0.28
Dec	110.625	2.46	0.45	110.098	4.60	0.34	110.344	3.59	0.39

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

ITEM	1997	1998	1999	2000	2001	2002	2003	2004	2005
PPI with goods and services	15.18	18.59	11.94	8.58	4.33	5.67	4.52	6.52	3.59
Domestic demand	15.86	18.84	12.88	8.96	4.89	5.31	4.11	6.67	3.99
Private consumption	16.05	18.87	12.78	9.01	4.90	5.53	3.79	5.56	4.56
Government consumption	20.33	18.80	14.61	11.70	9.02	5.53	4.41	4.93	5.26
Investment	13.55	18.77	12.59	7.68	3.19	4.35	5.30	12.85	0.82
Exports	9.75	16.50	3.94	5.07	-0.99	9.27	8.56	5.48	0.63
PPI goods	13.66	19.41	8.66	7.38	2.61	6.29	6.24	7.97	2.46
Domestic demand	13.60	19.76	9.71	7.85	3.42	5.81	5.79	8.61	3.21
Private consumption	14.27	20.25	9.05	8.15	3.61	6.26	5.25	6.00	4.84
Government consumption	13.44	16.53	9.79	8.35	2.59	4.19	5.71	9.82	4.22
Investment	12.28	18.89	11.07	7.22	3.06	4.93	6.92	13.03	0.56
Exports	14.06	16.68	0.36	3.31	-4.73	11.07	10.38	5.44	-0.58
PPI services	16.48	17.75	14.87	9.60	5.77	5.19	3.13	5.25	4.60
Domestic demand	17.94	18.03	15.72	9.90	6.11	4.91	2.73	5.23	4.59
Private consumption	17.37	17.87	15.54	9.61	5.79	5.04	2.80	5.32	4.41
Government consumption	20.86	18.96	14.95	11.92	9.44	5.61	4.33	4.58	5.34
Investment	19.56	18.24	19.42	9.60	3.75	1.99	-1.44	7.13	9.34
Exports	4.88	15.20	7.08	6.64	2.30	8.12	7.28	5.65	4.93

Table A 21
Producer Price Index (PPI) Excluding Oil and Including Services
 Classified by origin of final goods
 Annual percentage change at December of each year

ITEM	1998	1999	2000	2001	2002	2003	2004	2005
PPI goods and services	18.59	11.94	8.58	4.33	5.67	4.52	6.52	3.59
Primary sector	31.82	-7.06	7.71	4.89	11.04	3.20	8.58	8.00
Agriculture, livestock, wood and fishing	33.34	-7.61	8.35	5.78	10.40	1.75	8.08	8.32
Mining	9.92	2.56	-2.24	-10.60	24.13	29.72	13.12	5.22
Secondary sector	18.34	10.26	7.19	2.33	5.03	6.48	7.78	1.90
Manufacturing	18.15	9.55	6.57	1.80	5.00	6.21	5.10	2.46
Food, beverages and tobacco	18.91	11.01	6.51	4.76	4.06	6.30	7.27	3.85
Textiles, apparel and leather	16.19	8.05	6.37	1.47	3.87	4.12	2.88	2.73
Wood	11.29	9.56	6.67	6.45	1.37	4.77	8.68	3.31
Paper, printing and publishing	15.76	12.92	11.11	1.91	3.65	3.85	2.96	3.97
Chemicals, oil and plastics	17.48	15.57	11.80	-0.83	6.77	7.13	8.98	6.53
Non-metallic minerals	21.47	7.80	6.70	1.36	2.55	5.07	1.59	0.90
Basic metal industries	22.63	-2.23	8.66	0.69	9.66	15.71	48.87	1.69
Metal products, machines and equipment	18.39	3.97	1.81	-0.46	5.33	6.07	1.43	-0.70
Other manufactures	20.30	4.66	4.25	2.47	7.37	4.38	2.68	-0.12
Construction	18.95	12.53	9.14	3.97	5.11	7.27	14.49	0.61
Tertiary sector	17.79	14.88	9.69	5.77	5.76	3.23	5.44	4.60
Electricity and gas	14.68	12.37	13.09	4.90	33.64	7.87	11.32	4.41
Commerce, restaurants and hotels	17.33	16.54	9.80	3.44	3.41	0.73	5.22	3.94
Transportation and communications	20.34	11.75	8.04	3.90	4.95	3.96	8.23	5.94
Real estate leasing	15.97	12.11	6.62	5.81	6.58	4.44	3.63	2.85
Community, social and personal services	17.94	16.14	11.90	10.70	7.17	5.30	4.04	4.76

Table A 22
Construction Cost Index ^{1/}
Annual percentage change

Item	General ^{2/}				Residential			
	Annual variations		Contributions		Annual variations		Contributions	
	Dec-2004	Dec-2005	Dec-2004	Dec-2005	Dec-2004	Dec-2005	Dec-2004	Dec-2005
	Dec-2003	Dec-2004	Dec-2003	Dec-2004	Dec-2003	Dec-2004	Dec-2003	Dec-2004
General Index	14.62	0.62	14.62	0.62	12.15	-0.39	12.15	-0.39
Construction materials subindex	17.74	-0.24	13.83	-0.18	14.79	-1.65	11.14	-1.24
Non-metal minerals	5.36	3.65	0.40	0.27	5.83	4.16	0.52	0.37
Cement and concrete	2.77	0.18	0.43	0.03	2.58	0.50	0.52	0.10
Cementing materials	4.08	3.83	0.09	0.08	4.60	3.92	0.15	0.13
Clay materials	2.92	4.53	0.08	0.13	3.15	4.01	0.17	0.21
Concrete materials	1.26	1.68	0.04	0.05	0.75	1.32	0.04	0.08
Concrete structures	8.60	2.04	0.10	0.02	6.07	3.03	0.19	0.10
Other concrete materials	3.48	2.86	0.02	0.02	3.75	1.77	0.04	0.02
Other non-metal mineral products	12.42	7.27	0.13	0.08	12.65	7.42	0.08	0.05
Timber products	12.55	4.46	0.23	0.08	10.74	4.45	0.30	0.12
Paint and other similar materials	11.82	6.76	0.23	0.13	12.16	7.14	0.22	0.13
Plastic materials	12.17	18.90	0.14	0.21	12.15	18.49	0.10	0.15
Other chemical products	5.13	9.03	0.18	0.32	5.83	8.64	0.01	0.02
Metal products	50.85	-1.33	5.21	-0.14	39.49	-2.66	1.55	-0.10
Wire materials	77.43	-23.82	5.28	-1.62	77.40	-23.35	7.67	-2.31
Electric equipment	11.38	0.10	0.97	0.01	9.67	2.07	0.06	0.01
Electric accessories	38.67	18.88	1.17	0.57	38.88	20.30	0.82	0.43
Furniture and accessories	6.62	3.84	0.05	0.03	7.55	3.66	0.12	0.06
Other materials and accessories	17.69	4.15	1.10	0.26	10.70	1.22	0.35	0.04
Rented machinery and equipment subindex	4.14	2.78	0.06	0.04	4.72	2.40	0.05	0.02
Worker earnings subindex	4.47	3.83	0.91	0.78	4.42	3.71	1.04	0.88

1/ This indicator, which began publishing in January 2004 and is based on December 2003=100, substituted the Social Housing Construction Cost Index (*Índice Nacional del Costo de Edificación de Vivienda de Interés Social, INCEVIS*).

2/ Represents the behavior of prices of residential and non-residential housing, industrial plants, road works and transportation-related works.

Table A 23
Contractual Wages

Period	Contractual Wages					
	Total			Manufacturing		
	Annual percentage increase	Number of workers (thousands)	Number of enterprises	Annual percentage increase	Number of workers (thousands)	Number of enterprises
1996 Average	21.0	1,491	3,686	20.2	456	1,811
1997 Average	19.5	1,495	4,074	20.4	418	1,972
1998 Average	17.7	1,568	4,525	18.2	501	2,168
1999 Average	16.5	1,572	4,671	17.9	499	2,107
2000 Average	12.4	1,819	5,358	13.3	624	2,352
2001 Average	9.1	1,732	5,679	10.0	574	2,345
2002 Average	5.8	1,757	5,487	6.4	549	2,446
2003 Average	4.7	1,763	5,337	5.2	526	2,294
2004 Average	4.1	1,776	5,920	4.6	535	2,431
2005 Average	4.4	1,783	5,957	4.7	541	2,476
2003 Jan	5.2	155	507	5.5	45	238
Feb	5.0	151	594	5.0	87	314
Mar	5.0	170	603	5.5	78	343
Apr	5.0	206	564	5.7	43	239
May	4.9	72	536	5.3	30	192
Jun	5.7	82	539	5.6	27	200
Jul	4.5	218	425	5.4	31	144
Aug	5.4	61	500	5.3	31	169
Sep	5.0	69	335	5.4	45	162
Oct	4.2	466	336	4.9	34	135
Nov	4.3	77	231	4.1	55	87
Dec	4.2	36	167	4.6	19	71
2004 Jan	4.6	149	516	4.6	49	221
Feb	4.5	154	640	4.4	91	299
Mar	4.4	169	675	4.6	65	306
Apr	4.3	235	731	4.7	53	298
May	4.4	99	636	4.7	48	260
Jun	5.1	77	500	5.0	31	203
Jul	4.1	201	335	5.0	20	150
Aug	4.5	65	443	4.6	29	209
Sep	4.8	76	362	4.9	47	156
Oct	3.2	439	415	4.5	31	133
Nov	4.1	76	335	3.8	53	102
Dec	4.3	34	332	4.3	19	94
2005 Jan	4.3	179	452	4.6	58	226
Feb	4.6	144	676	4.6	87	334
Mar	4.6	173	657	4.9	58	279
Apr	4.4	249	638	4.7	56	312
May	4.5	77	634	4.7	36	215
Jun	4.5	61	551	4.7	33	205
Jul	5.0	57	413	5.0	22	167
Aug	4.2	213	531	4.5	33	229
Sep	4.6	84	371	4.6	58	159
Oct	4.1	440	394	4.5	27	149
Nov	4.8	81	362	4.9	59	122
Dec	4.5	26	278	4.4	13	79

Source: Ministry of Labor.

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



Table A 24
Labor Productivity and Unit Labor Costs by Economic Sectors
 Annual percentage change

Period	Labor Productivity					Unit Labor Costs				
	Manufactures	Maquila	Wholesale	Retail	Trade	Manufactures	Maquila	Wholesale	Retail	Trade
1997 Average	4.7	-5.1	0.8	-3.2	-3.6	-5.0	7.2	4.0	5.3	6.3
1998 Average	3.3	-0.7	2.4	0.7	0.8	-0.4	4.7	-0.3	3.0	2.7
1999 Average	2.9	-0.4	-1.4	3.4	1.7	-1.3	2.6	-0.1	-1.5	-0.7
2000 Average	5.3	0.7	2.6	5.5	3.6	0.9	3.7	4.4	0.9	3.0
2001 Average	1.2	-2.6	-8.1	-4.4	-7.7	5.4	11.9	8.1	4.1	7.7
2002 Average	5.4	0.3	-6.1	0.9	-2.3	-3.4	5.3	10.4	1.6	5.3
2003 Average	2.0	2.4	0.8	5.6	3.8	-0.9	-2.4	2.0	-2.3	-0.6
2004 Average	7.1	2.5	8.8	6.9	7.9	-6.3	-2.6	-5.4	-4.1	-4.9
2005 Average	2.0	-1.1	1.5	4.1	2.8	-2.1	1.6	-3.4	-3.9	-3.1
2003 Jan	2.6	2.5	-0.3	1.0	-0.3	-0.9	-2.8	7.8	5.5	7.0
Feb	3.5	4.1	-1.2	2.2	0.1	-2.9	-3.8	5.3	2.9	4.8
Mar	6.6	4.8	4.7	2.6	3.2	-5.3	-4.7	-0.5	-0.9	-0.9
Apr	-4.2	1.0	-3.9	0.3	-2.0	4.5	-1.8	5.3	3.5	5.3
May	0.1	0.0	-4.1	2.0	-0.6	0.5	-1.5	10.5	-2.3	1.6
Jun	1.5	2.3	-2.2	7.4	3.8	0.7	-2.5	6.8	-3.3	0.2
Jul	0.9	2.5	-0.8	9.8	6.3	2.5	-1.9	7.0	-4.7	-1.2
Aug	-0.7	-1.2	-1.0	9.2	5.9	2.0	-1.1	2.3	-7.4	-4.5
Sep	3.9	3.5	2.9	7.8	6.4	-1.8	-3.7	-0.4	-4.8	-3.6
Oct	3.1	2.0	5.2	9.0	8.1	-1.2	0.3	-2.5	-6.0	-5.2
Nov	1.0	2.9	4.1	8.4	7.0	-0.5	-1.8	-3.5	-6.3	-5.4
Dec	7.3	4.7	6.0	7.2	7.1	-5.9	-3.2	-9.9	-3.1	-4.8
2004 Jan	5.7	0.6	1.0	7.7	5.8	-4.7	1.2	-1.3	-7.7	-6.0
Feb	6.9	0.8	2.4	11.6	9.0	-4.7	0.3	-0.6	-8.7	-6.6
Mar	11.3	4.8	12.6	9.7	12.1	-8.4	-2.0	-9.8	-7.0	-9.1
Apr	6.9	5.3	7.1	9.0	9.3	-4.2	-3.3	1.8	-6.3	-5.1
May	5.3	3.3	8.6	7.8	8.8	-6.1	-3.8	-2.1	-2.7	-3.3
Jun	9.1	3.3	13.9	5.3	8.9	-7.8	-2.6	-7.4	0.1	-3.2
Jul	6.2	1.4	9.6	5.1	6.5	-6.3	-3.8	-5.3	-0.3	-1.8
Aug	8.4	0.9	15.1	3.7	7.8	-8.1	-3.4	-7.9	7.9	2.6
Sep	7.7	6.1	13.7	7.2	9.2	-6.0	-3.0	-11.6	-7.1	-8.6
Oct	3.5	-1.3	5.7	5.4	5.1	-5.1	-2.0	-2.9	-3.3	-2.9
Nov	8.0	-0.2	11.6	5.3	7.4	-7.1	-4.6	-15.3	-6.2	-9.0
Dec	6.3	4.5	5.1	6.3	5.7	-7.1	-4.3	-3.9	-6.5	-5.6
2005 Jan	2.5	-2.1	4.7	6.1	5.4	-2.9	-0.1	-7.0	-8.7	-8.0
Feb	3.7	-1.5	9.8	2.7	5.1	-3.5	-0.5	-3.4	1.3	-0.6
Mar	-4.5	-0.5	-4.7	3.3	-0.9	4.9	0.5	7.5	-0.7	3.4
Apr	7.4	-4.2	6.3	7.5	6.3	-8.6	0.8	-8.1	-3.8	-4.0
May	4.2	-4.7	0.8	2.4	1.3	-4.0	6.0	-8.7	-7.0	-6.7
Jun	1.0	1.3	3.2	5.5	4.6	0.3	-0.1	-2.4	-3.7	-3.1
Jul	-1.2	-2.3	-0.1	2.5	1.4	-0.4	2.5	-2.6	-4.0	-3.2
Aug	2.3	1.5	2.0	5.2	3.7	-1.8	2.6	0.0	-8.4	-5.9
Sep	1.0	-1.4	2.1	6.4	4.5	-1.8	3.5	0.7	-1.5	-0.2
Oct	2.8	-1.4	1.0	3.9	2.3	-2.1	1.2	-6.5	-3.7	-3.5
Nov	3.2	2.2	-1.6	2.8	1.0	-1.9	1.8	-3.1	-5.8	-4.4
Dec	1.6	-0.1	-3.2	2.0	0.0	-2.3	0.7	-4.4	-0.4	-0.5

Source: National Bureau of Statistics (*Instituto Nacional de Estadística, Geografía e Informática, INEGI*).

Table A 25
Nominal and Real Earnings per Worker by Economic Sectors
 Annual percentage change

Period	Labor Productivity					Unit Labor Costs					
	Manufactures	Maquila	Wholesale	Retail	Trade	Manufactures	Maquila	Wholesale	Retail	Trade	
1997	Average	19.9	22.7	26.4	22.7	23.5	-0.6	1.8	4.9	1.8	2.5
1998	Average	19.3	20.7	18.4	20.8	20.3	2.8	4.0	2.1	4.1	3.7
1999	Average	18.3	19.1	14.7	18.3	17.5	1.5	2.2	-1.5	1.6	0.9
2000	Average	16.0	14.3	17.3	17.0	17.0	6.0	4.4	7.1	6.8	6.9
2001	Average	13.5	16.0	5.7	5.7	5.7	6.7	9.0	-0.5	-0.5	-0.5
2002	Average	7.0	10.9	9.0	7.9	8.1	1.9	5.6	3.8	2.7	2.9
2003	Average	5.9	4.5	7.2	7.7	7.6	1.4	0.0	2.6	3.0	2.9
2004	Average	5.0	4.4	7.5	7.4	7.4	0.3	-0.2	2.7	2.6	2.6
2005	Average	3.8	4.5	1.9	4.0	3.6	-0.1	0.4	-2.0	0.1	-0.4
2003	Jan	7.0	4.8	13.0	12.0	12.2	1.7	-0.3	7.5	6.5	6.7
	Feb	6.1	5.6	9.8	11.0	10.7	0.5	0.1	4.1	5.2	4.9
	Mar	6.6	5.4	10.1	7.4	8.0	0.9	-0.2	4.2	1.7	2.2
	Apr	5.4	4.4	6.6	9.3	8.6	0.1	-0.8	1.3	3.8	3.2
	May	5.3	3.1	11.0	4.3	5.7	0.6	-1.5	6.0	-0.4	1.0
	Jun	6.6	4.0	8.9	8.3	8.4	2.2	-0.3	4.5	3.9	4.0
	Jul	7.7	4.7	10.5	9.0	9.3	3.4	0.6	6.1	4.6	5.0
	Aug	5.4	1.6	5.4	5.2	5.2	1.3	-2.3	1.3	1.1	1.1
	Sep	6.1	3.7	6.7	6.7	6.7	2.0	-0.3	2.5	2.5	2.5
	Oct	5.9	6.4	6.7	6.6	6.6	1.9	2.3	2.6	2.5	2.5
	Nov	4.5	5.1	4.5	5.5	5.3	0.5	1.1	0.5	1.5	1.2
	Dec	5.1	5.4	-0.7	7.9	5.9	1.0	1.3	-4.5	3.8	1.9
2004	Jan	5.0	6.1	3.8	3.5	3.6	0.7	1.8	-0.3	-0.6	-0.6
	Feb	6.5	5.7	6.4	6.5	6.5	1.9	1.1	1.8	1.9	1.9
	Mar	6.3	7.0	5.8	6.3	6.2	2.0	2.7	1.5	2.0	1.9
	Apr	6.7	6.2	13.6	6.4	8.0	2.4	1.9	9.0	2.1	3.7
	May	3.0	3.6	10.9	9.4	9.8	-1.2	-0.6	6.3	4.9	5.3
	Jun	5.0	5.0	10.1	10.0	10.0	0.6	0.6	5.5	5.4	5.4
	Jul	4.0	1.9	8.5	9.5	9.3	-0.5	-2.5	3.9	4.8	4.6
	Aug	4.4	2.2	11.1	17.3	16.0	-0.4	-2.5	6.0	12.0	10.6
	Sep	6.4	8.1	5.7	4.6	4.8	1.3	2.9	0.6	-0.4	-0.2
	Oct	3.6	2.0	8.1	7.4	7.5	-1.7	-3.2	2.6	1.9	2.0
	Nov	5.8	0.4	-0.3	4.1	3.1	0.3	-4.8	-5.4	-1.2	-2.2
	Dec	3.9	5.2	6.3	4.6	5.0	-1.3	0.0	1.0	-0.6	-0.2
2005	Jan	4.1	2.2	1.8	1.3	1.4	-0.4	-2.2	-2.6	-3.1	-3.0
	Feb	4.3	2.2	10.6	8.5	9.0	0.0	-2.0	6.1	4.1	4.5
	Mar	4.6	4.4	7.0	7.0	7.0	0.2	0.0	2.5	2.5	2.5
	Apr	2.7	1.0	2.2	8.1	6.7	-1.8	-3.4	-2.3	3.4	2.0
	May	4.7	5.6	-3.7	-0.4	-1.2	0.1	1.0	-7.9	-4.8	-5.5
	Jun	5.7	5.6	5.0	6.1	5.8	1.3	1.2	0.6	1.7	1.4
	Jul	2.9	4.6	1.7	2.7	2.5	-1.5	0.1	-2.7	-1.7	-1.9
	Aug	4.4	8.3	6.1	0.2	1.4	0.4	4.2	2.0	-3.6	-2.4
	Sep	2.7	5.6	6.4	8.4	8.0	-0.8	2.0	2.8	4.7	4.3
	Oct	3.7	2.8	-2.7	3.1	1.8	0.6	-0.2	-5.6	0.0	-1.3
	Nov	4.2	7.0	-1.9	-0.4	-0.7	1.3	4.0	-4.6	-3.2	-3.5
	Dec	2.6	4.0	-4.4	4.9	2.9	-0.7	0.6	-7.5	1.6	-0.4

Source: National Bureau of Statistics (*Instituto Nacional de Estadística, Geografía e Informática, INEGI*).

Table A 26
Ex-ante and Ex-post Real Contractual Wages
 Annual percentage change

Period	Ex-Post ^{1/}	Ex-Ante ^{2/}	Expected Inflation ^{3/}
1997 Average	-0.10	5.13 ^{4/}	14.09 ^{4/}
1998 Average	3.21	3.47	14.00
1999 Average	0.76	2.59	13.32
2000 Average	6.26	3.13	8.88
2001 Average	5.47	2.42	6.40
2002 Average	3.92	1.51	4.21
2003 Average	1.20	0.59	4.14
2004 Average	0.02	0.11	4.03
2005 Average	0.15	0.32	4.04
2003 Jan	1.33	0.82	4.36
Feb	1.30	0.53	4.40
Mar	0.42	0.73	4.27
Apr	0.54	0.83	4.15
May	1.75	0.60	4.31
Jun	1.70	1.34	4.31
Jul	2.61	0.31	4.17
Aug	2.45	1.23	4.11
Sep	1.64	0.92	4.01
Oct	0.79	0.29	3.89
Nov	1.13	0.48	3.82
Dec	1.75	0.37	3.86
2004 Jan	0.98	0.62	3.94
Feb	0.40	0.58	3.90
Mar	0.76	0.55	3.82
Apr	0.77	0.46	3.86
May	0.62	0.38	3.96
Jun	1.29	1.05	4.02
Jul	0.01	0.07	4.05
Aug	0.55	0.42	4.05
Sep	-0.09	0.72	4.04
Oct	-1.14	-0.88	4.14
Nov	-1.05	-0.18	4.31
Dec	-0.90	-0.06	4.32
2005 Jan	0.04	0.09	4.25
Feb	0.22	0.22	4.33
Mar	0.00	0.30	4.25
Apr	-0.25	0.21	4.19
May	-0.23	0.38	4.11
Jun	0.75	0.25	4.27
Jul	-0.33	0.80	4.14
Aug	0.52	0.20	3.99
Sep	1.23	0.67	3.89
Oct	0.17	0.28	3.79
Nov	1.17	1.08	3.64
Dec	0.90	0.90	3.60

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

1/ Ex-post real wage changes are defined as nominal wage increases granted in the previous 12 months deflated by annual inflation observed during the analyzed month.

2/ Real ex-ante wages are calculated according to inflation expectations for the following 12 months.

3/ Banco de México Survey of Private Sector Economic Analysts' Forecasts.

4/ May-December 1997.

Table A 27
Minimum Wage
Pesos per day

Period	National average ^{1/}	Geographic regions ^{2/}		
		A	B	C
1988 January 1	7.04	7.77	7.19	6.48
1988 March 1	7.25	8.00	7.41	6.67
1989 January 1	7.83	8.64	8.00	7.21
1989 July 1	8.31	9.16	8.48	7.64
1989 December 4	9.14	10.08	9.33	8.41
1990 November 16	10.79	11.90	11.00	9.92
1991 November 11	12.08	13.33	12.32	11.12
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 April 1	20.66	22.60	20.95	19.05
1996 December 3	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
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

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

^{2/} States and municipalities are classified by regions to show country's differing costs of living. For details on classification methodology see "Minimum Wages", Minimum Wage Commission (*Comisión Nacional de Salarios Mínimos*, CONASAMI).



Monetary and Financial Indicators

Table A 28
Monetary and Financial Indicators

	2002	2003	2004	2005
Monetary Aggregates ^{1/}				
	Annual real percentage change			
Monetary Base	11.41	10.71	8.85	7.86
M1	12.91	7.01	8.75	7.07
M4	6.12	6.61	7.47	10.36
	GDP percentage			
Monetary Base	3.44	3.61	3.68	3.80
M1	10.47	10.64	10.83	11.11
M4	46.25	46.86	47.12	49.82
Nominal Interest Rates ^{2/}				
	Annual percentage change			
28-day TIIE	8.17	6.83	7.15	9.61
28-day CETES	7.09	6.23	6.82	9.20
CPP	5.36	4.45	4.62	6.47
CCP	6.17	5.15	5.41	7.64
Exchange Rate ^{3/}				
	Pesos per US dollar			
To settle liabilities denominated in foreign currency	10.3125	11.2360	11.2648	10.7777
Mexican Stock Exchange ^{3/}				
	Index base 1978=100			
Stock Exchange Index (<i>IPC</i>)	6,127	8,795	12,918	17,803

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

1/ Average of observations at the end of the month.

2/ Average of daily or weekly observations.

3/ End of period.

Table A 29
Monetary Aggregates
Stocks in thousand million pesos

End of period	Monetary base	M1	M2	M3	M4
Nominal stocks					
1992	44.0	131.7	380.5	426.9	458.4
1993	47.2	157.0	469.5	540.6	580.1
1994	56.9	163.8	554.8	657.0	724.1
1995	66.8	171.6	754.4	784.5	869.2
1996	84.0	245.3	995.2	1,025.8	1,116.1
1997	108.9	325.8	1,290.1	1,320.5	1,400.4
1998	131.5	388.2	1,663.2	1,689.8	1,775.6
1999	188.7	489.9	2,030.7	2,047.6	2,121.3
2000	208.9	565.0	2,331.1	2,359.4	2,415.8
2001	225.6	680.7	2,731.8	2,760.2	2,809.0
2002	263.9	766.5	3,027.9	3,053.1	3,096.9
2003	303.6	857.7	3,420.5	3,454.4	3,487.0
2004	340.2	946.6	3,777.2	3,866.4	3,905.4
2005					
Jan	316.6	908.3	3,786.0	3,893.1	3,928.9
Feb	307.2	904.2	3,812.7	3,921.0	3,959.2
Mar	311.9	890.7	3,860.4	3,974.7	4,013.5
Apr	307.0	891.1	3,863.8	3,977.5	4,017.5
May	307.7	892.3	3,913.4	4,027.6	4,065.8
Jun	314.1	930.3	3,955.2	4,074.6	4,112.6
Jul	315.3	925.1	4,012.3	4,135.8	4,177.7
Aug	306.0	916.7	4,040.7	4,167.9	4,209.6
Sep	312.5	924.9	4,119.6	4,245.3	4,287.6
Oct	316.5	935.0	4,196.9	4,323.1	4,364.5
Nov	327.2	962.6	4,253.0	4,381.1	4,422.2
Dec	380.0	1,083.3	4,338.6	4,459.9	4,501.5
Average stocks as a percentage of GDP ^{1/}					
1992	3.11	9.86	31.01	34.01	36.51
1993	2.96	10.51	33.12	38.25	41.19
1994	3.17	10.44	35.01	40.70	43.93
1995	2.73	7.51	34.01	37.49	41.33
1996	2.49	7.51	34.43	35.36	38.78
1997	2.63	8.41	35.74	36.71	39.25
1998	2.69	8.55	37.73	38.52	40.75
1999	2.85	8.59	40.10	40.51	42.20
2000	2.99	8.74	40.03	40.37	41.57
2001	3.17	9.52	43.32	43.75	44.75
2002	3.44	10.47	45.20	45.61	46.25
2003	3.61	10.64	45.82	46.33	46.86
2004	3.68	10.83	45.83	46.65	47.12
2005	3.80	11.11	47.92	49.34	49.82

The monetary base includes bills and coins in circulation plus the net creditor balance of commercial and development banks' current accounts at Banco de México.

M1 includes bills and coins held by the public plus domestic private sector deposits in checking accounts and in current accounts where funds can be withdrawn through debit cards.

M2 equals M1 plus domestic private sector bank deposits (other than deposits in checking and current accounts) plus federal government and private sector securities held by the resident private sector, 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 equals M3 plus deposits in Mexican banks' agencies abroad.

^{1/}Based on average of observations at the end of the month.

Table A 30
Monetary Base
Stocks in thousand million pesos

End of period	Monetary Base	Liabilities		Assets	
		Bills and Coins in Circulation ^{1/}	Bank Deposits	Net Domestic Credit	Net International Assets ^{2/}
1992	43.972	42.015	1.957	2.046	41.926
1993	47.193	47.193	0.000	-17.247	64.440
1994	56.935	56.920	0.015	41.896	15.040
1995	66.809	66.809	0.000	55.649	11.160
1996	83.991	83.991	0.000	34.307	49.684
1997	108.891	108.736	0.156	-51.049	159.940
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					
Jan	278.373	278.373	0.000	-416.715	695.088
Feb	273.568	273.568	0.000	-425.192	698.760
Mar	267.425	267.425	0.000	-422.119	689.543
Apr	273.091	273.091	0.000	-416.247	689.337
May	276.652	276.652	0.000	-412.596	689.248
Jun	278.847	278.847	0.000	-418.680	697.527
Jul	281.999	281.999	0.000	-406.904	688.903
Aug	277.136	277.136	0.000	-418.739	695.875
Sep	280.789	280.789	0.000	-428.923	709.711
Oct	285.219	285.219	0.000	-418.811	704.030
Nov	294.825	294.825	0.000	-422.147	716.972
Dec	340.178	340.178	0.000	-375.992	716.170
2005					
Jan	316.647	316.647	0.000	-413.524	730.171
Feb	307.241	307.241	0.000	-404.000	711.241
Mar	311.856	311.856	0.000	-405.181	717.037
Apr	306.993	306.993	0.000	-389.351	696.344
May	307.690	307.690	0.000	-368.663	676.354
Jun	314.149	314.149	0.000	-393.095	707.244
Jul	315.322	315.322	0.000	-390.119	705.440
Aug	306.033	306.033	0.000	-431.181	737.214
Sep	312.475	312.475	0.000	-443.017	755.491
Oct	316.469	316.469	0.000	-451.733	768.202
Nov	327.170	327.170	0.000	-443.212	770.382
Dec	380.034	380.034	0.000	-408.133	788.167

1/Bills and coins held by the public and in banks' vaults.

2/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.

Table A 31
Monetary Aggregates M1, M2, M3 and M4
 Stocks in thousand million pesos

	December					
	2000	2001	2002	2003	2004	2005
1. Bills and coins held by the public	182.0	198.9	232.2	263.6	301.2	336.2
2. Checking accounts (pesos)	267.8	317.2	353.6	397.5	410.5	482.1
3. Checking accounts (US dollars)	48.9	84.2	84.3	74.0	96.8	97.1
4. Current account deposits	66.3	80.3	96.4	122.6	138.1	167.9
5. M1 = (1+2+3+4)	565.0	680.7	766.5	857.7	946.6	1,083.3
6. Resident bank term deposits	690.1	689.2	640.1	725.5	798.6	829.6
7. Savings and Loan Companies' bank term deposits	4.3	5.0	6.0	7.7	9.7	11.8
8. Public securities held by residents ^{1/}	765.0	996.7	1,194.2	1,319.0	1,433.9	1,755.3
Federal government securities	636.0	654.6	761.0	829.7	728.5	841.4
Banco de México securities (BREMs)	21.0	143.7	160.0	138.0	195.3	212.9
IPAB securities	63.1	135.8	199.0	235.4	333.1	444.7
Other public securities	44.9	62.6	74.2	115.9	177.2	256.3
9. Private securities	85.8	96.3	133.1	176.5	206.0	221.5
10. Housing and other funds ^{2/}	220.8	263.8	288.1	334.1	382.4	437.1
11. M2=(5+6+7+8+9+10)	2,331.1	2,731.8	3,027.9	3,420.5	3,777.2	4,338.6
12. Non-resident bank term deposits	19.6	11.2	7.7	9.1	10.8	8.0
13. Public securities held by non-residents	8.8	17.2	17.6	24.8	78.4	113.2
14. M3=(11+12+13)	2,359.4	2,760.2	3,053.1	3,454.4	3,866.4	4,459.9
15. Resident deposits in Mexican bank agencies abroad	35.7	33.0	30.3	19.1	29.4	26.8
16. Non-resident deposits in Mexican bank agencies abroad	20.7	15.9	13.5	13.5	9.6	14.7
17. M4=(14+15+16)	2,415.8	2,809.0	3,096.9	3,487.0	3,905.4	4,501.5

^{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).

Table A 32
Credit Market Conditions Survey (Results up to Fourth Quarter of 2005)^{1/}
 Percentage of responses

Item	Total					4th Quarter 2005					
	2004	2005				By size of firm ^{2/}				By type of firm ^{3/}	
	4th	1st	2nd	3rd	4th	S	M	L	AAA	Export	Non-export
Sources of financing	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Suppliers	55.5	58.3	59.1	58.7	60.2	69.0	58.0	52.8	44.4	58.4	62.2
Commercial banks	19.5	17.8	18.5	19.2	17.2	14.7	17.2	18.9	27.8	17.0	17.4
Foreign banks	2.9	2.8	2.4	2.1	2.7	1.3	2.9	3.1	8.3	3.0	2.3
Other firms from the same corporate group	14.5	13.3	13.1	11.2	13.0	11.6	16.4	10.2	8.3	11.9	14.1
Development banks	2.6	2.2	1.7	2.2	1.7	0.9	2.1	2.4	2.8	3.0	0.3
Headquarters	3.3	4.1	3.9	5.0	3.8	2.5	2.9	7.1	5.6	5.2	2.3
Other liabilities	1.7	1.5	1.3	1.6	1.4	0.0	0.5	5.5	2.8	1.5	1.4
Firms using bank credit	26.3	24.4	25.0	25.2	24.3	18.0	27.8	26.7	37.9	25.3	23.4
Destined for:											
Working capital	62.0	63.1	65.4	62.6	61.7	57.8	66.7	59.5	58.3	61.6	61.8
Liability Restructuring	14.1	14.5	10.1	12.3	12.3	17.8	3.2	16.7	25.0	8.1	17.1
Foreign trade transactions	7.1	6.1	6.3	5.8	6.2	6.7	4.8	7.1	8.3	8.1	3.9
Investment	14.1	12.8	16.4	17.5	14.8	13.3	19.0	11.9	8.3	18.6	10.5
Other purposes	2.7	3.5	1.8	1.8	5.0	4.4	6.3	4.8	0.1	3.6	6.7
Firms that did not use bank credit	73.7	75.6	75.0	74.8	75.7	82.0	72.2	73.3	62.1	74.7	76.6
Reason:											
High interest rates	26.6	29.8	28.3	28.2	30.7	32.9	29.6	24.3	18.8	28.8	33.1
Low demand for their products	6.5	6.0	5.4	6.0	4.2	5.9	2.0	2.7	6.3	4.1	4.3
Banks refusal to lend	12.5	9.3	11.3	9.9	7.8	8.8	6.1	8.1	12.5	8.8	6.5
Uncertainty regarding the country's economic conditions	15.0	14.8	14.6	13.7	12.3	11.2	15.3	10.8	12.5	12.4	12.2
Financial restructuring problems	11.0	11.7	11.3	12.7	10.4	9.4	11.2	10.8	12.5	11.8	8.6
Non-approval of credit applications	10.8	9.0	10.7	9.9	12.0	14.7	9.2	8.1	6.3	10.0	14.4
Overdue loan portfolio	2.8	3.6	3.0	2.8	2.9	1.8	6.1	0.0	6.3	4.1	1.4
Market competition problems	5.7	4.4	4.5	5.3	4.9	4.1	7.1	2.7	6.3	5.3	4.3
Other	9.1	11.4	10.9	11.5	14.8	11.2	13.4	32.5	18.5	14.7	15.2
Firms granting financing	77.5	75.4	75.9	77.3	77.9	80.1	75.8	79.0	72.4	84.8	70.9
Destined for:											
Clients	74.1	74.2	74.7	76.1	75.0	80.0	75.5	69.3	58.6	73.1	77.4
Suppliers	13.2	11.9	12.5	11.2	12.4	12.5	10.6	13.2	20.7	15.1	8.8
Other firms from the same corporate group	12.5	13.9	12.8	12.7	12.6	7.5	13.8	17.5	20.7	11.8	13.7
Other	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Average maturity of financing granted (days)											
Clients	65	59	64	60	61	54	65	66	66	50	74
Suppliers	67	51	47	52	49	43	48	63	42	48	51
Other firms from the same corporate group	85	66	74	71	81	104	60	74	134	67	96
Firms requesting credit in the following 3 months	63.1	65.2	63.4	60.8	61.4	64.6	60.3	60.0	51.7	63.6	59.2

1/ Nationwide sample of at least 500 firms. Responses are voluntary and confidential.

2/ Firms' size was determined based on total sales of 1997:

Size Total sales value (1997):
 Small = 1-100 million pesos
 Medium = 101-500 million pesos
 Large = 501-5000 million pesos
 AAA = More than 5000 million pesos

Given the size of the sample for AAA firms, the item *reasons for not using bank credit* includes total responses of firms, whether these received or not credit.

3/ Non-exporters are companies that only import goods and services and/or have no foreign trade activity.

Table A 33
Total Financing to the Non-financial Private Sector
 Quarterly data
 Stocks in million pesos

	Total financing	External Financing		Domestic Financing				INFONAVIT ^{4/}
		External direct ^{1/}	Debt instruments placed abroad ^{2/}	From commercial banks ^{3/}	From development banks ^{3/}	Non-bank intermediaries	Debt instruments issued	
2002								
Mar	1,661,123	330,921	171,135	588,976	74,668	120,753	91,904	282,766
Jun	1,747,416	366,570	180,026	595,406	78,691	132,610	100,000	294,114
Sep	1,791,074	371,800	184,260	604,252	81,350	140,840	105,373	303,200
Dec	1,849,639	375,551	187,478	626,055	84,028	152,227	108,837	315,463
2003								
Mar	1,883,755	384,453	190,757	621,400	86,010	159,162	111,756	330,217
Jun	1,882,024	368,327	175,059	610,961	82,449	165,144	136,499	343,586
Sep	1,932,403	378,804	180,452	615,917	81,657	168,480	153,782	353,313
Dec	1,977,209	381,660	194,335	630,947	80,297	180,538	146,431	363,000
2004								
Mar	2,006,140	363,065	208,688	632,843	79,125	186,426	158,098	377,895
Jun	2,038,034	369,740	191,189	648,950	78,179	201,613	157,517	390,847
Sep	2,083,374	375,755	181,632	676,089	76,461	214,920	159,864	398,653
Dec	2,130,694	376,510	172,971	727,598	48,003	230,975	162,822	411,816
2005								
Mar	2,194,070	373,400	205,456	744,521	47,689	240,082	156,051	426,871
Jun	2,218,390	366,647	206,463	776,260	47,336	247,927	153,310	420,448
Sep	2,242,297	366,291	201,079	781,227	47,726	258,892	164,271	422,811
Dec	2,332,784	361,004	207,229	865,146	48,702	256,246	166,002	428,454

1/ Includes financing from foreign suppliers and from foreign banks and other creditors excluding PIDIREGAS.

2/ Commercial paper, bonds and securities placed abroad. Source: Balance of Payments, excluding PIDIREGAS-PEMEX.

3/ Includes total loan portfolio, accrued interests, and portfolio associated with debt-restructuring programs (UDIs and IPAB-FOBAPROA).

4/ Non-performing and performing mortgage portfolio from the National Employees' Housing Fund (*Instituto del Fondo Nacional de la Vivienda para los Trabajadores*, INFONAVIT).

Table A 34
Financial System Flow of Funds Matrix (January–December 2005) ^{1/}
Flows revalued as a percentage of GDP ^{2/}

	Resident private sector ^{8/}			Public sector ^{8/}			Banking sector ^{5/}			External sector		
	Use of funds (Assets)	Source of funds (Liabilities)	Net financing received	Use of funds (Assets)	Source of funds (Liabilities)	Net financing received	Use of funds (Assets)	Source of funds (Liabilities)	Net financing received	Use of funds (Assets)	Source of funds (Liabilities)	Net financing received
	a	b	c = b - a	d	e	f = e - d	g	h	i = h - g	j	k	l = k - j
1. Change in domestic financial instruments (2 + 7 + 8 + 9)	5.6	3.1	-2.5	0.6	2.0	1.5	0.8	2.6	1.9	0.8		-0.8
2. Financial instruments	5.6	0.7	-5.0	0.4	3.4	3.0	-0.2	2.1	2.4	0.4		-0.4
3. Currency (bills and coins)	0.4		-0.4					0.4	0.4			
4. Checkable, time and savings deposits	1.6		-1.6	0.4		-0.4		2.1	2.1	0.1		-0.1
4.1 Non-financial enterprises and other institutions ^{8/}	0.8		-0.8	0.4		-0.4		1.3	1.3	0.1		-0.1
4.2 Households	0.8		-0.8					0.8	0.8	0.0		0.0
5. Securities issued ^{6/}	3.1	0.2	-2.8		3.3	3.3	-0.2	-0.4	-0.1	0.3		-0.3
6. Retirement and housing funds ^{7/}	0.5	0.5	-0.1		0.1	0.1						
7. Financing		1.9	1.9	0.5	-1.9	-2.4	0.1	0.5	0.4			
7.1 Non-financial enterprises and other institutions ^{8/}		0.2	0.2	0.5	-1.9	-2.4	-1.7	0.5	2.2			
7.2 Households		1.7	1.7				1.7	0.0	-1.7			
8. Shares and other equity		0.4	0.4				0.0		0.0	0.4		-0.4
9. Other financial system items ^{9/}		0.1	0.1	-0.3	0.5	0.8	0.9		-0.9			
10. Change in external financial instruments (11 + 12 + 13 + 14 + 15)	1.4	3.1	1.6	-0.1	0.1	0.2	1.0	-0.9	-1.9	2.3	2.4	0.1
11. Foreign direct investment		2.3	2.3							2.3		-2.3
12. External financing		0.9	0.9		0.1	0.1		-0.9	-0.9	0.1		-0.1
13. Financial assets held abroad	1.4		-1.4	-0.1		0.1	0.1		-0.1		1.4	1.4
14. Banco de México international reserves							0.9		-0.9		0.9	0.9
15. Errors and omissions (balance of payments)		-0.1	-0.1							-0.1		0.1
16. Statistical discrepancy^{10/}		0.0	0.0							0.0		0.0
17. Total change in financial instruments (1+ 10 +16)	7.1	6.2	-0.9	0.5	2.1	1.6	1.8	1.8	0.0	3.1	2.4	-0.8 ^{11/}

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

2/ Excludes the effect of exchange rate fluctuations (peso vs. other currencies).

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

4/ Public sector measured according to Public Sector Borrowing Requirements (Requerimientos Financieros del Sector Público, RFSP) including non-recurrent revenues.

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

6/ Includes government securities, BPAs, BPATs, BREMs, private securities, and securities held by the SIEFORES.

7/ 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.

8/ The private sector column includes firms, credit unions, savings and loan companies, investment funds, financial leasing companies, financial factoring companies, special-purpose financial companies (SOFOLÉS), insurance companies, investment funds specialized in retirement savings (SIEFORES), bonding companies, deposit warehouses, public funds and trusts, brokerage houses, states and municipalities, and securities related with debt-restructuring programs. The public sector column includes institutions as defined in Public Sector Borrowing Requirements (Requerimientos Financieros del Sector Público, RFSP).

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

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

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



Table A 35

Banco de México's One-year Bonds (Bonos de Regulación Monetaria, BREMs) ^{1/}
Weekly auction results

Maturity (days)	Amount in million pesos			Price				
	Offered	Alloted	Tendered	Weighted placement	Maximum	Minimum alloted	Minimum	
06/01/2005	357	1,500	1,500	14,900	99.82000	99.82001	99.82000	99.50000
13/01/2005	350	1,500	1,500	10,800	99.84083	99.84083	99.84083	99.50000
20/01/2005	343	1,500	1,500	49,420	99.85000	99.85000	99.85000	99.69779
27/01/2005	364	1,500	1,500	15,401	99.85795	99.85933	99.85785	99.81234
03/02/2005	357	1,500	1,500	12,700	99.90005	99.90005	99.90005	99.87628
10/02/2005	350	1,500	1,500	5,300	99.89327	99.89550	99.87874	99.76694
17/02/2005	343	1,500	1,500	18,100	99.89165	99.89165	99.89165	99.50000
24/02/2005	336	1,500	1,500	28,100	99.89310	99.89320	99.89309	99.82187
03/03/2005	364	1,500	1,500	32,680	99.89350	99.89350	99.89350	99.77896
10/03/2005	357	1,500	1,500	3,380	99.87709	99.88120	99.87645	99.73409
17/03/2005	350	1,500	1,500	27,000	99.89286	99.89286	99.89286	99.73906
23/03/2005	344	1,500	1,500	19,300	99.89447	99.89500	99.89420	99.74334
31/03/2005	364	1,500	1,500	11,500	99.89840	99.89840	99.89840	99.87432
07/04/2005	357	1,500	1,500	16,200	99.89363	99.89559	99.89349	99.73445
14/04/2005	350	1,500	1,500	4,700	99.87835	99.87835	99.87835	99.72084
21/04/2005	343	1,500	1,500	24,500	99.85689	99.86337	99.85261	99.74441
28/04/2005	336	1,500	1,500	15,500	99.84416	99.85672	99.83588	99.74940
05/05/2005	364	1,500	1,500	4,110	99.80086	99.82100	99.75877	99.72986
12/05/2005	357	1,500	1,500	15,450	99.80131	99.80411	99.80111	90.00000
19/05/2005	350	1,500	1,500	12,800	99.81955	99.82000	99.81864	99.73969
26/05/2005	343	1,500	1,500	18,800	99.83722	99.83722	99.83722	99.70000
02/06/2005	364	1,500	1,500	6,100	99.85563	99.85650	99.85520	99.73946
09/06/2005	357	1,500	1,500	35,981	99.85940	99.85980	99.85831	99.74421
16/06/2005	350	1,500	1,500	18,100	99.86311	99.86325	99.86307	80.00000
23/06/2005	343	1,500	1,500	18,910	99.86827	99.86950	99.86812	99.00000
30/06/2005	336	1,500	1,500	10,500	99.86453	99.86613	99.86133	99.75858
07/07/2005	364	1,500	1,500	14,000	99.86044	99.86044	99.86044	99.73946
14/07/2005	357	1,500	1,500	19,670	99.87013	99.87013	99.87013	99.74421
21/07/2005	350	1,500	1,500	50,200	99.87286	99.87441	99.86976	99.70000
28/07/2005	343	1,500	1,500	21,000	99.88942	99.88942	99.88942	98.00000
04/08/2005	364	1,500	1,500	23,342	99.88066	99.88219	99.88000	99.73946
11/08/2005	357	1,500	1,500	14,405	99.88900	99.88900	99.88900	99.74421
18/08/2005	350	1,500	1,500	30,300	99.89651	99.89770	99.89413	99.00000
25/08/2005	343	1,500	1,500	5,600	99.88169	99.88169	99.88169	99.00001
01/09/2005	336	1,500	1,500	41,300	99.87713	99.87963	99.86667	99.75833
08/09/2005	364	1,500	1,500	13,200	99.86504	99.86504	99.86504	99.00000
15/09/2005	357	1,500	1,500	18,050	99.86808	99.86808	99.86808	99.83869
22/09/2005	350	1,500	1,500	14,100	99.87665	99.87665	99.87665	99.74871
29/09/2005	343	1,500	1,500	142,119	99.89206	99.89209	99.89200	99.75325
06/10/2005	364	1,000	1,000	3,020	99.88250	99.89111	99.87516	99.87410
13/10/2005	357	1,000	1,000	12,100	99.89050	99.89110	99.89010	99.80000
20/10/2005	350	1,000	1,000	23,048	99.89533	99.89601	99.89524	99.74844
27/10/2005	343	1,000	1,000	10,300	99.90260	99.90260	99.90260	99.70000
03/11/2005	336	1,000	1,000	12,000	99.90485	99.90485	99.90485	99.80000
10/11/2005	364	1,000	1,000	16,378	99.90388	99.90534	99.90310	99.86920
17/11/2005	357	1,000	1,000	16,050	99.91447	99.91447	99.91447	99.83833
24/11/2005	350	1,000	1,000	6,550	99.91681	99.92105	99.91605	99.78543
01/12/2005	343	1,000	1,000	3,860	99.90986	99.91134	99.90834	99.89000
08/12/2005	364	1,000	1,000	29,200	99.90805	99.91170	99.90336	99.88400
15/12/2005	357	1,000	1,000	101,300	99.89977	99.89977	99.89977	99.80000
22/12/2005	350	1,000	1,000	6,700	99.90565	99.90635	99.90400	98.00010
29/12/2005	343	1,000	1,000	9,200	99.91500	99.91500	99.91500	75.00000

^{1/} Bonds issued by Banco de México to regulate the liquidity in the money market (in accordance with Article 7, Section VI of Banco de México's Law).



Table A 36
Banco de México's Three-year Bonds (*Bonos de Regulación Monetaria, BREMs*)^{1/}
Weekly auction results

Maturity (days)	Amount in million pesos			Price				
	Offered	Alloted	Tendered	Weighted placement	Maximum	Minimum alloted	Minimum	
06/01/2005	1071	1,500	1,500	16,000	99.27154	99.27310	99.26531	99.24090
13/01/2005	1064	1,500	1,500	36,300	99.30557	99.30557	99.30557	75.00000
20/01/2005	1057	1,500	1,500	35,333	99.35649	99.36000	99.35646	99.30103
27/01/2005	1050	1,500	1,500	56,450	99.39675	99.39860	99.39487	99.22818
03/02/2005	1043	1,500	1,500	16,700	99.53000	99.53000	99.53000	99.46352
10/02/2005	1036	1,500	1,500	14,590	99.53053	99.54233	99.52601	99.24156
17/02/2005	1092	1,500	1,500	37,240	99.49773	99.51304	99.49350	99.36439
24/02/2005	1085	1,500	1,500	9,130	99.48577	99.49154	99.48565	99.39807
03/03/2005	1078	1,500	1,500	34,600	99.48110	99.48110	99.48110	99.21000
10/03/2005	1071	1,500	1,500	4,600	99.37654	99.40100	99.34948	99.27172
17/03/2005	1064	1,500	1,500	48,200	99.47954	99.48218	99.47935	75.00000
23/03/2005	1058	1,500	1,500	20,300	99.47906	99.48800	99.47717	99.35633
31/03/2005	1050	1,500	1,500	18,100	99.47806	99.47806	99.47806	99.26165
07/04/2005	1043	1,500	1,500	15,000	99.45920	99.47000	99.45737	99.29113
14/04/2005	1092	1,500	1,500	7,200	99.42122	99.42322	99.42022	99.39395
21/04/2005	1085	1,500	1,500	5,310	99.37479	99.37700	99.37120	99.21463
28/04/2005	1078	1,500	1,500	9,710	99.36946	99.37116	99.36817	99.21800
05/05/2005	1071	1,500	1,500	9,500	99.34553	99.35560	99.33639	99.00000
12/05/2005	1064	1,500	1,500	5,300	99.32077	99.32556	99.31473	99.25706
19/05/2005	1057	1,500	1,500	9,538	99.35825	99.36490	99.34894	99.25993
26/05/2005	1050	1,500	1,500	8,750	99.41767	99.42602	99.41600	90.00000
02/06/2005	1043	1,500	1,500	33,900	99.44444	99.44444	99.44444	99.31863
09/06/2005	1036	1,500	1,500	8,200	99.48650	99.48650	99.48650	99.32260
16/06/2005	1092	1,500	1,500	5,100	99.46651	99.47051	99.46600	99.42210
23/06/2005	1085	1,500	1,500	91,114	99.46588	99.46840	99.46451	99.26913
30/06/2005	1078	1,500	1,500	8,000	99.47664	99.48015	99.47400	99.29903
07/07/2005	1071	1,500	1,500	10,700	99.49408	99.50291	99.49152	99.30294
14/07/2005	1064	1,500	1,500	9,700	99.52802	99.52817	99.52800	99.51169
21/07/2005	1057	1,500	1,500	21,600	99.53265	99.53265	99.53265	99.35000
28/07/2005	1050	1,500	1,500	12,300	99.53765	99.53765	99.53765	99.31470
04/08/2005	1043	1,500	1,500	5,000	99.53515	99.53520	99.53512	99.31864
11/08/2005	1092	1,500	1,500	10,400	99.51553	99.51639	99.51510	99.34357
18/08/2005	1085	1,500	1,500	16,100	99.52037	99.52037	99.52037	99.29513
25/08/2005	1078	1,500	1,500	8,200	99.51791	99.52147	99.51410	99.48024
01/09/2005	1071	1,500	1,500	8,100	99.52807	99.52825	99.52798	99.35225
08/09/2005	1064	1,500	1,500	4,500	99.54346	99.54346	99.54346	99.53800
15/09/2005	1057	1,500	1,500	15,500	99.54605	99.54605	99.54605	99.30000
22/09/2005	1050	1,500	1,500	23,300	99.56871	99.56900	99.56700	99.31247
29/09/2005	1043	1,500	1,500	43,600	99.59019	99.59027	99.58787	99.49000
06/10/2005	1036	1,000	1,000	5,605	99.60556	99.60670	99.60290	99.57012
13/10/2005	1092	1,000	1,000	14,600	99.60543	99.60543	99.60543	99.55000
20/10/2005	1085	1,000	1,000	11,000	99.61800	99.61800	99.61800	99.50000
27/10/2005	1078	1,000	1,000	10,600	99.61528	99.61625	99.61430	99.50000
03/11/2005	1071	1,000	1,000	41,100	99.60276	99.60800	99.60218	99.34767
10/11/2005	1064	1,000	1,000	6,400	99.61034	99.61034	99.61034	99.59732
17/11/2005	1057	1,000	1,000	13,802	99.64094	99.64480	99.64091	99.61257
24/11/2005	1050	1,000	1,000	29,413	99.67700	99.67700	99.67700	99.30780
01/12/2005	1043	1,000	1,000	13,900	99.67328	99.67328	99.67328	99.64132
08/12/2005	1092	1,000	1,000	4,236	99.64606	99.65347	99.63990	99.62661
15/12/2005	1085	1,000	1,000	113,200	99.64219	99.64576	99.64179	99.30000
22/12/2005	1078	1,000	1,000	28,024	99.62792	99.62828	99.62650	99.58000
29/12/2005	1071	1,000	1,000	59,400	99.66000	99.66000	99.66000	99.00000

^{1/}Bonds issued by Banco de México to regulate the liquidity in the money market (in accordance with Article 7, Section VI of Banco de México's Law).



Table A 37
Banco de México's Five-year Bonds (*Bonos de Regulación Monetaria, BREMs*) ^{1/}
Weekly auction results

Maturity (days)	Amount in million pesos			Price			
	Offered	Alloted	Tendered	Weighted placement	Maximum	Minimum alloted	Minimum
06/10/2005	1820	1,000	1,000	13,800	99.20370	99.20370	98.99000
13/10/2005	1813	1,000	1,000	11,950	99.27600	99.27600	99.03590
20/10/2005	1806	1,000	1,000	4,200	99.31242	99.31782	99.19845
27/10/2005	1799	1,000	1,000	5,150	99.32542	99.32628	99.31000
03/11/2005	1792	1,000	1,000	11,100	99.29900	99.29900	98.91990
10/11/2005	1785	1,000	1,000	4,500	99.32260	99.32260	99.28000
17/11/2005	1778	1,000	1,000	3,400	99.33660	99.33660	99.20374
24/11/2005	1771	1,000	1,000	2,890	99.32895	99.34461	99.28520
01/12/2005	1820	1,000	1,000	2,950	99.31420	99.31420	99.28000
08/12/2005	1813	1,000	1,000	3,300	99.32590	99.32590	99.18000
15/12/2005	1806	1,000	1,000	2,600	99.30890	99.30890	99.26000
22/12/2005	1799	1,000	1,000	22,364	99.29737	99.31450	99.18268
29/12/2005	1792	1,000	1,000	35,950	99.30110	99.30110	99.05000

^{1/}Bonds issued by Banco de México to regulate the liquidity in the money market (in accordance with Article 7, Section VI of Banco de México's Law).



Table A 38
Representative Interest Rates
Yields on Public Securities
Annual percentage rates ^{1/}

	Treasury Certificates (CETES) ^{2/}				Fixed-rate bonds				
	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)
1995	48.44	48.24	43.07	38.56					
1996	31.39	32.91	33.67	34.38					
1997	19.80	21.26	21.88	22.45					
1998	24.76	26.18	21.55	22.38					
1999	21.41	22.38	23.31	24.13					
2000	15.24	16.15	16.56	16.94	15.81	15.37			
2001	11.31	12.24	13.10	13.79	13.14	12.98		10.76	
2002	7.09	7.46	8.08	8.54	9.51	9.84	10.19	10.13	
2003	6.23	6.51	6.92	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
2003									
Jan	8.27	8.69	9.18	9.84	9.62	9.81	9.95	10.12	
Feb	9.04	8.86	9.04	9.19	9.80	9.55	10.25	10.09	
Mar	9.17	9.12	9.23	9.12	9.30	9.70	9.69	10.58	
Apr	7.86	8.00	8.10	8.33	8.64	9.13	9.45	9.53	
May	5.25	5.75	6.21	6.60	7.30	8.15	8.63	8.49	
Jun	5.20	5.37	6.03	6.51	6.85	7.35	7.87	8.07	
Jul	4.57	5.27	5.96	6.59	7.67	7.55	8.82	8.74	
Aug	4.45	5.11	5.90	6.63	7.06	7.51	8.57	8.88	
Sep	4.73	5.20	5.78	6.31	6.78	7.16	7.99	8.37	
Oct	5.11	5.38	5.59	5.92	7.05	7.32	8.18	8.24	8.39
Nov	4.99	5.23	5.74	6.42	6.50	7.25	7.77	8.35	
Dec	6.06	6.18	6.34	6.95	7.39	7.72	8.44	8.32	
2004									
Jan	4.95	5.11	5.49	5.76	6.60	7.39	7.96	8.32	8.79
Feb	5.57	5.63	5.85	6.26	7.19	7.74	8.26	8.38	
Mar	6.28	6.21	6.30	6.66	7.04	7.59	8.30	8.60	9.32
Apr	5.98	5.96	6.14	6.18	7.12	7.74	8.48	8.92	9.67
May	6.59	7.08	7.34	8.08	8.46	8.94	9.60	10.10	10.97
Jun	6.57	7.26	7.72	8.23	9.20	9.27	10.22	10.30	11.35
Jul	6.81	7.30	7.85	8.25	8.51	9.86	9.51	9.78	10.99
Aug	7.21	7.50	7.94	8.55	9.00	9.54	9.92	10.03	11.24
Sep	7.36	7.75	8.02	8.56	9.05	9.38	10.14	10.27	10.79
Oct	7.76	8.11	8.34	8.70	8.98	8.92	9.74	9.69	10.53
Nov	8.20	8.58	8.81	9.08	8.92	9.36	9.75	10.35	11.03
Dec	8.50	8.72	8.70	8.61	8.91	9.25	9.68	9.72	10.25
2005									
Jan	8.60	8.74	8.62	8.61	8.80	9.17	9.22	10.02	10.10
Feb	9.15	9.31	9.28	9.24	9.40	9.35	9.86	9.62	10.02
Mar	9.41	9.74	9.78	9.88	9.73	9.60	9.98	10.26	10.52
Apr	9.63	10.00	10.14	10.30	10.09	10.50	10.51	10.41	11.18
May	9.75	9.92	10.03	10.18	9.83	10.31	10.03	9.84	10.87
Jun	9.63	9.76	9.74	9.71	9.29	9.33	9.46	9.56	9.88
Jul	9.61	9.74	9.68	9.59	9.10	9.28	9.10	9.37	9.82
Ago	9.60	9.69	9.61	9.63	9.36	9.19	9.45	9.40	9.70
Sep	9.21	9.14	8.91	8.94	8.78	8.32	8.70	8.50	9.02
Oct	8.91	8.95	8.87	8.81	8.54	8.40	8.65	8.85	9.08
Nov	8.71	8.76	8.74	8.55	8.41	8.36	8.85	8.73	8.94
Dec	8.22	8.20	8.17	7.92	8.01	7.88	8.28	8.45	8.55

1/ Simple average.

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

Continues



Continues

Representative Interest Rates
Yields on Public Securities
Annual percentage rates ^{1/}

	BONDES ^{2/}	UDIBONOS ^{3/}	BPA's ^{4/5/}	BPAT's ^{4/6/}	BPA 182 ^{4/2/}
	5 years (1820 days)	10 years (3640 days)	3 years (1092 days)	5 years (1820 days)	7 years (2548 days)
1995					
1996					
1997					
1998					
1999		6.93			
2000	0.94	6.74	1.11		
2001	0.67	6.63	0.82		
2002	0.40	5.52	0.73	0.84	
2003	0.42	4.59	0.60	0.69	
2004	0.25	4.79	0.38	0.40	0.38
2005	0.16	4.92	0.23	0.21	0.20
2003					
Jan	0.52	5.50	0.70	0.90	
Feb	0.48	5.44	0.68	0.87	
Mar	0.46	5.13	0.67	0.83	
Apr	0.39		0.58	0.67	
May	0.33	4.71	0.59	0.63	
Jun	0.36	4.19	0.60	0.66	
Jul	0.45	4.34	0.61	0.69	
Aug	0.49		0.62	0.71	
Sep	0.48	4.08	0.57	0.61	
Oct	0.35	3.89	0.55	0.58	
Nov	0.38		0.53	0.54	
Dec	0.40	4.00	0.51	0.54	
2004					
Jan	0.37	3.99	0.45	0.51	
Feb	0.37	4.07	0.45	0.53	
Mar	0.37		0.41	0.50	
Apr	0.27	4.21	0.38	0.46	
May	0.25	5.12	0.37	0.39	0.41
Jun	0.22		0.38	0.37	0.39
Jul	0.20	5.59	0.38	0.37	0.41
Aug	0.22	5.29	0.39	0.37	0.40
Sep	0.21	5.00	0.38	0.37	0.39
Oct	0.19	4.74	0.34	0.35	0.39
Nov	0.17	4.96	0.33	0.32	0.36
Dec	0.16	4.88	0.31	0.30	0.29
2005					
Jan	0.16	5.16	0.27	0.26	0.26
Feb	0.16	5.07	0.22	0.23	0.24
Mar	0.16	5.08	0.23	0.22	0.24
Apr	0.16	5.99	0.22	0.22	0.23
May	0.15	5.67	0.24	0.22	0.23
Jun	0.14	5.03	0.22	0.20	0.20
Jul	0.15	4.90	0.21	0.17	0.17
Aug	0.14	4.75	0.23	0.18	0.18
Sep	0.15	4.18	0.23	0.17	0.09
Oct	0.16	4.40	0.24	0.20	0.22
Nov	0.16	4.51	0.22	0.21	0.20
Dec	0.17	4.30	0.20	0.21	0.18

1/ Simple average.

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

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

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

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

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



Table A 39
Representative Interest Rates
 Cost of Bank Term Deposits, Interbank Interest Rates, Bank Funding Rates and Commercial Paper
 Annual percentage rates ^{1/}

	Cost of Bank Term Deposits				Interbank Interest Rates			Weighted Average Funding Rate		Short-term	
	CCP	CCP-USD	CCP-Udis	CPP	CCP Development Banks	28-day TIIE	91-day TIIE	91-day Mexibor	Bank	Government	Private Securities ^{2/}
1995			6.81	45.12		55.21			52.56	48.00	59.43
1996	30.92	7.19	7.92	30.71		33.61			32.15	30.53	36.39
1997	20.04	6.63	6.59	19.12		21.91	22.29		20.98	19.88	22.14
1998	22.39	6.41	5.77	21.09		26.89	27.14		24.93	23.70	26.36
1999	20.89	6.32	4.07	19.73		24.10	24.63		22.45	20.80	23.74
2000	14.59	6.77	4.06	13.69	17.69	16.96	17.23		16.16	15.34	16.93
2001	10.95	5.33	5.26	10.12	12.75	12.89	13.43	10.42	11.95	11.13	12.80
2002	6.17	3.30	5.82	5.36	7.72	8.17	8.45	8.09	7.15	7.00	8.21
2003	5.15	2.95	5.75	4.45	6.61	6.83	7.15	6.81	6.15	5.96	7.02
2004	5.41	2.91	4.88	4.62	6.95	7.15	7.44	7.26	6.75	6.57	7.44
2005	7.64	3.61	5.50	6.47	9.46	9.61	9.63	9.50	9.30	9.00	9.70
2003											
Jan	6.42	3.17	5.51	5.37	8.31	9.14	9.38	8.95	8.29	8.09	9.58
Feb	7.16	3.21	5.40	6.26	9.15	9.91	9.85	9.37	9.12	8.84	9.95
Mar	7.24	3.12	5.44	6.38	9.36	9.96	10.04	9.43	9.08	8.84	9.99
Apr	6.71	2.91	5.45	5.89	8.42	8.58	8.55	8.63	7.71	7.56	8.84
May	5.03	2.89	5.50	4.37	6.41	5.92	6.74	6.99	5.15	4.95	5.99
Jun	4.50	3.07	5.59	3.91	5.64	5.79	6.19	5.93	5.25	5.05	5.98
Jul	4.14	2.88	5.70	3.59	5.25	5.30	5.70	5.36	4.50	4.31	5.31
Aug	3.83	2.92	5.79	3.33	4.90	4.97	5.54	5.08	4.22	4.05	5.10
Sep	3.87	2.86	6.14	3.34	5.02	5.05	5.50	5.08	4.32	4.18	5.25
Oct	4.16	2.82	6.25	3.59	5.40	5.60	5.93	5.38	5.13	4.96	5.86
Nov	4.07	2.76	6.26	3.48	5.37	5.35	5.83	5.35	4.99	4.82	5.64
Dec	4.66	2.79	5.95	3.91	6.11	6.40	6.57	6.22	6.08	5.92	6.78
2004											
Jan	4.36	2.59	5.50	3.67	5.73	5.36	5.55	5.29	5.07	4.93	5.57
Feb	4.28	2.51	4.76	3.64	5.70	5.79	6.07	5.76	5.67	5.48	6.27
Mar	4.93	2.75	4.79	4.19	6.38	6.49	6.55	6.26	6.41	6.24	7.04
Apr	4.82	3.01	4.80	4.12	6.16	6.17	6.37	6.23	5.96	5.81	6.42
May	5.09	2.98	5.29	4.30	6.53	6.95	7.31	7.15	6.41	6.23	7.24
Jun	5.17	2.94	5.36	4.41	6.66	7.02	7.59	7.46	6.36	6.15	7.25
Jul	5.38	2.96	4.49	4.59	6.87	7.11	7.63	7.34	6.64	6.46	7.54
Aug	5.61	3.02	4.50	4.77	7.18	7.50	7.84	7.73	6.96	6.77	7.66
Sep	5.82	3.03	4.48	5.03	7.47	7.78	8.06	7.95	7.29	7.09	7.98
Oct	6.08	2.97	4.58	5.26	7.82	8.05	8.46	8.23	7.67	7.47	8.29
Nov	6.47	3.06	4.74	5.63	8.21	8.60	8.85	8.74	8.01	7.82	8.85
Dec	6.92	3.05	5.25	5.84	8.74	8.93	9.03	8.95	8.55	8.38	9.15
2005											
Jan	6.99	3.11	5.46	5.85	8.91	8.97	9.03	8.95	8.73	8.55	9.01
Feb	7.19	3.26	5.61	6.08	9.17	9.47	9.59	9.40	9.12	8.88	9.77
Mar	7.52	3.27	5.63	6.39	9.41	9.78	9.98	9.84	9.28	9.05	10.12
Apr	7.78	3.40	5.67	6.61	9.67	10.01	10.22	10.11	9.52	9.30	10.18
May	8.02	3.49	5.69	6.78	9.81	10.12	10.21	10.11	9.75	9.40	10.43
Jun	7.99	3.58	5.78	6.71	9.83	10.01	10.01	9.94	9.75	9.34	10.08
Jul	7.96	3.61	5.56	6.72	9.86	10.01	10.03	9.87	9.75	9.33	10.01
Aug	8.03	3.77	5.33	6.84	9.85	9.98	10.03	9.84	9.71	9.29	10.05
Sep	7.88	3.87	5.32	6.71	9.63	9.65	9.45	9.40	9.43	9.09	9.59
Oct	7.73	3.92	5.32	6.62	9.40	9.41	9.25	9.14	9.23	8.97	9.32
Nov	7.45	4.03	5.32	6.38	9.16	9.17	9.14	8.88	8.96	8.67	9.19
Dec	7.15	4.04	5.36	5.89	8.78	8.72	8.64	8.54	8.40	8.15	8.59

1/ Simple average.

2/ 28-day interest rate calculated based on data from the Mexican Stock Exchange (Bolsa Mexicana de Valores, BMV).



Table A 40
Representative Exchange Rates
Pesos per US dollar

	Exchange rate for settling 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
2001	9.1423	9.3425	9.1350	9.3350	9.1600	9.3399
2002	10.3125	9.6560	10.3800	9.6658	10.3950	9.6704
2003	11.2360	10.7890	11.2285	10.7972	11.2320	10.8023
2004	11.2648	11.2860	11.1500	11.2859	11.1510	11.2893
2005	10.7777	10.8979	10.6255	10.8923	10.6271	10.8945
2002						
Jan	9.1714	9.1614	9.1560	9.1637	9.1600	9.1674
Feb	9.0815	9.1062	9.1230	9.0975	9.1270	9.1011
Mar	9.0298	9.0809	9.0125	9.0690	9.0150	9.0712
Apr	9.3196	9.1317	9.3910	9.1664	9.3940	9.1701
May	9.6134	9.4899	9.6450	9.5202	9.6500	9.5243
Jun	9.9998	9.7378	9.9600	9.7646	9.9650	9.7699
Jul	9.6944	9.7978	9.8710	9.7847	9.8750	9.7890
Aug	9.8990	9.8258	9.9400	9.8407	9.9480	9.8467
Sep	10.1667	10.0425	10.2100	10.0718	10.2140	10.0768
Oct	10.1593	10.0961	10.1800	10.0890	10.1910	10.0948
Nov	10.1496	10.2032	10.1420	10.1928	10.1490	10.1975
Dec	10.3125	10.1982	10.3800	10.2293	10.3950	10.2359
2003						
Jan	10.9863	10.5762	10.9055	10.6416	10.9130	10.6471
Feb	11.0329	10.9216	11.0170	10.9354	11.0220	10.9405
Mar	10.7671	10.9427	10.7560	10.9032	10.7600	10.9084
Apr	10.4304	10.6324	10.2570	10.5791	10.2700	10.5847
May	10.4063	10.2506	10.3150	10.2570	10.3230	10.2617
Jun	10.4808	10.4953	10.4400	10.5038	10.4500	10.5103
Jul	10.4878	10.4434	10.5800	10.4588	10.5875	10.4644
Aug	10.9337	10.7327	11.0470	10.7956	11.0500	10.8006
Sep	10.9272	10.9255	10.9975	10.9288	11.0025	10.9326
Oct	11.1078	11.1704	11.0300	11.1703	11.0340	11.1758
Nov	11.3522	11.1145	11.3700	11.1449	11.3800	11.1492
Dec	11.2360	11.2629	11.2285	11.2480	11.2320	11.2527
2004						
Jan	10.9145	10.9308	11.0380	10.9235	11.0440	10.9275
Feb	11.0932	11.0128	11.0615	11.0253	11.0650	11.0294
Mar	11.1540	10.9984	11.1220	11.0110	11.1240	11.0153
Apr	11.3387	11.2535	11.4120	11.2770	11.4140	11.2801
May	11.4515	11.5119	11.4390	11.5142	11.4440	11.5186
Jun	11.4116	11.3790	11.5085	11.3926	11.5130	11.3958
Jul	11.4801	11.4735	11.4150	11.4596	11.4160	11.4634
Aug	11.3739	11.3957	11.3750	11.3895	11.3800	11.3923
Sep	11.4106	11.4858	11.3735	11.4834	11.3775	11.4865
Oct	11.5118	11.3864	11.5310	11.3913	11.5340	11.3948
Nov	11.2470	11.3938	11.2375	11.3652	11.2395	11.3677
Dec	11.2648	11.2100	11.1500	11.1977	11.1510	11.2007
2005						
Jan	11.2991	11.2556	11.1770	11.2588	11.1800	11.2617
Feb	11.0955	11.1502	11.1000	11.1339	11.1025	11.1360
Mar	11.2942	11.1326	11.1650	11.1437	11.1670	11.1464
Apr	11.1033	11.1262	11.0485	11.1121	11.0505	11.1143
May	10.9030	10.9920	10.8660	10.9660	10.8700	10.9683
Jun	10.8428	10.8340	10.7760	10.8179	10.7775	10.8200
Jul	10.6430	10.6931	10.6020	10.6755	10.6040	10.6776
Aug	10.8936	10.6703	10.7510	10.6895	10.7520	10.6916
Sep	10.8495	10.7791	10.7610	10.7791	10.7635	10.7813
Oct	10.9092	10.8312	10.7900	10.8391	10.7910	10.8410
Nov	10.5670	10.6903	10.5565	10.6642	10.5585	10.6660
Dec	10.7777	10.6201	10.6255	10.6277	10.6271	10.6303

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. Published in Mexico's Official Gazette (*Diario Oficial de la Federación*) one banking business day after its determination date. It is used to settle liabilities denominated in foreign currency payable in Mexico on the next day.

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

Table A 41
Dollar Auction ^{1/}
Millions

	Daily amount to be auctioned (US dollars)	Amount auctioned during the month ^{2/}		Alloted weighted exchange rate ^{3/}
		US dollars	Pesos	
2003				
May	32	672	6,891	10.2546
Jun	32	672	7,063	10.5098
Jul	32	736	7,689	10.4476
Aug	14	294	3,170	10.7817
Sep	14	294	3,213	10.9287
Oct	14	322	3,598	11.1738
Nov	6	114	1,271	11.1471
Dec	6	126	1,417	11.2472
2004				
Jan	6	126	1,375	10.9157
Feb	45	855	9,422	11.0203
Mar	45	1,035	11,390	11.0052
Apr	45	900	10,146	11.2739
May	22	462	5,319	11.5125
Jun	22	484	5,512	11.3876
Jul	22	484	5,547	11.4609
Aug	22	484	5,514	11.3936
Sep	22	462	5,306	11.4855
Oct	22	462	5,266	11.3992
Nov	22	484	5,501	11.3666
Dec	22	506	5,669	11.2035
2005				
Jan	22	462	5,200	11.2552
Feb	23	460	5,123	11.1365
Mar	23	460	5,124	11.1394
Apr	23	483	5,369	11.1154
May	15	330	3,621	10.9716
Jun	15	330	3,571	10.8204
Jul	15	315	3,364	10.6805
Aug	12	276	2,949	10.6850
Sep	12	252	2,715	10.7757
Oct	12	252	2,729	10.8309
Nov	18	396	4,224	10.6674
Dec	18	378	4,017	10.6279

1/ Mechanism established by the Foreign Exchange Commission (*Comisión de Cambios*) to reduce the rate of international reserve accumulation via the auction of US dollars.

2/ Figures according to the day of auction.

3/ Figures weighted according to total amount of US dollars to be sold on the day of auction.



Table A 42
Mexican Stock Exchange Market Capitalization
 Million pesos, according to last listed prices

	Overall Total	Mining	Manufacturing	Construction	Retail and Commerce	Transport and Communications	Services	Other ^{1/}
2000	1,203,021	21,090	221,051	80,229	176,895	430,977	203,729	69,049
2001	1,157,600	9,565	211,339	103,222	181,424	427,960	154,211	69,879
2002	1,079,221	15,145	214,150	106,035	170,182	370,522	128,310	74,877
2003	1,376,927	45,134	197,027	161,935	226,695	500,344	144,949	100,843
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
2002								
Jan	1,236,159	14,215	219,501	109,304	186,485	457,255	171,098	78,300
Feb	1,175,488	13,555	223,872	101,754	189,898	404,000	166,751	75,658
Mar	1,269,236	16,041	247,085	119,722	206,368	420,910	177,016	82,093
Apr	1,298,654	18,669	254,860	130,626	217,325	418,623	173,065	85,486
May	1,235,665	21,176	253,023	127,275	200,860	391,581	159,391	82,358
Jun	1,144,051	17,209	243,093	120,030	190,900	344,959	151,923	75,935
Jul	1,036,179	16,410	228,966	111,833	185,664	310,644	107,451	75,210
Aug	1,061,708	14,365	232,897	113,963	186,448	326,671	113,044	74,319
Sep	988,806	6,373	226,254	104,419	170,749	305,512	106,237	69,263
Oct	1,026,787	6,058	230,533	103,054	174,028	330,533	113,236	69,344
Nov	1,075,547	13,903	221,606	110,727	174,062	371,059	111,205	72,986
Dec	1,079,221	15,145	214,150	106,035	170,182	370,522	128,310	74,877
2003								
Jan	996,585	17,309	168,747	100,913	170,915	343,994	131,246	63,463
Feb	977,946	16,086	166,714	97,591	172,127	338,538	121,349	65,540
Mar	969,031	15,059	166,254	97,481	175,943	328,795	119,953	65,545
Apr	1,052,761	16,203	176,119	116,175	190,763	352,204	129,635	71,661
May	1,083,676	17,486	181,677	116,323	196,653	366,225	130,588	74,722
Jun	1,139,769	17,100	188,271	126,221	205,664	391,797	134,574	76,143
Jul	1,163,955	18,853	182,110	135,067	209,227	416,149	123,958	78,591
Aug	1,188,071	18,935	179,223	145,239	203,169	436,453	123,902	81,151
Sep	1,221,454	22,916	181,365	146,629	213,098	441,482	131,871	84,093
Oct	1,265,979	29,297	179,194	147,293	216,164	461,487	142,061	90,483
Nov	1,343,781	30,464	189,000	158,865	227,845	494,610	148,151	94,845
Dec	1,376,927	45,134	197,027	161,935	226,695	500,344	144,949	100,843
2004								
Jan	1,464,863	47,530	210,152	182,541	238,106	526,563	147,305	112,666
Feb	1,546,356	55,807	221,551	187,051	250,669	558,454	156,058	116,767
Mar	1,624,696	59,379	230,415	193,313	257,784	597,199	166,695	119,910
Apr	1,570,017	49,057	224,848	193,997	253,293	568,726	168,644	111,453
May	1,555,003	46,528	219,623	177,515	255,742	572,367	169,079	114,150
Jun	1,610,722	47,427	226,228	196,719	257,223	590,788	174,698	117,639
Jul	1,591,127	49,662	225,212	192,919	257,142	571,803	178,125	116,266
Aug	1,577,087	53,715	228,181	191,911	266,144	571,103	145,263	120,771
Sep	1,687,781	60,813	239,563	198,652	282,469	611,759	170,643	123,883
Oct	1,753,973	62,177	246,235	204,458	284,146	662,856	167,864	126,238
Nov	1,810,375	70,235	259,239	218,869	293,976	685,923	149,708	132,425
Dec	1,916,618	72,479	282,035	241,646	294,503	740,438	143,762	141,755
2005								
Jan	1,950,473	72,109	282,547	257,633	293,385	740,644	163,061	141,093
Feb	2,034,984	79,710	297,828	267,463	307,262	781,681	158,053	142,988
Mar	1,894,099	75,407	276,451	246,149	294,549	703,802	161,897	141,093
Apr	1,822,148	66,775	250,788	237,724	297,651	673,517	164,104	131,590
May	1,929,210	67,245	279,185	249,663	306,653	723,250	167,213	136,002
Jun	2,039,580	66,974	337,960	276,254	320,866	744,236	161,033	132,256
Jul	2,114,616	68,165	360,324	299,810	338,058	734,389	175,162	138,708
Aug	2,099,809	67,298	352,940	306,710	332,916	727,229	174,527	138,188
Sep	2,338,213	75,634	372,228	336,341	376,227	841,831	168,939	167,012
Oct	2,299,162	74,126	362,348	333,376	364,492	821,372	159,612	183,835
Nov	2,703,939	83,575	367,583	626,910	387,711	885,208	164,852	188,100
Dec	2,543,771	89,036	362,336	368,992	399,823	953,698	168,316	201,570

^{1/}Includes mainly holding companies.

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

Table A 43
Mexican Stock Exchange Index (*Indice de Precios y Cotizaciones de la Bolsa Mexicana de Valores, IPC*)
 End of period
 October 1978=100

	Overall Total	Mining	Manufacturing	Construction	Retail and Commerce	Transport and Communications	Services	Other ^{1/}
2000	5,652	5,324	2,549	7,428	10,677	25,655	684	1,955
2001	6,372	2,455	2,303	9,919	12,322	27,237	872	2,081
2002	6,127	3,919	2,489	10,265	11,286	24,652	836	2,186
2003	8,795	10,390	2,948	14,635	15,325	36,721	1,103	3,198
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
2003								
Jan	5,954	4,479	2,319	9,600	11,295	24,369	859	1,985
Feb	5,927	4,163	2,308	9,451	11,470	24,083	863	2,061
Mar	5,914	3,897	2,284	9,292	11,891	23,806	854	2,052
Apr	6,510	4,193	2,428	11,064	12,988	25,404	917	2,246
May	6,699	4,525	2,511	11,094	13,392	26,290	927	2,353
Jun	7,055	4,425	2,604	11,588	14,055	28,267	955	2,394
Jul	7,355	4,879	2,563	12,377	14,341	30,081	957	2,470
Aug	7,591	4,900	2,618	13,305	13,887	31,587	975	2,561
Sep	7,822	5,930	2,670	13,421	14,549	32,055	1,038	2,657
Oct	8,065	6,745	2,654	13,491	14,666	33,563	1,070	2,871
Nov	8,554	7,013	2,803	14,313	15,410	36,057	1,115	3,002
Dec	8,795	10,390	2,948	14,635	15,325	36,721	1,103	3,198
2004								
Jan	9,429	10,942	3,136	16,329	16,093	38,869	1,183	3,512
Feb	9,992	12,847	3,320	16,723	16,739	41,618	1,251	3,648
Mar	10,518	13,670	3,467	17,361	17,238	44,612	1,367	3,653
Apr	9,948	11,294	3,353	17,211	16,850	42,187	1,389	3,416
May	10,036	10,711	3,275	17,306	17,091	42,820	1,400	3,506
Jun	10,282	10,918	3,389	17,596	17,218	43,814	1,464	3,621
Jul	10,116	11,433	3,352	17,124	17,303	42,589	1,496	3,584
Aug	10,264	12,366	3,350	17,172	17,950	42,539	1,509	3,729
Sep	10,957	14,000	3,491	17,445	19,128	45,772	1,684	3,828
Oct	11,564	14,314	3,608	18,094	19,239	50,458	1,681	3,910
Nov	12,103	16,169	3,803	19,412	19,972	51,645	1,821	4,114
Dec	12,918	16,686	4,159	21,353	20,040	56,329	1,858	4,399
2005								
Jan	13,097	16,601	4,206	22,421	20,016	56,397	1,948	4,376
Feb	13,789	18,350	4,386	23,280	21,172	59,628	2,019	4,435
Mar	12,677	16,993	4,029	21,432	20,280	53,737	1,895	4,201
Apr	12,323	15,046	3,869	20,672	20,524	51,691	1,927	4,074
May	12,964	15,143	3,941	21,720	20,640	56,187	1,956	4,201
Jun	13,486	15,091	4,108	23,492	21,698	58,201	1,918	4,266
Jul	14,410	15,356	4,364	25,483	23,031	61,867	2,118	4,488
Aug	14,243	15,173	4,241	25,847	22,677	61,355	2,107	4,504
Sep	16,120	17,092	4,456	28,293	25,868	71,243	2,262	4,797
Oct	15,760	16,749	4,306	27,929	25,006	70,014	2,131	4,770
Nov	16,831	18,947	4,417	29,491	26,872	75,270	2,109	4,910
Dec	17,803	20,214	4,611	30,743	27,731	80,359	2,144	5,406

^{1/} Includes mainly holding companies.

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



Public Finances

Table A 44
Public Finance Indicators (1995-2005)
 Percentage of GDP

I T E M	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Budgetary Revenues	22.8	23.0	23.0	20.3	20.8	21.6	21.9	22.1	23.2	23.0	23.3
Budgetary Expenditures	22.9	23.1	23.6	21.6	21.9	22.7	22.6	23.3	23.9	23.2	23.3
Budgetary Balance	-0.2	-0.1	-0.6	-1.2	-1.1	-1.1	-0.7	-1.2	-0.7	-0.3	-0.1
Non-Budgetary Balance ^{1/}	0.2	0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0
Economic Balance on a Cash Basis	0.0	0.0	-0.7	-1.2	-1.1	-1.1	-0.7	-1.2	-0.6	-0.2	-0.1
Primary Balance on a Cash Basis ^{2/}	4.7	4.3	3.5	1.7	2.5	2.6	2.6	1.7	2.1	2.5	2.5
Accrued Operational Balance ^{3/}	0.8	-0.4	0.2	-0.5	-1.2	-1.1	-1.6	-1.0	-0.9	0.2	0.1
Public Sector Total Net Debt ^{4/}	30.3	26.8	20.8	21.4	20.7	18.9	19.3	20.2	20.1	20.0	17.8
Financial Cost ^{5/}	4.6	4.4	4.1	2.9	3.6	3.7	3.2	2.8	2.8	2.7	2.5

Source: Ministry of Finance (SHCP).

1/ Includes statistical difference with the sources of financing methodology.

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

3/ Defined as public sector accrued balance less loss in value due to financial cost inflation.

4/ Includes net liabilities of both the federal government, and public enterprises and official financial intermediaries (development banks and public funds and trusts). Average stocks. Measured by Banco de México.

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

Note: Figures may not add up due to rounding.

Table A 45
Public Sector Revenues, Expenditures and Balances in 2004 and 2005

I T E M	2004		2005				Real Growth 2004-2005
	Observed		Programmed		Observed		
	Thousand million pesos	GDP Percentage	Thousand million pesos	GDP Percentage	Thousand million pesos	GDP Percentage	
Budgetary Revenues	1,771.3	23.0	1,781.0	21.7	1,948.2	23.3	5.8
Federal Government	1,270.2	16.5	1,280.1	15.6	1,413.2	16.9	7.0
Tax revenues	770.1	10.0	864.9	10.5	808.2	9.7	0.9
Income Tax (ISR)	345.2	4.5	388.1	4.7	384.5	4.6	7.1
Value Added Tax (IVA)	285.0	3.7	313.7	3.8	318.7	3.8	7.5
Special Tax on Production and Services (IEPS)	85.2	1.1	110.8	1.3	49.4	0.6	-44.2
Import Taxes	29.5	0.4	26.0	0.3	26.8	0.3	-12.6
Other	25.1	0.3	26.3	0.3	28.8	0.3	10.3
Non-tax revenues	500.1	6.5	415.2	5.0	605.0	7.2	16.3
Public Enterprises ^{1/}	501.1	6.5	500.9	6.1	535.0	6.4	2.7
PEMEX	190.8	2.5	183.2	2.2	185.6	2.2	-6.5
Other	310.3	4.0	317.7	3.9	349.4	4.2	8.3
Paid Budgetary Expenditures	1,792.3	23.2	1,798.4	21.9	1,953.7	23.3	4.8
Programmable	1,317.0	17.1	1,297.1	15.8	1,451.5	17.3	6.0
Deferred Payments	d.n.a.	d.n.a.	-20.0	-0.2	d.n.a.	d.n.a.	n.a.
Programmable Accrued	1,317.0	17.1	1,317.1	16.0	1,451.5	17.3	6.0
Current Expenditures	1,044.6	13.5	1,127.7	13.7	1,169.6	14.0	7.7
Wages and Salaries	517.9	6.7	558.7	6.8	557.5	6.7	3.5
Other Current Expenditures	526.7	6.8	569.0	6.9	612.1	7.3	11.7
Capital Expenditures	272.4	3.5	189.4	2.3	281.9	3.4	-0.5
Fixed Investment	227.6	3.0	187.0	2.3	234.8	2.8	-0.8
Financial Investment	44.7	0.6	2.4	0.0	47.1	0.6	1.2
Non-programmable	475.3	6.2	501.3	6.1	502.2	6.0	1.6
Financial Cost	206.8	2.7	221.6	2.7	210.4	2.5	-2.2
Federal Government	129.8	1.7	158.1	1.9	145.0	1.7	7.4
Financial Enhancing Program	44.9	0.6	31.8	0.4	27.5	0.3	-41.2
Organizations and Enterprises	32.1	0.4	31.8	0.4	37.9	0.5	13.8
State and Municipal Sharing	239.9	3.1	272.5	3.3	278.8	3.3	11.8
ADEFAS and other	28.6	0.4	7.3	0.1	13.0	0.2	-56.3
Budgetary Balance	-21.0	-0.3	-17.5	-0.2	-5.5	-0.1	-74.7
Non-budgetary Balance	1.8	0.0	0.0	0.0	-2.0	0.0	n.a.
Direct Balance	5.7	0.1	0.0	0.0	2.5	0.0	-57.7
Difference with Sources of Financing Methodology ^{2/}	-3.9	-0.1	0.0	0.0	-4.5	-0.1	10.8
Public Balance in a Cash Basis	-19.2	-0.2	-17.5	-0.2	-7.5	-0.1	-62.4
Primary Balance on a Cash Basis ^{3/}	191.6	2.5	205.0	2.5	207.4	2.5	4.1

Source: Ministry of Finance (SHCP).

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

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

3/ Defined as public sector balance less interest paid by the budgetary and non-budgetary sectors.

d.n.a. Does not apply.

Note: Figures may not add up due to rounding.

Table A 46
Public Sector Revenues, Expenditures and Balances (1995-2005)
 Percentage of GDP

I T E M	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Budgetary Revenues	22.8	23.0	23.0	20.3	20.8	21.6	21.9	22.1	23.2	23.0	23.3
Federal Government	15.2	15.5	15.8	14.2	14.7	15.8	16.2	15.8	16.4	16.5	16.9
Tax revenues	9.3	8.9	9.8	10.5	11.3	10.6	11.3	11.6	11.1	10.0	9.7
Non-tax revenues	6.0	6.6	6.0	3.7	3.3	5.2	4.9	4.2	5.3	6.5	7.2
Public enterprises and institutions ^{1/}	7.5	7.4	7.2	6.2	6.1	5.8	5.7	6.3	6.8	6.5	6.4
PEMEX	2.7	2.9	2.7	2.1	2.2	2.0	1.8	2.4	2.5	2.5	2.2
Other	4.9	4.5	4.5	4.0	3.9	3.8	3.9	4.0	4.2	4.0	4.2
Budgetary Expenditure	22.9	23.1	23.6	21.6	21.9	22.7	22.6	23.3	23.9	23.2	23.3
Programmable expenditures	15.4	15.7	16.2	15.5	15.3	15.7	15.9	16.9	17.6	17.1	17.3
Current expenditures	12.1	12.0	12.8	12.4	12.5	13.0	13.3	13.8	14.6	13.5	14.0
Capital expenditures	3.2	3.7	3.5	3.1	2.8	2.7	2.6	3.2	3.0	3.5	3.4
Non-programmable expenditures	7.6	7.4	7.4	6.1	6.6	7.0	6.6	6.4	6.3	6.2	6.0
Financial Cost	4.6	4.4	4.1	2.9	3.6	3.7	3.2	2.8	2.8	2.7	2.5
State and Municipal Sharing	2.7	2.8	3.0	3.0	3.1	3.2	3.4	3.4	3.3	3.1	3.3
ADEFAS and Other ^{2/}	0.3	0.3	0.3	0.3	0.0	0.1	0.0	0.1	0.2	0.4	0.2
Budgetary Balance	-0.2	-0.1	-0.6	-1.2	-1.1	-1.1	-0.7	-1.2	-0.7	-0.3	-0.1
Non-budgetary Balance	0.2	0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0
Public Sector Balance on a Cash Basis	0.0	0.0	-0.7	-1.2	-1.1	-1.1	-0.7	-1.2	-0.6	-0.2	-0.1
Primary Balance on a Cash Basis ^{3/}	4.7	4.3	3.5	1.7	2.5	2.6	2.6	1.7	2.1	2.5	2.5

Source: Ministry of Finance (SHCP).

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

2/ Includes federal government's third party operations.

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

Note: Figures may not add up due to rounding.

Table A 47
Public Sector Budgetary Revenues (1995-2005)
 Percentage of GDP

I T E M	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
BUDGETARY REVENUES	22.8	23.0	23.0	20.3	20.8	21.6	21.9	22.1	23.2	23.0	23.3
CLASSIFICATION I											
FEDERAL GOVERNMENT	15.2	15.5	15.8	14.2	14.7	15.8	16.2	15.8	16.4	16.5	16.9
Tax revenues	9.3	8.9	9.8	10.5	11.3	10.6	11.3	11.6	11.1	10.0	9.7
Income tax (<i>ISR</i>)	4.0	3.8	4.2	4.4	4.7	4.7	4.9	5.1	4.9	4.5	4.6
Value added tax (<i>IVA</i>)	2.8	2.9	3.1	3.1	3.3	3.4	3.6	3.5	3.7	3.7	3.8
Special Tax on Products and Services (<i>IEPS</i>)	1.3	1.2	1.4	2.0	2.3	1.5	1.9	2.2	1.7	1.1	0.6
Other	1.1	1.1	1.1	1.0	1.0	0.9	0.9	0.9	0.8	0.7	0.7
Non-tax revenues	6.0	6.6	6.0	3.7	3.3	5.2	4.9	4.2	5.3	6.5	7.2
Duties	3.8	4.5	4.2	2.7	2.3	3.8	3.5	2.5	3.9	4.8	5.9
Proceeds	0.5	0.3	0.3	0.3	0.2	0.1	0.1	0.1	0.1	0.1	0.1
Benefits	1.7	1.8	1.6	0.6	0.8	1.2	1.3	1.5	1.3	1.6	1.3
PUBLIC ENTERPRISES AND INSTITUTIONS	7.5	7.4	7.2	6.2	6.1	5.8	5.7	6.3	6.8	6.5	6.4
PEMEX	2.7	2.9	2.7	2.1	2.2	2.0	1.8	2.4	2.5	2.5	2.2
Other ^{1/}	4.9	4.5	4.5	4.0	3.9	3.8	3.9	4.0	4.2	4.0	4.2
CLASSIFICATION II											
OIL REVENUES	7.6	8.2	7.8	6.1	6.2	7.2	6.7	6.5	7.7	8.3	8.7
PEMEX	2.7	2.9	2.7	2.1	2.2	2.0	1.8	2.4	2.5	2.5	2.2
Exports	2.4	2.9	2.2	1.2	1.4	1.9	1.4	1.6	2.1	2.6	2.7
Domestic sales ^{2/}	4.2	4.5	4.6	3.3	3.0	4.1	3.8	3.2	4.4	5.0	5.8
(-) Taxes ^{3/}	4.0	4.6	4.1	2.4	2.2	4.0	3.4	2.4	4.0	5.2	6.3
Federal Government ^{4/}	4.9	5.3	5.2	3.9	4.0	5.2	4.9	4.1	5.2	5.8	6.5
NON-OIL REVENUES	15.2	14.8	15.2	14.3	14.6	14.5	15.2	15.6	15.5	14.7	14.6
Federal Government	10.3	10.3	10.7	10.2	10.6	10.6	11.3	11.6	11.2	10.7	10.4
Tax revenues	8.3	8.1	8.7	8.9	9.4	9.4	9.8	9.8	9.8	9.3	9.5
Income tax (<i>ISR</i>)	4.0	3.8	4.2	4.4	4.7	4.7	4.9	5.1	4.9	4.5	4.6
Value added tax (<i>IVA</i>)	2.8	2.9	3.1	3.1	3.3	3.4	3.6	3.5	3.7	3.7	3.8
Special Tax on Products and Services (<i>IEPS</i>)	0.4	0.4	0.3	0.4	0.4	0.3	0.4	0.4	0.4	0.4	0.4
Other	1.1	1.1	1.1	1.0	1.0	0.9	0.9	0.9	0.8	0.7	0.7
Non-tax revenues	2.0	2.1	1.9	1.3	1.2	1.2	1.5	1.8	1.4	1.4	0.9
Duties	0.3	0.3	0.3	0.4	0.3	0.3	0.3	0.3	0.3	0.2	0.2
Proceeds	0.5	0.3	0.3	0.3	0.2	0.1	0.1	0.1	0.1	0.1	0.1
Benefits	1.3	1.6	1.4	0.6	0.7	0.8	1.1	1.4	1.0	1.1	0.6
Public enterprises ^{1/}	4.9	4.5	4.5	4.0	3.9	3.8	3.9	4.0	4.2	4.0	4.2

Source: Ministry of Finance (SHCP).

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 revenues.

3/ Excludes taxes paid on behalf of third parties (*IVA* and *IEPS*).

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

Note: Figures may not add up due to rounding.

Table A 48
Public Sector Budgetary Expenditures (1995-2005)
 Percentage of GDP

I T E M	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
BUDGETARY EXPENDITURES	22.9	23.1	23.6	21.6	21.9	22.7	22.6	23.3	23.9	23.2	23.3
PROGRAMMABLE	15.4	15.7	16.2	15.5	15.3	15.7	15.9	16.9	17.6	17.1	17.3
Current expenditures	12.1	12.0	12.8	12.4	12.5	13.0	13.3	13.8	14.6	13.5	14.0
Wages and salaries	6.4	6.2	6.8	6.9	7.3	7.1	7.3	7.6	7.3	6.7	6.7
Direct	3.6	3.5	3.7	3.4	3.7	3.5	3.7	3.9	3.8	3.3	3.1
Indirect ^{1/}	2.7	2.7	3.2	3.5	3.7	3.7	3.6	3.7	3.6	3.4	3.5
Acquisitions	1.6	1.7	1.6	1.6	1.2	1.5	1.5	1.3	1.7	1.6	1.6
Other ^{2/}	2.9	2.7	2.7	2.3	2.2	2.7	2.4	2.6	3.2	2.9	3.2
Subsidies and transfers ^{3/}	1.3	1.5	1.6	1.6	1.7	1.8	2.1	2.2	2.3	2.3	2.4
Capital expenditures	3.2	3.7	3.5	3.1	2.8	2.7	2.6	3.2	3.0	3.5	3.4
Fixed Investment	2.8	3.0	3.2	2.9	2.6	2.5	2.4	2.3	2.7	3.0	2.8
Direct	2.2	2.3	2.4	1.8	1.5	1.4	1.2	1.2	1.2	1.2	1.1
Indirect ^{4/}	0.6	0.7	0.8	1.2	1.0	1.1	1.3	1.2	1.5	1.7	1.8
Financial investment and other ^{5/}	0.4	0.7	0.3	0.2	0.3	0.1	0.2	0.8	0.3	0.6	0.6
NON-PROGRAMMABLE	7.6	7.4	7.4	6.1	6.6	7.0	6.6	6.4	6.3	6.2	6.0
Financial cost	4.6	4.4	4.1	2.9	3.6	3.7	3.2	2.8	2.8	2.7	2.5
Federal Government	3.0	2.9	2.3	2.2	2.6	2.1	2.2	1.8	1.9	1.7	1.7
Organizations and Enterprises	0.8	0.8	1.3	0.3	0.5	1.1	0.7	0.7	0.4	0.6	0.3
Financial enhancing program	0.8	0.6	0.5	0.4	0.4	0.4	0.4	0.3	0.5	0.4	0.5
State and municipal sharing	2.7	2.8	3.0	3.0	3.1	3.2	3.4	3.4	3.3	3.1	3.3
ADEFAS and other ^{6/}	0.3	0.3	0.3	0.3	0.0	0.1	0.0	0.1	0.2	0.4	0.2

Source: Ministry of Finance (SHCP).

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.

Note: Figures may not add up due to rounding.

Table A 49
Public Sector Total Net Debt ^{1/}
Average stocks

Years	Broad Net Economic Debt ^{2/}				Debt Consolidated with Banco de México ^{3/}					
	Domestic		External		Total percentage of GDP	Domestic		External		Total percentage of GDP
	Thousand million pesos	Million dollars	US	Thousand Million pesos		Million pesos	Million dollars	US	Thousand Million pesos	
1981	0.7	43,782.0		1.1	29.1	0.8	39,529.0	1.0	28.4	
1982	1.6	60,849.0		3.5	51.5	1.6	59,623.0	3.4	50.6	
1983	3.0	64,166.0		7.8	59.5	3.0	62,358.0	7.6	58.0	
1984	5.0	70,833.0		12.0	56.3	5.6	65,135.0	11.1	55.0	
1985	7.6	74,711.0		19.8	56.2	8.0	70,443.0	18.7	54.7	
1986	14.8	76,463.0		48.3	76.5	14.4	75,447.0	47.7	75.2	
1987	29.0	81,922.0		116.8	71.8	37.1	74,880.0	106.2	70.6	
1988	65.4	84,097.0		191.3	61.7	73.0	76,410.0	173.9	59.3	
1989	97.7	81,967.0		202.8	54.8	87.6	80,089.0	198.2	52.1	
1990	125.9	74,598.0		210.5	45.5	113.3	73,235.0	206.6	43.3	
1991	127.9	68,915.0		208.3	35.4	133.1	59,888.0	180.9	33.1	
1992	85.4	68,072.0		211.0	26.3	100.4	55,198.0	171.1	24.1	
1993	54.8	68,522.0		213.1	21.3	78.3	50,914.0	158.3	18.8	
1994	43.2	73,080.0		256.5	21.1	63.8	58,469.0	207.6	19.1	
1995	24.7	81,864.0		533.1	30.3	-24.2	84,101.0	547.1	28.4	
1996	30.4	85,376.0		648.3	26.8	5.9	82,289.0	624.6	24.9	
1997	47.2	77,569.0		614.6	20.8	112.9	62,596.0	495.7	19.1	
1998	103.7	77,805.0		718.7	21.4	239.9	56,173.0	518.8	19.7	
1999	199.1	78,621.0		752.2	20.7	391.6	53,461.0	511.7	19.6	
2000	384.9	76,466.0		724.1	18.9	653.7	44,256.0	419.1	18.3	
2001	417.1	75,746.6		706.5	19.3	788.6	34,588.9	322.8	19.1	
2002	568.0	73,556.1		716.1	20.5	994.7	27,058.0	262.7	20.1	
2003	609.5	74,932.8		812.1	20.6	1,159.1	19,818.8	214.5	19.9	
2004 ^{p/}	722.4	74,666.0		844.2	20.4	1,391.7	12,668.3	143.2	19.9	
2005 ^{p/}	769.8	68,832.4		748.9	18.1	1,530.5	1,422.2	16.6	18.5	

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

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. Ratios to GDP are calculated using the average GDP of the four quarters of the year.

2/ The broad net economic debt includes net liabilities from the federal government and non-financial public enterprises, as well as indebtedness and financial assets 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.

p/ Preliminary figures.

Table A 50
Public Sector Total Net Debt ^{1/}
End of period outstanding stocks

Years	Broad Debt ^{2/}				Debt Consolidated with Banco de México ^{3/}				
	Domestic		External		Domestic		External		Total percentage of GDP
	Thousand million pesos	Million US dollars	Thousand million pesos	US	Thousand million pesos	Million US dollars	Thousand million pesos		
1981	0.9	55,987.0	1.5		34.2	1.0	50,857.0	1.3	33.4
1982	2.6	63,171.0	6.1		69.9	2.4	62,558.0	6.0	67.7
1983	4.1	67,166.0	9.6		62.0	4.3	62,733.0	9.0	60.4
1984	5.7	74,214.0	14.2		56.9	6.6	66,871.0	12.8	55.3
1985	9.7	76,283.0	28.1		65.1	10.0	72,695.0	26.8	63.5
1986	21.2	80,093.0	73.3		89.9	22.2	76,751.0	70.2	87.9
1987	41.2	85,391.0	188.7		80.0	52.3	76,254.0	168.5	76.8
1988	83.0	84,814.0	193.5		60.4	76.6	82,643.0	188.5	57.9
1989	108.8	80,562.0	212.8		53.8	97.3	79,421.0	209.7	51.4
1990	138.1	72,629.0	213.9		41.4	131.7	68,512.0	201.8	39.2
1991	117.5	69,181.0	212.5		31.6	130.7	57,494.0	176.6	29.4
1992	64.0	66,407.0	206.9		22.2	79.8	53,169.0	165.6	20.1
1993	50.9	68,515.0	212.8		19.8	87.4	47,937.0	148.9	17.7
1994	59.8	75,131.0	400.1		30.1	59.8	72,086.0	383.9	29.0
1995	11.2	87,639.0	669.8		32.0	-12.5	87,685.0	670.1	30.9
1996	70.0	79,849.0	626.9		24.1	73.6	73,628.0	578.0	22.5
1997	83.0	76,555.0	618.8		19.8	199.6	56,739.0	458.6	18.6
1998	149.9	80,465.0	793.8		22.5	307.3	56,970.0	562.0	20.7
1999	262.3	78,146.0	743.5		20.0	482.8	50,777.0	483.1	19.3
2000	474.3	73,820.5	709.4		19.7	775.0	38,700.1	371.9	19.0
2001	497.0	74,747.8	685.4		19.8	912.6	30,099.8	276.0	19.9
2002	661.5	73,424.5	766.5		21.4	1,138.1	22,903.8	239.1	20.6
2003	731.0	74,947.5	842.2		21.6	1,330.3	15,769.1	177.2	20.7
2004 ^{p/}									
Jan	719.5	79,300.3	874.0			1,372.9	16,132.3	177.8	
Feb	726.3	77,220.0	854.1			1,373.8	13,941.4	154.2	
Mar	724.3	76,135.6	850.8	21.5		1,359.2	14,317.9	160.0	20.6
Apr	719.7	75,903.0	866.0			1,382.0	15,373.4	175.4	
May	683.2	74,307.7	848.2			1,337.7	13,754.2	157.0	
Jun	717.0	75,265.9	867.5	20.9		1,376.9	14,576.0	168.0	20.3
Jul	734.6	73,738.4	841.2			1,399.8	13,166.3	150.2	
Aug	707.6	73,791.6	839.8			1,379.2	12,459.7	141.8	
Sep	699.4	73,574.9	837.9	20.5		1,389.4	11,072.7	126.1	20.1
Oct	754.1	71,843.3	829.0			1,429.9	10,650.8	122.9	
Nov	732.2	71,876.7	807.7			1,435.8	7,920.1	89.0	
Dec	751.3	73,034.7	814.3	18.8		1,463.7	8,655.1	96.5	18.7
2005 ^{p/}									
Jan	747.5	74,575.8	836.3			1,474.2	9,300.8	104.3	
Feb	799.7	73,095.1	811.1			1,520.1	8,840.6	98.1	
Mar	741.0	72,846.5	814.3	19.5		1,463.9	8,543.3	95.5	19.6
Apr	739.9	70,241.4	778.5			1,446.8	7,236.2	80.2	
May	746.6	68,422.5	746.9			1,449.6	6,284.4	68.6	
Jun	777.8	68,267.9	735.6	18.2		1,524.0	2,440.8	26.3	18.6
Jul	761.0	67,982.3	721.0			1,507.3	1,272.9	13.5	
Aug	760.5	67,086.4	724.5			1,521.6	-1,361.2	-14.7	
Sep	768.5	66,548.0	718.1	18.2		1,562.2	-3,651.3	-39.4	18.6
Oct	781.5	66,393.5	716.1			1,594.7	-5,034.4	-54.3	
Nov	793.7	65,458.0	692.5			1,625.7	-7,552.5	-79.9	
Dec	820.1	65,071.8	692.0	16.8		1,675.7	-9,253.0	-98.4	17.5

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

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. Ratios to GDP are calculated using the GDP of the fourth quarter of the year.

2/ The broad net economic debt includes net liabilities from the federal government and non-financial public enterprises, as well as indebtedness and financial assets 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.

p/ Preliminary figures.

Table A 51
Non-financial Public Sector Net Debt ^{1/}
 Traditional methodology
 End of period outstanding stocks

Non-financial Public Sector Net Debt					
	Domestic		External	Total Net Debt	
	Thousand million pesos	Million US dollars	Thousand million pesos	Percentage of GDP	
1982	4.9	37,826	3.6	81.8	
1983	7.7	44,517	6.4	62.7	
1984	10.9	46,054	8.8	63.7	
1985	20.0	48,155	17.7	75.2	
1986	48.5	49,802	45.6	114.3	
1987	111.1	52,747	116.6	112.0	
1988	156.1	54,341	124.0	67.8	
1989	195.3	53,184	140.5	61.6	
1990	207.7	48,905	144.0	47.9	
1991	205.9	48,368	148.5	37.5	
1992	170.0	45,805	142.7	27.8	
1993	172.3	41,441	128.7	24.0	
1994	257.9	41,033	218.5	33.5	
1995	278.2	51,637	394.6	36.6	
1996	319.7	53,921	466.7	31.1	
1997	336.2	52,855	427.2	24.0	
1998	443.8	52,424	517.2	25.0	
1999	544.4	57,244	543.7	23.7	
2000	686.3	51,506	495.0	21.5	
2001	770.3	53,253	488.3	21.7	
2002	923.1	51,487	537.5	23.3	
2003	Jan	937.1	55,382	604.0	
	Feb	945.9	55,404	611.2	
	Mar	925.4	56,408	608.6	22.8
	Apr	885.8	58,266	600.1	
	May	916.9	55,459	573.3	
	Jun	919.0	55,036	574.4	21.6
	Jul	924.8	54,372	572.2	
	Aug	939.5	53,596	592.1	
	Sep	953.7	54,036	595.1	23.2
	Oct	967.5	54,586	603.3	
	Nov	977.8	54,478	621.0	
	Dec	1027.1	55,067	618.8	23.9
2004	Jan	959.2	59,368	654.3	
	Feb	933.7	59,257	655.4	
	Mar	944.0	58,461	653.3	21.7
	Apr	918.8	58,243	664.5	
	May	880.6	57,789	659.6	
	Jun	923.8	58,869	678.5	21.0
	Jul	921.4	58,323	665.3	
	Aug	916.7	58,810	669.3	
	Sep	920.3	58,879	670.5	21.1
	Oct	980.0	56,987	657.6	
	Nov	951.4	57,698	648.4	
	Dec	1001.3	58,880	656.5	21.5
2005 ^{p/}	Jan	1006.0	37,826	683.9	
	Feb	1013.5	44,517	669.1	
	Mar	967.0	46,054	667.1	20.5
	Apr	965.1	48,155	641.2	
	May	992.3	49,802	609.1	
	Jun	1017.6	52,747	613.4	19.6
	Jul	1022.5	54,341	601.1	
	Aug	1015.2	53,184	611.2	
	Sep	1006.9	48,905	604.8	19.7
	Oct	1010.5	48,368	608.5	
	Nov	1022.6	45,805	589.7	
	Dec	993.7	41,441	589.5	18.9

Source: Banco de México.

^{1/} Non-financial public sector net indebtedness 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. Data on net indebtedness differs from that published by the Ministry of Finance because the former uses preliminary figures from the banking system, which are subject to revisions.

p/ preliminary figures.

Table A 52
Federal Government Domestic Debt Securities
 Total circulation per instrument ^{1/}
 Current stocks in million pesos at market value

Stocks at end of period	Total Securities in Circulation	CETES	BONDES	UDIBONOS	Fixed rate Bonds	Other securities ^{2/}	
1986	10,528	8,185	0	0		2,343	
1987	32,679	28,006	358	0		4,315	
1988	74,945	42,878	20,186	0		11,882	
1989	122,127	54,353	55,677	0		12,097	
1990	161,433	72,001	64,513	0		24,919	
1991	171,654	72,658	57,979	0		41,017	
1992	134,755	59,338	36,847	0		38,570	
1993	138,318	81,431	17,036	0		39,852	
1994	228,885	40,689	8,316	0		179,881	
1995	136,000	48,590	44,970	0		42,440	
1996	161,572	62,114	67,849	5,357		26,252	
1997	272,210	137,813	81,768	36,678		15,951	
1998	353,240	127,600	151,836	62,833		10,970	
1999	546,324	129,045	337,271	80,008		1	
2000	716,839	175,069	420,256	86,645	34,870	0	
2001	762,838	196,674	348,988	94,847	122,330	0	
2002	875,640	197,439	343,345	99,768	235,089	0	
2003	1,024,457	212,913	355,994	94,651	360,899	0	
2004	Jan	1,018,156	214,794	360,840	77,989	364,533	0
	Feb	1,030,317	232,530	346,329	79,735	371,723	0
	Mar	1,049,905	236,619	351,973	79,794	381,517	0
	Apr	1,057,488	247,944	341,274	78,661	389,609	0
	May	1,064,590	248,481	345,221	80,457	390,431	0
	Jun	1,060,976	257,630	331,831	78,904	392,611	0
	Jul	1,072,543	257,598	333,600	78,147	403,198	0
	Aug	1,082,990	263,073	320,112	80,206	419,598	0
	Sep	1,068,036	253,889	323,240	83,760	407,148	0
	Oct	1,069,905	246,324	310,003	85,737	427,841	0
	Nov	1,088,349	250,334	312,869	87,426	437,721	0
	Dec	1,084,463	251,498	316,299	89,800	426,867	0
2005 ^{p/}	Jan	1,094,595	260,928	296,863	90,969	445,834	0
	Feb	1,079,516	253,745	298,821	76,584	450,367	0
	Mar	1,101,925	264,520	301,456	78,534	457,415	0
	Apr	1,116,708	265,150	298,025	78,774	474,758	0
	May	1,131,861	280,318	301,214	81,479	468,851	0
	Jun	1,150,056	282,312	304,133	85,187	478,425	0
	Jul	1,165,818	292,275	295,364	87,348	490,832	0
	Aug	1,198,113	293,553	297,770	90,748	516,041	0
	Sep	1,225,107	293,297	299,635	94,989	537,185	0
	Oct	1,238,491	291,828	291,233	96,150	559,281	0
	Nov	1,263,326	290,859	293,225	99,075	580,168	0
	Dec	1,259,775	300,028	294,786	101,607	563,353	0

Source: Banco de México.

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

^{2/} Includes instruments that have gradually ceased to be placed such as public debt bonds, PETROBONOS, bank indemnity bonds, Treasury promissory notes (*Pagarés de la Tesorería de la Federación, PAGAFES*), urban reconstruction bonds, TESOBONOS and AJUSTABONOS.

p/ Preliminary figures.

Table A 53
Federal Government Domestic Debt Securities
 Total circulation per holding sector ^{1/}
 Current stocks in million pesos at market value

Stocks	Total	Private Firms	Non-bank	Banco	Development	Commercial	Other	REPOS	
at	Securities in	and	Public	de	Banks	Banks	Intermediaries		
End of period	Circulation	Individuals ^{2/}	Sector	México					
1986	10,528	3,724	132	6,209	132	331	0	0	
1987	32,679	14,482	396	14,131	815	2,856	0	0	
1988	74,945	34,837	584	24,096	851	14,562	0	15	
1989	122,127	56,511	793	33,746	1,274	27,737	0	2,066	
1990	161,433	82,373	1,302	37,990	609	36,517	653	1,989	
1991	171,654	75,855	2,602	31,814	808	55,450	931	4,193	
1992	134,755	75,593	4,680	26,251	174	21,604	1,229	5,225	
1993	138,318	117,005	4,999	4,286	51	2,461	1,231	8,286	
1994	228,885	141,603	6,501	2,525	2,232	6,115	0	69,910	
1995	136,000	93,455	8,955	13,991	2,886	16,712	0	0	
1996	161,572	130,211	14,158	11,301	1,890	4,012	0	0	
1997	272,210	212,538	39,560	0	2,505	17,607	0	0	
1998	353,240	320,167	24,630	0	231	8,212	0	0	
1999	546,324	511,580	27,080	0	2,701	4,963	0	0	
2000	716,839	658,712	34,602	0	8,942	14,584	0	0	
2001	762,838	683,445	27,932	0	10,068	41,393	0	0	
2002	875,640	796,272	37,736	0	5,729	35,904	0	0	
2003	1,024,457	862,037	72,765	0	13,488	76,168	0	0	
2004	Jan	1,018,156	851,099	75,699	0	9,349	82,008	0	0
	Feb	1,030,317	824,568	83,293	0	2,976	119,479	0	0
	Mar	1,049,905	833,239	86,196	0	9,670	120,800	0	0
	Apr	1,057,488	849,040	85,855	0	14,138	108,455	0	0
	May	1,064,590	836,833	97,343	0	15,504	114,909	0	0
	Jun	1,060,976	844,463	87,663	0	14,101	114,750	0	0
	Jul	1,072,543	862,695	90,288	0	6,819	112,740	0	0
	Aug	1,082,990	862,959	89,224	0	15,713	115,094	0	0
	Sep	1,068,036	845,395	101,628	0	19,092	101,920	0	0
	Oct	1,069,905	876,580	74,511	0	4,120	114,694	0	0
	Nov	1,088,349	861,179	75,669	0	20,922	130,580	0	0
	Dec	1,084,463	820,711	79,483	0	20,345	163,923	0	0
2005 ^{p/}	Jan	1,094,595	862,222	74,627	0	19,230	138,516	0	0
	Feb	1,079,516	859,914	62,942	0	5,840	150,821	0	0
	Mar	1,101,925	849,812	105,009	0	14,040	133,064	0	0
	Apr	1,116,708	864,641	105,016	0	12,434	134,616	0	0
	May	1,131,861	887,330	92,585	0	21,461	130,485	0	0
	Jun	1,150,056	912,256	88,406	0	11,233	138,161	0	0
	Jul	1,165,818	910,265	84,492	0	26,008	145,053	0	0
	Aug	1,198,113	914,614	105,602	0	31,237	146,660	0	0
	Sep	1,225,107	919,260	114,820	0	28,134	162,893	0	0
	Oct	1,238,491	953,530	116,290	0	18,987	149,684	0	0
	Nov	1,263,326	967,165	116,853	0	22,393	156,916	0	0
	Dec	1,259,775	951,094	108,636	0	18,771	140,172	0	41,102

Source: Banco de México.

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

2/ Includes securities held by SIEFORES since 1997.

3/ Due to methodological changes in the holding of securities by Private Enterprises and the Non-bank Public Sector, since 2000 it suffered modifications.

p/ Preliminary figures.



External Sector

Table A 54
External Sector Indicators

	1999	2000	2001	2002	2003	2004	2005 ^{p/}
BALANCE OF PAYMENTS							
Thousand million US dollars							
Current account	-13.9	-18.6	-17.6	-13.5	-8.6	-7.2	-5.7
Trade Balance ^{1/}	-5.6	-8.3	-9.6	-7.6	-5.8	-8.8	-7.6
Capital Account	14.2	19.0	26.0	24.9	19.3	13.7	13.8
Foreign Direct Investment	13.5	17.2	27.5	17.3	12.9	18.2	17.8
Change in international reserves	0.6	2.8	7.3	7.1	9.5	4.1	7.2
International reserves (stocks at end-period)	30.7	33.6	40.9	48.0	57.4	61.5	68.7
Percentage of GDP							
Current account	-2.9	-3.2	-2.8	-2.1	-1.3	-1.1	-0.8
Capital account	2.9	3.3	4.2	3.8	3.0	2.0	1.8
Foreign Trade							
Annual percentage change							
Exports	16.0	21.8	-4.4	1.4	2.3	14.1	13.7
Oil	36.4	61.8	-18.2	12.4	25.4	27.2	34.8
Non-oil	14.7	18.7	-2.9	0.4	0.0	12.4	10.6
Manufacturing ^{1/}	15.2	19.1	-2.7	0.6	-0.7	12.2	10.6
Other	2.0	7.9	-8.2	-5.2	20.7	19.0	10.8
Imports	13.2	22.9	-3.5	0.2	1.1	15.4	12.4
Consumer goods	9.6	37.1	18.3	7.2	1.6	18.1	24.0
Intermediate goods ^{1/}	12.7	22.3	-5.6	0.3	1.8	15.5	9.9
Capital goods	18.5	17.5	-6.8	-6.7	-3.8	11.8	16.0
Gross External Debt and Interest Paid							
Percent of Current Account Revenues							
Total external debt	104.5	82.3	84.5	82.6	80.9	72.2	64.9
Public sector ^{2/}	60.9	43.9	43.1	41.9	40.5	35.3	28.2
Private sector	43.6	38.5	41.3	40.7	40.4	36.8	36.8
Interest ^{3/}	5.1	3.7	3.7	3.4	3.1	2.2	1.9
Percentage of GDP							
Total external debt	34.6	27.3	25.3	23.9	24.7	23.7	21.5
Public sector ^{2/}	20.1	14.6	12.9	12.1	12.4	11.6	9.3
Private sector	14.4	12.8	12.4	11.8	12.3	12.1	12.2
Interest ^{3/}	2.7	2.4	2.0	1.8	1.8	1.6	1.6

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

1/Includes maquiladora industry.

2/Includes Banco de México.

3/Includes public and private sectors.

p/ Preliminary figures.

Note: Figures may not add up due to rounding.



Table A 55
Balance of Payments
Traditional format
Million US dollars

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005 ^{p/}
Current Account	-2,507.6	-7,665.0	-15,992.7	-13,916.2	-18,628.3	-17,644.6	-13,524.5	-8,621.0	-7,179.6	-5,708.3
Revenues	115,316.1	131,318.2	140,148.5	158,910.5	192,875.8	186,166.4	188,139.8	195,136.4	224,175.7	254,702.1
Merchandise Exports	95,999.7	110,431.4	117,539.3	136,361.8	166,120.7	158,779.7	161,046.0	164,766.4	187,998.5	213,711.2
Non-factor services	10,601.6	11,053.5	11,522.6	11,692.0	13,712.3	12,660.3	12,691.6	12,532.9	13,912.7	15,577.7
Travel	6,756.2	7,376.0	7,493.1	7,222.9	8,294.2	8,400.6	8,858.0	9,361.7	10,753.2	11,795.1
Other	3,845.4	3,677.5	4,029.5	4,469.1	5,418.1	4,259.6	3,833.6	3,171.2	3,159.5	3,782.6
Factor services	4,153.7	4,560.4	5,047.1	4,516.8	6,019.6	5,366.5	4,098.6	3,941.8	5,140.8	4,872.5
Interest	3,306.7	3,749.6	4,034.3	3,735.7	5,024.5	4,074.7	2,835.3	2,342.8	2,211.3	3,010.6
Other	847.0	810.8	1,012.8	781.1	995.1	1,291.8	1,263.3	1,599.0	2,929.5	1,861.9
Transfers	4,561.1	5,272.9	6,039.5	6,340.0	7,023.1	9,360.0	10,303.7	13,895.3	17,123.7	20,540.7
Expenditures	117,823.8	138,983.2	156,141.1	172,826.7	211,504.0	203,811.0	201,664.3	203,757.4	231,355.3	260,410.4
Merchandise Imports	89,468.8	109,807.8	125,373.1	141,974.8	174,457.8	168,396.5	168,678.9	170,545.8	196,809.6	221,269.8
Non-factor services	10,230.9	11,800.0	12,427.5	13,490.6	16,035.7	16,217.9	16,739.7	17,133.7	18,561.9	20,809.1
Insurance and Freight	2,510.0	3,312.4	3,699.1	4,109.2	5,006.4	4,643.1	4,407.8	4,492.9	5,450.2	6,494.0
Travel	3,387.2	3,891.9	4,209.1	4,541.3	5,499.1	5,701.9	6,059.7	6,253.3	6,959.0	7,607.1
Other	4,333.8	4,595.7	4,519.3	4,840.2	5,530.2	5,872.9	6,272.3	6,387.5	6,152.7	6,707.9
Factor services	18,094.0	17,349.9	18,313.4	17,334.4	20,981.1	19,174.8	16,210.5	16,040.8	15,903.7	18,275.0
Interest	13,360.9	12,436.2	12,482.3	12,808.8	13,694.9	12,693.2	11,966.1	11,670.1	11,222.4	12,259.7
Other	4,733.1	4,913.7	5,831.1	4,525.7	7,286.2	6,481.5	4,244.4	4,370.7	4,681.2	6,015.3
Transfers	30.1	25.5	27.1	26.9	29.4	21.9	35.2	37.1	80.0	56.6
Capital Account	4,327.2	16,638.7	18,836.7	14,202.7	19,011.6	25,998.2	24,937.2	19,323.9	13,706.2	13,826.0
Liabilities	10,668.4	9,922.9	18,405.2	18,207.3	11,912.6	29,832.8	13,132.5	12,390.4	19,543.6	24,789.7
Indebtedness	-2,225.1	-6,706.7	6,570.9	1,888.5	-5,714.3	1,255.9	-4,213.3	-1,334.4	-1,372.0	286.4
Development Banks	-2,148.8	-2,191.6	-724.9	-1,774.5	-185.7	-1,210.2	-1,244.2	-1,640.7	-2,680.2	-3,468.5
Commercial Banks	-1,655.0	-1,869.4	-927.8	-1,723.2	-2,445.6	-3,133.4	-2,960.6	-529.2	-906.1	-2,279.8
Banco de México	-3,523.8	-3,486.8	-1,071.6	-3,684.7	-4,285.6	0.0	0.0	0.0	0.0	0.0
Non-bank Public Sector	2,140.5	-5,523.9	2,433.0	1,707.1	-6,573.3	-83.9	-3,220.2	-2,691.3	-1,759.3	-6,624.1
Non-bank Private Sector	2,962.0	5,365.0	5,169.0	4,708.4	3,992.0	2,263.2	-2,060.6	-2,675.9	-1,975.0	3,909.8
PIDIREGAS	0.0	1,000.0	1,693.2	2,655.4	3,783.9	3,420.2	5,272.3	6,202.7	5,948.6	8,749.0
Foreign Investment	12,893.5	16,629.6	11,834.3	16,318.8	17,626.9	28,576.9	17,345.8	13,724.8	20,915.6	24,503.3
Direct Investment	9,185.5	12,829.6	12,445.8	13,466.7	17,225.8	27,485.1	17,299.8	12,945.9	18,244.4	17,804.6
Portfolio Investment	3,708.1	3,800.1	-611.5	2,852.2	401.0	1,091.8	46.0	778.9	2,671.2	6,698.7
Equity	2,800.6	3,215.3	-665.6	3,769.2	446.8	151.0	-103.6	-123.3	-2,522.2	3,352.9
Money Market	907.5	584.8	54.1	-917.0	-45.8	940.8	149.6	902.2	5,193.4	3,345.7
Assets	-6,341.2	6,715.8	431.5	-4,004.7	7,099.0	-3,834.6	11,804.7	6,933.5	-5,837.4	-10,963.7
Held by Foreign Banks	-6,054.7	4,859.6	155.4	-3,037.0	3,549.7	-1,511.7	10,773.3	7,457.1	-2,940.9	-3,052.1
Mexican Direct Investment	0.0	0.0	0.0	0.0	0.0	-4,404.0	-929.7	-1,784.1	-3,489.7	-5,199.2
Credits Granted Abroad	-624.7	-113.6	329.8	425.0	412.5	0.0	190.0	46.0	0.0	0.0
External Debt Guarantees	543.7	-707.7	-768.7	-835.8	1,289.8	3,856.6	1,133.8	90.8	1,717.9	0.0
Other	-205.5	2,677.4	715.0	-556.9	1,847.0	-1,775.6	637.3	1,123.8	-1,124.7	-2,712.3
Errors and Omissions	-46.0	1,537.8	-705.6	305.7	2,440.9	-1,028.5	-4,323.0	-1,265.2	-2,468.5	-953.3
Change in International Reserves	1,768.2	10,493.7	2,136.9	593.6	2,821.5	7,325.0	7,104.1	9,450.9	4,061.4	7,172.6
Valuation Adjustments	5.4	17.8	1.5	-1.4	2.7	0.0	-14.4	-13.2	-3.2	-8.2

p/ Preliminary figures.

Note: Figures may not add up due to rounding.



Table A 56
Balance of Payments
IMF methodology ^{1/}
Million US dollars

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005 ^{p/}
Current Account	-2,507.6	-7,665.0	-15,992.7	-13,916.2	-18,628.3	-17,644.6	-13,524.5	-8,621.0	-7,179.6	-5,708.3
Revenues	115,316.1	131,318.2	140,148.5	158,910.5	192,875.8	186,166.4	188,139.8	195,136.4	224,175.7	254,702.1
Merchandise Exports	95,999.7	110,431.4	117,539.3	136,361.8	166,120.7	158,779.7	161,046.0	164,766.4	187,998.5	213,711.2
Non-factor services	10,601.6	11,053.5	11,522.6	11,692.0	13,712.3	12,660.3	12,691.6	12,532.9	13,912.7	15,577.7
Travel	6,756.2	7,376.0	7,493.1	7,222.9	8,294.2	8,400.6	8,858.0	9,361.7	10,753.2	11,795.1
Other	3,845.4	3,677.5	4,029.5	4,469.1	5,418.1	4,259.6	3,833.6	3,171.2	3,159.5	3,782.6
Factor services	4,153.7	4,560.4	5,047.1	4,516.8	6,019.6	5,366.5	4,098.6	3,941.8	5,140.8	4,872.5
Interest	3,306.7	3,749.6	4,034.3	3,735.7	5,024.5	4,074.7	2,835.3	2,342.8	2,211.3	3,010.6
Other	847.0	810.8	1,012.8	781.1	995.1	1,291.8	1,263.3	1,599.0	2,929.5	1,861.9
Transfers	4,561.1	5,272.9	6,039.5	6,340.0	7,023.1	9,360.0	10,303.7	13,895.3	17,123.7	20,540.7
Expenditures	117,823.8	138,983.2	156,141.1	172,826.7	211,504.0	203,811.0	201,664.3	203,757.4	231,355.3	260,410.4
Merchandise Imports	89,468.8	109,807.8	125,373.1	141,974.8	174,457.8	168,396.5	168,678.9	170,545.8	196,809.6	221,269.8
Non-factor services	10,230.9	11,800.0	12,427.5	13,490.6	16,035.7	16,217.9	16,739.7	17,133.7	18,561.9	20,809.1
Insurance and Freight	2,510.0	3,312.4	3,699.1	4,109.2	5,006.4	4,643.1	4,407.8	4,492.9	5,450.2	6,494.0
Travel	3,387.2	3,891.9	4,209.1	4,541.3	5,499.1	5,701.9	6,059.7	6,253.3	6,959.0	7,607.1
Other	4,333.8	4,595.7	4,519.3	4,840.2	5,530.2	5,872.9	6,272.3	6,387.5	6,152.7	6,707.9
Factor services	18,094.0	17,349.9	18,313.4	17,334.4	20,981.1	19,174.8	16,210.5	16,040.8	15,903.7	18,275.0
Interest	13,360.9	12,436.2	12,482.3	12,808.8	13,694.9	12,693.2	11,966.1	11,670.1	11,222.4	12,259.7
Other	4,733.1	4,913.7	5,831.1	4,525.7	7,286.2	6,481.5	4,244.4	4,370.7	4,681.2	6,015.3
Transfers	30.1	25.5	27.1	26.9	29.4	21.9	35.2	37.1	80.0	56.6
Capital Account	4,327.2	16,638.7	18,836.7	14,202.7	19,011.6	25,998.2	24,937.2	19,323.9	13,706.2	13,826.0
Liabilities	10,668.4	9,922.9	18,405.2	18,207.3	11,912.6	29,832.8	13,132.5	12,390.4	19,543.6	24,789.7
Loans and Deposits	-12,085.5	-7,943.7	4,932.4	-7,264.2	-4,179.0	-1,534.4	-3,535.3	-4,419.4	-4,643.2	-3,203.7
Development Banks	-1,246.0	-1,020.9	239.6	-765.4	919.6	-1,288.8	-545.0	-1,416.8	-2,214.8	-3,121.5
Commercial Banks	-1,720.0	-1,978.4	-142.8	-1,546.2	-1,802.6	-2,933.4	-2,315.6	271.8	-471.1	-2,279.8
Banco de México	-3,523.8	-3,486.8	-1,071.6	-3,684.7	-4,285.6	0.0	0.0	0.0	0.0	0.0
Non-bank Public Sector	-7,671.7	-5,035.6	1,270.2	-4,027.4	-3,527.6	-1,279.6	-1,619.5	-2,132.5	-3,064.0	-1,816.5
Non-bank Private Sector	2,076.0	2,578.0	4,410.0	2,592.4	2,620.0	2,797.2	-992.6	-2,420.9	-195.0	86.9
PIDIREGAS	0.0	1,000.0	227.0	167.1	1,897.2	1,170.2	1,937.4	1,279.0	1,301.7	3,927.2
Foreign Investment	22,753.9	17,866.6	13,472.8	25,471.5	16,091.6	31,367.2	16,667.8	16,809.8	24,186.8	27,993.4
Direct Investment	9,185.5	12,829.6	12,445.8	13,466.7	17,225.8	27,485.1	17,299.8	12,945.9	18,244.4	17,804.6
Portfolio Investment	13,568.5	5,037.1	1,027.0	12,004.9	-1,134.3	3,882.1	-632.0	3,863.9	5,942.4	10,188.8
Equity	2,800.6	3,215.3	-665.6	3,769.2	446.8	151.0	-103.6	-123.3	-2,522.2	3,352.9
Money Market	907.5	584.8	54.1	-917.0	-45.8	940.8	149.6	902.2	5,193.4	3,345.7
Public Sector	948.5	490.1	130.2	-942.0	-25.1	940.8	149.6	902.2	5,193.4	3,345.7
Private Sector	-41.0	94.7	-76.1	25.0	-20.7	0.0	0.0	0.0	0.0	0.0
Foreign Currency Securities	9,860.4	1,237.0	1,638.5	9,152.7	-1,535.3	2,790.3	-678.0	3,085.0	3,271.2	3,490.1
Public Sector	8,909.4	-1,659.0	198.3	4,725.4	-4,151.0	1,274.3	-2,299.9	-782.7	839.3	-5,154.6
Private Sector	951.0	2,896.0	-26.0	1,939.0	729.0	-734.0	-1,713.0	-1,056.0	-2,215.0	3,822.9
PIDIREGAS	0.0	0.0	1,466.2	2,488.3	1,886.7	2,250.0	3,334.9	4,923.7	4,646.9	4,821.8
Assets	-6,341.2	6,715.8	431.5	-4,004.7	7,099.0	-3,834.6	11,804.7	6,933.5	-5,837.4	-10,963.7
Held by Foreign Banks	-6,054.7	4,859.6	155.4	-3,037.0	3,549.7	-1,511.7	10,773.3	7,457.1	-2,940.9	-3,052.1
Mexican Direct Investment	0.0	0.0	0.0	0.0	0.0	-4,404.0	-929.7	-1,784.1	-3,489.7	-5,199.2
Credits Granted Abroad	-624.7	-113.6	329.8	425.0	412.5	0.0	190.0	46.0	0.0	0.0
External Debt Guarantees	543.7	-707.7	-768.7	-835.8	1,289.8	3,856.6	1,133.8	90.8	1,717.9	0.0
Other	-205.5	2,677.4	715.0	-556.9	1,847.0	-1,775.6	637.3	1,123.8	-1,124.7	-2,712.3
Errors and Omissions	-46.0	1,537.8	-705.6	305.7	2,440.9	-1,028.5	-4,323.0	-1,265.2	-2,468.5	-953.3
Change in International Reserves	1,768.2	10,493.7	2,136.9	593.6	2,821.5	7,325.0	7,104.1	9,450.9	4,061.4	7,172.6
Valuation Adjustments	5.4	17.8	1.5	-1.4	2.7	0.0	-14.4	-13.2	-3.2	-8.2

Source: Banco de México.

^{1/}1994 format. This format differs from the traditional one (Table A 55) in the criteria for classifying securities placed abroad (bonds and promissory notes). The traditional format classifies them as external indebtedness while this format does so as portfolio investment. The present format (used by Mexico since 1994) is consistent with the balance of payments methodology recommended by the International Monetary Fund.

p/ preliminary figures.

Note: Figures may not add up due to rounding.

Table A 57
Foreign Trade
Million US dollars

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005 p/
Exports	95,999.7	110,431.5	117,539.3	136,361.8	166,120.7	158,779.7	161,046.0	164,766.4	187,998.6	213,711.2
Maquiladora	36,920.3	45,165.4	53,083.1	63,853.6	79,467.4	76,880.9	78,098.1	77,467.1	86,951.7	96,756.2
Non-maquiladora	59,079.4	65,266.1	64,456.2	72,508.2	86,653.3	81,898.8	82,947.9	87,299.3	101,046.9	116,955.0
Oil	11,839.8	11,477.6	7,306.9	9,970.2	16,134.8	13,199.4	14,829.8	18,602.4	23,666.6	31,895.2
Crude oil ^{1/}	10,705.3	10,333.8	6,447.7	8,829.5	14,552.9	11,927.7	13,392.2	16,676.3	21,257.8	28,334.0
Other	1,134.5	1,143.8	859.3	1,140.6	1,581.9	1,271.7	1,437.6	1,926.1	2,408.8	3,561.2
Non-oil	84,159.9	98,953.9	110,232.4	126,391.7	149,986.0	145,580.3	146,216.2	146,164.1	164,332.0	181,816.0
Agriculture	4,129.6	4,448.8	4,335.7	4,456.0	4,765.5	4,446.3	4,214.5	5,035.6	5,683.9	6,127.1
Mining	420.8	450.2	447.5	421.1	495.8	385.5	367.1	496.3	900.8	1,167.7
Manufacturing	79,609.5	94,055.0	105,449.2	121,514.5	144,724.7	140,748.5	141,634.5	140,632.1	157,747.3	174,521.2
Maquiladora	36,920.3	45,165.4	53,083.1	63,853.6	79,467.4	76,880.9	78,098.1	77,467.1	86,951.7	96,756.2
Non-maquiladora	42,689.2	48,889.5	52,366.1	57,661.0	65,257.3	63,867.6	63,536.4	63,165.0	70,795.6	77,765.0
Imports	89,468.8	109,808.2	125,373.1	141,974.8	174,457.8	168,396.4	168,678.9	170,545.8	196,809.7	221,269.8
Maquiladora	30,504.7	36,332.2	42,556.7	50,409.3	61,708.8	57,598.5	59,296.0	59,057.2	67,742.2	75,129.1
Non-maquiladora	58,964.1	73,476.0	82,816.3	91,565.4	112,749.0	110,797.9	109,382.9	111,488.7	129,067.4	146,140.7
Consumer goods	6,656.8	9,090.3	11,108.5	12,175.0	16,690.5	19,752.0	21,178.4	21,509.0	25,409.0	31,512.9
Intermediate goods	71,889.6	85,639.2	96,935.2	109,269.6	133,637.3	126,148.8	126,508.1	128,831.5	148,803.7	163,541.8
Maquiladora industry	30,504.7	36,332.2	42,556.7	50,409.3	61,708.8	57,598.5	59,296.0	59,057.2	67,742.2	75,129.1
Non-maquiladora industry	41,384.9	49,306.9	54,378.5	58,860.3	71,928.5	68,550.2	67,212.0	69,774.3	81,061.5	88,412.3
Capital goods	10,922.4	15,078.7	17,329.4	20,530.1	24,129.9	22,495.7	20,992.5	20,205.3	22,597.0	26,215.5
Trade balance	6,531.0	623.3	-7,833.8	-5,612.9	-8,337.1	-9,616.7	-7,632.9	-5,779.4	-8,811.1	-7,558.5
Maquiladora industry	6,415.6	8,833.2	10,526.4	13,444.3	17,758.6	19,282.4	18,802.1	18,410.0	19,209.4	21,627.1
Non-maquiladora industry	115.4	-8,209.9	-18,360.2	-19,057.2	-26,095.7	-28,899.1	-26,435.0	-24,189.4	-28,020.5	-29,185.7
Excluding oil exports	-5,308.9	-10,854.3	-15,140.7	-15,583.1	-24,471.9	-22,816.1	-22,462.7	-24,381.8	-32,477.7	-39,453.8

Source: Working group composed of officers from Banco de México, the National Bureau of Statistics (*Instituto Nacional de Estadística, Geografía e Informática*, INEGI), the Ministry of Finance's Tax Collection System (*Servicio de Administración Tributaria*, SAT), and the Ministry of the Economy.

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

Note: Figures may not add up due to rounding.

Table A 58
Exports by Sector of Origin
Million US dollars

Item	Maquiladora			Non-maquiladora			Total		
	2003	2004	2005	2003	2004	2005	2003	2004	2005
Total	77,467.1	86,951.7	96,756.2	87,299.3	101,046.9	116,955.0	164,766.4	187,998.6	213,711.2
I. Land Farming and Forestry	0.0	0.0	0.0	3,950.7	4,522.1	5,007.2	3,950.7	4,522.1	5,007.2
II. Livestock and Fishing	0.0	0.0	0.0	1,084.9	1,161.8	1,120.0	1,084.9	1,161.8	1,120.0
III. Extractive Industries	0.0	0.0	0.0	19,098.7	24,567.4	33,062.9	19,098.7	24,567.4	33,062.9
Crude oil ^{1/}	0.0	0.0	0.0	16,676.3	21,257.8	28,334.0	16,676.3	21,257.8	28,334.0
Other	0.0	0.0	0.0	2,422.4	3,309.5	4,729.0	2,422.4	3,309.5	4,729.0
IV. Manufacturing	77,467.1	86,951.7	96,756.2	63,165.0	70,795.6	77,765.0	140,632.1	157,747.3	174,521.2
A. Food, Beverages and Tobacco	365.5	457.1	663.3	3,824.4	4,246.9	5,065.6	4,189.9	4,704.0	5,729.0
B. Textiles, Apparel and Leather products	6,571.2	6,424.1	6,381.3	3,735.9	4,037.2	3,967.4	10,307.2	10,461.3	10,348.8
C. Timber Products	355.0	328.6	382.3	283.8	333.5	324.6	638.8	662.2	706.9
D. Paper, Printing and Publishing	610.8	643.2	825.2	668.9	766.2	884.1	1,279.7	1,409.4	1,709.3
E. Chemical industry	392.2	382.8	461.2	4,256.3	4,935.6	5,450.8	4,648.5	5,318.4	5,912.0
F. Plastic and Rubber products	1,744.9	1,960.7	2,134.3	2,054.8	2,732.1	3,314.3	3,799.7	4,692.8	5,448.6
G. Non-metal mineral products	460.2	529.4	586.6	1,531.1	1,784.8	2,096.9	1,991.3	2,314.2	2,683.5
H. Iron and Steel	619.6	712.4	872.2	2,495.6	3,815.7	4,608.6	3,115.2	4,528.1	5,480.8
I. Mining and Metallurgy	485.4	475.6	627.2	1,562.9	2,129.9	2,835.5	2,048.3	2,605.5	3,462.7
J. Metallic products, Machinery and Equipment	63,249.7	72,111.1	80,323.8	41,693.0	44,807.0	47,341.0	104,942.7	116,918.1	127,664.9
1. For Agriculture and Stockbreeding	104.4	190.5	190.0	102.9	116.3	180.9	207.2	306.8	371.0
2. For other transport and communications	11,749.5	13,214.3	14,382.0	27,442.4	28,795.7	32,543.7	39,191.9	42,010.0	46,925.8
Automotive Industry	11,535.9	12,808.1	14,086.8	26,943.4	28,314.5	31,605.1	38,479.3	41,122.6	45,691.9
3. Special Machinery and Equipment for Different Industries	14,847.8	17,739.0	18,239.3	7,598.0	7,394.1	6,565.5	22,445.8	25,133.1	24,804.8
4. Metallic products (Domestic Use)	913.6	999.0	586.3	480.9	667.9	948.3	1,394.5	1,667.0	1,534.7
5. Professional and Scientific Equipment	3,964.5	4,338.8	5,764.9	1,069.1	1,331.1	1,480.1	5,033.6	5,670.0	7,245.0
6. Electric and Electronic Equipment	31,316.1	35,202.4	40,808.9	4,647.3	6,218.5	5,439.6	35,963.4	41,420.9	46,248.5
7. Photographic & optical equipment, and watchmaking	353.8	426.9	352.4	352.5	283.4	182.7	706.3	710.4	535.1
K. Other Industries	2,612.5	2,926.7	3,498.8	1,058.3	1,206.6	1,876.3	3,670.8	4,133.3	5,374.7

Source: Working group composed of officers from Banco de México, the National Bureau of Statistics (*Instituto Nacional de Estadística, Geografía e Informática*, INEGI), the Ministry of Finance's Tax Collection System (*Servicio de Administración Tributaria*, SAT), and the Ministry of the Economy.

Note: Figures may not add up due to rounding.

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

Table A 59
Imports by Sector of Origin
Million US dollars

Item	Maquiladora			Non-maquiladora			Total		
	2003	2004	2005	2003	2004	2005	2003	2004	2005
TOTAL	59,057.2	67,742.2	75,129.1	111,488.7	129,067.4	146,140.7	170,545.8	196,809.7	221,269.8
I. Land Farming and Forestry	39.0	61.7	108.3	5,588.0	6,121.5	5,867.4	5,626.9	6,183.3	5,975.7
II. Livestock and Fishing	3.6	2.6	2.0	199.2	233.6	308.2	202.7	236.3	310.3
III. Extractive Industries	404.7	488.4	659.7	9,064.8	12,005.4	17,466.9	9,469.6	12,493.8	18,126.6
IV. Manufacturing	58,609.9	67,189.5	74,359.2	96,636.7	110,706.8	122,498.1	155,246.6	177,896.3	196,857.3
A. Food, Beverages and Tobacco	78.4	110.4	124.2	6,340.6	7,037.1	7,992.6	6,419.0	7,147.5	8,116.8
B. Textiles, Apparel and Leather products	5,384.2	5,183.4	5,133.4	4,927.1	5,200.8	5,543.1	10,311.3	10,384.2	10,676.5
C. Timber products	293.4	318.6	339.5	805.1	972.7	1,137.3	1,098.5	1,291.3	1,476.8
D. Paper, Printing and Publishing	1,499.9	1,625.9	1,755.7	3,212.8	3,501.9	3,752.6	4,712.7	5,127.8	5,508.3
E. Chemical industry	1,152.7	1,139.0	1,289.2	9,991.1	11,576.6	13,054.4	11,143.8	12,715.6	14,343.6
F. Plastic and Rubber products	6,227.5	6,610.9	7,192.6	6,305.6	6,747.1	7,723.1	12,533.1	13,358.0	14,915.7
G. Non-metal mineral products	700.2	739.5	802.6	1,099.9	1,187.3	1,277.3	1,800.1	1,926.8	2,079.9
H. Iron and Steel	2,657.7	3,042.6	3,495.3	4,446.2	6,203.3	7,176.3	7,103.9	9,245.9	10,671.6
I. Mining and Metallurgy	1,964.4	2,339.6	2,613.0	2,171.3	2,808.9	3,075.4	4,135.7	5,148.5	5,688.4
J. Metallic products, Machinery and Equipment	37,654.9	44,860.7	50,015.0	54,803.3	62,059.8	67,721.2	92,458.2	106,920.5	117,736.2
1. For Agriculture and Stockbreeding	20.1	16.0	17.9	488.9	534.3	581.5	509.0	550.3	599.4
2. For other transport and communications	2,118.9	2,474.7	2,771.4	20,824.6	22,605.5	26,416.4	22,943.5	25,080.2	29,187.8
Automotive Industry	2,031.3	2,275.1	2,613.5	19,954.6	21,591.0	25,146.8	21,985.9	23,866.1	27,760.3
3. Special Machinery and Equipment for Different Industries	9,024.4	11,174.2	10,842.4	17,166.5	19,656.5	21,725.8	26,190.9	30,830.7	32,568.2
4. Metallic products (Domestic Use)	69.9	87.7	149.4	516.0	554.2	608.3	585.9	641.9	757.7
5. Professional and Scientific Equipment	1,650.0	2,253.1	2,980.0	2,920.9	3,123.5	3,455.2	4,570.9	5,376.6	6,435.2
6. Electric and Electronic Equipment	24,391.3	28,543.8	33,008.8	12,404.8	15,103.4	14,415.7	36,796.1	43,647.2	47,424.5
7. Photographic & optical equipment, and watchmaking	380.4	311.0	245.1	481.3	482.3	518.2	861.7	793.3	763.3
K. Other Industries	996.6	1,218.9	1,598.7	2,533.7	3,411.3	4,044.8	3,530.3	4,630.2	5,643.5

Source: Working group composed of officers from Banco de México, the National Bureau of Statistics (*Instituto Nacional de Estadística, Geografía e Informática*, INEGI), the Ministry of Finance's Tax Collection System (*Servicio de Administración Tributaria*, SAT), and the Ministry of the Economy.

Note: Figures may not add up due to rounding.

Table A 60
Regional Trade Balance
Million US dollars

	Exports				Imports			
	2002	2003	2004	2005 p/	2002	2003	2004	2005 p/
Total	161,046	164,766	187,999	213,711	168,679	170,546	196,810	221,270
America	151,549	154,239	176,472	198,708	117,755	117,485	127,369	137,680
North America	144,889	147,335	167,814	187,282	111,037	109,481	116,154	124,425
United States	141,898	144,293	164,522	183,052	106,557	105,361	110,827	118,262
Canada	2,991	3,042	3,292	4,230	4,480	4,120	5,327	6,163
Central America	1,832	1,899	2,086	2,864	659	905	1,300	1,510
Costa Rica	373	352	387	421	416	584	852	880
El Salvador	292	286	317	472	36	44	50	58
Guatemala	548	590	672	864	117	151	230	222
Panama	304	320	316	463	35	38	44	78
Other	316	350	393	645	54	88	123	272
South America	2,903	2,761	4,047	5,837	5,450	6,509	9,008	10,584
Argentina	125	235	569	670	687	867	1,108	1,302
Brazil	658	621	863	889	2,565	3,267	4,341	5,211
Colombia	658	662	789	1,545	352	406	635	675
Chile	322	381	443	666	1,010	1,082	1,464	1,754
Peru	233	194	250	344	152	131	282	445
Venezuela	666	421	828	1,287	532	566	916	783
Other	240	246	306	434	150	189	261	413
Antilles	1,925	2,243	2,525	2,726	609	590	907	1,160
Europe	5,862	6,444	7,039	9,462	18,558	20,087	23,823	28,371
European Union	5,630	6,216	6,825	9,166	17,136	18,645	21,793	25,963
Germany	1,159	1,715	1,689	2,289	6,066	6,218	7,144	8,665
Belgium	482	344	442	535	557	573	715	838
Denmark	37	44	48	71	177	199	202	220
Spain	1,394	1,512	2,027	2,979	2,224	2,288	2,853	3,324
France	310	337	335	375	1,807	2,015	2,395	2,563
Netherlands	797	701	606	799	547	556	701	924
Italy	196	276	235	195	2,171	2,474	2,817	3,496
Portugal	141	187	154	270	94	126	250	305
United Kingdom	664	733	840	1,186	1,350	1,242	1,458	1,865
Other EU countries	451	367	448	467	2,144	2,953	3,259	3,765
Other European countries	233	228	214	296	1,422	1,443	2,030	2,409
Asia	3,310	3,683	3,942	4,760	31,360	31,854	44,400	53,426
China	654	974	986	1,134	6,274	9,401	14,374	17,631
South Korea	182	188	227	250	3,948	4,137	5,276	6,534
Philippines	20	20	18	41	925	784	867	1,315
Hong Kong	151	144	173	192	509	517	408	549
India	328	487	446	542	459	564	868	957
Indonesia	17	25	27	66	527	448	614	652
Israel	56	61	62	88	250	313	402	370
Japan	1,194	1,173	1,191	1,471	9,349	7,595	10,583	13,023
Malaysia	86	68	57	53	1,993	2,761	3,374	3,637
Singapore	199	189	312	326	1,555	1,338	2,212	2,215
Thailand	54	54	51	97	839	987	1,260	1,549
Taiwan	208	148	206	199	4,250	2,509	3,479	4,046
Other Asian countries	161	150	186	300	481	500	685	948
Africa	117	178	170	343	401	391	505	570
Oceania	189	212	291	364	600	711	691	1,195
Australia	169	199	275	341	351	429	404	802
New Zealand	19	10	15	21	246	278	280	385
Other	1	2	1	2	3	3	7	8
Unidentified	18	11	86	74	6	17	21	27

Source: Working group composed of officers from Banco de México, INEGI, Ministry of Finance's Tax Collection System (*Servicio de Administración Tributaria, SAT*), and Ministry of the Economy.

Note: Figures may not add up due to rounding.

p/ preliminary figures.

Table A 61
Non-maquiladora Foreign Trade

	Exports				Imports		
	2003	2004	2005		2003	2004	2005
Total (Million US dollars)	87,299	101,047	116,955	Total (Million US dollars)	111,489	129,067	146,141
	(Percentage of Total)				(Percentage of Total)		
Crude oil ^{1/}	19.1	21.0	24.2	Spare parts for automobiles and trucks	6.7	6.1	6.0
Automobiles of the tourism kind	14.1	11.5	11.3	Automobiles of the tourism kind	5.2	5.0	5.4
Trucks and cargo vehicles	7.6	6.6	6.1	Gasoline	1.0	1.6	3.4
Automobile spare parts	3.4	3.5	3.8	Fuel gas, gaseous hydrocarbons	2.4	2.6	2.5
Oils other than crude oil	1.8	1.9	2.5	Computers	2.1	2.0	2.1
Gasoline motors	1.8	2.0	1.8	Trucks and cargo vehicles	1.4	1.4	1.6
Spare parts for motors	1.3	1.4	1.4	Radio and T.V.	1.2	1.7	1.4
Malt beer	1.4	1.3	1.3	Diesel motors	1.4	1.5	1.4
Tractors	0.8	1.3	1.0	Retail medicine	1.2	1.3	1.2
Fresh and refrigerated legumes	1.0	1.0	0.9	Other mechanic devices with independent functions	1.0	1.2	1.1
Unalloyed steel and iron intermediate goods	0.7	1.0	0.9	Motor parts	1.1	0.9	1.0
Retail medicine	1.0	1.1	0.9	Ethylene polymers	0.7	0.8	0.9
Insulating cables for electric instalations	0.8	0.9	0.9	Recorders and T.V. parts	0.6	0.9	0.8
Fresh and refrigerated tomato	1.0	0.9	0.8	Rubber tires (new)	0.8	0.8	0.8
Hoist, jack and tackle parts	0.5	0.6	0.8	Cyclical hydrocarbons	0.8	0.8	0.8
Computers	2.9	2.1	0.7	Air pumps	0.7	0.6	0.7
Seats and their parts	0.6	0.7	0.7	Microelectronic circuits	1.5	1.7	0.7
Refrigerators	0.4	0.5	0.6	Iron casts	0.6	0.7	0.7
Silver (crude, worked and ground)	0.6	0.7	0.6	Assortment of bibbs	0.7	0.6	0.7
Alcoholic beverages (<80°)	0.7	0.6	0.6	Soy beans	1.0	0.9	0.7
Pipes and steel sections (without welding)	0.2	0.3	0.5	Plastic containers	0.7	0.6	0.6
Diesel motors	0.4	0.5	0.5	Fuel gas	0.3	0.2	0.6
Circuit breaker devices	0.6	0.6	0.5	Electric circuit connection devices	0.7	0.7	0.6
Molibdenum minerals and concentrates	0.1	0.3	0.5	Propeller shafts, bearings and gears	0.6	0.6	0.6
Plastic containers	0.4	0.4	0.5	Gasoline motors	0.8	0.6	0.6
Electric energy	0.1	0.1	0.5	Furniture, automobile and plastic clothing parts	0.7	0.6	0.6
Polyesters and epoxic resins	0.3	0.5	0.5	Parts and accesories for office machines	1.2	1.0	0.6
Outfits for women and girls	0.4	0.5	0.5	Bovine meat (fresh and refrigerated)	0.7	0.5	0.6
Bovine cattle	0.5	0.5	0.4	Flat laminated products (metal lined)	0.5	0.5	0.5
Avocado, guava, mango and pinneapple	0.4	0.3	0.4	Insulating cables for electric instalations	0.5	0.5	0.5
Electric motors and generators	0.6	0.5	0.4	Circuit breaker devices	0.6	0.5	0.5
Electric transformers	0.4	0.4	0.4	Telephone and telegraph electric devices	0.6	0.7	0.5
Electric lighting devices	0.4	0.4	0.4	Liquid pumps	0.5	0.5	0.5
Centrifugates, filters and purifiers	0.4	0.4	0.4	Corn	0.7	0.6	0.5
Laminated spring	0.4	0.4	0.4	Machines and devices to manufacture rubber and plastic	0.5	0.5	0.5
Air conditioning machines and devices	0.3	0.4	0.4	Propylene polymers	0.4	0.4	0.5
Assortment of bibbs	0.4	0.4	0.4	Polyesters, epoxic resins	0.5	0.4	0.5
Outfits for men and boys	0.6	0.4	0.4	Aluminum (crude)	0.4	0.5	0.5
Photographic roll film (except paper film)	0.2	0.3	0.4	Centrifugates, filters and purifiers	0.6	0.5	0.5
Box cars	0.1	0.2	0.3	Front and angling-type bulldozers	0.4	0.4	0.5
Other	31.3	31.6	29.6	Other	56.4	56.2	55.4

Source: Working party composed of officers from Banco de México, INEGI, Ministry of Finance's Tax Collection System (*Servicio de Administración Tributaria*, SAT), and Ministry of the Economy.

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

Note: Figures may not add up due to rounding.



**Table A 62
International Travelers**

Item	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005 p/
Balance (million US dollars)	3,369.0	3,484.1	3,284.0	2,681.6	2,795.1	2,698.7	2,798.3	3,108.4	3,794.2	4,188.0
I N B O U N D										
Revenues (million US dollars)	6,756.2	7,376.0	7,493.1	7,222.9	8,294.2	8,400.6	8,858.0	9,361.7	10,753.2	11,795.1
Tourists	4,470.0	5,086.0	5,134.5	5,061.7	5,816.2	5,941.4	6,083.7	6,680.1	7,783.5	8,542.1
In border areas	2,172.8	2,167.5	2,236.7	1,995.7	2,277.0	2,243.9	2,491.8	2,393.1	2,591.3	2,848.4
Overnight visitors	640.2	445.0	498.8	444.0	619.2	597.0	640.9	571.6	598.8	643.9
One-day visitors	1,532.6	1,722.5	1,737.8	1,551.7	1,657.7	1,646.9	1,850.9	1,821.5	1,992.5	2,204.5
Cruises	113.4	122.5	121.9	165.4	201.1	215.3	282.5	288.5	378.4	404.6
Number of travelers (thousands)	90,394	92,915	95,214	99,869	105,673	100,719	100,153	92,330	98,659	102,545
Tourists	8,982	9,794	9,775	10,214	10,591	10,151	9,883	10,353	11,553	12,578
In border areas	79,270	80,868	83,193	86,607	91,615	86,762	85,135	77,002	81,204	83,905
Overnight visitors	12,413	9,557	9,617	8,829	10,050	9,659	9,784	8,312	9,065	9,381
One-day visitors	66,857	71,311	73,576	77,778	81,565	77,103	75,352	68,690	72,139	74,524
Cruises	2,142	2,253	2,246	3,048	3,467	3,805	5,136	4,974	5,902	6,062
Average spending (US dollars)	74.7	79.4	78.7	72.3	78.5	83.4	88.4	101.4	109.0	115.0
Tourists	497.6	519.3	525.3	495.6	549.1	585.3	615.6	645.2	673.7	679.1
In border areas	27.4	26.8	26.9	23.0	24.9	25.9	29.3	31.1	31.9	33.9
Overnight visitors	51.6	46.6	51.9	50.3	61.6	61.8	65.5	68.8	66.1	68.6
One-day visitors	22.9	24.2	23.6	20.0	20.3	21.4	24.6	26.5	27.6	29.6
Cruises	52.9	54.4	54.3	54.3	58.0	56.6	55.0	58.0	64.1	66.7
O U T B O U N D										
Number of travelers (thousands)	3,387.2	3,891.9	4,209.1	4,541.3	5,499.1	5,701.9	6,059.7	6,253.3	6,959.0	7,607.1
Tourists	1,320.1	1,592.8	1,720.6	1,690.8	2,163.9	2,399.5	2,429.1	2,565.3	2,910.9	3,320.5
In border areas	2,067.1	2,299.1	2,488.6	2,850.5	3,335.3	3,302.4	3,630.6	3,688.0	4,048.1	4,286.7
Overnight visitors	216.3	228.4	281.4	259.6	281.1	368.0	348.5	269.7	316.4	339.7
One-day visitors	1,850.8	2,070.7	2,207.2	2,590.9	3,054.2	2,934.4	3,282.0	3,418.3	3,731.7	3,946.9
Number of travelers (thousands)	103,442	107,242	107,927	117,383	127,268	123,737	124,633	123,015	128,903	128,401
Tourists	4,437	4,838	5,177	5,543	6,200	6,423	6,492	6,603	7,398	8,009
In border areas	99,005	102,404	102,750	111,840	121,068	117,309	118,141	116,412	121,505	120,392
Overnight visitors	4,564	4,072	4,460	4,809	4,879	5,652	5,456	4,441	5,096	5,305
One-day visitors	94,441	98,332	98,290	107,031	116,189	111,657	112,685	111,971	116,409	115,087
Average spending (US dollars)	32.7	36.3	39.0	38.7	43.2	46.1	48.6	50.8	54.0	59.2
Tourists	297.5	329.2	332.3	305.0	349.0	373.6	374.1	388.5	393.5	414.6
In border areas	20.9	22.5	24.2	25.5	27.5	28.2	30.7	31.7	33.3	35.6
Overnight visitors	47.4	56.1	63.1	54.0	57.6	65.1	63.9	60.7	62.1	64.0
One-day visitors	19.6	21.1	22.5	24.2	26.3	26.3	29.1	30.5	32.1	34.3

p/ Preliminary figures.

Note: Figures may not add up due to rounding.



Table A 63
Revenues from Workers' Remittances

	2001	2002	2003	2004	2005 p/
Total remittances (million US dollars)	8,895.3	9,814.4	13,396.2	16,612.8	20,034.9
Money orders	803.2	686.4	1,623.1	1,883.1	1,867.0
Checks	10.2	10.1	6.4	0.0	0.0
Electronic transfers	7,783.6	8,798.1	11,512.1	14,496.3	17,894.8
Cash and kind	298.3	319.8	254.6	233.6	273.1
Number of remittances (thousands)	27,744.3	29,953.8	41,807.7	50,874.4	58,739.3
Money orders	1,903.5	1,780.0	4,408.1	4,626.5	4,017.9
Checks	10.2	10.5	6.9	0.0	0.0
Electronic transfers	25,246.5	27,704.0	37,044.4	45,925.2	54,376.0
Cash and kind	584.1	459.4	348.3	322.7	345.4
Average remittances (US dollars)	321	328	320	327	341
Money orders	422	386	368	407	465
Checks	997	961	936	n.s.	n.s.
Electronic transfers	308	318	311	316	329
Cash and kind	511	696	731	724	791

n.s. not significant.

p/ Preliminary figures.

Note: Figures may not add up due to rounding.

Table A 64
Revenues from Workers' Remittances
By state and country

State	Distribution by States								International Comparison Selected Countries (2004)		
	Ranking				Percentage Share				Country	Million USD	Percentage of GDP
	1995	2001	2004	2005	1995	2001	2004	2005			
Michoacán	1	1	1	1	16.25	11.69	13.22	12.95	India ^{e/}	23,000	3.5
Guanajuato	3	2	2	2	10.25	8.31	9.22	8.56	China ^{e/}	21,300	1.4
Jalisco	2	3	3	3	12.70	7.89	8.54	8.45	Mexico		
Estado de México	7	4	4	4	4.39	7.16	8.34	8.36	2003	13,396	2.1
Federal District (D.F.)	5	7	6	5	5.34	5.67	5.74	7.25	2004	16,613	2.4
Puebla	6	9	5	6	4.84	3.97	5.75	5.86	2005	20,035	2.6
Veracruz	15	6	7	7	2.07	5.99	5.72	5.76	Philippines	8,961	10.5
Oaxaca	8	8	9	8	4.34	4.03	4.84	5.00	Spain	5,189	0.5
Guerrero	4	5	8	9	6.11	6.27	4.97	4.78	Morocco	4,221	8.5
Hidalgo	16	10	10	10	1.95	3.89	3.70	3.59	Pakistan	3,943	4.8
Chiapas	27	15	11	11	0.54	2.51	3.01	3.27	Bangladesh	3,400	6.1
Zacatecas	11	17	12	12	3.12	2.10	2.54	2.48	Egypt	3,341	3.3
Morelos	9	11	13	13	3.56	2.82	2.41	2.38	Colombia	3,170	3.3
San Luis Potosí	10	12	14	14	3.26	2.82	2.37	2.38	Portugal	3,032	1.8
Querétaro	17	20	15	15	1.93	1.79	2.03	1.96	Greece	2,894	0.8
Sinaloa	13	14	16	16	2.99	2.62	1.90	1.85	Guatemala	2,551	9.8
Durango	14	16	19	17	2.08	2.11	1.67	1.70	El Salvador	2,548	16.1
Aguascalientes	12	25	17	18	3.11	1.24	1.79	1.58	Brazil	2,459	0.4
Tamaulipas	21	13	20	19	1.27	2.69	1.45	1.51	Dominican Republic	2,200	11.3
Chihuahua	19	18	22	20	1.75	2.05	1.32	1.46	Indonesia	1,700	0.5
Nayarit	20	19	21	21	1.57	1.91	1.43	1.40	Ecuador	1,604	5.4
Nuevo León	22	24	18	22	1.05	1.56	1.70	1.15	Tunisia	1,432	5.1
Tlaxcala	26	27	23	23	0.60	0.75	1.05	1.05	Honduras	1,135	15.3
Coahuila	18	21	24	24	1.84	1.69	0.93	0.94	Peru	1,123	1.7
Baja California	23	23	25	25	0.85	1.64	0.90	0.93	Croatia	851	2.6
Sonora	24	22	26	26	0.76	1.67	0.89	0.93	Turkey	804	0.3
Colima	25	26	27	27	0.75	1.15	0.76	0.73	Nicaragua	519	11.7
Tabasco	32	28	28	28	0.09	0.70	0.57	0.63	Costa Rica	302	1.6
Yucatán	28	29	29	29	0.31	0.42	0.48	0.40			
Quintana Roo	29	30	30	30	0.13	0.37	0.43	0.37			
Campeche	31	31	31	31	0.10	0.28	0.22	0.25			
Baja California Sur	30	32	32	32	0.12	0.21	0.10	0.10			
TOTAL					100.00	100.00	100.00	100.00			

Source: Banco de México (for Mexico), and IMF Balance of Payments Division.
e/ estimated figures (World Bank).

Table A 65
Foreign Investment Flows
Million US dollars

	1999	2000	2001	2002	2003	2004	2005 p/
Total	16,318.8	17,626.9	28,576.9	17,345.8	13,724.8	20,915.6	24,503.3
Direct Investment	13,466.7	17,225.8	27,485.1	17,299.8	12,945.9	18,244.4	17,804.6
New investment	5,979.2	7,650.2	20,614.1	10,319.8	4,656.3	9,447.1	9,633.5
Reinvested earnings	2,320.8	3,834.3	3,843.1	2,083.2	2,062.7	2,323.1	2,806.3
Intercompany operations	5,166.7	5,741.3	3,027.9	4,896.7	6,226.9	6,474.1	5,364.7
Portfolio Investment	2,852.2	401.0	1,091.8	46.0	778.9	2,671.2	6,698.7
Equity	3,769.2	446.8	151.0	-103.6	-123.3	-2,522.2	3,352.9
Money market	-917.0	-45.8	940.8	149.6	902.2	5,193.4	3,345.7

p/ Preliminary figures.

Note: Figures may not add up due to rounding.

Table A 66
Foreign Investment in Government Securities
 End of period outstanding stocks at face value
 Billion US dollars

		CETES		BONDES		TESOBONOS		AJUSTABONOS		Development Bonds ^{1/}		Total ^{2/}	
		Stock	%	Stock	%	Stock	%	Stock	%	Stock	%	Stock	%
1994	Dec	2.5	12.3	*	0.1	17.4	85.0	0.5	2.6	d.n.e	d.n.e	20.5	100.0
1995	Dec	2.8	82.0	0.1	3.3	0.2	5.6	0.3	9.1	d.n.e	d.n.e	3.4	100.0
1996	Dec	3.0	89.2	0.3	9.6	0.0	0.0	*	1.1	d.n.e	d.n.e	3.4	100.0
1997	Dec	3.0	90.3	0.3	7.7	0.0	0.0	*	0.2	d.n.e	d.n.e	3.3	100.0
1998	Dec	2.1	91.5	0.2	0.1	0.0	0.0	*	0.0	d.n.e	d.n.e	2.3	100.0
1999	Dec	1.0	88.7	0.1	9.5	0.0	0.0	*	0.0	d.n.e	d.n.e	1.1	100.0
2000	Dec	0.7	72.0	0.1	9.7	0.0	0.0	0.0	0.0	0.2	18.1	0.9	100.0
2001	Dec	0.7	37.0	0.0	0.9	0.0	0.0	0.0	0.0	0.9	52.4	1.8	100.0
2002	Dec	0.3	17.4	0.1	3.3	0.0	0.0	0.0	0.0	1.1	70.9	3.1	100.0
2003	Dec	0.4	18.0	0.5	21.9	0.0	0.0	0.0	0.0	1.2	57.5	2.1	100.0
2004	Dec	0.6	9.1	0.0	0.3	0.0	0.0	0.0	0.0	6.1	87.2	7.0	100.0
2005	Dec	0.3	3.2	0.2	2.3	0.0	0.0	0.0	0.0	8.8	87.2	10.1	100.0
2003	Jan	1.3	51.5	0.0	0.5	0.0	0.0	0.0	0.0	1.1	43.6	2.5	100.0
	Feb	0.6	36.1	0.0	0.5	0.0	0.0	0.0	0.0	1.0	57.4	1.7	100.0
	Mar	1.0	43.2	0.2	7.7	0.0	0.0	0.0	0.0	1.1	46.9	2.3	100.0
	Apr	0.4	19.0	0.0	1.0	0.0	0.0	0.0	0.0	1.3	69.3	1.9	100.0
	May	0.5	23.7	0.0	0.7	0.0	0.0	0.0	0.0	1.4	71.7	1.9	100.0
	Jun	0.4	19.4	0.0	0.6	0.0	0.0	0.0	0.0	1.5	77.0	1.9	100.0
	Jul	0.6	26.1	0.0	1.8	0.0	0.0	0.0	0.0	1.5	68.2	2.3	100.0
	Aug	0.7	28.1	0.2	9.7	0.0	0.0	0.0	0.0	1.4	57.5	2.4	100.0
	Sep	0.5	22.0	0.2	7.9	0.0	0.0	0.0	0.0	1.5	65.7	2.3	100.0
	Oct	0.4	17.5	0.4	17.5	0.0	0.0	0.0	0.0	1.3	59.0	2.3	100.0
	Nov	0.5	21.0	0.4	19.1	0.0	0.0	0.0	0.0	1.2	55.5	2.3	100.0
	Dec	0.4	18.0	0.5	21.9	0.0	0.0	0.0	0.0	1.2	57.5	2.1	100.0
2004	Jan	1.4	44.6	0.4	11.5	0.0	0.0	0.0	0.0	1.2	39.2	3.1	100.0
	Feb	2.3	56.8	0.4	9.3	0.0	0.0	0.0	0.0	1.3	32.5	4.1	100.0
	Mar	4.1	68.6	0.4	6.1	0.0	0.0	0.0	0.0	1.4	23.3	5.9	100.0
	Apr	1.1	35.6	0.3	10.1	0.0	0.0	0.0	0.0	1.6	51.6	3.0	100.0
	May	0.9	30.9	0.1	3.7	0.0	0.0	0.0	0.0	1.8	63.3	2.9	100.0
	Jun	1.6	38.7	0.1	2.6	0.0	0.0	0.0	0.0	2.3	56.6	4.1	100.0
	Jul	0.7	19.4	0.1	3.1	0.0	0.0	0.0	0.0	2.6	72.9	3.6	100.0
	Aug	0.6	13.8	0.1	2.6	0.0	0.0	0.0	0.0	3.2	76.2	4.2	100.0
	Sep	0.5	8.8	0.0	0.6	0.0	0.0	0.0	0.0	4.3	79.8	5.4	100.0
	Oct	0.6	10.3	0.0	0.5	0.0	0.0	0.0	0.0	5.0	84.6	5.9	100.0
	Nov	0.4	6.4	0.0	0.5	0.0	0.0	0.0	0.0	6.1	86.2	7.0	100.0
	Dec	0.6	9.1	0.0	0.3	0.0	0.0	0.0	0.0	6.1	87.2	7.0	100.0
2005	Jan	0.5	6.1	0.0	0.5	0.0	0.0	0.0	0.0	7.1	82.5	8.6	100.0
	Feb	0.4	4.5	0.0	0.1	0.0	0.0	0.0	0.0	8.0	90.6	8.9	100.0
	Mar	0.4	4.5	0.0	0.1	0.0	0.0	0.0	0.0	8.1	87.1	9.3	100.0
	Apr	0.6	6.4	0.0	0.1	0.0	0.0	0.0	0.0	8.3	88.3	9.4	100.0
	May	0.5	5.0	0.0	0.1	0.0	0.0	0.0	0.0	8.4	89.1	9.4	100.0
	Jun	0.6	5.5	0.0	0.1	0.0	0.0	0.0	0.0	9.2	90.5	10.2	100.0
	Jul	0.5	5.1	0.0	0.1	0.0	0.0	0.0	0.0	9.2	87.7	10.5	100.0
	Aug	0.5	4.4	0.0	0.1	0.0	0.0	0.0	0.0	9.2	88.2	10.4	100.0
	Sep	0.4	3.9	0.1	0.8	0.0	0.0	0.0	0.0	9.1	88.1	10.3	100.0
	Oct	0.4	4.0	0.0	0.2	0.0	0.0	0.0	0.0	9.2	89.2	10.3	100.0
	Nov	0.3	3.1	0.0	0.2	0.0	0.0	0.0	0.0	9.7	90.7	10.7	100.0
	Dec	0.3	3.2	0.2	2.3	0.0	0.0	0.0	0.0	8.8	87.2	10.1	100.0

Source: Banco de México.

^{1/} Placement of this type of bonds began in January 2000.

^{2/} Includes UDIBONOS (August 1996 up to date), and BREMs and IPAB bonds (July 2001 up to date).

* / Less than 50 million US dollars.

d.n.e. does not exist.

Note: External sector securities' figures have been adjusted according to revised data on government securities held by sectors since 1998 (see Banco de México's press release no.105).



Table A 67
Foreign Investment in the Stock Market
 End of period outstanding stocks at market value
 Billion US dollars

	ADRs ^{1/}		Free		Neutral		Mexico		Total ^{2/}		
	Stock	%	Subscription	Stock	Fund	Stock	Fund	Stock	%	Stock	%
			%	%	%	%	%	%			
1993 Dec	34.0	62.2	12.9	23.6	6.4	11.7	1.4	2.5	54.6	100.0	
1994 Dec	21.2	61.6	8.1	23.6	4.3	12.6	0.8	2.2	34.4	100.0	
1995 Dec	15.2	62.1	5.9	24.0	2.6	10.7	0.8	3.1	24.5	100.0	
1996 Dec	15.1	48.8	11.4	36.9	3.5	11.3	0.9	3.0	31.0	100.0	
1997 Dec	23.1	47.2	19.5	39.8	4.9	10.0	1.3	2.7	49.0	100.0	
1998 Dec	18.6	57.1	10.3	31.3	2.9	8.9	0.8	2.4	32.6	100.0	
1999 Dec	41.5	62.3	19.7	29.5	4.5	6.7	0.9	1.4	66.7	100.0	
2000 Dec	32.1	61.8	16.8	32.3	2.2	4.2	0.9	1.7	51.9	100.0	
2001 Dec	33.4	60.8	18.6	33.9	2.2	4.0	0.8	1.5	54.9	100.0	
2002 Dec	28.0	62.8	14.7	33.0	1.6	3.6	0.3	0.7	44.6	100.0	
2003 Dec	34.6	61.2	19.9	35.2	1.7	3.0	0.3	0.5	56.5	100.0	
2004 Dec	48.3	65.3	22.4	30.2	2.9	3.9	0.4	0.6	74.0	100.0	
2005 Dec	71.5	67.1	31.2	29.3	3.2	3.0	0.7	0.6	106.6	100.0	
2003 Jan	26.3	62.3	14.2	33.6	1.5	3.6	0.2	0.5	42.2	100.0	
Feb	25.4	60.7	14.8	35.3	1.4	3.4	0.2	0.5	41.9	100.0	
Mar	25.4	60.0	15.2	35.9	1.5	3.5	0.2	0.5	42.3	100.0	
Apr	28.7	60.2	17.3	36.4	1.4	2.9	0.2	0.4	47.7	100.0	
May	29.1	59.9	17.5	36.1	1.7	3.4	0.3	0.6	48.5	100.0	
Jun	30.6	61.0	17.5	34.9	1.8	3.6	0.3	0.6	50.2	100.0	
Jul	32.0	61.9	17.7	34.2	1.7	3.3	0.3	0.6	51.7	100.0	
Aug	31.8	62.6	17.0	33.5	1.7	3.3	0.3	0.6	50.8	100.0	
Sep	31.8	61.6	17.8	34.5	1.8	3.4	0.3	0.6	51.6	100.0	
Oct	32.3	61.5	18.0	34.3	1.9	3.6	0.3	0.6	52.5	100.0	
Nov	33.8	61.6	18.9	34.4	1.9	3.5	0.3	0.5	54.9	100.0	
Dec	34.6	61.2	19.9	35.2	1.7	3.0	0.3	0.5	56.5	100.0	
2004 Jan	36.9	60.4	21.5	35.2	2.3	3.8	0.3	0.5	61.0	100.0	
Feb	38.6	60.5	22.6	35.4	2.3	3.7	0.3	0.5	63.9	100.0	
Mar	40.2	58.4	26.0	37.7	2.4	3.4	0.3	0.5	68.9	100.0	
Apr	37.1	57.4	25.0	38.6	2.2	3.5	0.3	0.4	64.6	100.0	
May	37.3	57.7	24.9	38.6	2.1	3.3	0.3	0.4	64.6	100.0	
Jun	37.7	57.5	25.4	38.8	2.2	3.3	0.3	0.4	65.6	100.0	
Jul	37.2	61.4	21.0	34.7	2.1	3.5	0.3	0.4	60.6	100.0	
Aug	37.2	59.7	22.7	36.5	2.1	3.4	0.3	0.4	62.3	100.0	
Sep	39.3	59.8	23.8	36.2	2.3	3.5	0.3	0.5	65.7	100.0	
Oct	41.6	60.7	24.2	35.2	2.4	3.5	0.4	0.5	68.6	100.0	
Nov	44.4	60.3	26.1	35.4	2.8	3.8	0.4	0.5	73.7	100.0	
Dec	48.3	65.3	22.4	30.2	2.9	3.9	0.4	0.6	74.0	100.0	
2005 Jan	48.0	65.0	22.5	30.5	2.9	3.9	0.4	0.6	73.7	100.0	
Feb	51.7	65.5	23.7	30.1	3.0	3.8	0.5	0.6	78.9	100.0	
Mar	46.2	64.8	21.9	30.7	2.8	3.9	0.4	0.6	71.3	100.0	
Apr	44.8	64.4	21.7	31.2	2.7	3.9	0.4	0.6	69.6	100.0	
May	48.9	65.4	22.6	30.3	2.8	3.7	0.4	0.6	74.8	100.0	
Jun	51.9	65.8	23.7	30.0	2.9	3.7	0.4	0.5	78.9	100.0	
Jul	56.1	65.0	26.8	31.0	3.0	3.5	0.4	0.5	86.3	100.0	
Aug	55.8	65.1	26.3	30.8	3.0	3.5	0.5	0.6	85.7	100.0	
Sep	64.5	67.0	28.1	29.2	3.2	3.3	0.6	0.6	96.3	100.0	
Oct	63.3	67.2	27.5	29.1	3.0	3.1	0.5	0.6	94.3	100.0	
Nov	68.6	67.2	29.9	29.2	3.1	3.1	0.6	0.5	102.1	100.0	
Dec	71.5	67.1	31.2	29.3	3.2	3.0	0.7	0.6	106.6	100.0	

Source: Mexican Stock Exchange.

1/ Includes Global Depository Receipts (GDR's).

2/ Since 1993 total foreign investment in the stock market includes warrants and investments in the intermediate market.



Table A 68
Gross External Debt Position
 By residence criteria ^{1/}
 End of period outstanding stocks

	Million US dollars			Percent of GDP		
	2004	2005 p ^{1/}	Variation	2004	2005 p ^{1/}	Variation
TOTAL (I + II + III + IV)	130,922.4	127,089.4	-3,833.0	17.54	15.46	-2.09
TOTAL ADJUSTED (I + II + III + IV + V)	166,234.8	172,669.1	6,434.3	22.27	19.62	-2.65
PUBLIC SECTOR (I + 3.3 + 4.2.1)	79,225.8	71,674.5	-7,551.3	10.62	9.35	-1.26
I. Federal government ^{2/}	60,084.2	58,373.6	-1,710.6	8.05	7.09	-0.96
II. Monetary authorities	0.0	0.0	0.0	0.00	0.00	0.00
III. Banking sector	11,433.9	9,270.9	-2,163.0	1.53	1.35	-0.18
3.1 Commercial banks ^{3/}	2,413.6	1,715.4	-698.2	0.32	0.28	-0.04
3.2 Other depository corporations ^{4/}	882.1	1,253.0	370.9	0.12	0.10	-0.01
3.3 Development banks ^{2/}	8,138.2	6,302.5	-1,835.7	1.09	0.96	-0.13
IV. Other sectors	59,404.4	59,444.9	40.5	7.96	7.01	-0.95
4.1 Non-bank financial corporations ^{5/}	0.0	0.0	0.0	0.00	0.00	0.00
4.2 Non-financial enterprises	59,404.4	59,444.9	40.5	7.96	7.01	-0.95
4.2.1 Public corporations ^{2/}	11,003.4	6,998.4	-4,005.0	1.47	1.30	-0.18
4.2.2 Private sector ^{6/}	48,401.0	52,446.5	4,045.5	6.49	5.71	-0.77
4.2.3 Deposit insurance corporation ^{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)	35,312.3	45,579.7	10,267.4	4.73	4.17	-0.56
5.1 Non-residents' holdings of peso-denominated debt ^{8/}	7,054.7	10,247.1	3,192.4	0.95	0.83	-0.11
5.2 Residents' holdings of foreign currency-denominated debt ^{9/}	2,782.9	2,276.2	-506.7	0.37	0.33	-0.04
5.3 Agencies' claims on Mexican residents ^{10/}	4,788.3	4,268.6	-519.7	0.64	0.57	-0.08
5.4 PIDIREGAS-PEMEX ^{11/}	26,105.3	33,191.4	7,086.1	3.50	3.08	-0.42
5.5 Other debt liabilities with non-residents ^{12/}	147.0	148.8	1.8	0.02	0.02	0.00

Source: Ministry of Finance and Banco de México.

^{*/} Preliminary figures. Calculations based on GDP of the last quarter of the year and end of period FIX exchange rate.

NOTE: Table A-67 and Table A-68 exhibit differences. While Table A-67 is based on IMF criteria, which present data in a more international comparable format, Table A-68 is based on the criteria used for integrating the balance of payments for several years, which allows for temporal comparisons. For further details on such differences, see footnotes of both tables.

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 (SDSS) for residence criteria.

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

3/ Unlike official statistics, the present figures do not include debt with other nonresident 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" considers agencies as nonresidents. 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 Bank's 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 nonresidents' 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 (BREM) 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. When such bonds are held to be negotiated, their stocks are accounted at market value.

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. According to the applicable accounting procedures such debt is assumed by the public sector two years prior to its due date and once the investment project has been concluded. 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.

12/ Includes deposits of both multilateral creditors and foreign central banks at Banco de México.

Table A 69
Gross External Debt and Debt Service
 Billion US dollars at end of period

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005 ^{p/}
TOTAL EXTERNAL DEBT	142.5	169.8	164.0	154.4	163.7	166.1	158.8	157.4	155.4	157.8	161.8	165.4
Public debt ^{1/}	85.4	100.9	98.3	88.3	92.3	92.3	84.6	80.3	78.8	79.0	79.2	71.7
Federal government	41.2	56.4	55.6	49.0	52.3	53.0	46.1	44.1	43.6	44.9	48.6	48.7
Public enterprises	10.0	9.7	11.3	10.9	11.7	12.7	12.5	11.9	11.6	11.5	10.6	6.8
Development banks	34.2	34.8	31.4	28.4	28.3	26.6	26.0	24.3	23.6	22.6	20.0	16.2
Commercial banks ^{2/}	25.0	20.6	18.5	16.7	15.8	14.8	12.4	9.3	6.3	5.8	6.7	4.4
Banco de México	3.9	17.3	13.3	9.1	8.4	4.5	0.0	0.0	0.0	0.0	0.0	0.0
Non-bank private sector ^{3/}	28.2	31.0	33.9	40.3	47.2	54.5	61.8	67.6	70.3	73.0	75.9	89.3
EXTERNAL DEBT SERVICE ^{4/}	20.8	23.0	33.8	34.3	24.2	24.0	34.7	30.2	25.2	27.3	26.6	24.6
Amortizations	9.0	9.4	20.4	21.9	11.7	11.1	21.0	17.5	13.2	15.6	15.4	12.3
Current amortizations ^{5/}	9.0	9.4	10.6	12.4	11.7	11.1	10.6	11.7	11.0	10.0	15.4	12.3
Other ^{6/}	0.0	0.0	9.8	9.5	0.0	0.0	10.4	5.8	2.2	5.6	0.0	0.0
Interest paid	11.8	13.6	13.4	12.4	12.5	12.9	13.7	12.7	12.0	11.7	11.2	12.3
Public sector	7.8	8.5	8.0	7.0	6.7	6.8	7.4	7.1	6.6	6.8	6.7	7.4
Commercial banks	1.6	1.7	1.7	1.5	1.5	1.3	1.2	0.8	0.4	0.3	0.3	0.4
Banco de México	0.2	0.7	0.7	0.5	0.4	0.3	0.1	0.0	0.0	0.0	0.0	0.0
Non-bank private sector	2.2	2.7	3.0	3.4	3.9	4.5	5.0	4.8	5.0	4.6	4.2	4.5

Source: Banco de México and Ministry of Finance.

NOTE: Table A-67 and Table A-68 exhibit differences. While Table A-67 is based on the criteria for integrating the balance of payments for several years, which allows for temporal comparisons, Table A-68 is based on IMF criteria, which present data in a more international comparable format. For further details on such differences, see footnotes of both tables.

1/ Public sector data is classified according to "external debtor" criteria.

2/ Commercial banks' debt includes external liabilities of its agencies and branches abroad.

3/ Includes debt not recognized by the Ministry of Finance, associated with long-term infrastructure investment projects (PIDIREGAS).

4/ Current amortizations including interest paid.

5/ Amortizations of long-term government liabilities. Excludes amortizations of TESOBONOS and payments to the IMF.

6/ Includes early redemption of Brady Bonds and other prepayments of federal government debt.

p/ Preliminary figures.



Balance Sheet



BANCO DE MEXICO

5 DE MAYO NUM. 2 MEXICO 06059, D.F.

BALANCE SHEET AT DECEMBER 31, 2005
MILLION PESOS

<u>ASSETS</u>		<u>LIABILITIES AND EQUITY</u>	
INTERNATIONAL RESERVES	\$ 730,253	INTERNATIONAL MONETARY FUND	\$ 0
INTERNATIONAL ASSETS	788,117	MONETARY BASE	380,034
LIABILITIES TO BE DEDUCTED	(57,864)	BILLS AND COINS AND CIRCULATION	380,034
CREDIT GRANTED TO THE FEDERAL GOVERNMENT	0	BANK CURRENT ACCOUNT DEPOSITS	0
GOVERNMENT SECURITIES	0	MONETARY REGULATION BONDS	260,109
CREDIT GRANTED TO FINANCIAL INTERMEDIARIES AND DEBTORS FROM REPO OPERATIONS	144,484	FEDERAL GOVERNMENT CURRENT ACCOUNT DEPOSITS	113,838
CREDIT GRANTED TO PUBLIC ENTITIES	61,064	OTHER FEDERAL GOVERNMENT DEPOSITS	11,447
SHARES IN INTERNATIONAL FINANCIAL ORGANIZATIONS	7,815	OTHER BANK DEPOSITS AND DEBTORS FROM REPO OPERATIONS	279,856
FIXED ASSETS, FURNISHING AND EQUIPMENT	3,385	TRUST FUNDS' DEPOSITS	0
OTHER ASSETS	55,686	SPECIAL DRAWING RIGHTS	4,408
TOTAL ASSETS	\$ 1,002,687	OTHER LIABILITIES	43,683
		TOTAL LIABILITIES	1,093,375
		CAPITAL	5,475
		PREVIOUS YEAR OPERATIONAL SURPLUS	(24,859)
		FISCAL YEARS' OPERATIONAL SURPLUS	(71,304)
		TOTAL EQUITY	(90,688)
		TOTAL LIABILITIES AND EQUITY	\$ 1,002,687

MEMORANDUM ACCOUNT \$ 8,940,151

The present Balance Sheet was prepared according to the rules and regulations set by Banco de México's Law and Internal Bylaw, the specific guidelines set by its Board of Governors, the Bank's financial information standards which comply with adequate international Central Bank practices, and to the accounting principles commonly accepted in Mexico, applicable to its case. In accordance with article 38 of the referred Bylaw, International Reserves are defined as mentioned in article 19 of Banco de México's Law; Government Securities are presented as net holdings from these securities and after monetary regulation deposits, not including any securities acquired or transmitted via repo operations or deposits, and in case of creditor position, listed under line item Monetary Regulation Deposits; Credit granted to Financial Intermediaries and Debtors via Repo operations includes Commercial Banks, Development Banks and Official Trust Funds, as well as the net debtor balance from accounts included in line item Bank Current Account Deposits; Credit to Public Entities and Enterprises includes that granted to the Institute for the Protection of Bank Savings (Instituto de Protección al Ahorro Bancario, IPAB); and line item Other Assets is presented as Net from Capital Reserves for Exchange Rate Fluctuations and from Net Revalued Assets, which, as a whole, sum \$24,782. Balances denominated in foreign currency were valued at the daily exchange rate, and Equity reflects a surplus of \$4,107 due to the revaluation of Fixed Assets and Inventories.

DR. GUILLERMO ORTIZ MARTÍNEZ
GOVERNORLIC. ALEJANDRO GARAY ESPINOSA
ADMINISTRATION DIRECTORC.P. GERARDO ZÚÑIGA VILLARCE
ACCOUNTING DIRECTORExternal Auditors' Report

We have reviewed the Balance Sheet of Banco de México at December 31, 2005, its Profit and Loss Statement as well as the corresponding Statements of Equity Variations and Changes in the Financial Position for the year ending on the aforementioned date. Banco de México's Administration is solely responsible for the referred Financial Statements. Our responsibility is to express an opinion of the above based on our audit.

Our audit was carried out following the commonly accepted auditing standards applicable to Mexico, which require a planned and prepared audit to reasonably ensure financial statements do not reflect significant errors and are prepared in accordance with Banco de México's Law and Internal Bylaw. Such audit consists of an assessment, based on selected tests, of evidence supporting all figures and financial statements; furthermore, it includes an evaluation of the accounting practices used, the foremost estimations made by Banco de México's Administration, and the presentation of the Institution's financial statements. We believe this assessment provides sufficient evidence to support our opinion.

Financial statements have been prepared following the requirements for providing financial information set out by Banco de México's Law and Internal Bylaw, as well as by the specific guidelines agreed by its Board of Governors, and the applicable accounting principles commonly accepted in Mexico.

In our opinion, these financial statements provide a reasonable depiction of Banco de México's financial position at December 31, 2005, its income statement, the variations in equity, and the changes in its financial position for the year ending on said date, according to the accounting requirements described above.

March 17, 2005

KPMG CARDENAS DOSAL, S.C.
C.P.C. José Carlos Rivera Nava