

Annual Report

2011



BANCO DE MÉXICO

APRIL, 2012

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according to Article 51, Section III of Banco de México's Law

FOREWARNING

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

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1. Introduction

In 2011 the world economic recovery, which had begun in the second half of 2009, lost its momentum. This was due to the adverse effects of the natural disasters in Asia, the sharp increase in commodity prices in the first half of the year and the deepening of the sovereign debt crisis in the Euro zone in the second semester of the year. All this, together with the lack of agreements to ensure the sustainability of public finances in advanced economies, caused deterioration of confidence on a global level, particularly during the second half of 2011, which generated negative feedback between the economic activity and the weakness of financial markets. Particularly, in the Euro zone a strong deterioration of households' and firms' confidence, a fiscal adjustment greater than expected and the process of banks' deleveraging had a negative impact on the economic activity. Although emerging economies continued demonstrating a high growth rate, it moderated towards the end of the year. As a result, world economic growth prospects have been generally revised downwards throughout the year.

During the year analyzed in this Annual Report, the conditions in the international financial markets deteriorated significantly due to an increased risk of contagion given the intensification of the fiscal and financial problems in some countries of the Euro zone. The deepening of sovereign debt problems in this region significantly increased the vulnerability of financial institutions, which led to severe liquidity problems in the interbank market and banks' deleveraging process. On the other hand, the lack of political agreements in the United States on the fiscal consolidation process led to a downgrading in this country's credit rating by a credit rating agency, which contributed to increasing uncertainty in the financial markets. In this context, after various attempts to contain the deterioration in the abovementioned markets, the European authorities implemented unprecedented measures, among which stood out long-term refinancing operations and the extension of the collateral accepted by the European Central Bank (ECB). Thus, the situation in the international financial markets improved by the end of the year.

Increased risk aversion caused by the Euro zone crisis had a negative impact on the financial markets of emerging economies in the last two quarters of 2011. In this environment, the capital flows were affected and the exchange rates of most emerging economies depreciated against the USD. However, as a result of the abovementioned measures taken by the ECB the search for yield was resumed by the end of the year, leading to a general slight increase in financial assets' prices.

The upward trend of inflation, observed at the global level during the first six months of 2011, reverted in the second half of the year. In this context, the economic slowdown and lower inflationary pressures propitiated a change in direction of the monetary policy in the vast majority of advanced and emerging economies towards a more accommodative stance.

In Mexico the economic activity presented a positive trajectory in 2011, even though the international economic situation propitiated a less favorable environment for the economic growth in the country. Particularly, lower external demand, especially from the U.S., led to a gradual slowdown of the Mexican economy in the second half of 2011. Nevertheless, due to solid economic



fundamentals, it continued the recovery process initiated in the second half of 2009, registering a GDP growth rate of 3.9 percent for the year as a whole. In this environment, both the performance of the aggregate demand and the persistent slackness in the labor market led to the absence of demand pressures on both the price levels and the country's external accounts.

As regards inflation performance, during 2011 it presented lower levels than in the previous year. In particular, its average level was 3.41 percent (in 2010 it was 4.16 percent). It is noteworthy that Banco de México has established a 3 percent annual headline inflation target, and a variability interval of plus/minus one percentage point. In addition to the monetary policy stance, lower inflation observed in 2011 was influenced by various factors, among which stand out the following: i) slack conditions in the economic activity; ii) absence of labor cost-related pressure on the price formation process; iii) increased competition levels; and iv) fading of the impact related to fiscal adjustments and increased fares and public prices that came into force at the beginning of 2010.

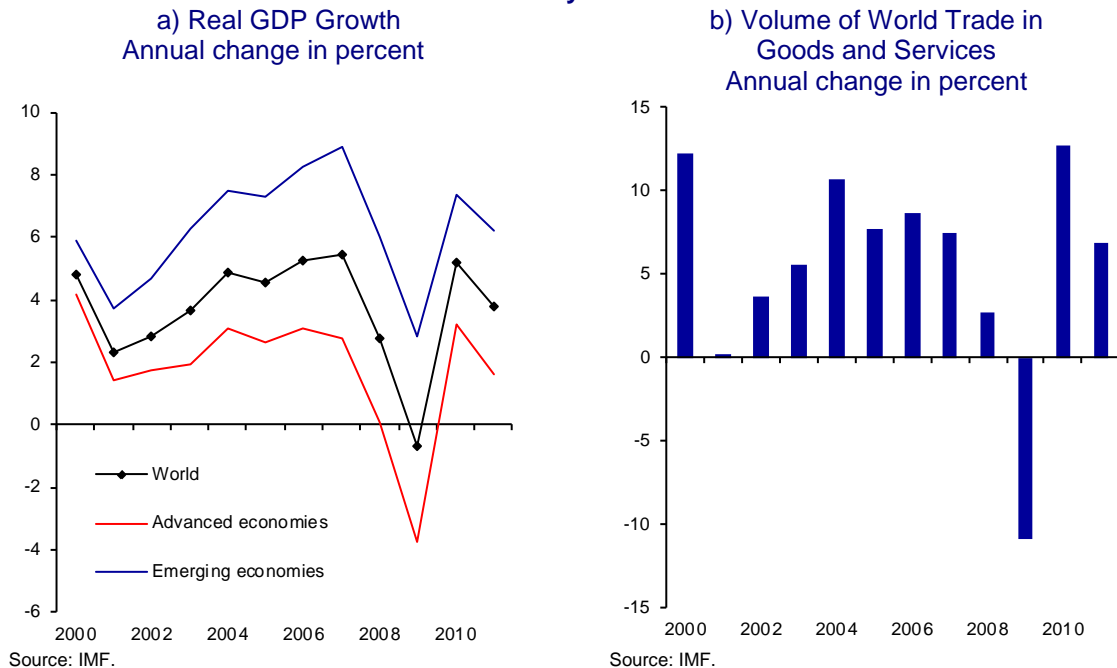
The monetary policy conduction, aimed at ensuring price stability, prevented the period of financial turmoil in the world economy and the consequent adjustment of the exchange rate, given a less favorable international environment, from contaminating the price formation process in the domestic economy. Thus, during this episode, the low pass-through of exchange rate movements to inflation in Mexico was confirmed. Therefore, the depreciation of the exchange rate had practically no effect on inflation expectations. Consequently, despite the deterioration of the external environment, the solid fundamentals of the Mexican economy allowed the expansion of the economic activity and the continued convergence of inflation to the 3 percent permanent target. Considering the above, Banco de México's Board of Governors decided to maintain the target for the Overnight Interbank Interest Rate at 4.5 percent during 2011.

2. International Environment

The gradual recovery of the world economy which started in mid-2009 faced new obstacles during 2011. Thus, world economic growth decreased from 5.3 percent in 2010 to 3.9 percent in 2011. Great uncertainty in financial international markets in the second half of 2011 followed the effects of the natural disasters in Japan on the global production chains and a new commodity price increase at the beginning of the year. Increased uncertainty in financial markets, caused by the lack of political agreements in the U.S. regarding the fiscal consolidation process and by the aggravation of the Euro zone crisis, resulted in a significant deterioration of both the confidence of economic agents and the prospects for world economic growth.

Although the slowdown in global growth was widespread, it was slightly more pronounced in advanced economies than in the emerging ones, which kept growing at high rates (Graph 1a). In this environment, the growth rate of the world trade volume also declined (Graph 1b). In turn, due to lower economic growth and to the drop in commodity prices in the second half of the year, inflationary pressures diminished at a global level in 2011. In response, the central banks of many countries, both advanced and emerging, adopted more accommodative monetary policy stances.

Graph 1
Economic Activity and World Trade



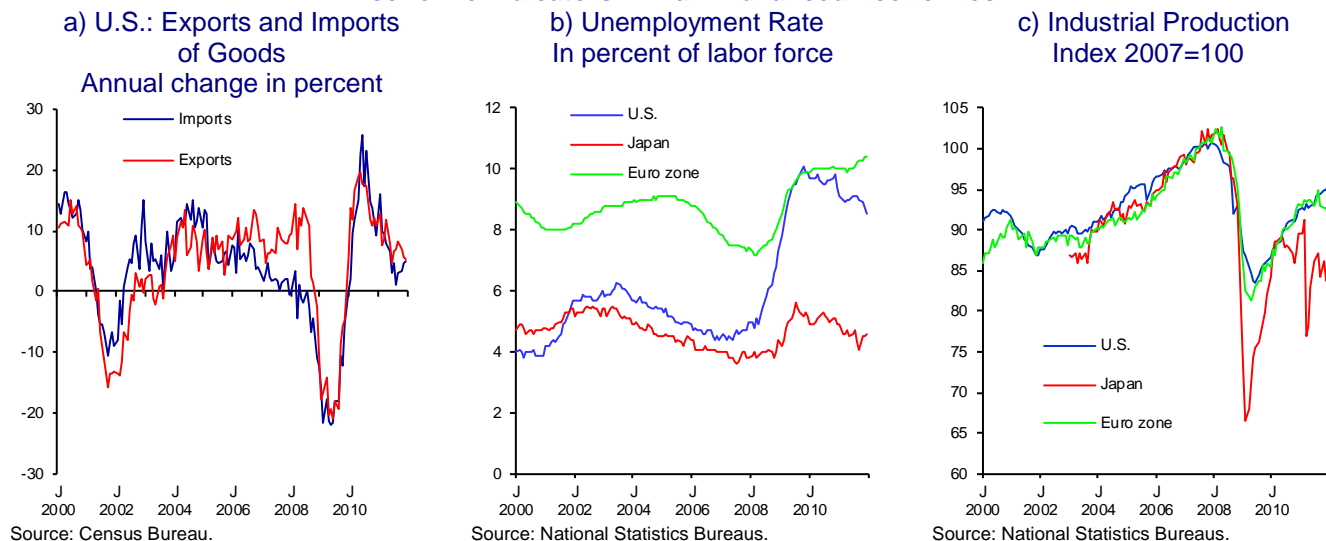
U.S. economic recovery continued in 2011, although at a more moderate pace. Thus, GDP grew 1.7 percent in 2011, a figure substantially below 3.0 percent observed in 2010. This slowdown mainly reflected reduced government spending, slower growth of investment in equipment and software, the persistent weakness of residential construction and a negative contribution of

inventories. In turn, the slowdown in exports was partially compensated by lower import growth (Graph 2a).

In this environment, among the principal factors motivating the moderate growth of the U.S. economy in 2011 was a greater expansion rate of private consumption, which grew 2.2 percent, slightly above 2.0 percent observed in 2010. This occurred despite the slow recovery of personal income after the 2008-2009 crisis, and the still difficult conditions of access to credit for many households. Thus, the increase in consumption coincided with a reduction in the savings rate, which changed from an average of 5.2 percent of disposable personal income in the last quarter of 2010 to an average of 4.5 percent in the fourth quarter of 2011.

In turn, the recovery of personal income was influenced by the moderate growth in employment during 2011. Besides, the reduction in the unemployment rate from 9.4 percent in December 2010 to 8.5 percent in December 2011 was partly due to a decrease in the labor participation rate (Graph 2b).

Graph 2
Economic Indicators in Main Advanced Economies



Regarding U.S. industrial production, in the first half of the year it was affected by the impact of the natural disasters in Japan on the global production chains. Industrial production grew 4.1 percent in 2011, after increasing 5.4 percent in 2010, thus remaining below the pre-crisis level (Graph 2c).¹

On the other hand, during 2011 in the U.S. the political agreements, necessary for a fiscal package aimed at supporting the economic activity in the short run and ensuring the sustainability of public finances in the medium run, were not achieved. In the context of the negotiation on the increase of the government debt ceiling at the beginning of August, various measures of fiscal adjustment were agreed upon, but were considered insufficient to attain the public debt sustainability in the medium run.^{2,3} In this environment, and given limited

¹ At the end of the year the industrial production was 4.8 percent below the level observed at the end of 2007.

² The agreements included a reduction of the fiscal deficit by USD 917 billion between 2013 and 2022 and a proposal of an additional adjustment of up to USD 1.5 trillion, which was to be agreed on by a two-party

capacity to reach agreements, on August 5 the credit rating agency Standard & Poor's lowered the long-term U.S. sovereign credit rating from "AAA" to "AA+", with a negative outlook.

The Euro zone economy expanded 1.5 percent in 2011, which is below the growth rate of 1.9 percent observed in 2010. The uneven performance among the Euro zone countries persisted, with the strength of the German economy standing out. The region's economic activity was influenced by the feeble fiscal position of some of its economies, which in turn deteriorated consumers' and firms' confidence, and created pressures in the interbank funding markets. Thus, a negative feedback among the slow economic growth, the fiscal vulnerability and the fragile situation of the banking system was observed. During the last quarter of 2011 this interaction caused the Euro zone activity to contract 1.2 percent as compared to the previous quarter.

The international financial markets' conditions deteriorated significantly during 2011, although certain improvement was observed towards the last weeks of the year. This deterioration was primarily associated to the fiscal and banking problems in Europe and to the high risk of contagion to other countries, as well as deterioration in the growth prospects of the world economy, particularly in advanced economies. The abovesaid, together with the difficulties faced by the U.S. in reaching the political agreements to ensure public finances' sustainability and in raising the debt ceiling, resulted in increased uncertainty among investors.⁴ In this context, the sovereign risk indicators of the countries facing fiscal problems deteriorated significantly, which was magnified by the insistence of some European authorities to include the private sector in Greece's new bailout package, by means of debt-restructuring, reducing the principal and lowering the interest rates.

The important increase in the sovereign risk indicators, particularly in countries such as Spain and Italy, impelled the European authorities to consider new measures to strengthen the strategy aimed at tackling the crisis and limiting contagion.⁵ Thus, the Heads of State of the Euro zone agreed in their summit of July 21 on a new financial support program for Greece worth EUR 109 billion, as well as an interest rate cut and an extension of maturities of credits to Greece,

committee at the end of November that would take place in the same period. In case of not concluding this agreement, automatic spending cuts of USD 1.2 trillion would come into force during the referred period. Ultimately, the referred committee did not achieve the necessary adjustment.

³ Additionally, U.S. President Obama's proposal on September 8 regarding support measures of USD 447 billion for 2012 faced difficulties in the Congress. This fiscal package denominated "American Jobs Act" considered: (i) an extension of unemployment emergency benefits, and an extension and an increase of payroll tax cuts from 6.2 to 3.1 percent; (ii) a reduction by half of taxes paid by employers on their first USD 5 million in payroll, as well as the elimination of payroll tax increases up to USD 50 million, which should be destined by enterprises to payroll increase by means of new employees' hiring or an increase in the present workers' wages; and (iii) spending on infrastructure and support to states and municipalities by approximately USD 140 billion.

⁴ Additionally, investors were concerned about the effect that the eventual withdrawal of the fiscal and monetary stimuli in the main advanced economies will have.

⁵ With the purpose of safeguarding the Euro zone's financial stability, the European authorities committed themselves during the first months of 2011 to strengthen the effective lending capacity of the European Financial Stability Facility (EFSF) by EUR 440 billion. Moreover, an effective financing capacity of EUR 500 billion for the European Stability Mechanism (ESM) was determined by means of various financing schemes, which will come into force in June 2013.

Ireland and Portugal. Additionally, they determined to grant greater flexibility to the EFSF.⁶

Nevertheless, during the second half of the year, fears related to the sustainability of the sovereign debt in European countries with public debt problems intensified and extended to other economies in the region, such as Spain and Italy. This was due to the exposure of the European banks to government bonds and the perception that the measures taken by the European authorities turned out insufficient.⁷ Given this increase in the contagion risk, the European Central Bank (ECB) announced at the beginning of August the purchase of Spain's and Italy's government bonds in the secondary market to improve the functioning of the sovereign debt market. Moreover, the ECB carried out refinancing operations and announced, among other steps, the extension of its unconventional liquidity measures.

However, the difficulties in the Euro zone persisted, therefore the European authorities agreed at the end of October on new measures, among which stood out the following: a) a plan of recapitalizing the region's banks in the short run; b) the expansion of the EFSF capacity;⁸ c) the voluntary restructuring of Greece's debt, aimed at cutting its debt ratio as a percentage of GDP to 120 percent at the end of this decade;⁹ d) a request to the governments of Spain and Italy to take additional measures of fiscal consolidation and structural reform; and e) the adoption of an institutional framework ensuring a higher degree of integration, fiscal discipline and convergence of their economies.

Given the lack of details and the complexity of several of the agreed measures, as well as the challenges related to the implementation process and to uncertainty regarding the soundness of the European financial system, financial markets remained highly volatile. Likewise, the sovereign risk indicators of the countries with fiscal problems kept deteriorating (Graph 3a).

In this context, the U.S. Federal Reserve and other five central banks decided at the end of November to extend and to lower the costs of existing agreements on currency swaps¹⁰ in order to reduce banks' problems of financing in USD.

At the beginning of December, the leaders of most European Union member states agreed on participating in a new budget pact, as well as on

⁶ With the new faculties the EFSF could approve precautionary credit lines, could finance financial institutions' recapitalization by means of credits to European governments, as well as interfere in the secondary market of the sovereign debt under extraordinary circumstances.

⁷ Due to this, the main credit rating agencies downgraded the credit ratings of some European banks and the sovereign debt ratings of Italy and Spain, among other countries. Additionally, they pointed out that they might change the outlook for France's "AAA" rating to negative. Finally, one of the main rating agencies downgraded France's and Austria's credit rating, together with other seven countries with a lower credit rating.

⁸ This will happen by means of two mechanisms. First, the EFSF will grant guarantees for member states' debt issuances to reduce the costs of financing; second, the establishment of an investment vehicle that will receive resources from a combination of public and private sources to grant credits for banks' recapitalization and bond purchases, both in the primary and in the secondary market.

⁹ The Euro zone member states will contribute with EUR 30 billion to guarantee the principal of new bonds. Besides, Greece will obtain up to EUR 100 billion from official sources by means of a multiannual support program.

¹⁰ The Bank of Canada, the European Central Bank, the Bank of England, the Bank of Japan and the Swiss National Bank.

promoting closer cooperation in their policies.¹¹ In turn, at the beginning of December the European Banking Authority (EBA) determined an increase in capitalization above Basel III requirements to strengthen the Euro zone banks.¹²

In addition to the above, at the beginning of December the ECB announced unconventional and unprecedented measures aimed at easing the lack of liquidity in the Euro zone banks, mitigating the worsening of credit conditions and supporting the functioning of the monetary policy transmission mechanism. Particularly, the ECB decided to carry out two refinancing operations per three years.¹³ Likewise, the ECB expanded the collateral accepted in its financing operations and lowered banks' reserve requirements from two to one percent. These measures turned out fundamental to establish the functioning of financial markets, mainly those of sovereign debt and of interbank funding. The abovementioned contributed significantly to improving the financial markets functioning towards the end of the year and to diminishing the possibility of a catastrophic event.

It should be noted, however, that various of the described measures in general were not perceived by economic agents as sufficient to completely eliminate the negative feedback among the sovereign risk, the financial markets astringency and the deterioration of the economic activity. These measures do not imply a permanent solution to the problems of the banking system and the sovereign debt in Europe. To solve the structural problems affecting this region it is necessary to deal with the needs of fiscal consolidation and to strengthen the financial system.

Regarding the emerging economies, in general they continued showing high growth rates, which, however, moderated throughout 2011 due to the deterioration of the external environment, particularly the slowdown of world trade, lower commodity prices, as well as the lagged effect of the fiscal stimulus withdrawal on the domestic demand dynamism. In particular, China's GDP expanded 9.2 percent in 2011, figure lower than 10.4 percent observed in the previous year. India's GDP growth also decelerated, from 10.6 percent in 2010 to 7.2 percent in 2011. In turn, GDP in Latin America and the Caribbean registered an expansion of 4.5 percent in 2011, as compared to 6.2 percent during the previous year.

Given uncertainty in financial markets, capital flows to emerging economies were volatile during the year, and even net capital outflows from these economies were observed, particularly during the second half of the year. Thus, capital flows to these economies diminished substantially in 2011 as compared to 2010, leading to the depreciation of most emerging economies' currencies against the USD, as well as strong falls of their stock market indices (Graph 3b and Graph 3c). The magnitude of these adjustments even led various countries to intervene

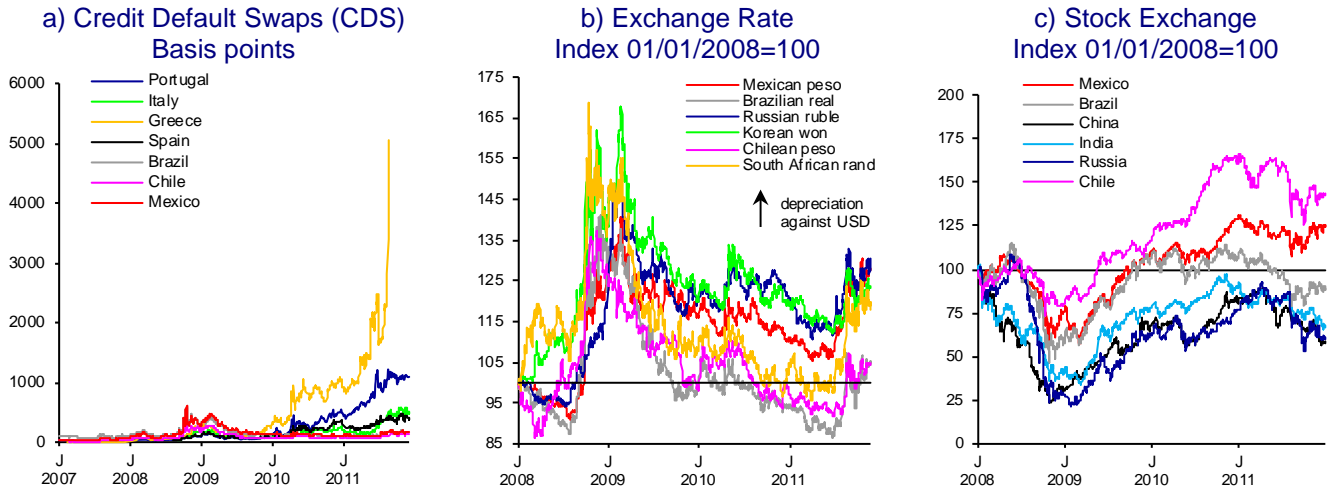
¹¹ In accordance with the pact called "Treaty on Stability, Coordination and Governance in the Economic and Monetary Union", the terms of which were approved on January 30, 2012 by 25 out of 27 member states of the European Union, the structural deficit should not exceed 0.5 percent of GDP, and this regulation should be introduced in the legal systems of the member states. In exceptional circumstances, the limit can be raised to 1 percent of GDP if the debt sustainability risk is low. This agreement was signed on March 1, 2012.

¹² The capital requirements, apart from the Tier 1 Core capital of 9 percent, consider the establishment of a temporary and exceptional reserve, for the sovereign debt exposure and the implementation of the Basel 2.5 rules (a regulation approved in July 2009 to improve the measuring of risks related to the exposure to securitized bonds and to the marketable securities portfolio of the banks) for the risk-weighted assets.

¹³ The first of these operations took place on December 21 and the second one, on February 29, 2012.

in foreign exchange markets to contain the depreciation and the volatility of their exchange rates. Nevertheless, as a result of the measures taken by the ECB at the end of the year, an improvement was observed in the international financial markets.

Graph 3
Financial Indicators in Selected Economies



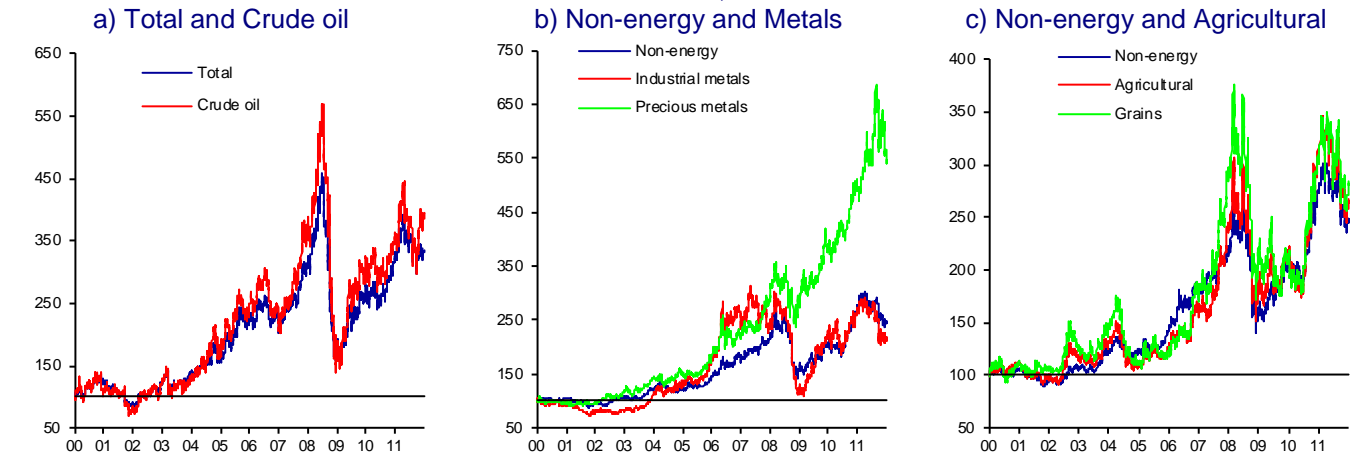
Source: Bloomberg.

Source: Bloomberg.

Source: Bloomberg.

Regarding the evolution of international commodity prices, in the first months of 2011 they continued their upward trend, which began in the second half of 2010. Nevertheless, from the second quarter on, they registered a downward tendency given lower dynamism of world economic activity and the decline in growth expectations. During 2011, commodity markets were characterized by high volatility, due to a combination of low inventory levels, relative rigidity of supply, and climatic and political phenomena. Thus, international crude oil prices registered an increase in the last weeks of the year, due to supply restrictions in some non-OPEC producer countries and the aggravation of the geopolitical problems in the Middle East (Graph 4).

Graph 4
Commodity Prices
Index December 31, 1999=100



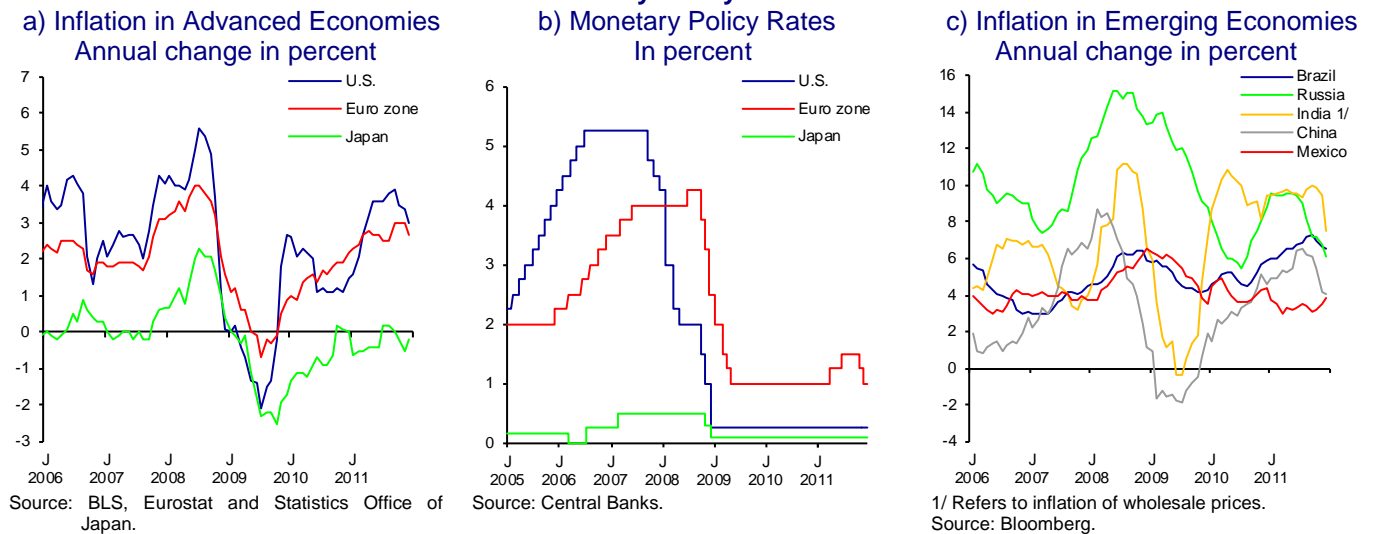
Source: S&P GSCI.

Source: S&P GSCI.

Source: S&P GSCI.

Inflation in advanced economies increased during the first half of 2011, although starting from very low levels, mainly due to commodity price increases during the first months of the year, particularly energy prices. Although headline inflation in 2011 for these economies turned out higher than the previous year, inflationary pressures lessened during the second half of the year due to high levels of idle capacity and the decrease in many commodity prices. Core inflation in these economies also registered increases, but remained at low levels. Given a high degree of slackness in the use of resources, the medium- and long-term inflation expectations continued to be anchored. The abovementioned, together with the weak activity in many of these economies, favored a change in direction in the monetary policy of various economies, both advanced and emerging, towards a more accommodative stance.

In the U.S., headline inflation showed an upward tendency in the first three quarters of 2011, changing from 1.5 percent in December 2010 to 3.9 percent in September 2011, reflecting such factors as the effect of higher commodity prices, in particular gasoline, in the first months of the year, as well as the impact on some prices derived from the supply chains interruptions caused by the natural disasters in Japan. However, as various commodity prices moderated, price increases started to slow down in the second half of the year. Thus, the annual headline inflation rate was 3.0 percent in December 2011 (Graph 5a). In turn, core inflation showed an upward trend throughout the year moving from 0.8 percent in December 2010 to 2.2 percent in December 2011, partly reflecting temporary factors, such as the increase in vehicle and apparel prices.

Graph 5
Headline Inflation and Monetary Policy Rates in Selected Countries


Given the moderate recovery of economic activity and considering the inflation increase, due to the commodity price growth, as transitory, the U.S. Federal Reserve maintained the target interval of the federal funds rate between 0 and 0.25 percent during the year. Particularly, at the August meeting it specified that it would maintain its policy rate at exceptionally low levels at least till mid-2013 (Graph 5b). Likewise, it maintained its program of extraordinary purchases of Treasury bonds till June 2011, just as it had been programmed, and its policy of

reinvesting principal of its asset holdings at maturity.¹⁴ At the September meeting it announced the extension of the average maturity of its asset holdings, by means of purchasing USD 400 billion in Treasury securities with maturities of 6–30 years, and the sale of the same amount of bonds with maturities of 3 or fewer years, which is to be carried out between October 2011 and June 2012. Moreover, it decided to purchase mortgage-backed bonds issued by public agencies with resources deriving both from these bonds' maturities and from those issued by the public agencies that the U.S. Federal Reserve maintains in its balance.

In the Euro zone, headline inflation increased from 2.2 percent in December 2010 to 3.0 percent in September 2011, its highest level in three years, which also reflected higher commodity prices in the first months of the year. Subsequently, given the commodity price moderation, inflation dropped to 2.7 percent in December (Graph 5a). In turn, core inflation moved from 1.1 percent in December 2010 to 1.6 percent in September 2011 and remained at this level during the rest of the year. In this context, the ECB increased its reference rate twice, by 25 basis points in April and in June, to 1.5 percent. This happened after maintaining it at 1.0 percent during the previous two years. However, given the negative impact of financial difficulties on economic activity, worsened growth prospects of the region and the decrease in inflation, the ECB reduced its policy rate by 25 basis points in November and in December, to its previous level of 1.0 percent, thus reverting the withdrawal of the monetary stimulus it had been implementing during the previous months (Graph 5b).

Inflationary pressures were observed in emerging economies in the first half of the year. They were motivated both by higher commodity prices and the strong economic growth in some of them. Nevertheless, during the second half of the year inflation decreased in several of these economies (Graph 5c), driven by the expected moderation in economic growth in emerging economies and by lower commodity prices. Thus, in the second half of 2011 most central banks of these economies interrupted the monetary stimulus withdrawal process or even eased their monetary stance, given concern over the world economic situation.

¹⁴ This by means of completing the net purchase program of Treasury bonds (QE2) worth USD 600 billion.

3. Developments in the Mexican Economy: General Overview

3.1. Economic Activity

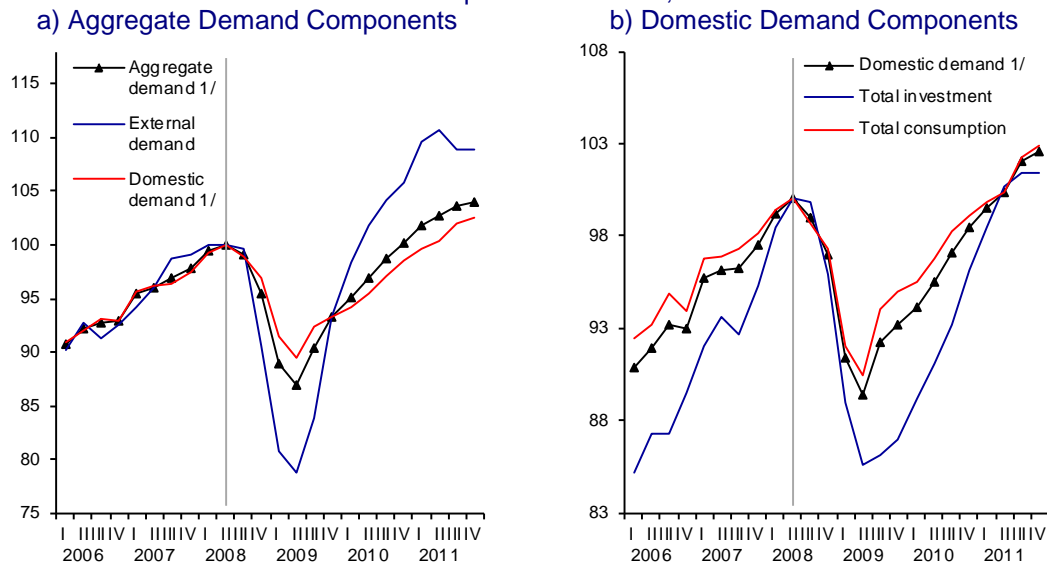
During 2011, Mexican economic activity presented a positive trajectory, continuing the recovery process started in the second half of 2009. Nevertheless, the prevailing conditions in the world economy in 2011 propitiated a less favorable environment for economic growth in Mexico, which resulted in a gradual slowdown of the economy's expansion rate, above all in the second half of the year.

Particularly, financial problems prevailing in Europe were reflected in increased uncertainty in the world financial markets. Likewise, throughout 2011, U.S. industrial production showed a gradual slowdown. These international conditions led to a lower dynamism of the external demand faced by Mexico, which in the last quarter of the year began to be transmitted to some domestic demand components (Graph 6).

As a consequence of the above described international environment, manufacturing exports presented a significant loss of dynamism during the second half of 2011, mainly due to a lower growth rate in sales of manufactured goods to the U.S. It stands out that this slowdown was observed in the exports of automobile industry goods, as well as the rest of manufactures (Graph 7).

Graph 6
Aggregate Demand

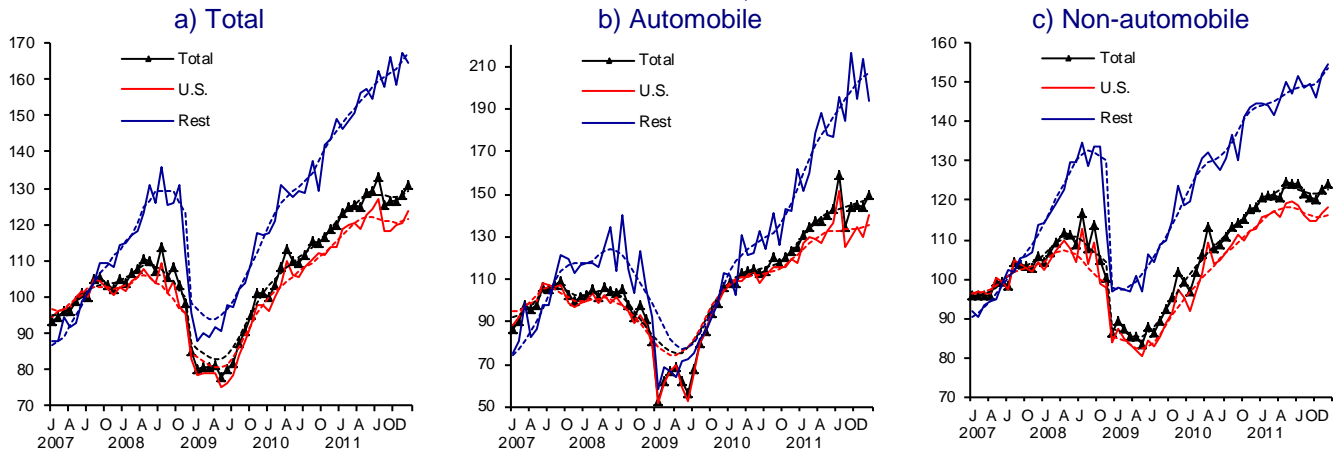
Index 2nd quarter 2008=100; s. a.



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

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

Graph 7
Manufacturing Exports
 Index 2007=100; s. a.



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

In turn, although domestic demand demonstrated an upward trend throughout the entire year, in the fourth quarter some of its components started to be affected by the slowdown of external demand and therefore presented a lower expansion rate (Table 1). Indeed, private consumption had a positive trajectory throughout 2011, although in the last months it showed slightly lower growth rates than those previously observed (Graph 8a). This performance was in line with the evolution of some of its principal determinants. In particular, the real average income of the economy's workers presented negative annual changes during 2011, thus affecting the real wage bill of the economy (Graph 9a). In turn, although workers' remittances continued recovering, they remained at relatively low levels with respect to those observed before the U.S. real estate crisis (Graph 9b). Likewise, consumer confidence indicators stagnated at relatively low levels during the reported year (Graph 9c). As to credit to households, it continued growing throughout the year, largely reflecting the expansion of consumption credit (Graph 9d).

Similarly, after registering high growth rates in the first half of 2011, total investment showed a significant loss of dynamism at the end of the year, which to a large extent reflects stagnation of investment in national machinery and equipment and a contraction of investment in imported machinery and equipment in the third and fourth quarters (Graph 8b).

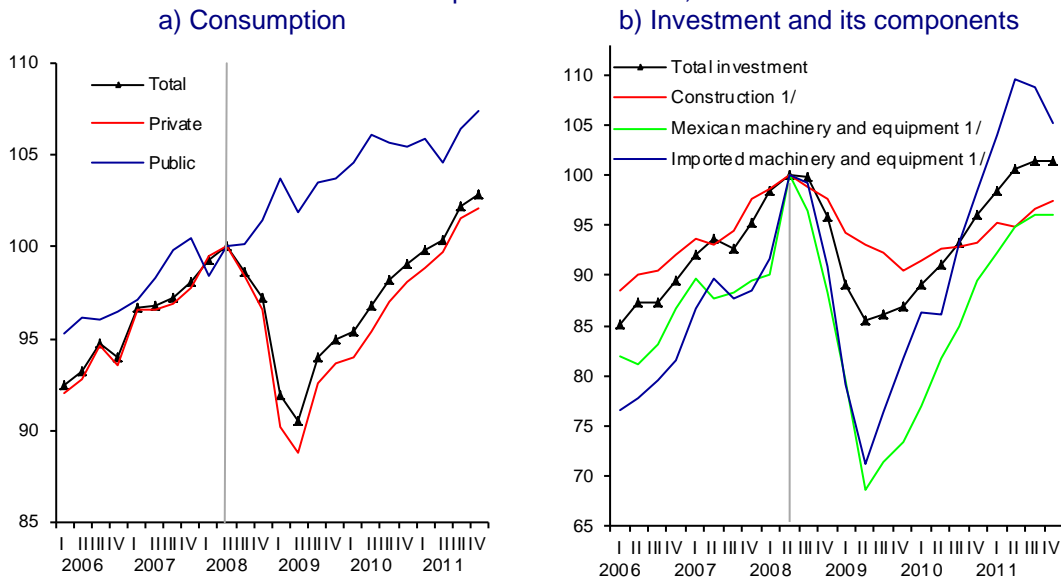
Table 1
Aggregate Supply and Demand

Annual changes in percent with respect to the same period of the previous year

	2008	2009	2010	2011				
				I	II	III	IV	Annual
Aggregate supply	1.5	-9.3	8.9	5.7	4.1	5.0	3.9	4.7
GDP	1.2	-6.2	5.5	4.4	3.2	4.5	3.7	3.9
Imports	2.6	-18.4	20.5	10.0	6.9	6.3	4.4	6.8
Aggregate demand	1.5	-9.3	8.9	5.7	4.1	5.0	3.9	4.7
Total consumption	1.6	-5.9	4.8	4.5	3.3	4.4	3.9	4.0
Private	1.7	-7.3	5.3	5.1	4.1	4.9	4.2	4.6
Public	1.1	3.2	2.1	1.3	-1.5	0.8	1.8	0.6
Total investment	5.5	-11.8	6.4	10.2	10.6	8.9	5.5	8.7
Private	1.7	-16.7	6.3	14.8	17.4	10.8	5.9	12.3
Public	20.3	4.5	6.8	-6.1	-9.6	3.1	4.8	-0.8
Exports	0.5	-13.5	21.7	13.3	7.3	4.3	2.9	6.7

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

Graph 8
Domestic Demand Indicators
Index 2nd quarter of 2008=100; s. a.



s. a. / Seasonally adjusted figures.

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

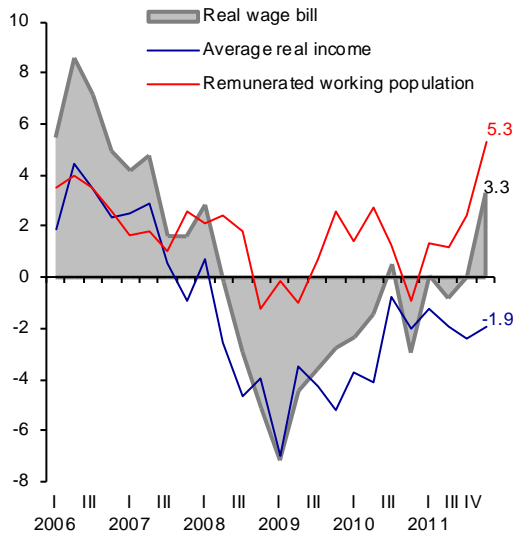
s. a. / Seasonally adjusted figures.

1/ Seasonal adjustment by Banco de México.

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

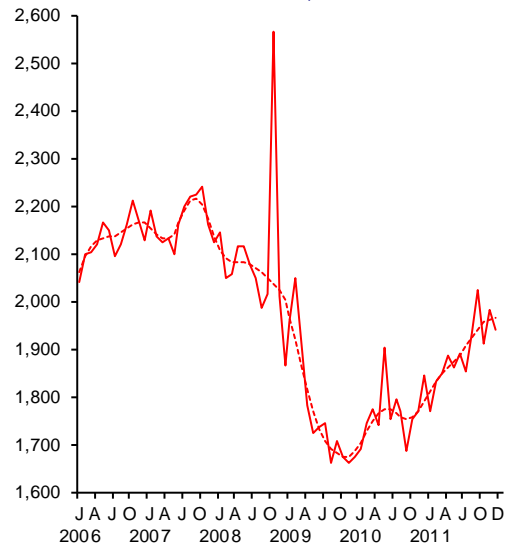
Graph 9
Determinants of Domestic Expenditure

a) Real Wage Bill
Annual change in percent



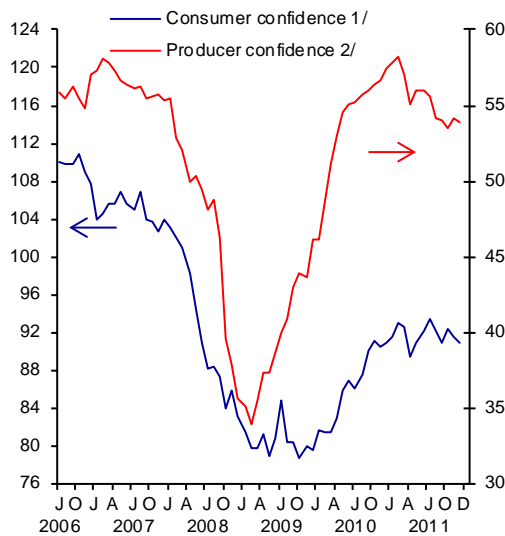
Source: Calculated by Banco de México with data from ENOE, INEGI.

b) Workers' Remittances
USD million; s. a.



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

c) Consumer Confidence Index and Producer Confidence Index, s. a.



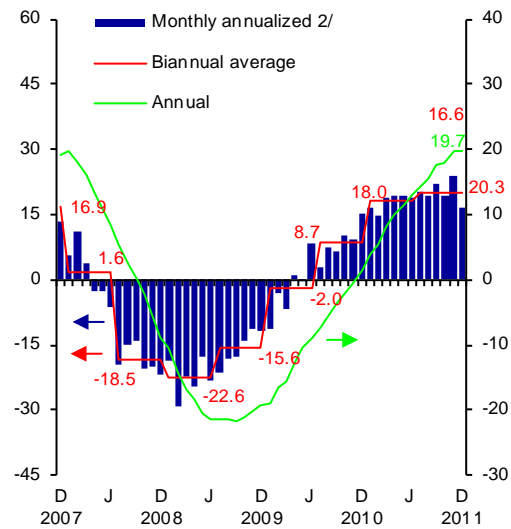
s. a. / Seasonally adjusted figures.

1/ January 2003=100.

2/ Indicator with a reference point of 50.

Source: National Survey on Consumer Confidence (*Encuesta Nacional sobre la Confianza del Consumidor*) and Monthly Survey on Business Opinion (*Encuesta Mensual de Opinión Empresarial*); INEGI and Banco de México.

d) Commercial Banks' Performing Credit for Consumption^{1/}
Real change in percent



1/ Includes credit portfolio of credit-card regulated SOFOM: *Tarjetas BANAMEX, Santander Consumo, Ixe Tarjetas* and *Sociedad Financiera Inbursa*. From February 2009 onwards, figures are affected by the reclassification from consumer credit to credit granted to non-financial firms.

2/ Seasonally adjusted figures.

Source: Banco de México.

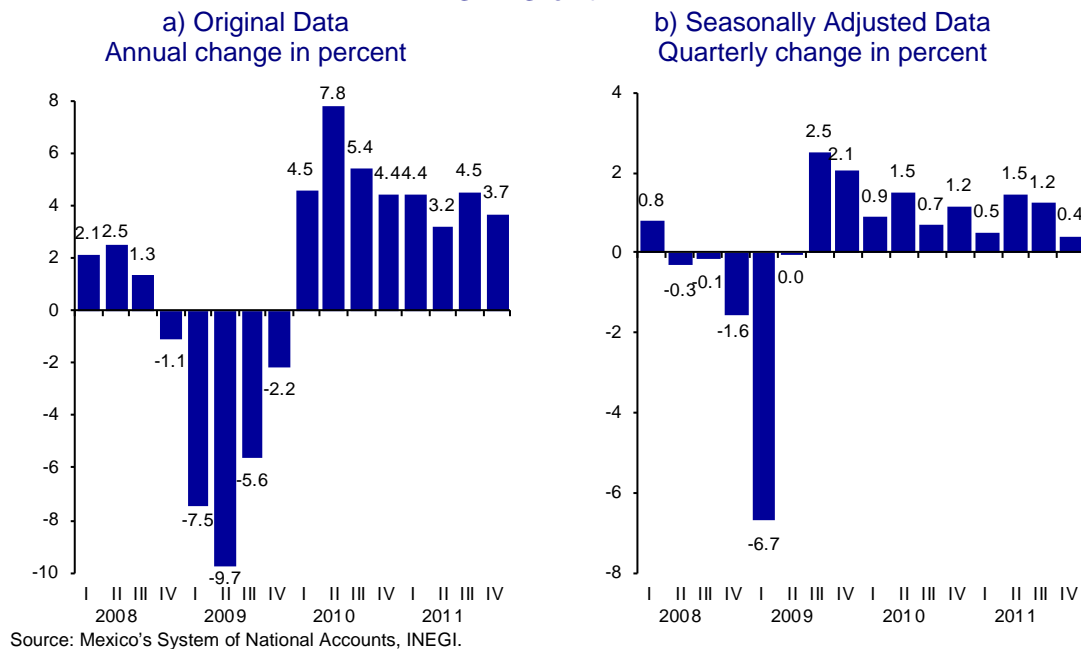
The previously described performance of aggregate demand led to a real annual GDP growth rate of 3.9 percent in 2011. However, it is worth highlighting that the gradual slowdown of aggregate spending resulted in the lowest seasonally adjusted quarterly GDP growth rate in the last quarter of the year since the present phase of the economic recovery started (Graph 10).

The performance of various sectors of the economy reflected the fact that the slowdown initially stemmed from the external sector. Indeed, the growth rate moderation throughout the year was especially noticeable in the industrial sector, reflecting above all manufacturing sector evolution (Graph 11a).

On the contrary, the services sector maintained a positive trajectory and only in the last quarter of the year demonstrated signs of deceleration. This was due to the fact that services associated with domestic demand continued observing similar dynamism throughout the year, while those especially associated with external demand registered a slowdown similar to that of the manufacturing sector during the year (Graph 11b).

Finally, primary activities observed an annual contraction in 2011, largely due to frosts in February and to strong drought conditions in several regions during the last quarter.

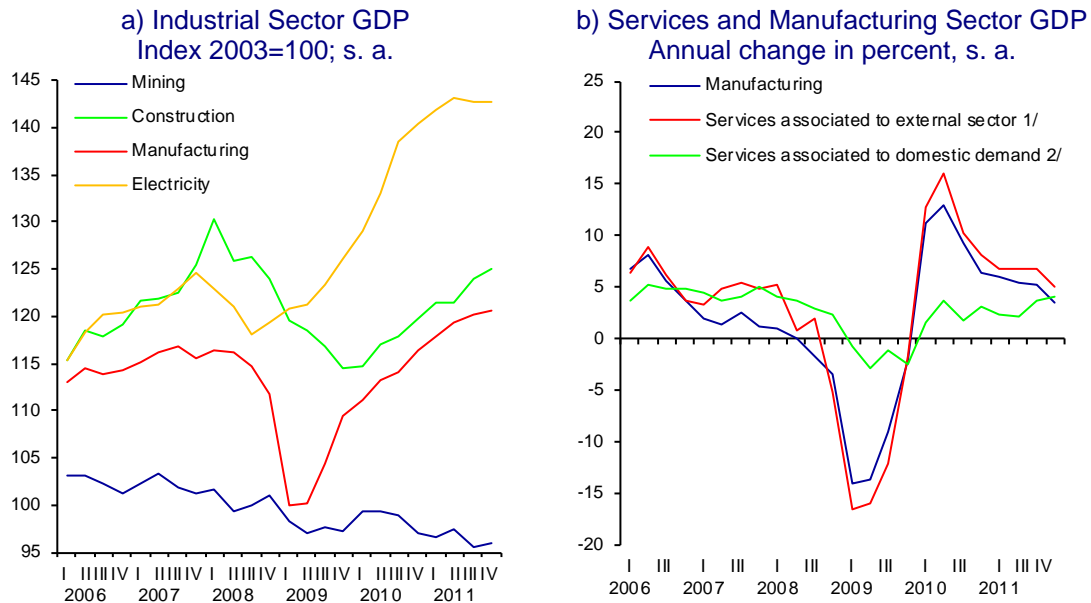
Graph 10
GDP Growth



Regarding the evolution of Mexico's external accounts, during 2011 it reflected both the performance of external demand and the conditions prevailing in international financial markets. Indeed, as previously mentioned, the slowdown observed in U.S. industrial production led to a gradual loss of dynamism of non-oil exports throughout the year. Nevertheless, the increase in oil exports, as a consequence of high international oil prices, as well as the lower imports growth rate counteracted the abovementioned and resulted in the trade balance and current account deficits remaining at moderate levels of USD 1,167 million (0.1

percent of GDP) and of USD 8,789 million (0.8 percent of GDP), respectively (Table 2).

Graph 11
Industrial Production and Services Indicators



s. a. / Seasonally adjusted figures.
Source: Mexico's System of National Accounts, INEGI.

s. a. / Seasonally adjusted figures.
1/ Weighted index of the subsectors Commerce and Transport, Mail and Warehousing services.
2/ Weighted index of Services sector excluding the subsectors Commerce and Transport, Mail and Warehousing services.
Source: Prepared by Banco de México with data from Mexico's System of National Accounts, INEGI.

Table 2
Current Account
USD million

	2010		2011			
	Annual	Q-I	Q-II	Q-III	Q-IV	Annual
Current account	-3,094	-74	-1,797	-3,425	-3,493	-8,789
Goods and services balance	-13,280	-303	-2,184	-8,393	-5,039	-15,919
Goods	-2,960	2,014	1,517	-3,762	-640	-871
Merchandise	-3,009	1,910	1,429	-3,815	-691	-1,167
Exports	298,473	81,803	89,473	88,153	90,247	349,676
Imports	301,482	79,893	88,044	91,968	90,938	350,843
Goods procured in ports by carriers	49	104	88	53	51	296
Services	-10,320	-2,317	-3,701	-4,631	-4,399	-15,048
Rent	-11,318	-4,844	-5,752	-1,205	-3,971	-15,772
Transfers	21,504	5,073	6,139	6,173	5,517	22,902
Oil trade balance	11,482	3,517	3,453	1,977	4,775	13,722
Non-oil trade balance	-14,491	-1,607	-2,024	-5,792	-5,466	-14,889

Source: Banco de México.

As noted before, uncertainty prevailing in global financial markets, which led to increased investors' risk aversion, negatively affected capital flows to emerging economies. However, solid economic fundamentals of the Mexican economy favored capital inflows, leading to an elevated surplus of USD 52,407 million in the financial account. These resources allowed the easy financing of the

current account deficit and an increase in the gross international reserves of USD 28,621 million (Table 3).¹⁵

Table 3
Balance of Payments
USD million

	2 0 1 0		2 0 1 1			
	Annual	Q-I	Q-II	Q-III	Q-IV	Annual
Current account	-3,094	-74	-1,797	-3,425	-3,493	-8,789
Financial account	38,895	9,691	20,244	6,492	15,980	52,407
Direct investment	6,638	2,088	4,868	373	2,471	9,800
In Mexico	20,207	6,270	5,603	3,458	4,109	19,440
By Mexicans abroad	-13,569	-4,182	-735	-3,085	-1,638	-9,640
Portfolio investment	29,620	11,484	9,240	14,832	6,186	41,742
Liabilities	37,557	12,178	9,536	12,008	7,352	41,074
Public sector	28,097	9,994	8,960	9,418	8,605	36,977
Money market	23,127	10,539	6,147	7,418	7,547	31,651
Other	4,970	-545	2,813	2,000	1,058	5,326
Private sector	9,460	2,184	576	2,590	-1,253	4,097
Equity market	642	-1,185	-899	-1,655	-2,506	-6,245
Other	8,818	3,369	1,475	4,245	1,253	10,342
Assets	-7,937	-694	-296	2,824	-1,166	668
Other investment	2,637	-3,881	6,136	-8,713	7,323	865
Liabilities	15,590	757	2,621	-6,178	720	-2,080
Public sector	8,699	-509	-2,395	901	2,305	302
Banco de México	-3,221	0	0	0	0	0
Private sector	10,112	1,266	5,016	-7,079	-1,585	-2,382
Assets	-12,953	-4,638	3,515	-2,535	6,603	2,945
Errors and omissions	-15,186	-2,070	-13,042	3,738	-4,064	-15,438
Change in gross international reserves	20,695	7,674	5,632	7,194	8,121	28,621
Valuation adjustments	-80	-127	-227	-389	302	-441

Source: Banco de México.

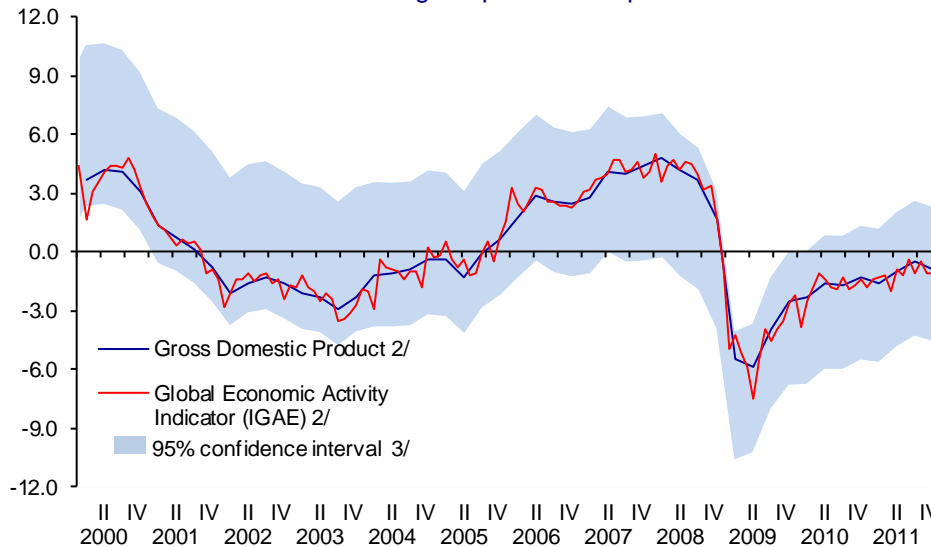
To conclude this section, the performance of various indicators related to slack conditions prevailing in the economy during 2011 is analyzed below. As will be further shown, during the year no demand-related pressures were observed either on the main input prices or on the external accounts of the country. Particularly:

- a) As a result of the moderation in the economy's growth rate during 2011, the output gap continued closing, although at a slower pace than expected, and remained at negative levels throughout the year. In fact, lower GDP growth in the last quarter of 2011 led to a slight expansion of this gap (Graph 12).
- b) Labor market indicators suggest that slack conditions persisted in the analyzed year. In particular, the unemployment rate, the informal sector employment and the underemployment rates remained at levels significantly higher than those observed before the global crisis onset (Graph 13a), despite the increased number of IMSS-insured workers (Graph 13b). Consistent with the above and in accordance with the Monthly Manufacturing Business Tendency Survey (*Encuesta Mensual de Coyuntura del Sector Manufacturero*), this sector's firms did not report any difficulties in hiring skilled manpower (Graph 13c).

¹⁵ The referred increment of gross international reserves resulted from a combination of the current account deficit of USD 8,789 million, an inflow of USD 52,407 million to the financial account and an outflow of USD 15,438 in the errors and omissions item. Likewise, the variation of gross international reserves also includes a valuation adjustment of USD 441 million.

These slack conditions were reflected in moderate wage increases, which together with the positive tendency of mean labor productivity contributed to the continued reduction in unit labor costs (Graph 13d). This, in turn, added to the fact that no pressures on prices derived from the labor market conditions were generated.

Graph 12
Output Gap Estimation ^{1/}
 Percentage of potential output



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

2/ GDP figures up to the fourth quarter of 2011; IGAE figures up to December 2011.

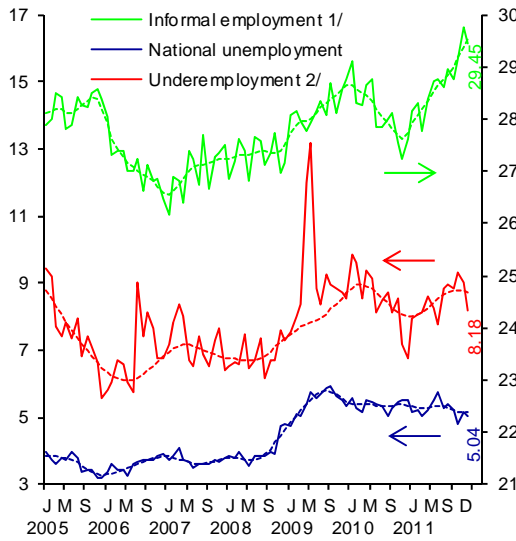
3/ Confidence interval for the output gap calculated with an unobserved components method.

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

- c) Although installed capacity utilization in the automotive industry was relatively high, in other manufacturing sectors it remained below levels registered before the onset of the 2008 crisis (Graph 14).
- d) As will be further detailed in Section 3.3.1, non-financial private sector total financing registered sustained growth in 2011, although its expansion rate moderated in the fourth quarter. In this way, financing dynamics of the non-financial private sector did not point to either possible problems of overheating of the economy or pressures on interest rates.

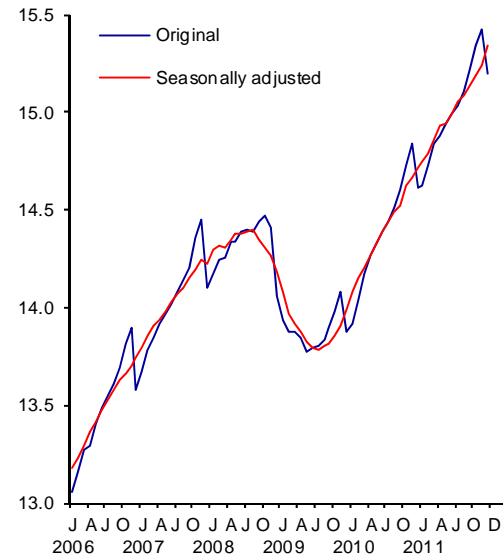
Graph 13
Labor Market Indicators

a) Unemployment, Underemployment and Informal Sector Employment Rates
Percent; s. a.



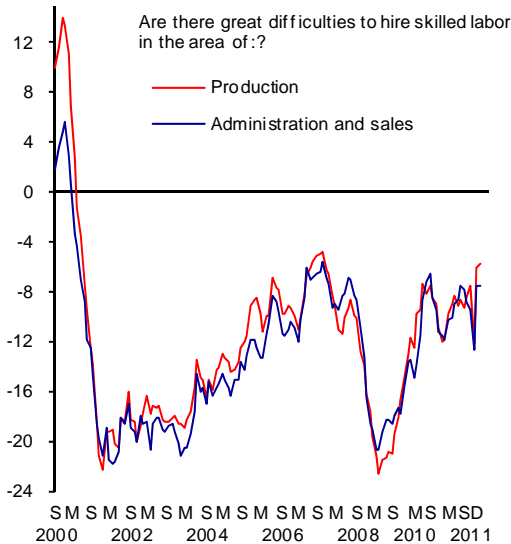
s. a. / Seasonally adjusted and trend data.
1/ Seasonal adjustment by Banco de México.
2/ Original series.
Source: National Employment Survey (*Encuesta Nacional de Ocupación y Empleo*), INEGI.

b) IMSS-insured Workers
Millions of persons



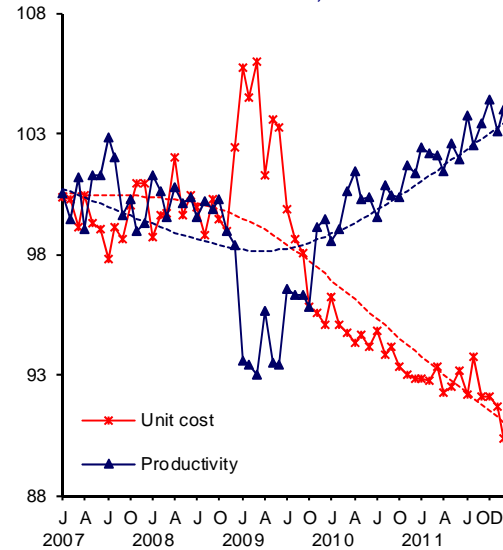
Source: Seasonal adjustment by Banco de México with data from IMSS.

c) Labor Shortage Indicators
Two-month moving average of balance of responses



Source: Monthly Manufacturing Business Tendency Survey (*Encuesta Mensual de Coyuntura del Sector Manufacturero*), Banco de México.

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

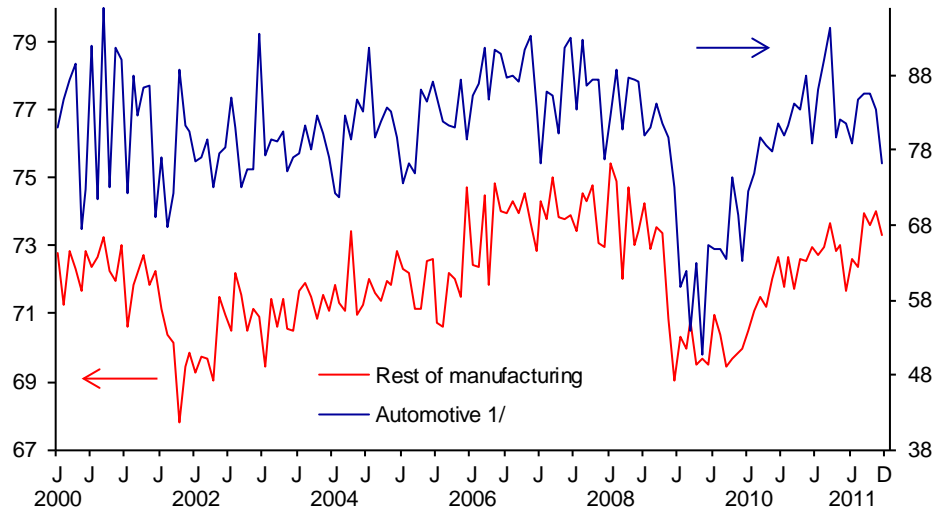


s. a. / Seasonally adjusted and trend data.
Source: Elaborated by Banco de México with seasonally adjusted data from Monthly Manufacturing Industry Survey (*Encuesta Mensual de la Industria Manufacturera*), INEGI.

e) Finally, although the current account deficit of 0.8 percent of GDP during 2011 was higher than registered in the previous year, its level was still

one of the lowest since the nineties. Likewise, as already mentioned, this deficit was easily financed by inflows to the balance of payments' financial account. These results indicate the absence of excessive domestic spending in 2011 (Graph 15).

Graph 14
Installed Capacity Utilization in the Manufacturing Sector
 Percent; s. a.

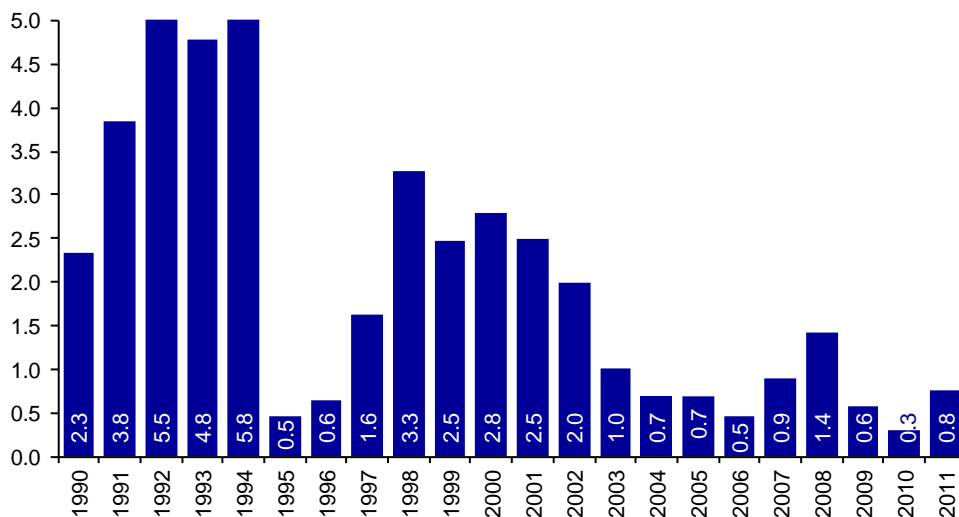


s. a. / Seasonally adjusted.

1/ Original series.

Source: Monthly Manufacturing Business Tendency Survey (*Encuesta Mensual de Coyuntura del Sector Manufacturero*), Banco de México.

Graph 15
Current Account Deficit
 Share of GDP



Source: Banco de México.

3.2. Public Finances

As a result of the evolution of revenues and expenditures, the public sector's economic balance registered in 2011 a deficit of MXN 355.5 billion (2.5 percent of GDP) and of MXN 88.3 billion (0.6 percent of GDP) if Pemex fixed investment is excluded (Table 4).¹⁶ In both cases, the deficit as percentage of GDP was lower than the one in 2010, which reflects the gradual reduction of the fiscal stimulus, which is consistent with the objective of gradually reestablishing the budgetary balance. The public sector's economic deficit turned out MXN 1.0 billion lower than the approved annual target. When Pemex investment was excluded, the deficit exceeded by MNX 18.1 billion the one programmed, but remained within the limits established by the Federal Budget and Fiscal Responsibility Law (*Ley Federal de Presupuesto y Responsabilidad Hacendaria, LFPyRH*).¹⁷ The primary balance (defined as the difference between revenues and expenditures other than financial costs), showed a deficit of MXN 78.1 billion, figure equivalent to 0.5 percent of the GDP.

Table 4
Public Sector Balance in 2009 – 2011 ^{1/}

	MXN billion of 2011			Percent of GDP		
	2009	2010	2011	2009	2010	2011
Economic balance	-294.6	-383.1	-355.5	-2.3	-2.8	-2.5
Budgetary balance	-292.6	-386.2	-360.2	-2.3	-2.9	-2.5
Federal government	-280.0	-370.6	-364.9	-2.2	-2.7	-2.5
Public entities and enterprises (1+2)	-12.7	-15.6	4.7	-0.1	-0.1	0.0
1 Pemex	-34.5	-60.1	-39.5	-0.3	-0.4	-0.3
2 Rest	21.9	44.5	44.2	0.2	0.3	0.3
Non-budgetary balance	-1.9	3.1	4.7	0.0	0.0	0.0
Economic balance excl. investment by Pemex	-23.8	-105.5	-88.3	-0.2	-0.8	-0.6
Primary balance	-8.3	-117.6	-78.1	-0.1	-0.9	-0.5
Primary balance excl. investment by Pemex	262.5	160.1	189.1	2.0	1.2	1.3

Source: Ministry of Finance (SHCP).

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

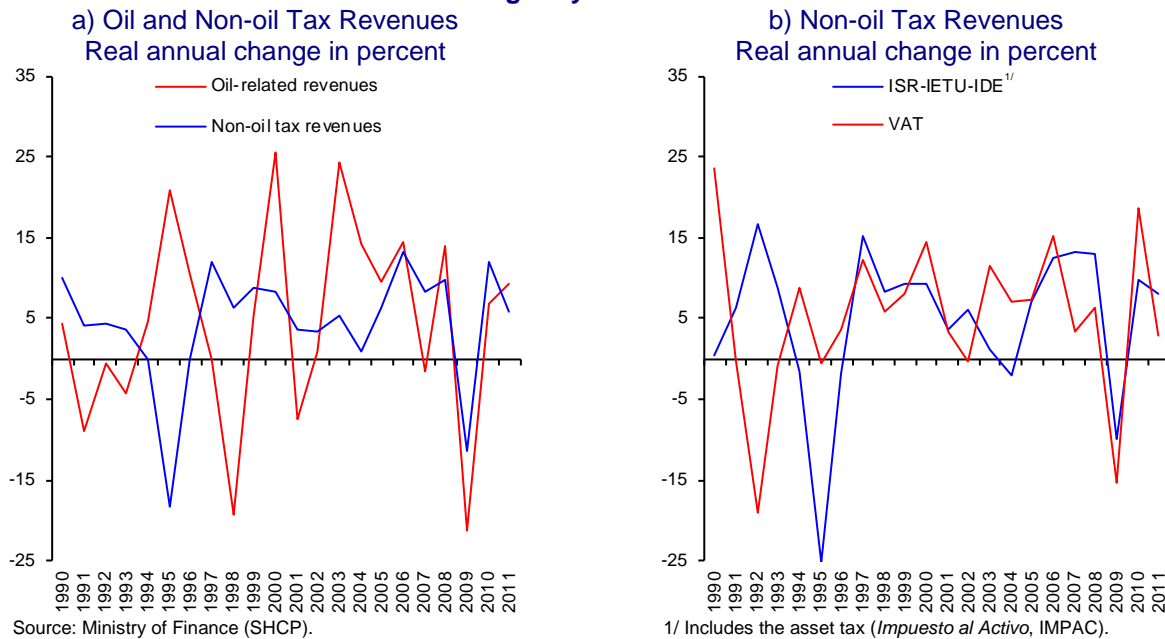
Note: Figures may not add up due to rounding.

In 2011, budgetary revenues amounted to MXN 3,269.6 billion (22.8 percent of GDP), representing a real growth of 6.8 percent, as compared to that observed in 2010. This was a reflection of both the above mentioned GDP growth of 3.9 percent and the sharp increase in crude oil prices. Real growth of oil revenues (9.3 percent), revenues of non-oil public entities and enterprises (8.5 percent) and non-oil tax revenues (5.7 percent) contributed to higher budgetary revenues (Graph 16a, Graph 16b and Graph 17a).¹⁸ Nevertheless, a reduction of non-oil non-tax revenues of 4.0 percent in real terms was registered.

¹⁶ The traditional public balance or the economic balance reflects the public sector's net financial position and is used to evaluate the degree of accomplishment of budgetary goals of the non-financial federal public administration.

¹⁷ In order to evaluate the compliance with the target for the fiscal balance, LFPyRH regulations establish a deviation margin equivalent to 1.0 percent of total net expenditure approved in the Federal Expenditure Budget for each fiscal year (MXN 34.1 billion in the case of 2011).

¹⁸ Oil revenues include total Pemex revenues, oil duties and benefits, the oil revenue tax and the Excise Tax (*Impuesto Especial sobre Producción y Servicios, IEPS*) on gasoline and diesel.

Graph 16
Public Sector Budgetary Revenues in 1990 – 2011


The oil-related revenues' real growth of 9.3 percent was mainly the result of the average price of the Mexican crude oil mix exceeding by 39.3 percent the level registered in 2010. This effect more than offset the 1.0 percent decline in crude oil extraction, higher value of oil imports, which increased 42.0 percent in real terms and the average exchange rate appreciation during the year.¹⁹ It should be pointed out that in 2011 gasoline and diesel price subsidies were observed through a negative Excise Tax (*Impuesto Especial sobre Producción y Servicios*, IEPS). This resulted from a significant increase in international hydrocarbon prices, which surpassed the predetermined increment of domestic prices of these two fuels.²⁰

Non-oil tax revenues grew 5.7 percent in real terms in 2011, mainly as a result of higher joint revenues of income taxes (ISR-IETU-IDE) (8.1 percent), an increase in non-oil Excise Tax (IEPS) (10.4 percent) and in VAT revenues (2.9 percent). According to the Ministry of Finance (SHCP), the moderate growth registered in VAT revenues can be explained by unusually high growth dynamics of tax refunds paid in 2011. In turn, the revenues of non-oil public entities and enterprises rose 8.5 percent in real terms as compared to 2010, due to increased electricity sales by the Federal Electricity Commission (*Comisión Federal de Electricidad*, CFE) and social security contributions to the IMSS and ISSSTE.

As regards the Income Law of the Federation (*Ley de Ingresos de la Federación*, LIF), the excess budgetary revenues in 2011 amounted to MXN 214.3 billion (7.0 percent) and originated from the following sources:

¹⁹ Although the exchange rate at the end of 2011 presented a more depreciated level than at the end of 2010, the average exchange rate in 2011 registered a more appreciated level as compared to the previous year (MXN/USD 12.4 in 2011 and MXN/USD 12.6 in 2010).

²⁰ From January to November 2011, the monthly increment applied to prices of magna gasoline and diesel was 8 cents and in the case of premium gasoline, 4 cents. By December the increment rose to 9 and 5 cents, respectively.

- a) MXN 95.1 billion from higher oil revenues, mainly due to the increase by 53.0 percent in oil prices and higher oil exports of 202 thousands of barrels per day.
- b) MXN 88.7 billion from higher non-tax non-oil revenues, as a result of increased non-recurrent duties and revenues.
- c) MXN 66.0 billion due to higher revenues from public entities and enterprises other than Pemex, among which stand out increases in IMSS revenues (MXN 33.4 billion) and the Federal Electricity Commission (MXN 28.4 billion). In the former case it was the result of higher social security contributions associated to an increased number of IMSS-insured workers, while in the latter case the increment was due to higher sales of electricity and different revenues.
- d) A shortfall of MXN 35.6 billion in non-oil tax revenues, which can be accounted for by lower revenues observed in income taxes (ISR, IETU and IDE), VAT and non-oil Excise Tax (IEPS).²¹

Higher fiscal revenues in 2011 as compared to those previously programmed allowed the total budgetary public spending to locate at MXN 3,629.8 billion (25.3 percent of GDP), which implied a growth of 5.3 percent in real terms with respect to the previous year and spending by MXN 218.0 billion higher with respect to the budgetary level.

In the disaggregation of the total spending it stands out that non-programmable expenditure was MXN 46.3 billion lower (5.7 percent) than the budgetary level, while programmable outlays exceeded by MXN 264.3 billion (10.2 percent) those foreseen. Lower non-programmable expenditures were determined by reduced financial costs (MXN 35.1 billion), associated with lower interest rates and a lower average exchange rate with respect to those forecast, as well as lower outlays of federal entities and municipalities (MXN 16.4 billion). The above was partially compensated by higher Adefas with respect to those programmed (MXN 5.2 billion). In turn, the expansion of programmable expenditures compared to those originally budgeted reflected, in addition to excess revenues obtained in 2011, lower non-programmable expenditures as compared to the budgeted one (MXN 46.3 billion), smaller surplus in the non-budgetary sector (MXN 4.7 billion) relative to the forecast and the deviation of the economic deficit with respect to the one approved (MXN 1.0 billion) (Table 5, Graph 17b and Graph 18).

²¹ The Ministry of Finance (SHCP) attributes the missing amount in the Tax on Cash Deposits (IDE) collection to higher tax accreditation and refunds, as a result of which taxpayers have better knowledge of the tax functioning; in the case of VAT, the reason was the atypically high performance of paid refunds, and in the case of the non-oil Excise Tax (IEPS), it was lower consumption of cigarettes, as a consequence of greater tax burden applied at the beginning of the year.

Table 5
Public Sector Balance 2010 and 2011 ^{1/}

	MXN billion				Real growth %
	2010	2011		Difference (3-2)	
	Observed (1)	Approved (2)	Observed (3)		
Economic balance	-370.5	-356.5	-355.5	1.0	-7.2
Non-budgetary balance	3.0	0.0	4.7	4.7	53.2
Budgetary balance	-373.5	-356.5	-360.2	-3.7	-6.7
Budgetary revenues	2,960.4	3,055.3	3,269.6	214.3	6.8
Oil-related	973.0	1,005.2	1,100.3	95.1	9.3
Federal government	587.6	618.7	706.6	87.9	16.3
Pemex	385.4	386.5	393.7	7.2	-1.2
Non-oil	1,987.4	2,050.2	2,169.4	119.2	5.6
Federal government	1,492.4	1,560.6	1,613.8	53.1	4.6
Tax revenues	1,314.3	1,472.5	1,436.9	-35.6	5.7
ISR-IETU-IDE	679.6	768.9	759.6	-9.3	8.1
Income tax (ISR) ^{2/}	626.5	689.0	720.7	31.7	11.2
Flat rate business tax (IETU)	45.1	60.6	47.2	-13.4	1.2
Tax on cash deposits (IDE)	8.0	19.3	-8.2	-27.6	d.n.a.
VAT	504.5	555.7	537.0	-18.7	2.9
Excise tax (IEPS)	60.6	79.6	69.2	-10.3	10.4
Imports	24.5	22.8	26.9	4.1	6.0
Other	45.0	45.6	44.2	-1.4	-5.0
Non-tax revenues	178.1	88.1	176.9	88.7	-4.0
Duties	32.0	14.9	35.9	21.0	8.3
Proceeds	4.1	5.5	4.6	-0.9	7.2
Benefits	141.9	67.8	136.4	68.6	-7.1
Public entities and enterprises	495.0	489.6	555.6	66.0	8.5
Net paid budgetary expenditures	3,333.9	3,411.9	3,629.8	218.0	5.3
Programmable	2,618.9	2,595.5	2,859.8	264.3	5.6
Deferred payments	d.n.a.	-27.0	d.n.a.	d.n.a.	d.n.a.
Programmable accrued expenditures	2,618.9	2,622.5	2,859.8	237.3	5.6
Current expenditures	1,958.8	1,976.3	2,155.5	179.2	6.4
Personal services	800.1	846.6	861.8	15.2	4.2
Other	1,158.8	1,129.7	1,293.7	164.0	8.0
Capital expenditures	660.1	646.2	704.3	58.1	3.2
Physical investment	622.5	636.3	650.8	14.5	1.1
Financial investment	37.6	10.0	53.5	43.6	37.8
Non-programmable	715.0	816.4	770.0	-46.3	4.1
Financial cost	255.8	309.1	274.0	-35.1	3.6
Federal government	202.5	239.8	225.1	-14.7	7.5
Public entities and enterprises	39.5	52.6	33.4	-19.2	-18.2
Debtor and savings support program	13.7	16.7	15.4	-1.2	8.9
Revenue sharing	437.3	493.7	477.3	-16.4	5.5
Adefas and other	22.0	13.6	18.8	5.2	-17.1
Memo:					
Economic balance excl. investment by Pemex	-102.0	-70.2	-88.3	-18.1	-16.3
Budgetary revenues excl. non-recurrent revenues ^{3/}	2,868.4	3,055.3	3,165.1	109.8	6.7

Source: Ministry of Finance (SHCP).

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

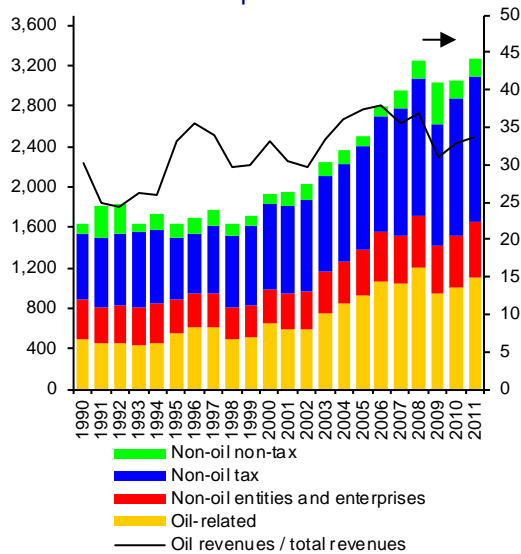
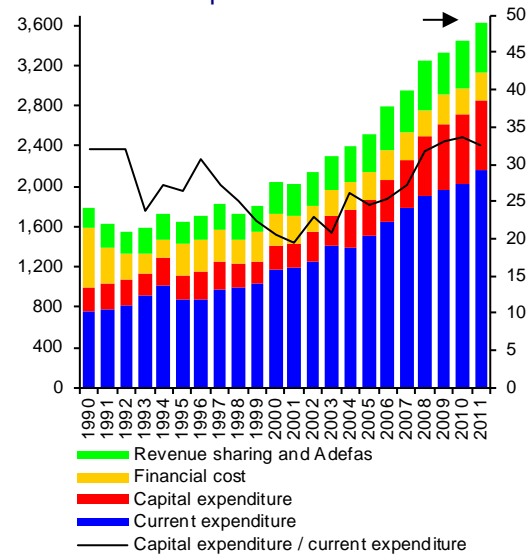
2/ Includes the asset tax (*Impuesto al Activo*, IMPAC).

3/ The Federal Revenue Law 2011 (*Ley de Ingresos de la Federación*, LIF-2011) did not consider income from non-recurrent revenues.

d.n.a. Does not apply.

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

Graph 17
Public Sector Budgetary Revenues and Expenditures in 1990 – 2011

 a) Revenues (MXN billion of 2011)
and percent of total

 b) Expenditures (MXN billion of 2011)
and percent of total


Source: Ministry of Finance (SHCP).

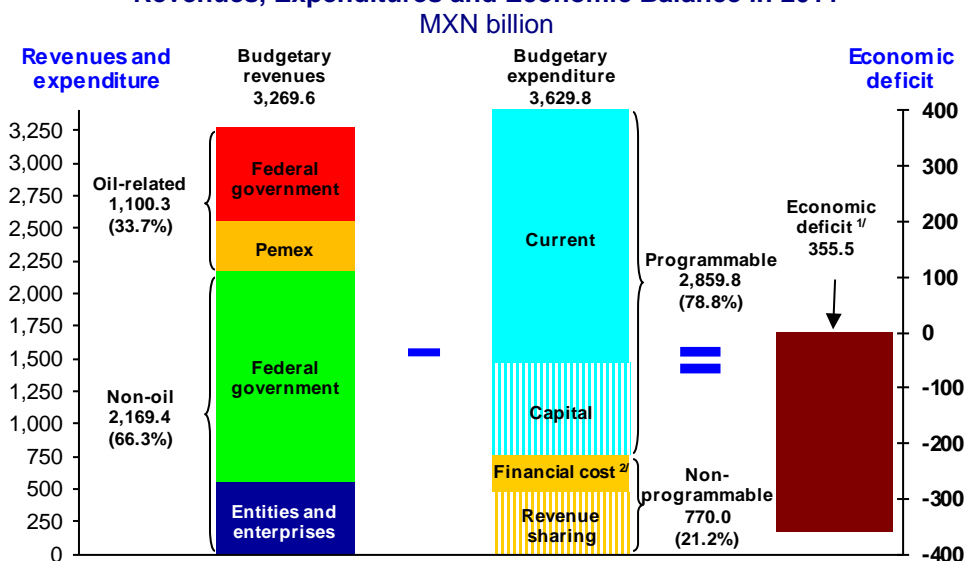
Within programmable spending stand out higher expenditure on subsidies and transfers in real terms (13.1 percent) and pensions and retirements (8.8 percent) in relation to last year.²² It is noteworthy that by means of subsidies and transfers federal entities and municipalities receive federal resources in order to finance social and economic development programs. In turn, the groups of personal services and operating expenditures exhibited lower annual growth (4.2 and 3.0 percent in real terms, respectively), as a result of austerity measures adopted to restructure public spending.²³

As for capital expenditure, physical budgetary investment presented moderate growth of 1.1 percent in real annual terms. According to the Ministry of Finance (SHCP), this was due to Pemex registering a delay in the record of finished work and because it was in the process of acceptance by the entity. If Pemex investment is excluded, physical investment grew 4.8 percent in real terms. With respect to financial investment, it mainly increased through investment in the Stabilization Fund for the Income of the Federal Entities.

²² Higher spending on pensions is accounted for by the increase of 8.3 and 7.3 percent in real terms of IMSS and ISSSTE payments, respectively, due to a higher number of pensioners; in Pemex the contributions to the pension fund rose 12.9 percent in real terms; in the Federal Electricity Commission (*Comisión Federal de Electricidad*, CFE) it grew 16.1 percent in real terms, given the increments in the average pension and the number of pensioners; and pensions and retirements covered directly by the federal government were 11.3 percent in real terms higher, due to the increase of pensions in payment of the LFC (*Luz y Fuerza del Centro*) and of pensioners of Ferromex (*Ferrocarriles Nacionales de México*).

²³ The National Program for the Reduction of Public Expenditure (*Programa Nacional de Reducción del Gasto Público*, PNRGP) adopted in March 2010 established the multi-annual savings objectives for the period between 2010 and 2012. The program was intended to generate savings of at least MXN 40.1 billion by the end of the abovesaid period. The Ministry of Finance (SHCP) reported that by the end of 2011 the savings achieved by departments and entities amounted to MXN 42.2 billion, which exceeded the original objective.

Graph 18
Revenues, Expenditures and Economic Balance in 2011



Source: Ministry of Finance (SHCP).

1/ Includes the surplus of the non-budgetary sector of MXN 4.7 billion.

2/ Includes Adefas.

Note: Figures may not add up due to rounding.

In turn, the growth of non-programmable expenditure in real terms is accounted for by two factors: first, the rise of 5.5 percent in real terms in revenue sharing (which reflects higher shared federal tax revenues (*Recaudación Federal Participable*, RFP), given that the economic activity increased in accordance with the forecast and the crude oil price was higher both in relation to that forecast and that observed in 2010), and second, higher financial costs (3.6 percent in real terms). Both of these factors were partially compensated by lower Adefas payments (17.1 percent in real terms).

Higher crude oil prices in 2011 benefitted local governments' revenues. This allowed the federalized expenditure to expand 5.9 percent in real terms with respect to last year, reaching an equivalent level of 7.8 percent of GDP, due to increments of 5.5, 4.6 and 11.8 percent in revenue sharing, contributions and other transfers, respectively.

3.3. Financial Saving and Financing

3.3.1. Financial Saving

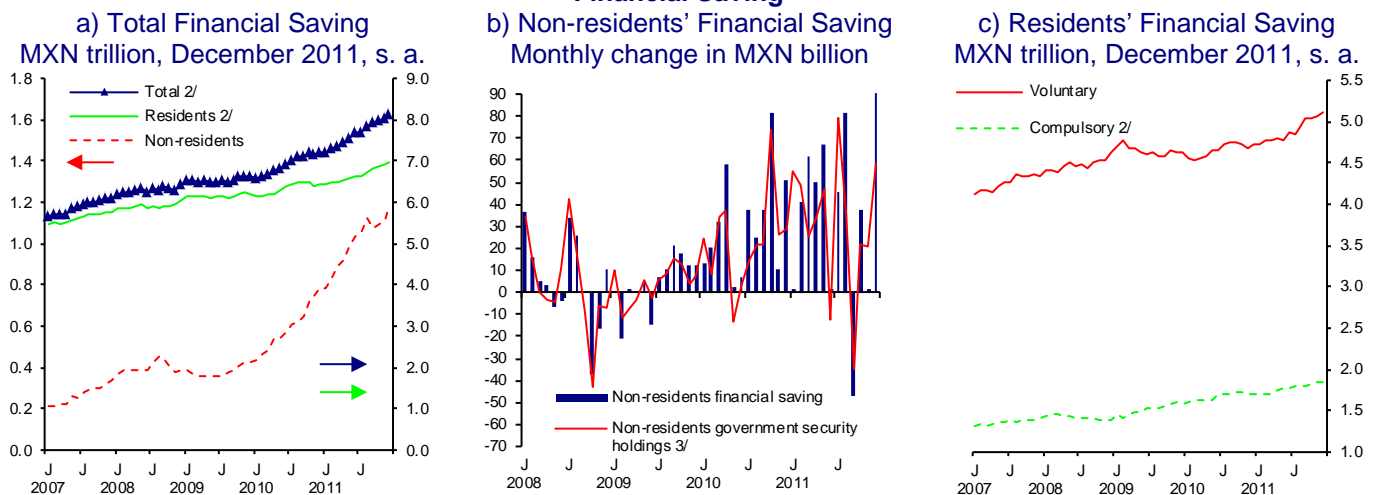
In 2011, the sources of financial funding in the economy continued their recovery for the second consecutive year. This performance was supported by inflows of foreign resources and the growth of domestic financing sources.

Total financial saving, defined as the broadest monetary aggregate M4 less currency outside banks, observed a sustained upward trend during 2011 (Graph 19a). Non-resident financial saving also maintained an upward trend registered from the third quarter of 2009 onwards (Graph 19a). This behavior was influenced, among other factors, by the sound macroeconomic fundamentals of the Mexican economy, which allowed expanding the group of investors participating in the Mexican bond market, and the interest rate spreads between

Mexico and the United States. As already mentioned, in September due to problems in the Euro zone there was an increase in uncertainty in international financial markets, that caused a temporary suspension of inflows of foreign resources. As conditions in the financial markets tended to improve by the end of the fourth quarter of 2011, positive flows of foreign resources were reestablished (Graph 19b). In 2011, non-residents' financial saving grew 70.3 percent in real annual terms (56.8 percent in 2010).

Total residents' financial saving growth was compatible with the expansion of the economic activity (Graph 19c). This aggregate's performance was mainly explained by total residents' voluntary saving, accounting for approximately 70 percent, which registered a recovery, contrasting with the weakness observed in previous years (Graph 19c). In turn, residents' compulsory financial saving maintained its expansion rate, explained, among other factors, by higher workers' contributions, which was a result of an increase in the formal sector's employment level of the economy (Graph 19c). Thus, in 2011 total residents' financial saving presented a real average annual change of 5.2, while in 2010 it was 2.7 percent.

Graph 19
Financial Saving^{1/}



Source: Banco de México.

s. a. / Seasonally adjusted figures.

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

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

3/ Holdings of government securities in nominal value. Figures available up to December 31, 2011.

3.3.2. Financing to the Private Sector

Total financing to the non-financial private sector expanded in 2011, congruent with the performance of economic activity. Indeed, this type of financing displayed sustained growth during the greater part of the year, albeit it slowed down slightly in the fourth quarter.

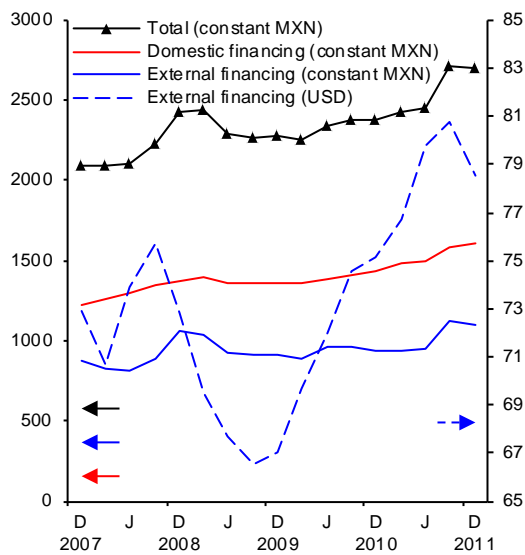
Financing to non-financial private firms maintained the upward trend that was observed throughout 2010 (Graph 20a). Foreign financing in USD continued its expansion during most of 2011 at a similar rate to that of the previous year, although it also slowed down by the end of the year. Thus, foreign financing to private firms in 2011 registered an annual change of 7.4 percent in USD terms, while in 2010 the growth rate was 14.6 percent.

Domestic financing to non-financial private firms continued expanding in 2011 with greater dynamism than that observed in 2010, although with a slowdown in the last quarter of the year. This performance was the result of credit expansion and, to a lesser degree, of increased activity in the domestic securities market (Graph 20b). Indeed, commercial banks' credit sustained a positive growth trend (Graph 21a), in a context of stable interest rates, and where delinquency rates remained low, despite displaying a slight deterioration throughout the year (Graph 21b and Graph 21c).

The domestic securities market operated normally in 2011, despite uncertainty in international financial markets, particularly during the second half of the year (Graph 22a). It is noteworthy that interest rates of short- and medium-term securities maintained a slightly downward trend (Graph 22b). In this context, domestic financing to firms registered a change of 11.4 percent in real annual terms in December 2011, which was higher than that of 5.4 percent observed at the end of 2010.

Graph 20
Total Financing to Non-financial Private Firms

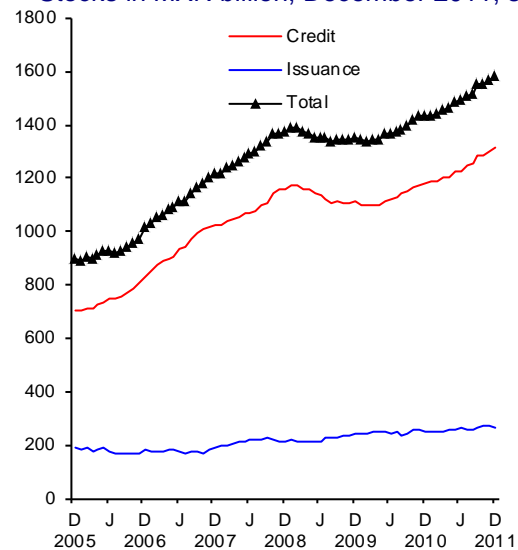
a) Total Financing to Non-financial Private Firms
Stocks in MXN billion, December 2011, s. a.



Source: Banco de México.
s. a. / Seasonally adjusted figures.

b) Domestic Financing to Non-financial
Private Firms

Stocks in MXN billion, December 2011, s. a.

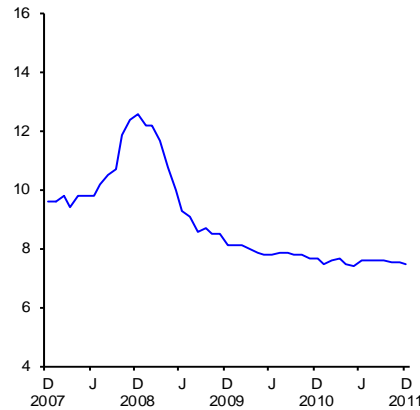


Graph 21
Commercial Banks' Credit to Non-financial Private Firms

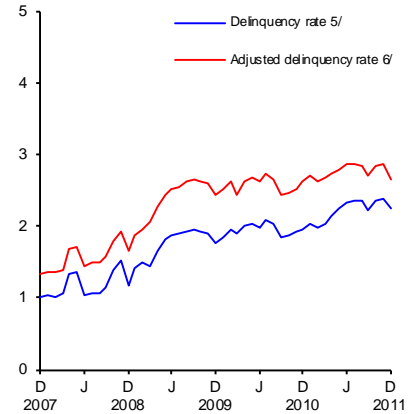
a) Commercial Banks' Performing Credit to Non-financial Private Firms^{1/2/}
Real annual change in percent^{3/}



b) Commercial Banks' New Credit Rate to Non-financial Private Firms^{4/}
Percent



c) Commercial Banks' Delinquency Rates to Non-financial Private Firms
Percent



Source: Banco de México.

1/From February 2009 onwards, figures are affected by the reclassification of credit granted to small- and medium-size firms (PyMES, for its acronym in Spanish) from consumer credit to credit granted to non-financial firms.

2/Between January and December 2007, figures are adjusted to avoid distortion by the reclassification of bridging loans for housing construction of the enterprises' sector.

3/ Commercial banks' performing credit to firms increased by MXN 150 billion in 2011. From the total of this increment, approximately MXN 29 billion were due to the effects of the annual exchange rate depreciation on the total balance granted in foreign currency.

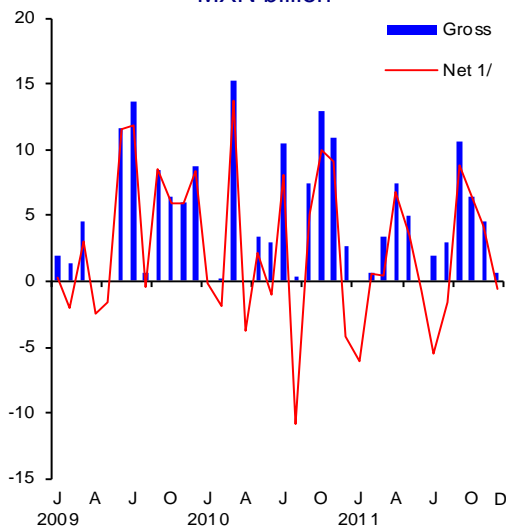
4/Refers to the interest rate of new commercial banks' credit to non-financial private firms, weighted by the balance associated to the performing credit and for all maturities requested.

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

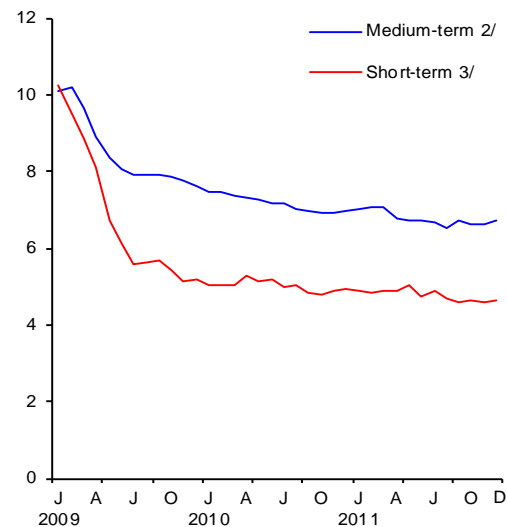
6/The adjusted delinquency rate (*Índice de Morosidad Ajustado, IMORA*) is defined as the sum of non-performing loans plus any write-offs during the twelve previous months divided by the total loan portfolio plus the abovementioned write-offs.

Graph 22
Securities of Non-financial Private Firms

a) Medium-term Security Placements of Non-financial Private Firms
MXN billion



b) Non-financial Firms' Interest Rates
Annual percent



Source: Banco de México, with data of Valmer and Inveval.

1/ Placements excluding redemptions per month (programmed maturities and total prepayments).

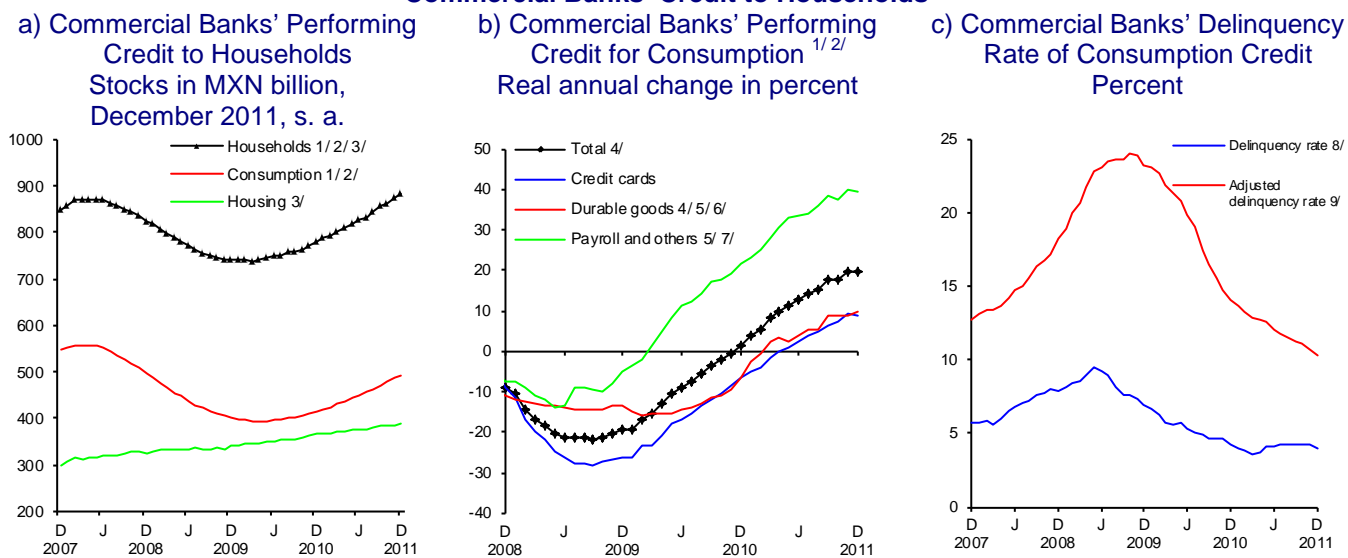
2/ Yields on the average weighted maturity of the outstanding issuances at the end of the month at market value with a term longer than one year.

3/ Average weighted placement rate per month with a term of up to a year for 28 days.

Credit to households expanded during 2011 due to the dynamism of consumer credit (Graph 23a). This segment's real annual change in December 2011 was 19.7 percent, which contrasts with the growth rate of 1.6 percent that was observed last year. The increase in consumer credit observed in 2011 is mainly explained by a significant expansion of payroll credits (Graph 23b). On the demand side, the upward trend in payroll credit is explained for by lower costs with respect to other alternatives, including personal credits and credit cards. On the supply side, this type of credit was promoted by banking institutions because, given its characteristics, it typically involves a lower default risk than other financing alternatives. With regard to the credit cards' segment, it observed a considerable recovery, thus contributing to a general expansion of consumer credit. In this context, the consumer credit portfolio delinquency rate remained stable, while the adjusted delinquency rate continued its downward trend, as a result of both banks' efforts to restructure their portfolios and stricter selection criteria (Graph 23c).

The performing portfolio of commercial banks' credit to housing maintained positive growth rates throughout the year, similar to those observed since the second half of 2010 (Graph 24a). The real annual change of this portfolio was 5.4 percent in 2011, slightly below the growth of 7.0 percent registered in 2010. In turn, delinquency rates remained relatively stable during the year, although at the end of 2011 they were slightly above those observed at the end of the previous year (Graph 24b).

Graph 23
Commercial Banks' Credit to Households



Source: Banco de México.

s. a. / Seasonally adjusted figures.

1/ From February 2009, figures are affected by the reclassification of loans to PyMES from consumer credit portfolio to commercial portfolio.

2/ From March 2008 onwards figures include the total consumer credit portfolio of commercial banks' subsidiaries Sofom E.R.

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

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

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

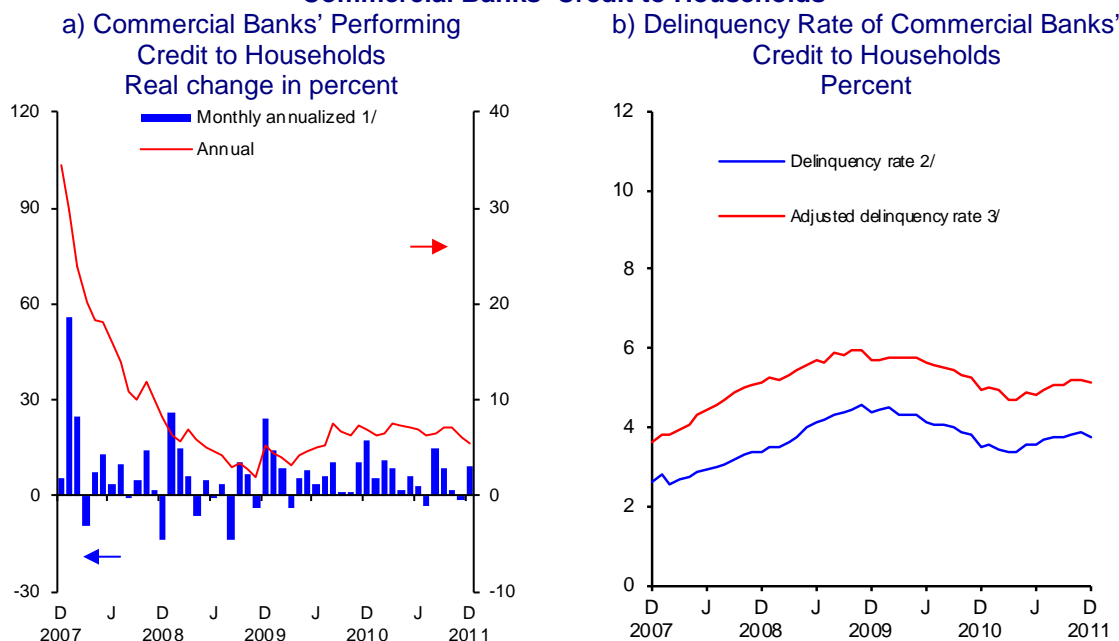
6/ Includes credit for property acquisition and automobile credits.

7/ "Others" refers to personal credits, credit for payable leasing operations and other consumption credits.

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

9/ The adjusted delinquency rate (*Índice de Morosidad Ajustado*, IMORA) is defined as the sum of non-performing loans plus any write-offs during the twelve previous months divided by total loan portfolio plus the abovementioned write-offs.

Graph 24
Commercial Banks' Credit to Households



Source: Banco de México.

1/ Seasonally adjusted figures.

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

3/ The adjusted delinquency rate (*Índice de Morosidad Ajustado*, IMORA) is defined as the sum of non-performing loans during the twelve previous months divided by total loan portfolio plus the abovementioned write-offs during the twelve previous months.

3.3.3. Flow of Funds

The exercise of flow of funds presents, in a summarized format, movements during the year of financial resources among different sectors of the economy (public, states and municipalities, private, banking and external), identifying them as net suppliers or net users of financial resources.²⁴ Flows reported in Table 6 correspond to net positions, for which a positive sign means that a sector received net financing, while a negative sign implies a creditor position, i.e., a sector granted net financing during the period.²⁵ It should be noted that the exercise considers broad definitions of the public and private sectors. The public sector corresponds to the definition of the Public Sector Borrowing Requirements (PSBR).²⁶ In turn, the private sector includes the non-financial private sector and non-bank financial intermediaries.

In 2011, the net flow of foreign financing and the availability of domestic resources in the economy increased, while the financing requirements of the public sector and those of states and municipalities were similar to those observed in the previous year. This situation allowed increasing private sector's financing, and the international reserves.

²⁴ For a detailed explanation of the methodology used to prepare the flow of funds matrix, see Banco de México's Informe Anual 1998, Anexo 6, p. 243 (available only in Spanish).

²⁵ For a breakdown of the uses and sources of financial funds included in the matrix for 2011, see the Statistical Appendix of this Report.

²⁶ For a definition of PSBR see Annex 2 of this Report. The flow of funds uses PSBR that includes non-recurrent revenues. The figure presented in the flow of funds matrix is prepared using Banco de México's PSBR methodology.

In 2011, the external sector constituted a net source of funding to the Mexican economy, granting financing equivalent to 0.8 percent of GDP (line item 17 in Table 6). This figure corresponds to the deficit of balance of payments' current account, which resulted above that observed in 2010 (0.3 percent of GDP). It is noteworthy that foreign capital flows maintained at the same level, despite the environment of volatility in international financial markets. Regarding foreign flows, non-residents' holdings of domestic financial instruments were 2.2 percent of GDP, lower than the flow of 2.8 percent of GDP registered last year (line item 1 in Table 6). In turn, foreign financing (line item 12 in Table 6) and financial assets held abroad (line item 13 in Table 6) were 0.6 percent of GDP, as compared to a negative flow of 0.8 percent of GDP last year. As for the use of financial resources, international reserves accumulation increased from 2.2 percent of GDP in 2010 to 2.5 percent of GDP in 2011 (line item 14 in Table 6).

PSBR reached 3 percent of GDP in 2011, figure above the flow of 2.6 percent of GDP observed last year (line item 17 in Table 6). Public sector's financing was principally carried out by means of domestic resources (line item 1 in Table 6), while the use of foreign resources dropped (line item 10 in Table 6). In turn, states and municipalities decreased their use of financial resources as compared to the previous year, shifting from 0.4 percent of GDP in 2010 to 0.2 percent of GDP in 2011 (line item 17 in Table 6).

The private sector's net creditor position decreased from 2.7 percent of GDP in 2010 to 2.4 percent of GDP in 2011 (line item 17 in Table 6), presenting a net debtor foreign position (line item 10 in Table 6) and a net creditor domestic position (line item 1 in Table 6). This net creditor position resulted from an increase in financial instruments' holdings, which also allowed a higher flow of private sector's financing.

Regarding private sector's external accounts, in 2011 they showed a deficit position equal to 0.3 percent of GDP (line item 10 in Table 6), while in 2010 it presented a surplus of 1.8 percent of GDP. The change in this position mainly resulted from reduced flows of external holdings in 2011 as compared to last year (line item 13 in Table 6), given that external financing contracted (line item 12 in Table 6). In turn, the flow of foreign direct investment was similar to that observed in 2010 (line item 11 in Table 6).

Private sector's domestic creditor position of 2.7 percent of GDP in 2011 presented an increment in relation to 2010 (0.9 percent of GDP). The flow of financial assets' holdings by the private sector exceeded that observed the previous year (line item 2 in Table 6), mainly due to the increased bond holdings. In turn, stands out the increase in the flow of domestic financing to the private sector, to both firms and households (line item 7 in Table 6).

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

	Private ^{3/}	States and municipalities ^{4/}	Public ^{5/}	Bank ^{6/}	Foreign	Private ^{3/}	States and municipalities ^{4/}	Public ^{5/}	Bank ^{6/}	Foreign
	2010					2011				
1. Change in domestic financial instruments (2 + 7 + 8 + 9)	-0.9	0.4	1.4	1.9	-2.8	-2.7	0.2	2.4	2.4	-2.2
2. Financial instruments	-2.0	0.0	2.3	2.5	-2.8	-4.5	0.0	2.6	4.6	-2.8
3. Currency	-0.5			0.5		-0.5			0.5	
4. Checkable, time and savings deposits	-1.5	0.0	-0.1	2.0	-0.4	-1.6	-0.1	0.0	1.7	0.0
4.1 Non-financial enterprises and other institutions ^{7/}	-1.2	0.0	-0.1	1.7	-0.4	-1.1	-0.1	0.0	1.1	0.0
4.2 Individuals	-0.3			0.3	0.0	-0.6			0.6	0.0
5. Securities issued ^{8/}	0.1	0.0	2.2	0.0	-2.4	-2.6	0.1	2.8	2.5	-2.8
6. Retirement and housing funds ^{9/}	-0.1		0.1			0.2		-0.2		
7. Financing	0.9	0.4	1.8	-3.1		1.8	0.2	0.1	-2.1	
7.1 Enterprises and other entities ^{10/}	0.5	0.4	1.8	-2.6		1.0	0.2	0.1	-1.4	
7.2 Households	0.4			-0.4		0.8			-0.8	
8. Shares and other equity	0.3			-0.2	-0.1	-0.4			-0.1	0.5
9. Other financial system items ^{11/}	-0.1		-2.6	2.8		0.4		-0.4	0.0	
10. Change in foreign financial instruments (11 + 12 + 13 + 14 + 15)	-1.8	0.0	1.2	-1.9	2.5	0.3	0.0	0.6	-2.4	1.5
11. Foreign direct investment	1.9				-1.9	1.7				-1.7
12. Foreign financing	0.9		1.2	0.2	-2.3	0.5		0.6	-0.1	-1.1
13. Financial assets held abroad	-3.2		0.0	0.1	3.1	-0.7		0.0	0.2	0.5
14. Banco de México international reserves				-2.2	2.2				-2.5	2.5
15. Errors and omissions (balance of payments)	-1.4				1.4	-1.3				1.3
16. Statistical discrepancy ^{12/}	0.0	0.0			0.0	0.0	0.0			0.0
17. Total change in financial instruments (1+ 10 +16)	-2.7	0.4	2.6	0.0	-0.3 ^{13/}	-2.4	0.2	3.0	0.0	-0.8

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

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

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

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

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

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

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

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

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

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

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

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

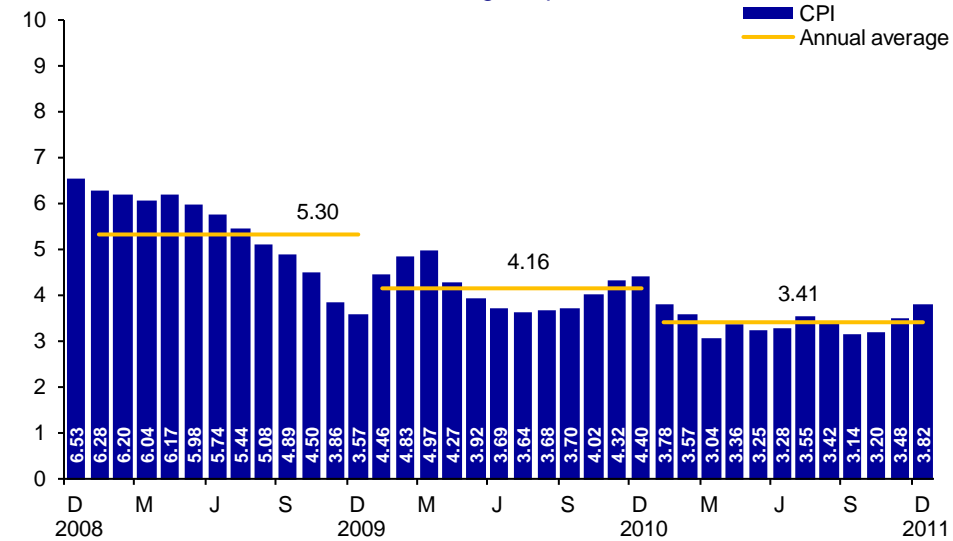
13/ Drawn from the current account of the balance of payments. A negative figure means the domestic economy received foreign financing (external sector surplus), which equals Mexico's current account deficit.

3.4. Inflation

3.4.1. Consumer Price Inflation

During 2011, average annual headline inflation was 3.41 percent, below the level of 4.16 percent presented in 2010 (Graph 25, Table 7). This was the result of lower average annual growth rates of the core and non-core components, which declined during the referred periods from 3.89 percent to 3.21 percent and from 5.04 percent to 3.92 percent, respectively (Table 7), bearing in mind Banco de México's target for annual headline inflation of 3 percent, and the variability interval of plus/minus one percentage point (Table 8).

Graph 25
Consumer Price Index
 Annual change in percent



Source: Banco de México and INEGI.

Besides the monetary policy stance, lower inflation in 2011 was influenced by diverse factors, among which stand out:

1. Slack conditions prevailing in the economy, which avoided possible demand-side pressures on inflation.
2. Absence of labor cost-related pressures on the price formation process.
3. Intensified competition among commercial chains and telecommunication firms.
4. Fading of the impact related to tax modifications and increased fares and public prices that came into force at the beginning of 2010.

Table 7
Consumer Price Index and Main Components
 Average annual change in percent

	Average annual change	
	2010	2011
CPI	4.16	3.41
Core	3.89	3.21
Merchandise	4.25	4.19
Food, beverages and tobacco	4.49	6.49
Corn tortilla	5.36	13.95
Tobacco	9.13	29.19
Non-food merchandise	4.05	2.42
Services	3.57	2.40
Housing	2.76	2.10
Education (tuitions)	4.33	4.39
Other services	4.06	2.02
Non-core	5.04	3.92
Agricultural	2.90	2.69
Fruit and vegetables	5.95	0.26
Livestock	0.94	4.52
Energy and fares approved by government	6.44	4.60
Energy	5.31	5.64
Fares approved by government	8.29	3.09

Source: Banco de México and INEGI.

The reduction in annual core inflation during 2011 was driven by the lower growth rate of both services and merchandise prices other than food, beverages and tobacco. Higher contribution of the processed food, beverages and tobacco group hindered a more pronounced reduction of core inflation.

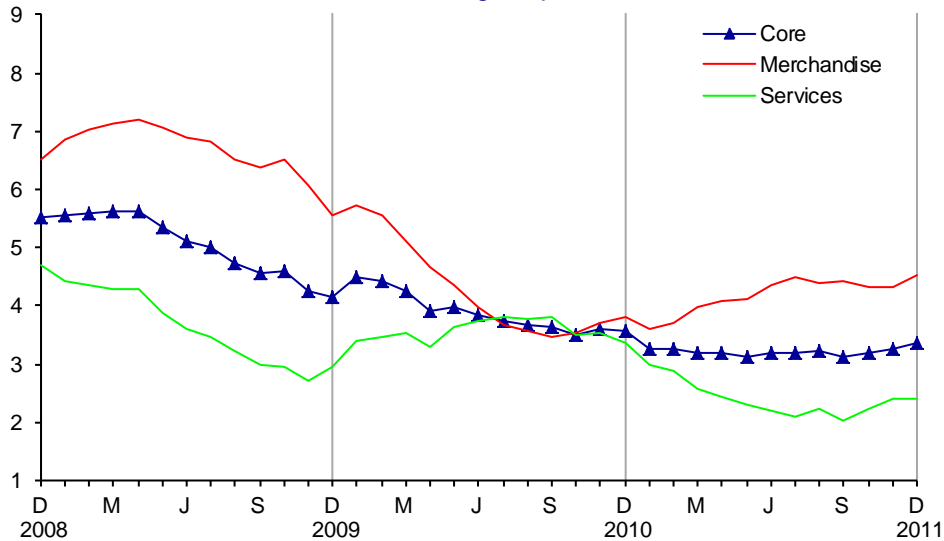
Table 8
Consumer Price Index
 Annual change in percent

Month	2010			2011		
	CPI	Core ^{1/}	Non-core	CPI	Core ^{1/}	Non-core
January	4.46	4.48	4.38	3.78	3.27	5.39
February	4.83	4.43	6.13	3.57	3.26	4.53
March	4.97	4.26	7.27	3.04	3.21	2.46
April	4.27	3.93	5.38	3.36	3.18	3.90
May	3.92	3.96	3.76	3.25	3.12	3.45
June	3.69	3.85	3.19	3.28	3.18	3.34
July	3.64	3.74	3.28	3.55	3.19	4.51
August	3.68	3.69	3.64	3.42	3.22	3.90
September	3.70	3.65	3.86	3.14	3.12	2.98
October	4.02	3.51	5.70	3.20	3.19	3.09
November	4.32	3.61	6.61	3.48	3.28	4.13
December	4.40	3.58	7.09	3.82	3.35	5.34

Source: Banco de México and INEGI.

1/ This indicator includes the Merchandise and Services price subindex. The Merchandise price subindex is composed of the following items: food, beverages, tobacco and non-food merchandise. The Services price subindex is made up of the following items: housing, education (tuitions), and other services.

Graph 26
Core Price Index
 Annual change in percent



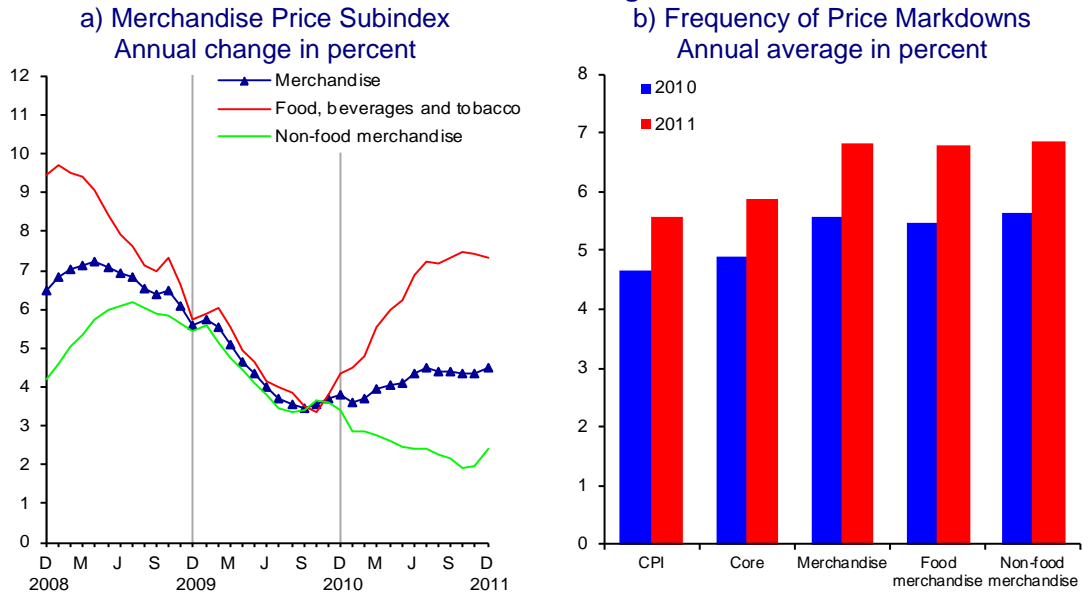
Source: Banco de México and INEGI.

The merchandise subindex presented a lower average annual change rate in 2011 as compared to 2010, declining from 4.25 to 4.19 percent (Graph 26 and Table 7). Nevertheless, this index's groups presented a differentiated behavior. On the one hand, the average annual change rate of the non-food merchandise prices dropped from 4.05 to 2.42 percent during the referred period (Graph 27a and Table 7). This result was influenced, among other factors, by the intensified competition among commercial chains, as can be observed by the increase in the frequency of price markdowns between 2010 and 2011 (Graph 27b). On the other hand, the prices of the food, beverages and tobacco group exhibited an increase in their average annual change rate, passing from 4.49 percent in 2010 to 6.49 percent in 2011 (Graph 27a and Table 7). The impact of the increase in corn tortilla and tobacco price quotes on inflation stands out within this group, registering an average annual change rate of 13.95 and 29.19 percent, respectively. Particularly, excluding these items, average annual core inflation would have been 2.73 percent, i.e., 0.48 percentage points lower than the observed figure (Table 7 and Graph 28).

Regarding the behavior of services core inflation, which is the component reflecting to a greater extent domestic factors that affect inflation, its average annual change rate reduced from 3.57 percent in 2010 to 2.40 percent in 2011 (Graph 29 and Table 7). The behavior of housing prices and prices of services other than housing and education influenced this result, as the average annual change rate shifted from 2.76 to 2.10 percent and from 4.06 to 2.02 percent, respectively during the period of analysis. Within the latter group, the reduction in some telecommunication services stood out, as a consequence of intensified competition and innovation in this sector (Graph 29c). In contrast, the education group presented a slight increase in its average annual price change rate from 4.33 percent in 2010 to 4.39 percent in 2011 (Graph 29 and Table 7).

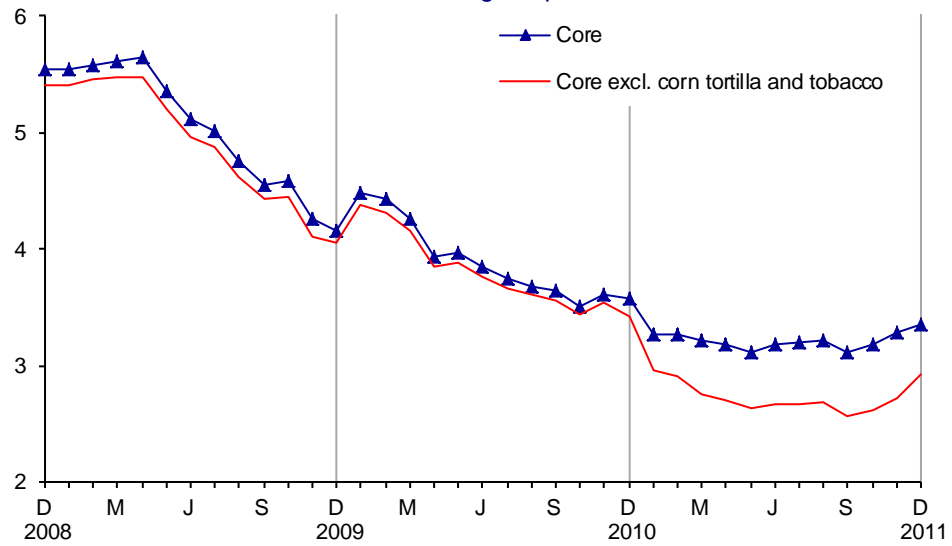
Graph 27

Selected Factors Influencing Core Inflation



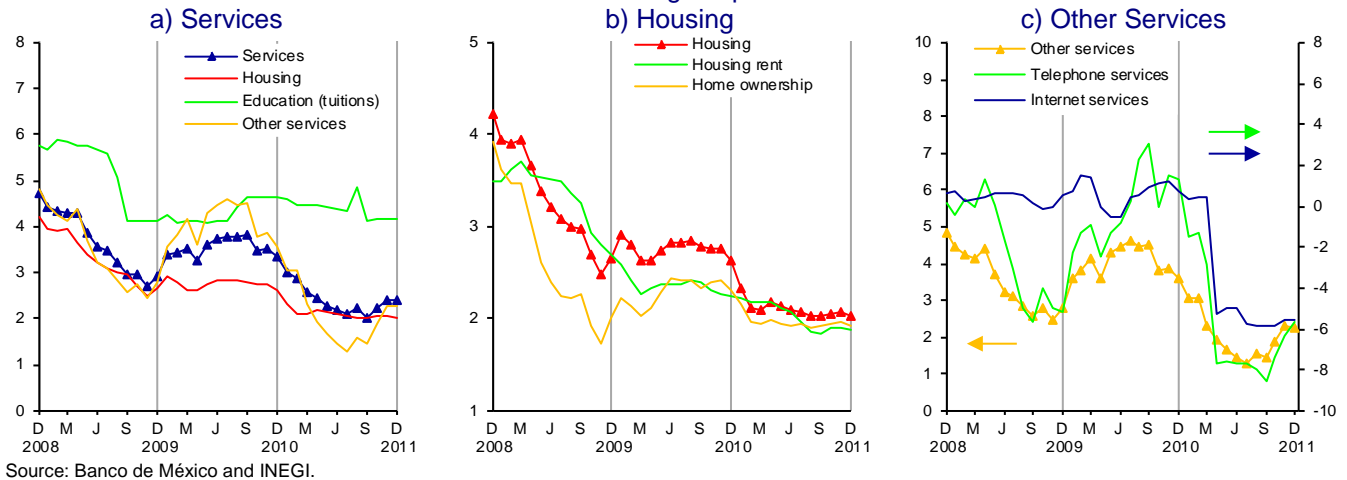
Source: Banco de México and INEGI.

Graph 28
Core Price Index
Annual change in percent



Source: Banco de México and INEGI.

Graph 29
Services Price Subindex
 Annual change in percent

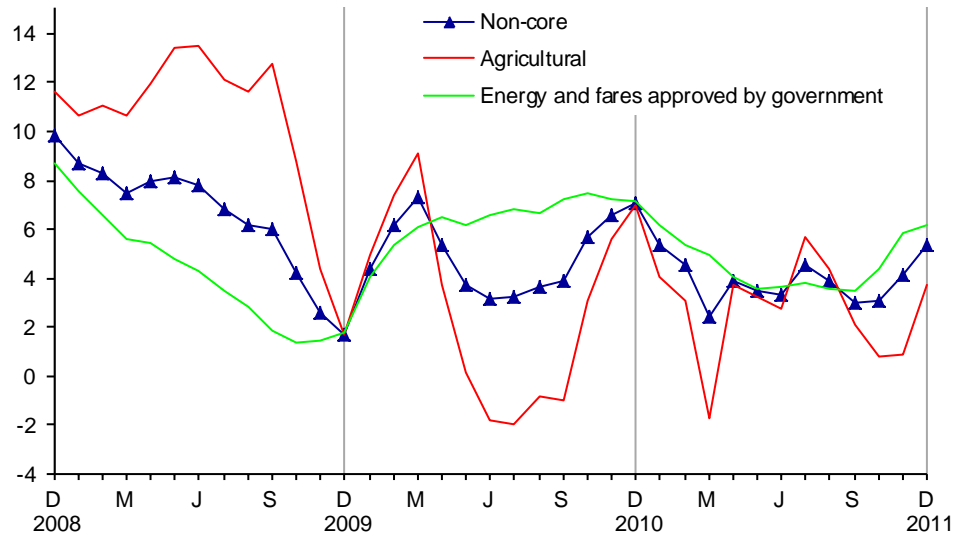


As mentioned before, the decline in average annual headline inflation in 2011 was also the result of a lower contribution of the CPI non-core component (Graph 30 and Table 7), mainly caused by a lower annual growth rate of fares approved by the government, as well as fruit and vegetable prices.

The agricultural products' price subindex registered a lower average annual change rate, namely 2.69 percent in 2011 as compared to 2.90 percent in 2010 (Graph 30 and Table 7). Nevertheless, the groups comprising this index presented a differentiated behavior. The average annual change rate of fruit and vegetable prices decreased from 5.95 to 0.26 percent during the referred periods, with the price reductions of onion, zucchini and papaya standing out (Graph 31a and Table 7). In the case of livestock products, this figure increased from 0.94 to 4.52 percent. Especially beef, eggs and chicken contributed to higher inflation (Graph 31b and Table 7). This was driven by two main effects: first, the increase in international feed grain prices, and second, droughts in North America that affected U.S. beef production – phenomenon influencing the international beef prices.

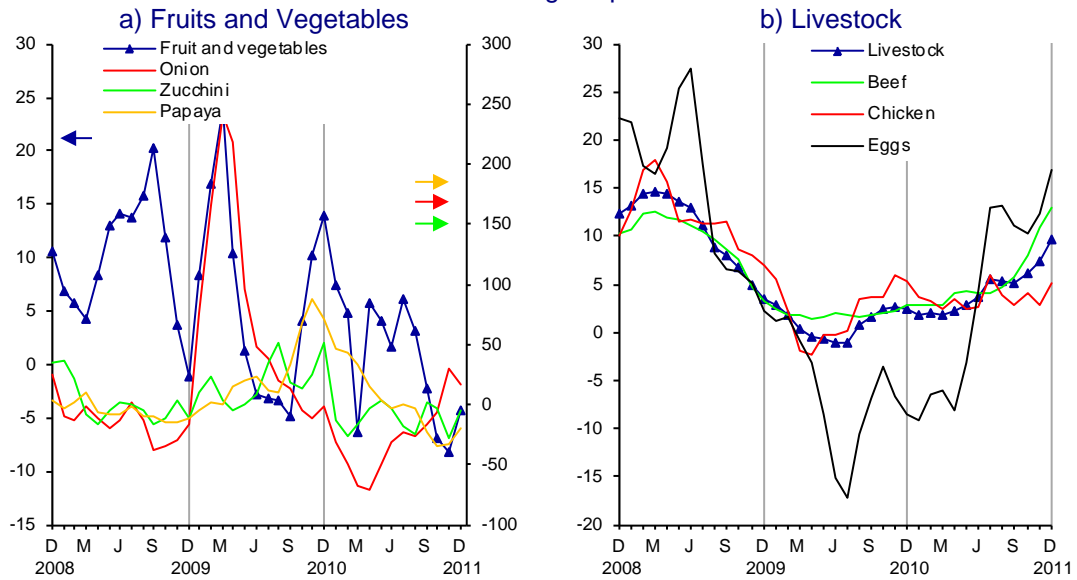
In turn, the average annual change rate of the subindex of energy prices and fares approved by the government declined from 6.44 to 4.60 percent in the analyzed period. The average annual inflation rate of the government approved fares' group reduced significantly from 8.29 to 3.09 percent, especially due to reduced prices of vehicle procedures, public transport and water supply fees (Graph 32b and Table 7). In contrast, the average annual growth rate of energy prices increased from 5.31 percent in 2010 to 5.64 percent in 2011, with the upward movement of gasoline prices standing out (Graph 32a and Table 7). It should be noted that the annual inflation rate of this group remained relatively isolated from price increases in international energy prices during the first months of the year, due to the policy of gradual increments adopted by the Mexican government for domestic gasoline, LP gas and ordinary electricity prices.

Graph 30
Non-core Price Subindex
 Annual change in percent



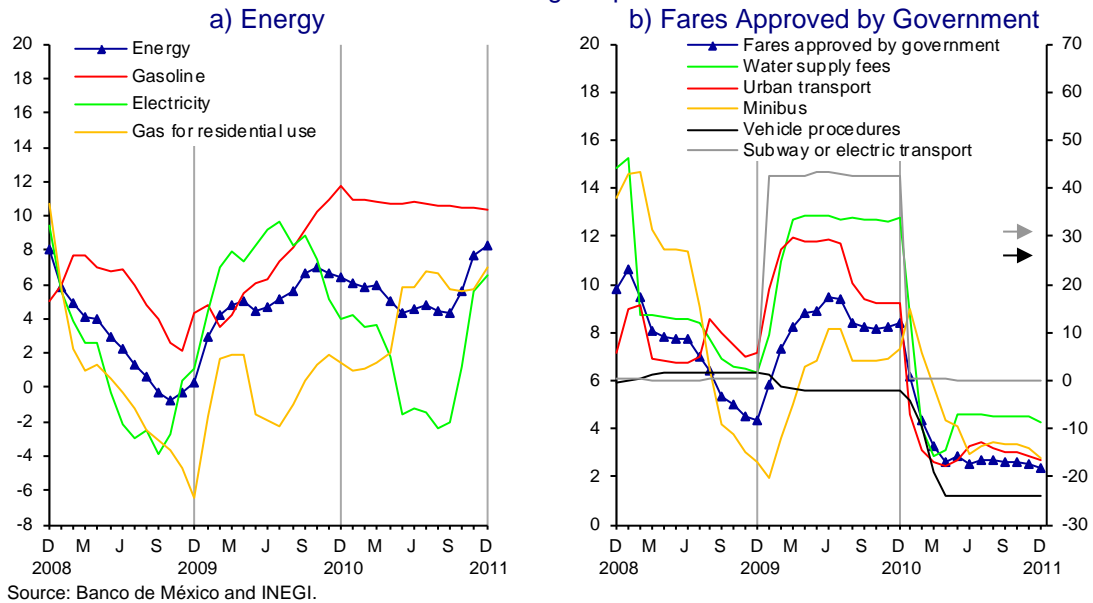
Source: Banco de México and INEGI.

Graph 31
Agricultural Products' Price Subindex
 Annual change in percent



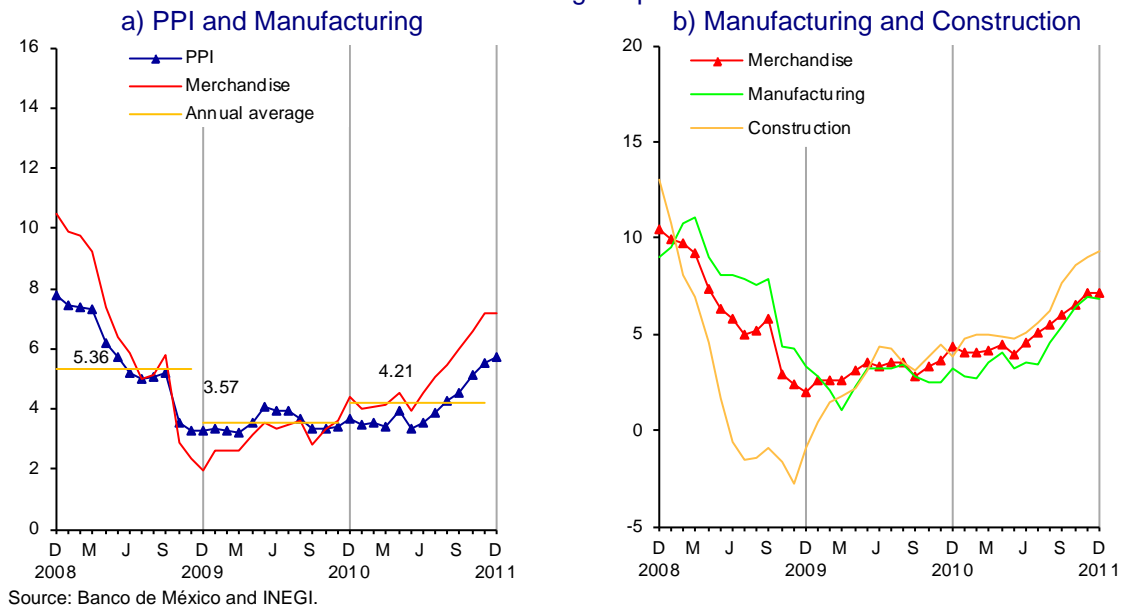
Source: Banco de México and INEGI.

Graph 32
Subindex of Energy Prices and Fares Approved by Government
 Annual change in percent



In 2011, the Producer Price Index (PPI) of finished goods and services, excluding oil, reached an average annual change rate of 4.21 percent, implying an increase of 0.64 percentage points as compared to the previous year. This increment was influenced by a higher growth rate of merchandise prices (Graph 33), where the manufacturing industry (food and metal products for export) and the construction sector (cement and concrete, metal structures, rod and electrical equipment) stood out.

Graph 33
Producer Price Index Excluding Crude Oil
 Annual change in percent



3.4.2. Wages

During 2011, the growth rate of the main wage indicators was higher than the average inflation in this period. The behavior of wages, as shown in Section 3.1, took place in a context of increased work force productivity and slack conditions prevailing in the labor market. Thus, during the analyzed period, it can be concluded that the dynamics of wages did not provoke additional pressures on inflation. In particular, the following stood out:

1. The IMSS reference wage (*Salario Base de Cotización, SBC*) exhibited an annual change of 4.2 percent in 2011, while in the previous year it was 3.2 percent (Table 9).
2. The increase in nominal contractual wages in firms under federal jurisdiction was 4.3 percent during the year analyzed in this Report, same figure as in 2010. According to the type of ownership, firms negotiated a similar wage increase as in the previous year. Thus, private firms showed an average increase of 4.6 percent and public sector firms agreed on an average wage increase of 3.8 percent (4.7 and 3.8 percent in 2010, respectively, Table 10).
3. The increase in the average general minimum wage in 2011 agreed on by the National Minimum Wage Commission (*Comisión Nacional de los Salarios Mínimos, CONASAMI*) was 4.1 percent (4.85 percent in the previous year, Table 11).

Table 9
IMSS Reference Wage ^{1/}
Annual nominal change in percent, MXN/day and total number of IMSS-insured workers

Activity	Annual change in percent			MXN per day		Total contributors in 2011	
	2010 (A)	2011 (B)	(B) - (A)	2010	2011	Annual change in percent	Percentage structure
Total	3.2	4.2	1.0	239.2	249.3	4.5	100.0
By economic activity							
Agriculture, livestock, forestry, hunting and fishing	3.4	5.1	1.7	136.4	143.4	2.8	2.9
Mining	8.9	4.6	-4.3	373.1	390.3	7.4	0.8
Processing industries	3.3	3.9	0.6	251.3	261.1	5.7	27.2
Construction	2.5	3.3	0.8	178.9	184.7	4.5	9.3
Electric industry and water supply services	4.5	8.7	4.2	544.7	592.2	6.3	1.0
Commerce	3.5	3.8	0.3	211.6	219.7	4.7	21.4
Transport and communications	3.0	3.4	0.4	305.5	315.8	5.4	5.5
Services for firms and individuals	3.5	4.8	1.3	242.9	254.4	3.2	24.8
Social services	5.0	4.5	-0.5	261.2	273.0	3.0	7.1

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

1/ This indicator considers IMSS-insured workers. Coverage: an average of 15 million workers during 2011, representing 34.5 percent of total remunerated workers.

Table 10
Contractual Wage Increases in Firms under Federal Jurisdiction^{1/}
 Figures in percent, weighted average of the period^{2/}

	2006	2007	2008	2009	2010	2011				
						I	II	III	IV	Annual
Total	4.1	4.2	4.4	4.4	4.3	4.5	4.5	4.8	3.6	4.3
Public	3.8	4.1	4.3	4.3	3.8	4.0	4.5	4.8	3.1	3.8
Private	4.4	4.3	4.5	4.4	4.7	4.6	4.6	4.8	4.6	4.6
Manufacturing	4.4	4.4	4.7	4.4	4.8	4.6	4.6	5.1	4.7	4.7
Other sectors	4.0	4.1	4.3	4.4	4.2	4.4	4.5	4.7	3.3	4.1

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

1/ This indicator considers workers negotiating wages in firms under federal jurisdiction. Coverage: 2 million workers in 2011, representing 4.5 percent of total remunerated workers of that year.

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

Table 11
General Minimum Wage
 MXN/day and annual change in percent

Period	MXN/day				Annual change in percent			
	Average	Geographic area			Average	Geographic area		
		A	B	C		A	B	C
2006	47.05	48.67	47.16	45.81	4.00	4.00	4.00	4.00
2007	48.88	50.57	49.00	47.60	3.90	3.90	3.90	3.90
2008	50.84	52.59	50.96	49.50	4.00	4.00	4.00	4.00
2009	53.19	54.80	53.26	51.95	4.62	4.20	4.51	4.95
2010	55.77	57.46	55.84	54.47	4.85	4.85	4.85	4.85
2011	58.06	59.82	58.13	56.70	4.10	4.10	4.10	4.10

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

4. Monetary and Exchange Rate Policy

4.1. Monetary Policy

4.1.1. Monetary Policy Overview

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

In order to accomplish its constitutional mandate of procuring purchasing power stability of the national currency, Banco de México conducts the monetary policy under an inflation-targeting scheme. Among its most important features is the official announcement of an annual inflation target and continued efforts to improve transparency and communication with the public.²⁷ Specifically, the Central Institute's permanent target is to attain an annual inflation of the Consumer Price Index (CPI) of 3 percent.

It is noteworthy that there is a wide variety of factors that affect the evolution of inflation and that are beyond the Central Bank's control. Thus, even when the Central Institute adequately adjusts the monetary policy stance in order to attain the 3 percent permanent target of inflation, there is always a margin of uncertainty about the accurate and precise achievement of this goal. Considering this degree of uncertainty, the Central Bank set a variability interval of plus/minus one percentage point around the 3 percent target. However, it is important to point out that this range does not represent a margin of indifference or tolerance around the inflation target, rather it is a practical way of representing uncertainty associated with inflation behavior and, therefore, with the exact attainment of the target. Further, it is common knowledge that the monetary policy affects inflation with long and variable lags.

Banco de México's constitutional mandate regarding the purchasing power stability of the national currency is based on solid reasons to maintain an environment of low and stable inflation.²⁸ Among them stand out the following: 1) inflation is a highly regressive tax because it affects to a greater degree low income population; 2) the higher the inflation, the greater the variability in relative prices, which creates distortions in the resource allocation, leading to a loss in efficiency and activity; 3) greater price changes reduce economic agents' planning horizons, affecting saving and investment decisions.

It should be mentioned that reaching and ensuring price stability is not a goal that jeopardizes economic growth. On the contrary, low and stable inflation fosters an environment favorable for the development of productive activities. However, stability of the currency's purchasing power is a necessary, although not

²⁷ The Monetary Program for 2001 includes some considerations on the choice of an inflation-targeting scheme.

²⁸ See Monetary Program for 2011.

sufficient, condition for sustained economic growth. Considering this, Banco de México's Board of Governors has reiterated on several occasions the importance of maintaining a monetary policy aimed at preserving the currency's purchasing power in the medium and long run.

Since January 2008, Banco de México uses the Overnight Interbank Interest Rate (reference rate) as an instrument to implement and to communicate its monetary policy stance, which is adjusted when the medium-term inflation expectations deviate from the levels congruent with the 3 percent permanent target.

It should be noted that the reference interest rate target is adjusted when widespread inflationary pressures are observed, which, if not contained in a timely manner, could lead to a permanent inflation rebound.²⁹ Thus, in order to take appropriate and necessary actions, it is of utmost importance for the Central Institute to correctly identify the factors influencing the evolution of expected inflation.

The effectiveness of monetary policy actions for the economy, and, ultimately, for inflation depends, to a great extent, on the Central Bank's credibility regarding its commitment to maintaining price stability. It is therefore indispensable for Banco de México to clearly communicate its goals, strategy and instruments to the general public. For this reason, Banco de México's Board of Governors decided to expand the communication mechanisms with the public in order to increase the Central Bank's transparency even further. In particular, in 2011 it started to publish the Minutes of the Board of Governors' meetings regarding monetary policy decisions to provide the markets and the public in general with more information on the monetary policy decision-making process.³⁰ Additionally, the Central Institute continued increasing the quality of the analysis it releases for it to be in line with the best international practices in the matter. In this regard, since the publication of the Inflation Report October-December 2010, it modified the publication format of the main macroeconomic variables projections using Fan Charts.³¹

Another element that should be considered in order to ensure an environment of low and stable inflation in the medium and long run is the orderly functioning of the financial system. The formation and accumulation of financial imbalances can influence the evolution of the economic activity through a wealth effect that influences aggregate demand and, consequently, the evolution of inflation. For this reason, to ensure price stability, it is crucial for the monetary policy to consider a sufficiently extensive time horizon, allowing to identify risks associated with the evolution of financial variables.

It is also important to recognize the complementarity existing between price stability and financial stability. In this sense, it is noteworthy that the monetary policy must be in line with the policy measures aimed at identifying, measuring and correcting systemic financial risks, all this with the purpose of helping to prevent situations that could put economic activity and inflation

²⁹ For an explanation of the channels through which changes in the reference rate have an effect on the economy and, particularly, inflation, see the Monetary Program for 2011.

³⁰ See Inflation Report, July-September 2010.

³¹ For a detailed explanation of the information contained in Fan Charts see Inflation Report, July-September 2010.

evolution at risk. In this regard, it should be highlighted that Banco de México has played a central role within the Financial Stability Board (FSB) since its foundation in 2010.

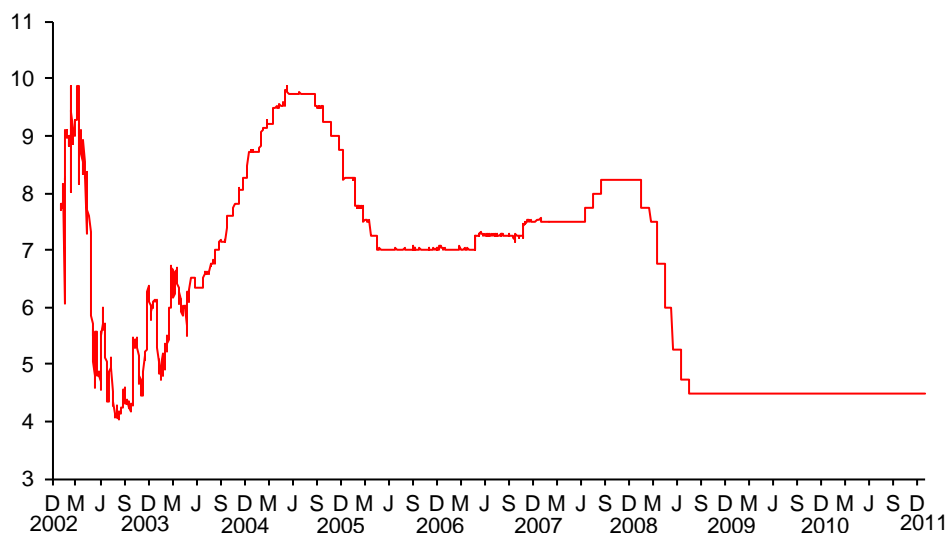
4.1.2. Monetary Policy Actions

Throughout 2011, Banco de México's Board of Governors decided to maintain its Overnight Interbank Interest Rate at 4.5 percent (Graph 34).

The conduction of the monetary policy, aimed at preserving price stability, allowed headline inflation to decline during 2011 as compared to 2010 (see Section 3.4). Furthermore, in light of increased volatility in international financial markets, global growth forecasts, particularly for U.S. growth, were revised downwards during the second half of the year (see Section 2). Given this, the real exchange rate in Mexico adjusted. In this context, the monetary policy during 2011 was conducted under the following considerations:

- i. The fact that the output gap was closing at a lower than expected rate. In particular, productive activity growth slowed down during the last quarter of 2011. Thus, the Mexican economy continued showing slackness, propitiating the absence of demand-side inflation pressures. This, together with the credibility of the monetary policy conduction, prevented exchange rate fluctuations from provoking a significant inflation rebound.
- ii. The fact that during the year there were no pressures on prices derived from labor market conditions, since wage increases remained moderate and the unemployment rate relatively high.
- iii. The fact that during 2011 inflation expectations stayed anchored within the plus/minus one percentage point variability interval around the 3 percent permanent target.
- iv. The fact that in a context of persisting well-anchored inflation expectations, reflecting the credibility of Banco de México's commitment to price stability, the before mentioned adjustment of the exchange rate did not lead to generalized price increases in Mexico.

Graph 34
Overnight Interbank Interest Rate ^{1/}
 Annual percent



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

Source: Banco de México.

In the context described above, the monetary base registered a nominal annual variation of 10.1 percent, while international reserves totaled USD 142,475 million at the end of 2011 as compared to USD 113,597 million in 2010. The observed change in international reserves was mainly due to Banco de México's purchase of USD from PEMEX and, to a lesser extent, due to the market operations exercising USD put options to the Central Institute, mechanism introduced by the Foreign Exchange Commission (see Section 4.2) in February 2010 in order to increase the pace of international reserve accumulation, and suspended in November 2011. As a consequence, net international assets rose by USD 28,622 million.³² This increase was higher than that of the demand of the monetary base, thus implying a negative annual flow of net domestic credit amounting to MXN 286,735 million (Table 12).

During most of the year, observed inflation was lower than short-term inflation expectations, causing these expectations to decline throughout the year. Thus, according to the survey realized by Banco de México, the average expectations for the end of 2011 for headline inflation was 3.91 percent in the January survey as compared to 3.3 percent in the October survey (Graph 35). Nevertheless, in the last months of the year and in light of a change in relative prices, these expectations increased to 3.53 percent in the December survey. This was mainly the result of the higher implicit expectation for the non-core inflation component, which went from 3.46 percent in October to 4.38 percent in December. As relates to the average of core inflation expectations for the end of 2011, during the first four months of the year it ranged between 3.65 and 3.7

³² Net international assets are defined as international reserves plus liabilities denominated in foreign currency, and credit agreements with central banks with more than six months to maturity, less total liabilities with the IMF and central banks with less than six months to maturity. The difference between the change in net international assets of USD 28,622 million and the change in the international reserves of USD 28,879 million can be explained by the decline in liabilities with less than six months maturity by USD 258 million, given that Banco de México does not hold credit from the IMF and the other accounts do not present major changes.

percent, declining afterwards to levels of between 3.25 and 3.3 percent in the last three months of the year.

Table 12
Monetary Base, International Assets and Net Domestic Credit
 Million

	Stocks at the end of			Flows accumulated in		
	2009	2010	2011	2009	2010	2011
(A) Monetary base (MXN)	632,032	693,423	763,492	54,490	61,391	70,069
(B) Net international assets (MXN) ^{1/ 2/}	1,304,892	1,489,615	2,081,572	42,445	266,400	356,804
Net international assets (USD) ^{2/}	99,870	120,621	149,242	4,638	20,750	28,622
(C) Net domestic credit (MXN) [(A)-(B)] ^{1/}	-672,860	-796,192	-1,318,080	12,044	-205,009	-286,735
(D) Gross reserves (USD)	99,893	120,587	149,209	4,591	20,695	28,621
Change attributed to:						
Pemex				11,529	16,037	18,692
Federal government				5,903	274	2,181
Foreign exchange market operations ^{3/}				-16,246	4,466	4,614
Other ^{4/}				3,406	-82	3,134
(E) Liabilities with less than six months to maturity (USD)	9,055	6,991	6,733	-805	-2,064	-258
(F) International reserves (USD) [(D)-(E)] ^{5/}	90,838	113,597	142,475	5,397	22,759	28,879

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

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

3/ In 2009, it represents USD sales corresponding to one of the following mechanisms: i) daily USD auctions at an exchange rate of at least 2 percent above the exchange rate of the previous business day; ii) daily USD auctions without announced minimum price; and, iii) extraordinary sales of USD in the foreign exchange market. In 2010 and 2011, it includes USD sales options to Banco de México and since November 30, 2011 the daily USD auctions at an exchange rate of at least 2 percent above the exchange rate of the previous business day.

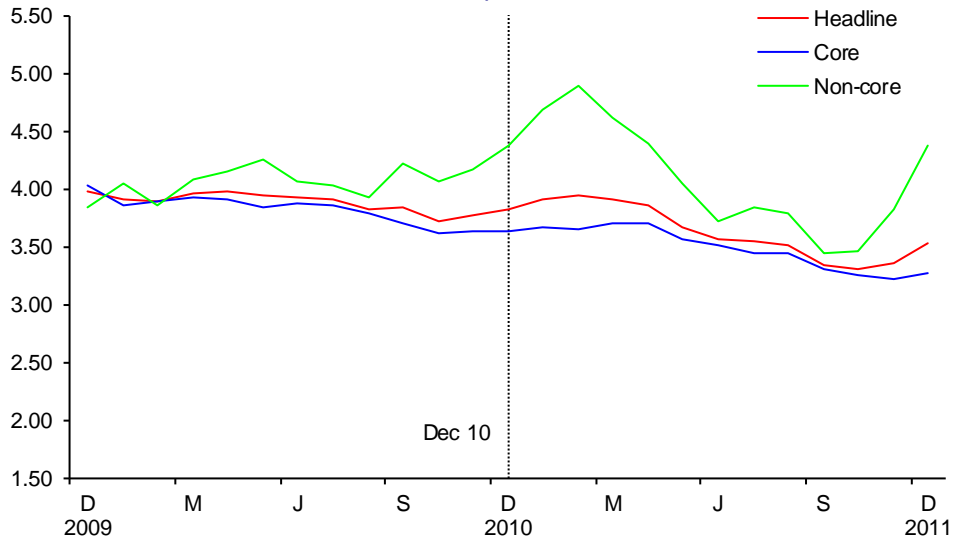
4/ Includes yields on net international assets and other transactions.

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

Regarding inflation expectations for longer-term horizons, they remained stable during the reported year (Graph 36a). Those corresponding to the next 4-year average remained around 3.6 percent, while 5 to 8 year average expectations stayed close to 3.5 percent. This suggests that economic analysts perceived the inflation rebound observed at the end of the year as a transitory phenomenon.

In turn, the break-even inflation and inflationary risk indicator (inflation expectations plus risk premium) obtained from the difference between the nominal yield on a 10-year bond and the real yield of the same term indexed debt instruments (Udibonos) registered a downward trend during the year, although with certain volatility. In particular, it was close to 3.8 percent at the end of 2011, as compared to 4.1 percent at the end of 2010 (Graph 36b).

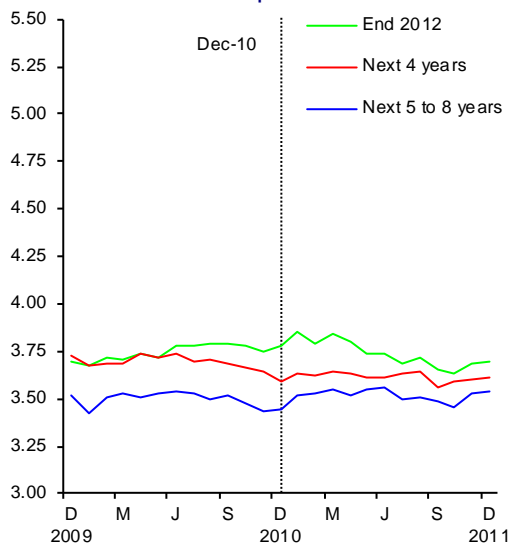
Graph 35
Headline, Core and Non-core Inflation Expectations for 2011
 Annual percent



Source: Banco de México's Survey.

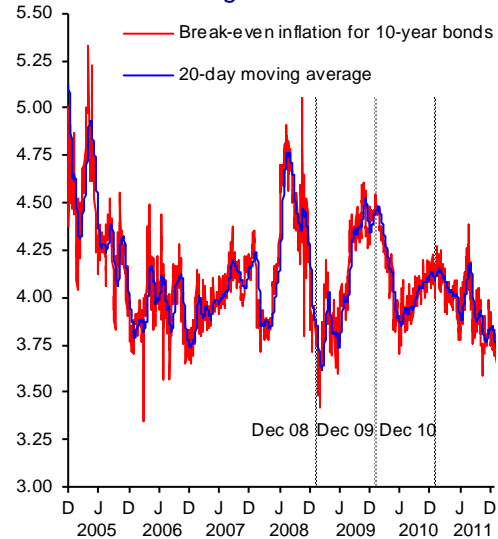
Graph 36
2012 and Long-term Inflation Expectations and Break-even Inflation
 Annual percent

a) 2012 and Long-term Inflation Expectations



Source: Banco de México's Survey.

b) Break-even Inflation and Inflationary Risk for Long-term Bonds^{1/}



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

Source: Banco de México estimate with data from Bloomberg.

During the second half of the year, uncertainty in international markets affected national financial markets, both the money and the exchange rate markets. However, they operated under adequate liquidity conditions.

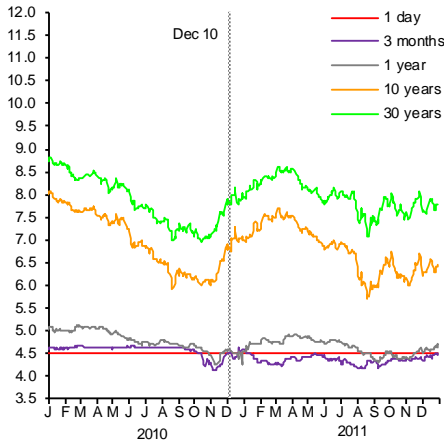


As relates to the long-term government bond interest rates, they declined between December 2010 and December 2011. In particular, the 10-year government bond interest rate went from 7.0 to 6.4 percent during this period (Graph 37a). Nevertheless, this rate rose during the first months of the year, reaching 7.6 percent in mid-March 2011, due to greater dynamism expected at that time for the U.S. and the Mexican economy. Later, long-term rates showed a downward trend until August, locating at 5.7 percent, as a result of higher demand for Mexican government debt instruments, associated with a search for yield by international investors, the strength of the Mexican economy's fundamentals and the reduction registered in U.S. long-term rates, given the weakening of the economic activity growth.

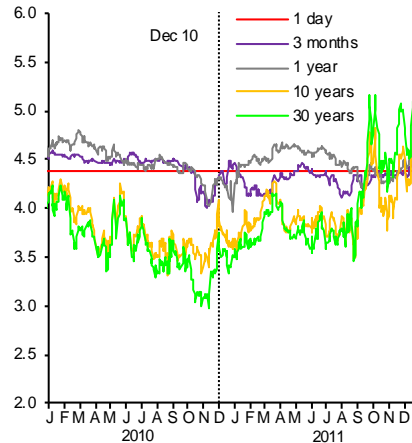
As mentioned in Section 2 of this Report, uncertainty in international financial markets increased in August 2011 due to the deepening of fiscal and financial problems in advanced economies, mainly in the Euro zone. In this environment, interest rates in Mexico presented certain volatility, although the improved relative risk perception of Mexico helped them to register a downward trend until reaching levels close to 6.4 percent at the end of December.

It is noteworthy that, although the Mexican longer-term interest rates reduced during 2011, this reduction was even more pronounced for interest rates of U.S. government bonds of similar terms. This contributed to increasing interest rate spreads between both economies during the year. In particular, the 10-year government bond interest rate in Mexico reduced approximately by 60 basis points during 2011, while the corresponding U.S. rate fell by almost 150 basis points. Thus, in this period the interest rate spread between Mexican and U.S. 10-year bonds incremented by approximately 90 basis points (Graph 37b).

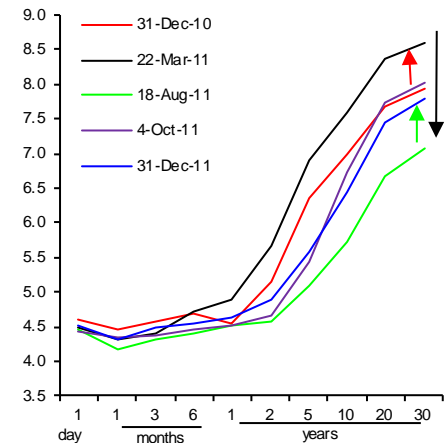
Regarding short-term interest rates, they did not change considerably throughout the year, since bond rates with one year or less time to maturity remained in general below 4.5 percent. Thus, the behavior of the yield curve was mainly affected by the evolution of long-term interest rates discussed before (Graph 37c). In this context, the slope of the yield curve, defined as the difference between the 10-year rate and the 3-month rate, went from levels around 250 basis points at the end of December 2010 to levels around 190 basis points at the end of 2011.

Graph 37
Interest Rates in Mexico
a) Interest Rates of Government Securities ^{1/}
 Percent


1/ The 1-day interest rate corresponds to the target for the Overnight Interbank Interest Rate (Banco de México's operational target).
 Source: *Proveedor Integral de Precios (PiP)*.

b) Interest Rate Spread between Mexico and the United States ^{2/}
 Percent


2/ For the U.S. target rate, the average of the interval considered by the U.S. Federal Reserve is used.
 Source: *Proveedor Integral de Precios (PiP)* and U.S. Treasury Department.

c) Yield Curve Percent


Source: Banco de México and *Proveedor Integral de Precios (PiP)*.

On the other hand and as a natural response to the deterioration of the international economic environment mentioned before, a real exchange rate depreciation was to be expected like the one registered at the end of the year. However, in a context of a floating exchange rate and certain rigidity of domestic prices in adjusting immediately, it was foreseeable that in the case of a real exchange rate shock, such as the aforementioned, the main part of its adjustment would be initially through the nominal exchange rate. Later, as domestic prices adjust, i.e., the relative price of merchandise with respect to services modifies, a partial reversion of this initial nominal exchange rate depreciation is to be expected. Due to the fact that prices of goods and services, which are not directly related to this process, were not affected by the change in relative prices (second round effects), the impact of the exchange rate depreciation on headline inflation was seen as temporary and did not affect the economy's price formation process. This forecast was mainly based on the following aspects:

- i) The inflation-targeting regime adopted in 2001 has contributed to a declining pass-through of exchange rate variations to inflation.³³ This suggests a relationship between the lower exchange rate pass-through to inflation and the adoption of a framework for the conduction of the monetary policy, aimed at preserving price stability. Thus, both the credibility of the Central Bank's commitment to achieve and maintain price stability and a prudent fiscal policy have contributed to reducing the level, the volatility and the persistence of inflation.
- ii) The prevailing slack conditions that characterize the economy's current phase of the business cycle reduced the degrees of freedom of domestic firms to pass on the increase in imported input costs to the end

³³ Several studies realized by Banco de México documented the decrease in the pass-through of exchange rate variations to domestic prices during the last years. For more details, see the Technical Chapter, Inflation Report, January-March 2011.

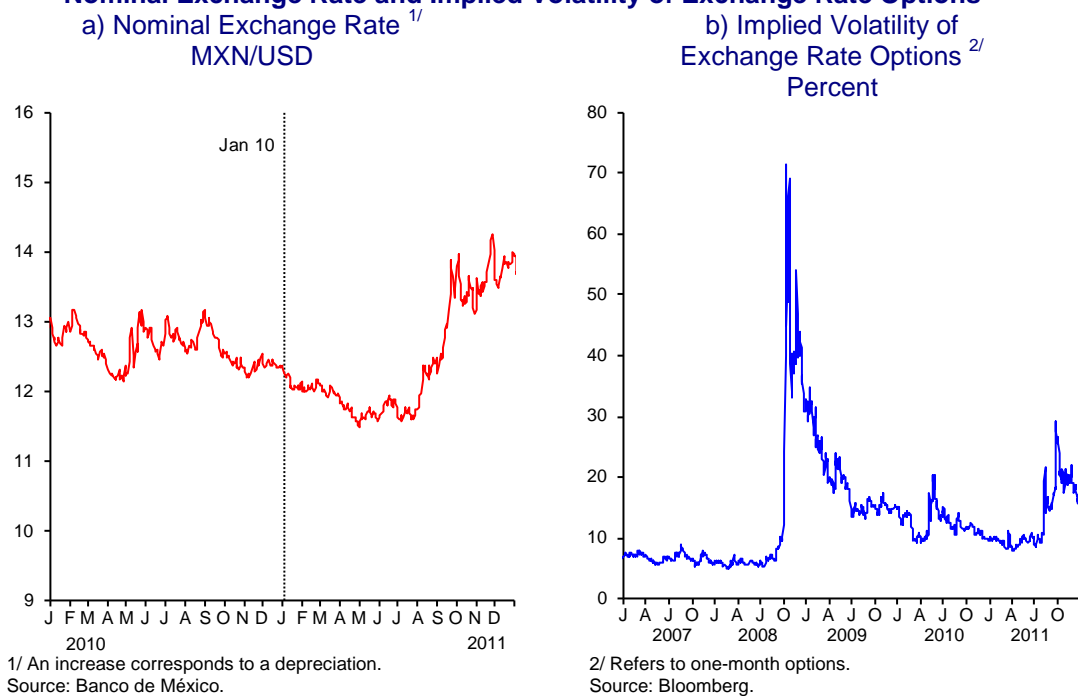
prices of produced goods. In this context, a moderate pass-through of the exchange rate depreciation to domestic prices was observed.

In sum, it is noteworthy that throughout 2011 no generalized pressures on prices were observed due to the slack conditions prevailing in the economy, which, as mentioned, was reflected in diverse indicators of the labor and credit markets, and the external sector. Additionally, the exchange rate depreciation in the last half of the year did not affect the economy's price formation process, so that inflation expectations remained well-anchored.

4.2. Exchange Rate Policy

Throughout 2011, the exchange rate behaved differently during the first and the second half of the year. During the first part, it showed an appreciation trend, passing from 12.4 MXN/USD in late December 2010 to around 11.6 MXN/USD in early May 2011, remaining around this level until the end of July (Graph 38). Among the factors propitiating this appreciation stand out the solid economic fundamentals of the Mexican economy and the abundant liquidity in international financial markets, which was the consequence of the monetary policy of the main advanced economies, particularly the United States.

Graph 38
Nominal Exchange Rate and Implied Volatility of Exchange Rate Options



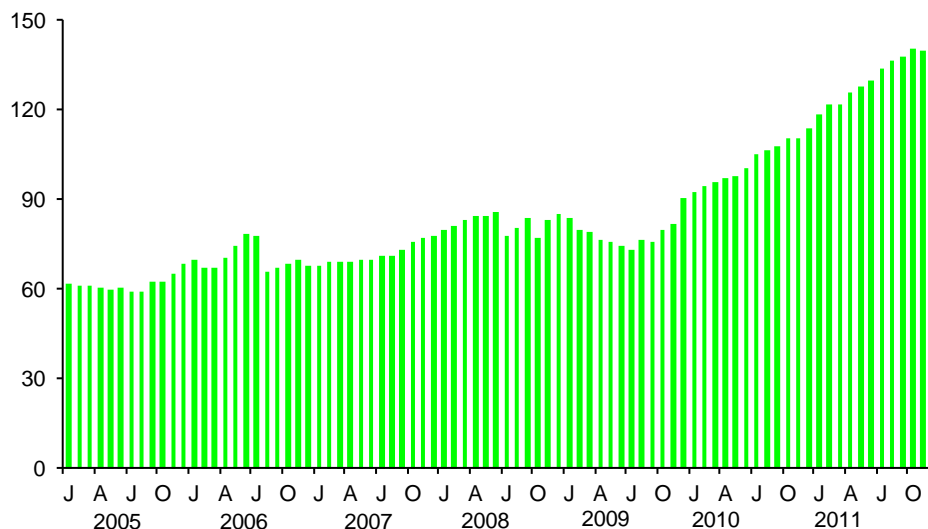
As shown before, since August 2011 international financial markets were more volatile. Thus, investors' lower disposition to take risky positions led to a depreciation and increased volatility of emerging economies currencies, Mexico's among them. It is noteworthy that the behavior of these currencies was not due to particular vulnerabilities in the referred economies, rather it was the result of greater uncertainty among investors given the possibility of a catastrophic event in advanced economies, mainly in the Euro zone. Despite this, as

mentioned before, the foreign exchange market kept operating under adequate liquidity conditions during this period.

In the particular case of Mexico, although since August 2011 different indicators showed increased volatility in the foreign exchange market, it is important to point out that this volatility remained below the levels observed during the period of financial turmoil in late 2008. Among the factors that this time contributed to a relatively less unfavorable behavior of the foreign exchange market as compared to the previous episodes of financial instability in international markets stand out the following:

- i) The strengthening of public finances by the 2010 fiscal reform.
- ii) The increasing credibility of the monetary policy aimed at the convergence of inflation to the 3 percent permanent target.
- iii) The well-capitalized banking system, whose monitoring was strengthened with the creation of the Financial Stability Board.
- iv) The accumulation of international reserves, and the contraction and the subsequent renovation of the Flexible Credit Line with the International Monetary Fund (Graph 39). It should be noted that by means of monthly option auctions a total of USD 4,515 million have been accumulated during the year (Table 13). Nevertheless, in the second half of the year, given the period of international financial instability, the conditions prevailing in the global economy no longer propitiated the accumulation of international reserves. Thus, in the third and the fourth quarter of the year, the reserves accumulated by this mechanism dropped to USD 600 million each quarter.

Graph 39
International Reserves
 USD billion



Source: Banco de México.

Given the severity of events in the international financial markets, and in order to maintain the orderly functioning of the foreign exchange market, the

Foreign Exchange Commission announced the following measures in its press release of November 29, 2011:

- i) A temporary suspension of monthly auctions of Banco de México's USD put options.
- ii) Starting from November 30, 2011, initiation by Banco de México of the daily offer of USD 400 million through auctions at an exchange rate of at least two percent above the exchange rate determined on the previous business day. Despite the fact that a total amount of USD 8,800 million were offered through these auctions from November 30 to December 31, no placements were made during this period due to the evolution of the foreign exchange market.

In addition to these actions, the measures taken by the ECB in December 2011 contributed to the improvement of international financial market conditions at the end of the year, thereby reducing the volatility in the foreign exchange market (see Section 2 and Graph 38).

Table 13
Auctions of USD Put Options, 2011
USD million

	Quarter				Total
	I	II	III	IV	
Offered amount	1,800	1,800	1,800	600	6,000
Demanded amount	7,580	6,639	5,647	1,349	21,215
Alloted amount	1,800	1,800	1,800	600	6,000
Exercised amount	1,515	1,800	600	600	4,515

Source: Banco de México.

5. Final Considerations

During 2011, the Mexican economy distinguished itself by exhibiting lower inflation than in 2010 and by showing resilience to the adverse economic environment. However, the performance of the world economic activity, in particular, lower external demand from the United States, weakened the growth pace of the national economy.

The global economic recovery lost momentum due to the natural disasters in Asia, the sharp increase in commodity prices in the first half of the year and the sovereign debt crisis in the Euro zone. In an environment of deteriorated confidence at the global level, particularly during the second half of the year, negative feedback was observed between the weakness of the financial system and the economic activity. This led to a considerable deterioration in international financial markets, which, in turn, generated a reduction in capital inflows to emerging economies. Consequently, most economies' currencies depreciated against the USD. On the other hand, the upward trend observed by inflation during the first months of 2011, in both advanced and emerging economies, reverted in the second half of the year. Thus, lower inflationary pressures, together with the weakness of the economic activity, propitiated a change in direction of the monetary policy in the vast majority of economies towards a more accommodative policy stance as the year progressed.

Despite the lower impulse from external demand, which was reflected in a gradual slowdown of economic expansion, the Mexican economy continued its recovery process and registered a GDP growth rate of 3.9 percent in 2011, driven by its strong economic fundamentals. Further, the performance of aggregate demand and the slack conditions in the labor market prevented demand-side pressures on both the price level and the country's external accounts.

With respect to average annual inflation, as mentioned before, during 2011 it was below than in 2010, due to lower growth rates of the core and non-core index. In addition to the monetary policy stance, diverse factors influenced this result: the prevalence of slack conditions in the economic activity, the absence of labor cost-related pressures on prices, the intensified competition levels, and the fading of the impact of tax adjustments and increased fares and public prices that came into force at the beginning of 2010.

In this context, Banco de México's Board of Governors closely monitored the evolution of inflation expectations, ensuring they remain well-anchored, and maintained the target for the Overnight Interbank Interest Rate at 4.5 percent during the whole year.

Appendices

Appendix 1

Mexico's Relationship with International Financial Institutions

International Monetary Fund (IMF)

Mexico is a founding member of the International Monetary Fund (IMF) since its creation in 1944. In March 2011, the second *ad hoc* increase of quotas approved by the IMF's Board of Governors in 2008 came into force, and, as a result, Mexico's quota rose from Special Drawing Rights (SDRs) 3,152.8 million to SDR 3,625.7 million, accounting now for 1.52 percent of the IMF's total quotas, as compared to 1.45 percent before.³⁴ Based on this quota, a member country's voting power and potential access to IMF financing are determined.

During 2011, two topics stood out regarding Mexico's relationship with the IMF: the consultation under Article IV of the Articles of Agreement and the renovation of the Flexible Credit Line (FCL) for a longer term and a larger amount.

The consultation under Article IV of the IMF's Articles of Agreement is a practice of surveillance and assessment carried out by the Fund with each of its member countries, whether or not the economic assistance programs are in force.³⁵ The IMF announced the results of the consultation for Mexico in August 2011.³⁶ In its assessment, the Executive Directors of this international institution recognized the soundness of the economic policy framework based on rules, which sustained the solid macroeconomic conduction and the rapid improvement of the economic activity, even in an environment of considerable global uncertainty.

The Executive Board supported the monetary policy stance, bearing in mind that inflationary pressures are under control and inflation expectations remain well-anchored. They also recognized the fiscal policy as appropriate, emphasizing the balanced budget rule and the elimination of the ceiling on the accumulation of resources in the oil stabilization fund.

The Executive Directors agreed that Mexico's floating exchange rate has played a crucial role in absorbing the external shocks and handling capital inflows. On the other hand, the soundness of the Mexican financial sector was recognized, resulting from the authorities' effort to strengthen the regulation and surveillance framework. They also considered another factor that strengthened the financial supervision, which was the creation of the Financial System Stability Board aimed at monitoring systemic risks and facing potential vulnerabilities, and

³⁴ As opposed to the general quota increments realized since the IMF creation, this increase only benefited 54 countries out of 187 actual members (*ad hoc*). The first *ad hoc* increase, which came into force in early 2007 included only 4 countries, Mexico among them.

³⁵ To carry out the consultation, an IMF mission visits the member country, gathers and analyzes its economic and financial data, and meets with the authorities to discuss the country's economic situation, its outlook, and current economic policies. Based on these consultations, the IMF technical staff elaborates and submits for discussion a report on the country to the Executive Board. Afterwards, the IMF informs the country's authorities about its conclusions and recommendations.

³⁶ See Press Release [Comunicado de Prensa del 8 de agosto de 2011](#).

that Mexico is able to fulfill Basel III prudential regulations ahead of the international schedule.³⁷

The Executive Board stressed the importance of Mexico undertaking ambitious structural reforms in order to increase productivity and foster investment, especially supporting measures intended to enhance normativity in the area of competition, increase flexibility of the labor market, enhance the access to credit for small- and medium-sized firms, and generate better employment opportunities in the formal sector. They also considered as a primary objective to strengthen the efficiency and the corporate governance of state-owned companies in the energy sector.

Regarding the FCL, the IMF's Executive Board approved in early 2011 the renovation of the credit line with a longer term, i.e. two years instead of one, and with an increased access, approximately USD 73 billion (equivalent to 1,500 percent of Mexico's quota).^{38,39} It is noteworthy that the Foreign Exchange Commission requested the mentioned renewal in December 2010, considering the important improvements of the FCL regarding the term and the elimination of access limits, which were approved by the IMF Board of Governors at the end of that year.^{40,41}

In December 2011, the IMF concluded the annual review of the FCL and confirmed that Mexico continued fulfilling the line's access criteria, ratifying its assessment of the strength of the Mexican economy and its policy framework. Thus, it announced that resources are available until January 2013.⁴²

Bank for International Settlement (BIS)

The main mission of the BIS is to promote international monetary cooperation and to support central banks and financial authorities in their pursuit of financial stability. Since becoming a member of the BIS in 1996, Banco de México has actively participated in the meetings, forums and committees it organizes to encourage international monetary cooperation.

During 2011, Banco de México contributed to the work and discussions at different meetings of Governors and senior officials of BIS-member central banks. The following stand out: i) the Governors' Meetings, where selected topics of general interest for member central banks are discussed; ii) the Global Economy Meeting, consisting of the Governors from 30 BIS member central banks of major advanced and emerging market economies, which monitors the performance of the world economy and of the international financial markets; iii) the meetings of the Economic Consultative Committee, an informal group created in January 2010, composed of all BIS Board member Governors, the central bank Governors from India and Brazil, and the BIS General Manager; iv) the meetings of the Consultative Council for the Americas, whose aim is to provide a vehicle for

³⁷ Basel III is a comprehensive set of reforms elaborated by the Basel Committee on Banking Supervision in order to strengthen the regulation, supervision and risk administration of the international banking sector.

³⁸ See Press Release [Anuncio de la Comisión de Cambios del 10 de enero de 2011](#).

³⁹ When renewing the FCL, the quota was SDR 3,152.8 million. In late March 2011, Mexico's quota within the IMF was increased to SDR 3,625.7 million.

⁴⁰ The Foreign Exchange Commission is composed of six members: three from the Ministry of Finance (the Secretary and two Under Secretaries) and three from Banco de México (the Governor and two other Board members chosen by the Governor).

⁴¹ See Press Release [Anuncio de la Comisión de Cambios del 14 de diciembre de 2010](#).

⁴² See Press Release [Anuncio de la Comisión de Cambios del 22 de diciembre de 2011](#).

communication between BIS members in the Americas (the central banks of Argentina, Brazil, Canada, Chile, Colombia, Mexico, Peru and the United States) and the Bank's Board and Management; v) the meetings of the Central Bank Governance Group, which is a forum for the exchange of opinions among member Governors about issues related to the design and operation of central banks; and vi) the meetings of BIS Board of Directors, whose primary aim is to determine the strategy and policy direction of this international organization and to supervise the management.

Banco de México also actively participated in the discussion of regulatory reforms of the international financial system, analyzed in the Financial Stability Board (FSB),⁴³ among which stand out the following: regulation, supervision and transparency of derivative markets; strengthening the monitoring and regulation of shadow banking; deposit insurance systems; financial stability problems, especially in developing countries; effective resolution of systemically important financial institutions, and mechanisms for achieving more financial inclusion and innovation.

Further, on December 2, 2011, the Regional Consultative Group for the Americas of the FSB, co-chaired by Banco de México's Governor and the Governor of the Central Bank of Chile, organized its first meeting in Mexico City. This meeting was aimed at discussing the FSB's workplan and policy priorities, global and regional vulnerabilities and related financial stability topics, as well as regulatory issues relevant for financial stability. The Group consists of financial authorities of Argentina, the Bahamas, Barbados, Bermuda, Bolivia, Brazil, British Virgin Islands, Canada, Cayman Islands, Chile, Colombia, Costa Rica, Guatemala, Jamaica, Mexico, Panama, Paraguay, Peru, Uruguay and the United States.⁴⁴

Further stands out the appointment of the Governor of Banco de México as a member of the BIS Board of Directors in January 2011.⁴⁵ This Board receives support from four advisory committees: the Administrative Committee, the Audit Committee, the Nomination Committee and the Banking and Risk Management Committee.

⁴³ This is an international body whose aim is to develop and promote the implementation of effective regulatory and supervisory financial policies, and that consists of representatives of the main international financial institutions, as well as the finance ministries, central banks and financial regulators and supervisors from 24 countries and territories, which represent the world's most important financial systems.

⁴⁴ See Press Release [Comunicado de Prensa del Banco de México del 2 de diciembre de 2011](#).

⁴⁵ See Press Release [Comunicado de Prensa del Banco de México del 10 de enero de 2011](#).

Appendix 2

Public Sector Borrowing Requirements (PSBR) ⁴⁶

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

In 2011, total PSBR recorded a deficit of MXN 426.5 billion, representing 3.0 percent of GDP (Table 14 and Graph 40), and a 0.4 GDP point increase as compared to the one registered in 2010.⁴⁷ In 2011, PSBR were mostly financed by the domestic sector, representing 79.4 percent of total funding (50.8 percent in 2010), while foreign financing accounted for 20.6 percent of the total (49.2 percent in 2010). Thus, PSBR domestic financing totaled MXN 338.6 billion (2.4 percent of GDP) and net foreign financing, MXN 88.0 billion (0.6 percent of GDP).

At the end of 2011, the structure of domestic financing was as follows: the public sector accumulated net financial assets at Banco de México of MXN 332.4 billion; commercial banks increased their net liabilities to MXN 60.6 billion; net private sector financing of MXN 701.9 billion was acquired (through government securities); and other liabilities with the private sector were reduced by MXN 91.5 billion.⁴⁸ Total foreign financing of MXN 88.0 billion consisted of the net indebtedness of the federal government, public entities and enterprises, and development banks, amounting to MXN 81.3 billion, as well as net debt through financed investment projects (*Pidiregas*) for MXN 6.7 billion.

⁴⁶ PSBR are an indicator of the public sector's use of net financial resources, both domestic and external. Banco de México has calculated PSBR since 1977 and published them in its Annual Reports. This concept consolidates the Financial and Non-Financial Public Sector and since 2000 considers a group of additional items considered as public sector's guaranteed liabilities.

⁴⁷ The methodology for calculating the PSBR is based on sources of financing (accrued deficit) and differs from that of the Ministry of Finance (SHCP), which is based on the methodology of public sector's revenues and expenditures (cash deficit). Other differences between these methodologies are: a) assets valuation, with the market value (Banco de México) vs. the placement value (Ministry of Finance, SHCP) and b) the measurement of IPAB's financial requirements. The Central Bank's methodology uses the change in the financial position of IPAB, which is published in the Quarterly Reports on the State of the Economy, Public Finances and the Public Debt of the Ministry of Finance. In the meantime, the Ministry of Finance uses the methodology in which the financial requirements of IPAB correspond to the inflationary component of the organization's debt. According to the methodology of the Ministry of Finance, PSBR decreased by 0.8 percent of GDP from 2010 to 2011, shifting from 3.5 to 2.7 percent of GDP, respectively. This decrease differs from the results presented in this section mainly due to the different valuation of assets.

⁴⁸ Includes private sector deposits in development banks and additional liabilities.

Table 14
Public Sector Borrowing Requirements in 2010 and 2011 ^{1/}

Item	2010		2011 ^{p/}	
	MXN billion	Percent of GDP	MXN billion	Percent of GDP
Sources:				
PSBR ^{2/}	346.2	2.6	426.5	3.0
Net external financing ^{3/}	170.4	1.3	88.0	0.6
(USD billion) ^{4/}	13.5		7.1	
Net domestic financing	175.8	1.3	338.6	2.4
Banco de México	-9.1	-0.1	-332.4	-2.3
Commercial banks	56.8	0.4	60.6	0.4
Government securities ^{5/}	269.2	2.1	701.9	4.9
Other private sector financing ^{6/}	-141.1	-1.1	-91.5	-0.6
Uses:				
PSBR	346.2	2.6	426.5	3.0
Financial balance ^{7/}	309.3	2.4	402.0	2.8
Additional liabilities	36.9	0.3	24.5	0.2
IPAB ^{8/}	18.8	0.1	18.6	0.1
FARAC ^{9/}	-0.6	0.0	-4.3	0.0
UDI restructuring programs	2.1	0.0	1.0	0.0
Pidiregas ^{10/}	13.5	0.1	7.6	0.1
Debtor support programs ^{11/}	3.2	0.0	1.7	0.0
Memo:				
Non-recurrent revenues	-92.0	-0.7	-104.5	-0.7
PSBR excluding non-recurrent revenues	438.3	3.3	531.1	3.7

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

p/ Preliminary figures.

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

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

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

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

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

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

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

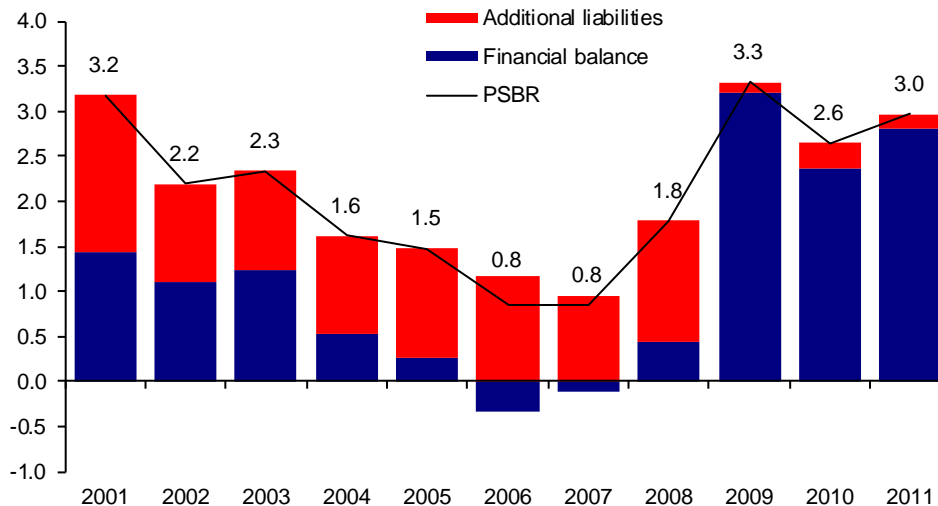
8/ Estimates based on the change in the Institute for the Protection of Bank Savings' (*Instituto de Protección al Ahorro Bancario*, IPAB) net liabilities as published in the Ministry of Finance's Public Debt Reports.

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

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

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

Graph 40
Public Sector Borrowing Requirements
 Percent of GDP



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

In 2011, PSBR were used to finance the deficit of the financial balance of MXN 402.0 billion (2.8 percent of GDP) and public sector's additional liabilities of MXN 24.5 billion (0.2 percent of GDP). Additional liabilities were composed of: a rise in IPAB's net debt (MXN 18.6 billion); a net indebtedness of MXN 7.6 billion from financed investment projects (Pidiregas); an increase in liabilities associated with debtor support programs (MXN 1.7 billion); an increase in liabilities associated with UDI-restructuring programs (MXN 1.0 billion); and a reduction in FARAC's net liabilities (MXN 4.3 billion) (Table 14).

Total Public Sector Debt ⁴⁹

During 2011, total public sector debt rose, as a result of the deficit exhibited by PSBR. For this year, financing was mainly received from the domestic debt market. In particular, the federal government continued to follow a flexible public debt policy in order to adapt to conditions in domestic and international financial markets. At the domestic level, a flexible program of debt issuance was implemented, congruent with the demand for debt instruments that allowed satisfying federal government's financial needs, maintaining an upward trend in its average weighted term to maturity. Abroad, issuances were aimed at

⁴⁹ The total public sector debt is made up of the net broad economic debt (*Deuda Económica Amplia Neta*, DEAN) and additional liabilities. The DEAN includes net liabilities of the federal government and non-financial public enterprises, as well as indebtedness and financial assets of official financial intermediaries (development banks and public funds and trusts). Additional liabilities include those from IPAB, FARAC, UDI-restructuring programs, Pidiregas and debtor support programs. On the other hand, the total public sector debt consolidated with Banco de México consists of the net debt consolidated with Banco de México (*Deuda Neta Consolidada con Banco de México*, DNCBM) and additional liabilities. The DNCBM, besides that described for the DEAN, includes central bank's financial assets and liabilities with the private sector, commercial banks and the external sector. Under the latter definition, both assets and liabilities of Banco de México with the public sector are settled. Finally it is important to mention that, since financing to the public sector by development banks is considered as a public sector asset, in addition to other similar methodological reasons for calculating the PSBR, public debt definitions are not directly comparable to those used by the Ministry of Finance in its Quarterly Reports on the State of the Economy, Public Finances and Public Debt.

strengthening Mexico's bond references in the international markets, expanding and diversifying investors' base, and taking advantage of financing opportunities at better costs.

Table 15
Total Public Sector Debt
End of period outstanding stocks

	MXN billion		Percent of GDP ^{1/}			Real annual change	Percentage structure	
	2010 ^{p/}	2011 ^{p/}	2010 ^{p/}	2011 ^{p/}	Difference	2011 - 2010	2010 ^{p/}	2011 ^{p/}
Total public sector debt (a+b)	5,035.0	5,702.8	36.5	37.3	0.8	9.1	100.0	100.0
a. Net broad economic debt ^{2/}	3,995.6	4,629.6	29.0	30.3	1.3	11.6	79.4	81.2
1. Foreign	1,354.0	1,614.6	9.8	10.6	0.7	14.9	26.9	28.3
2. Domestic	2,641.6	3,015.0	19.2	19.7	0.5	9.9	52.5	52.9
b. Additional liabilities	1,039.4	1,073.2	7.5	7.0	-0.5	-0.5	20.6	18.8
1. IPAB ^{3/}	769.2	787.8	5.6	5.2	-0.4	-1.3	15.3	13.8
2. FARAC ^{4/}	140.3	136.0	1.0	0.9	-0.1	-6.6	2.8	2.4
3. UDI restructuring programs ^{5/}	40.9	42.7	0.3	0.3	0.0	0.6	0.8	0.7
4. Direct Pldiregas ^{6/}	83.0	99.1	0.6	0.7	0.1	15.0	1.6	1.7
5. Debtor support programs ^{7/}	6.0	7.6	0.0	0.1	0.0	22.0	0.1	0.1

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

p/ Preliminary figures.

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

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

3/ Corresponds to the difference between IPAB's gross liabilities and total assets as reported in Appendix III from the Ministry of Finance Quarterly Report on the State of the Economy, Public Finances and Public Debt up to the Fourth Quarter of 2011.

4/ FARAC liabilities guaranteed by the federal government.

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

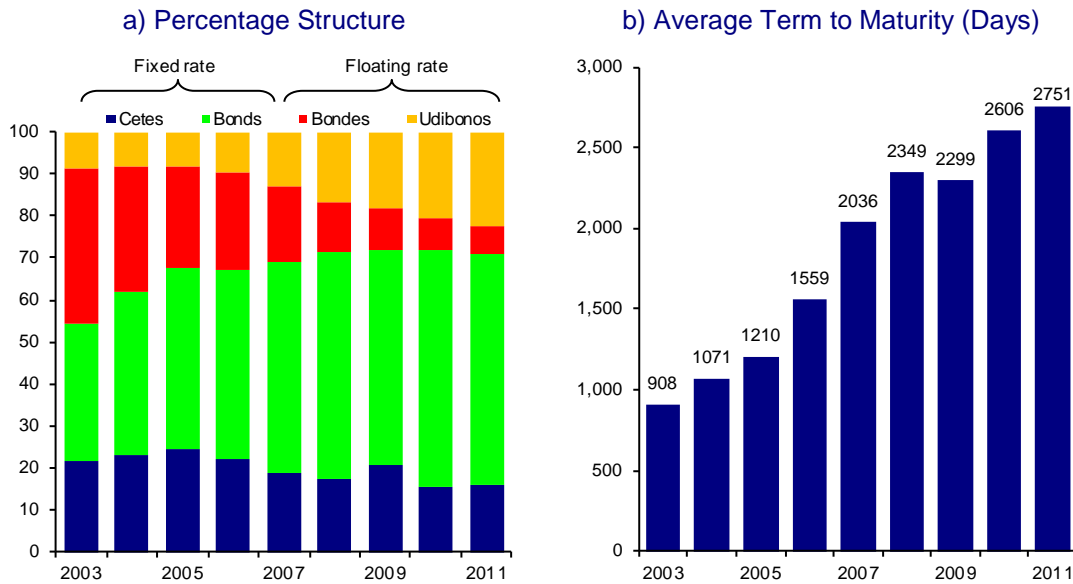
6/ Debt balance for direct Pldiregas is based on investment flows.

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

In 2011, the total public sector debt (*Deuda Total del Sector Público*, DTSP) accounted for 37.3 percent of GDP, implying a 0.8 percentage point increase as compared to the level observed in 2010. This was the result of the public deficit in 2011. As for its composition, in December 2011 the net broad economic debt (*Deuda Económica Amplia Neta*, DEAN) equaled 30.3 percent of GDP (1.3 percentage points above that registered in 2010), while additional liabilities were equivalent to 7.0 percentage points of GDP (0.5 percentage points lower than in 2010) (Table 15).

As for the external debt management, the federal government made 3 debt issuances in international markets during 2011 for a total of USD 3,000 million. These issuances were aimed at strengthening reference bonds and expanding and diversifying the investors' base. The first issuance was in February for USD 1,000 million with maturity of 10 years, the second, in April for USD 1,000 million with a maturity of 30 years, and the last, in August for USD 1,000 million with maturity of 100 years. The 3 issuances corresponded to re-openings of securities placed in previous years. On the other hand, better conditions in international capital markets during 2011 led to a reduction in the need of financing from international financial organizations. Thus, at the end of 2011, the net debt with such organizations amounted to USD 2,612 million (USD 3,499 million in 2010). The federal government's total debt with these international financial organizations rose from USD 16,995 million in December 2010 to USD 19,607 million at the end of 2011.

**Graph 41
Government Securities**



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

As for the domestic market, the federal government continued implementing a flexible program of debt issuance, responding to the market's demand for government securities, which was reflected by the increased average weighted term to maturity of government securities, from 2,606 days at the end of 2010 to 2,751 days at the end of 2011, its maximum historical level (Graph 41).⁵⁰

In 2011, the federal government realized four syndicated bond issuances.⁵¹ The first of these was in February for MXN 25,000 million for fixed-rate 10-year bonds; the second, in March for UDIs 3,500 million in 10-year Udibonos; the third, in July for MXN 25,000 million of fixed-rate 5-year bonds, and the last, in September for MXN 25,000 million of fixed-rate 20-year bonds. Additionally, since the placement in July 2011, the syndicated auction mechanism has been used to improve the price finding process of new reference bonds, maintaining an adequate distribution of these bonds among a broad base of investors.⁵²

⁵⁰ The average weighted term to maturity is defined as the weighted sum (compared to the nominal value of the amount in circulation) of the remaining maturities of each security in circulation.

⁵¹ Syndicated placement is a method of debt placement that accelerates the process of debt issuance. In Mexico this method implies making one placement for a relatively large amount during a given period (quarter) instead of making several placements for small amounts. This type of operation ensures that new issues start with significant amounts in circulation and generate better liquidity conditions in the secondary market.

⁵² The method of syndicated auctions consists in the following: at the day and time of the auction, the Ministry of Finance (SHCP) announces the maximum yield rate to be accepted and the maximum amount to be assigned for each investor, established as a percentage of the total amount to be placed in this transaction (previously a maximum amount was not assigned for each investor). All offers are ranked in ascending order according to the yield rate. First, the amounts are assigned to the offers with the lowest yield rates, followed by the offers with the second lowest rate, and so forth, until reaching the maximum amount issued. In the case of equal offers and already having exceeded the maximum amount to be placed, proportional amounts will be assigned. All offers receiving amounts will have the same yield rate, according to the last offer served.

On the other hand, in May 2011, warrants issued in December 2010 were exercised, thereby changing USD-denominated UMS bonds with a nominal value of USD 312.8 million and EUR-denominated UMS bonds with a nominal value of EUR 59.8 million for fixed-rate bonds (*Bonos M*) with a nominal value of MXN 4,776.7 million. The aim was to improve the composition of the public debt between domestic and foreign debt.

At the end of 2011, the net debt consolidated with Banco de México (DNCBM, for its acronym in Spanish) equaled 29.9 percent of GDP, 0.3 percentage points lower than the figure observed in 2010 (Table 16), as a result of the reduced public deficit held abroad. Finally, the total public sector debt consolidated with Banco de México, including additional liabilities, was 36.9 percent of GDP in 2011, figure 0.9 percentage points below that of 2010.

Table 16
Total Public Sector Debt Consolidated with Banco de México
End of period outstanding stocks

	MXN billion		Percent of GDP ^{1/}			Real annual change	Percentage structure	
	2010 ^{p/}	2011 ^{p/}	2010 ^{p/}	2011 ^{p/}	Difference	2011 - 2010	2010 ^{p/}	2011 ^{p/}
Total public sector debt consolidated with Banco de México (a+b)	5,202.0	5,640.8	37.8	36.9	-0.9	4.4	100.0	100.0
a. Net debt consolidated with Banco de México ^{2/}	4,162.6	4,567.6	30.2	29.9	-0.3	5.7	80.0	81.0
1. Foreign	-90.3	-415.4	-0.7	-2.7	-2.1	343.1	-1.7	-7.4
2. Domestic	4,252.9	4,983.1	30.9	32.6	1.7	12.9	81.8	88.3
b. Additional liabilities	1,039.4	1,073.2	7.5	7.0	-0.5	-0.5	20.0	19.0
1. IPAB ^{3/}	769.2	787.8	5.6	5.2	-0.4	-1.3	14.8	14.0
2. FARAC ^{4/}	140.3	136.0	1.0	0.9	-0.1	-6.6	2.7	2.4
3. UDI restructuring programs ^{5/}	40.9	42.7	0.3	0.3	0.0	0.6	0.8	0.8
4. Direct Pidiregas ^{6/}	83.0	99.1	0.6	0.7	0.1	15.0	1.6	1.8
5. Debtor support programs ^{7/}	6.0	7.6	0.0	0.1	0.0	22.0	0.1	0.1

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

p/ Preliminary figures.

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

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

3/ Corresponds to the difference between IPAB's gross liabilities and total assets as reported in Appendix II from the Ministry of Finance Quarterly Report on the State of the Economy, Public Finances and Public Debt up to the Fourth Quarter of 2011.

4/ FARAC liabilities guaranteed by the federal government.

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

6/ Debt balance for direct Pidiregas is based on investment flows.

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

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Basic Information

Table A 1
Summary of Selected Indicators

	2007	2008	2009	2010	2011 ^{p/}
Social and demographic indicators					
Population (millions) ^{1/}	105.8	106.7	107.6	112.3	113.7
Population annual growth rate ^{1/}	0.9	0.8	0.8	0.8	0.7
Life expectancy at birth ^{1/}	75.0	75.1	75.3	75.4	75.6
Production and prices					
Gross Domestic Product (GDP) MXN billion	11,321	12,181	11,924	13,089	14,353
Annual change in percent					
GDP at constant prices	3.3	1.2	-6.2	5.5	3.9
Consumer Price Index (Dec.-Dec.)	3.76	6.53	3.57	4.40	3.82
Money and finances					
Monetary aggregates ^{2/}		Real annual change in percent			
Monetary base	8.3	7.1	10.1	5.3	5.9
M1	5.5	2.8	7.2	5.4	10.9
M4	6.9	7.0	7.6	5.7	10.0
Domestic financial saving ^{3/}	6.9	7.0	7.5	5.7	10.3
Interest rates ^{4/}					
28-day Cetes	7.19	7.68	5.43	4.40	4.24
28-day TIIE (Interbank Equilibrium Interest Rate)	7.66	8.28	5.93	4.91	4.82
MXN/USD					
Exchange rate (end of period) ^{5/}	10.8662	13.5383	13.0587	12.3571	13.9904
Public finances					
Percent of GDP					
Economic balance (cash flow) ^{6/}	0.0	-0.1	-2.3	-2.8	-2.5
Primary balance ^{6/}	2.2	1.8	-0.1	-0.9	-0.5
Net public debt ^{7/}	14.1	18.1	28.7	29.0	30.3
External sector					
Percent of GDP					
Trade balance	-1.0	-1.6	-0.5	-0.3	-0.1
Current account balance	-0.9	-1.4	-0.6	-0.3	-0.8
Financial account balance	2.5	2.6	2.1	3.8	4.5
Total external debt	18.4	18.4	19.7	19.7	18.9
Interest paid	1.4	1.3	1.3	1.2	1.4
USD billion					
Gross international reserves (end of period) ^{8/}	87.2	95.3	99.9	120.6	149.2

1/ Projections of the National Council of Population (*Consejo Nacional de Población*, CONAPO). For the population of 2010 and 2011, data from the National Statistics Bureau (*Instituto Nacional de Estadística y Geografía*, INEGI) were used.

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

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

4/ Average during the period.

5/ Used for settling liabilities in foreign currency.

6/ Based on the revenue-expenditure methodology. In 2008 it does not include the cost of the ISSSTE Law Reform.

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

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

p/ Preliminary figures.

Source: National Council of Population (CONAPO), National Statistics Bureau (INEGI), Banco de México, Mexican Stock Exchange and Ministry of Finance (*Secretaría de Hacienda y Crédito Público*, SHCP).

Table A 2
Socio-demographic Indicators

	2004	2005	2006	2007	2008	2009	2010	2011 ^{p/}
Population (millions) ^{1/}	103.0	103.9	104.9	105.8	106.7	107.6	112.3	113.7
Urban population ^{2/}	69.9	71.2	71.6	71.8	72.1	72.3	77.8	n.a
Rural population ^{2/}	30.1	28.8	28.4	28.2	27.9	27.7	22.2	n.a
Population per sq.km	52.4	52.9	53.4	53.9	54.3	54.8	57.2	57.9
Population annual growth rate	1.0	0.9	0.9	0.9	0.8	0.8	0.8	0.7
National unemployment rate ^{3/}	3.9	3.6	3.6	3.7	4.0	5.5	5.3	5.2
Unemployment rate (urban areas) ^{4/}	5.3	4.7	4.6	4.8	4.9	6.7	6.4	6.0
Life expectancy at birth (years)	74.5	74.6	74.8	75.0	75.1	75.3	75.4	75.6
Fertility rate ^{5/}	2.2	2.2	2.2	2.1	2.1	2.1	2.1	2.0
Mortality rate (per thousand)	4.8	4.8	4.8	4.8	4.9	4.9	5.0	5.0
Infant mortality rate (per thousand live births)	17.6	16.8	16.2	15.7	15.2	14.7	14.2	13.7
Number of hospital beds (per 100 000 inhabitants) ^{6/}	75.4	75.5	71.9	75.6	74.0	73.9	72.7	72.1
Illiteracy rate (population 15 years or older)	8.1	8.3	8.1	7.9	7.7	7.6	6.9	6.4
Number of students per teacher (grade school)	26.2	25.9	25.9	25.9	26.0	26.1	26.1	26.1
Population with access to drinking water ^{2/}	89.5	89.5	89.6	89.9	90.3	90.7	91.3	91.7

1/ Projections of the National Council of Population (*Consejo Nacional de Población, CONAPO*). For the population of 2010 and 2011, data from the National Statistics Bureau (*instituto Nacional de Estadística y Geografía, INEGI*) were used.

2/ Percentage of total population.

3/ Ratio of Unemployed Population to Economic Active Population. The Unemployed Population is comprised of individuals that were not engaged in working activities during the reference week, but were searching for work during the last month.

4/ Unemployment rate in 32 cities.

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

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

p/ Preliminary figures.

n.a. Not available.

Source: Annual Government Report 2011, Mexico's Presidency (*Presidencia de la República*), CONAPO, Population and Housing Census, 2010, and INEGI Occupation and Employment Survey.

Table A 3
Infrastructure

	2004	2005	2006	2007	2008	2009	2010	2011 ^{p/}
Roads (km)	352,072	355,796	356,945	360,075	366,096	366,807	371,936	372,158
Federal toll roads (km)	7,423	7,409	7,558	7,844	8,064	8,335	8,397	8,508
Federal non-toll roads (km)	41,152	40,953	40,761	40,631	40,563	40,509	40,575	40,685
Paved roads (km)	116,923	122,678	123,354	127,173	131,244	136,157	138,404	141,774
Railroad transportation								
Total railway network (km)	26,662	26,662	26,662	26,677	26,704	26,709	26,717	26,737
Passengers (million passengers/km) ^{1/}	74	73	76	84	178	449	844	891
Commercial cargo (million tons/km) ^{2/}	69,926	72,185	73,726	77,169	74,582	69,185	78,770	81,133
Air transportation								
Number of international airports	56	56	59	59	60	61	64	64
Passengers (thousands)	39,422	42,176	45,406	52,217	53,300	46,971	48,698	47,705
Cargo (thousand tons)	467	529	544	572	525	466	571	568
Sea transportation								
Number of ports (sea and river)	107	112	113	114	114	116	116	118
Sea freight (international and domestic cargo, thousand tons)	266,008	283,604	287,432	272,934	265,237	241,923	272,015	286,976
Communications								
Phones (thousand lines in service)	18,073	19,512	19,861	19,998	20,491	19,504	19,891	19,988
Cellular phones (thousand subscribers)	38,451	47,129	55,396	66,560	75,304	83,194	91,363	99,400
Telegraph services (number of offices)	1,550	1,543	1,563	1,575	1,591	1,582	1,588	1,588
Postal services (locations served)	17,884	17,994	18,704	17,638	17,724	16,536	16,966	16,970
Radio stations ^{3/}	1,423	1,429	1,433	1,506	1,469	1,501	1,563	1,905
T.V. stations ^{3/}	658	685	680	730	702	691	730	741
Lodging (number of rooms)	515,904	535,639	556,399	583,731	603,781	623,555	637,232	n.a.
Energy								
Electric power generation (gigawatts/hour) ^{4/}	233,984	246,267	254,911	261,761	267,696	266,564	273,362	282,877
Oil reserves (million barrels) ^{5/}	46,914	46,418	45,376	44,483	43,563	43,075	43,074	43,837

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

2/ Includes local freight, intermodal remitted freight, received freight and in-transit freight.

3/ Includes broadcasting, concessions and licenses.

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

5/ On December 31 of each year.

p/ Preliminary figures.

Source: Annual Government Report 2011, Mexico's Presidency and Annual Report 2011, PEMEX.

Table A 4
Mexican Financial System

REGULATORY AUTHORITIES

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

FINANCIAL INSTITUTIONS

FINANCIAL GROUPS	CREDIT INSTITUTIONS	SECURITIES MARKET	OTHER FINANCIAL INTERMEDIARIES AND CREDIT INFORMATION COMPANIES	
23 Financial holding companies ^{1/}	42 Commercial banks	1 Mexican Stock Exchange	96 Insurance companies ^{3/}	119 Credit unions
	6 Development banks	34 Brokerage houses	20 Deposit warehouses	14 Bonding companies
	3 Development trust funds	557 Investment companies ^{2/}	3 Financial leasing companies	10 Foreign exchange firms
		87 Investment companies specialized in retirement savings (<i>Sociedad. de Inversión especializ. en Fondos para el Retiro</i>)	19 Special purpose financial companies (<i>Sociedades Financ. de Objeto Limitado, Sofoldes</i>)	97 Popular savings and credit financial entities
		1 Derivatives exchange	24 Commercial banks' regulated entities (<i>Socied. Fin. de Objeto Múltiple, Soromes ER</i>).	1 Financial factoring companies
				2 Credit bureau

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

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

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

Information up to December 2011.

Production and Employment

Table A 5
Main Production Indicators
Annual change in percent

	2007	2008	2009 ^{p/}	2010 ^{p/}	2011 ^{p/}
Gross Domestic Product	3.3	1.2	-6.2	5.5	3.9
Private consumption	4.0	1.7	-7.3	5.3	4.6
Public consumption	3.1	1.1	3.2	2.1	0.6
Private investment	5.8	1.7	-16.7	6.3	12.3
Public investment	11.7	20.3	4.5	6.8	-0.8
Exports (goods and services)	5.7	0.5	-13.5	21.7	6.7
Imports (goods and services)	7.1	2.6	-18.4	20.5	6.8

p/ Preliminary figures.

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

Table A 6
Gross Domestic Product

	MXN million at current prices	Exchange ^{1/} rate	USD million
2006	10,379,091.0	10.8992	952,280.1
2007	11,320,836.4	10.9282	1,035,928.7
2008	12,181,256.1	11.1297	1,094,482.0
2009 ^{p/}	11,923,678.8	13.5135	882,353.1
2010	13,089,273.1	12.6360	1,035,871.6
2011	14,352,866.8	12.4233	1,155,318.4

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

p/ Preliminary figures starting from the indicated year onwards.

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

Table A 7
Aggregate Supply and Demand
2003 prices

	Annual change in percent					Percent of GDP	
	2007	2008	2009 ^{p/}	2010 ^{p/}	2011 ^{p/}	2003	2011 ^{p/}
Aggregate supply	4.2	1.5	-9.3	8.9	4.7	126.8	134.5
GDP	3.3	1.2	-6.2	5.5	3.9	100.0	100.0
Imports	7.1	2.6	-18.4	20.5	6.8	26.8	34.5
Aggregate demand	4.2	1.5	-9.3	8.9	4.7	126.8	134.5
Total consumption	3.9	1.6	-5.9	4.8	4.0	78.6	80.4
Private	4.0	1.7	-7.3	5.3	4.6	66.7	69.4
Public	3.1	1.1	3.2	2.1	0.6	11.8	10.9
Total investment	6.9	5.5	-11.8	6.4	8.7	18.9	22.9
Private	5.8	1.7	-16.7	6.3	12.3	15.1	17.2
Public	11.7	20.3	4.5	6.8	-0.8	3.8	5.7
Exports	5.7	0.5	-13.5	21.7	6.7	25.4	32.9

p/ Preliminary figures.

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

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

Item	2006	2007	2008	2009 ^{p/}	2010 ^{p/}	2011 ^{p/}
Financing of gross capital formation ^{1/}	26.2	26.5	26.9	23.7	23.8	24.9
Financed with external savings ^{2/}	0.5	0.9	1.5	0.6	0.3	0.8
Financed with domestic savings	25.7	25.6	25.4	23.1	23.5	24.2

p/ Preliminary figures.

1/ Includes gross capital formation plus change in inventories.

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

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

Table A 9
Gross Domestic Product by Sector
 2003 prices

	Annual change in percent					Percent of GDP	
	2007	2008	2009 ^{p/}	2010 ^{p/}	2011 ^{p/}	2003	2011 ^{p/}
Total	3.3	1.2	-6.2	5.5	3.9	100.0	100.0
Primary sector	2.3	1.2	-3.2	2.8	-0.6	3.8	3.4
Secondary sector	2.0	-0.1	-7.7	6.1	3.8	31.2	30.0
Mining	-0.2	-1.7	-2.9	1.1	-2.3	5.9	4.7
Electricity, water supply and pipeline gas supply	3.7	-2.3	1.8	10.3	5.5	1.3	1.5
Construction	4.4	3.1	-7.3	0.0	4.8	6.2	6.3
Manufacturing industry	1.7	-0.7	-9.9	9.7	5.1	17.8	17.6
Tertiary sector	4.5	2.4	-5.3	5.5	4.2	61.5	64.7
Commerce	5.0	0.9	-14.2	13.7	7.6	14.5	15.8
Transport, mail and warehousing services	3.7	0.0	-5.9	7.5	3.5	6.8	7.0
Mass media services	11.6	8.0	0.7	1.6	6.6	2.6	3.8
Financial and insurance services	13.9	12.8	-4.5	12.3	4.8	2.6	4.8
Real estate and leasing services	3.1	3.0	-1.9	1.9	2.1	10.5	10.4
Professional, scientific and technical services	3.1	3.0	-5.1	-1.0	5.9	3.4	3.3
Corporate and firm management services	-3.0	14.0	-8.1	5.5	5.7	0.4	0.4
Business support services, waste management and remediation services	3.1	1.6	-4.8	1.6	4.3	2.6	2.5
Education services	1.9	0.8	0.5	0.1	1.5	5.0	4.4
Health and social assistance services	2.5	-1.5	0.8	0.8	1.6	3.0	2.8
Cultural and sport services and other recreational services	3.1	1.5	-4.6	6.0	6.4	0.4	0.4
Temporary lodging services and food and beverage related services	2.6	0.9	-7.7	3.2	2.6	2.8	2.5
Other services except for government-related services	3.9	0.7	-1.0	0.7	4.0	2.7	2.6
Government activity services	1.7	1.1	3.8	2.6	-0.8	4.2	3.8
Financial intermediation services measured indirectly	18.0	14.6	3.4	8.9	3.2	-1.6	-3.3

p/ Preliminary figures.

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

Table A 10
Manufacturing Growth Rates
2003 prices

	2008	2009 ^{p/}	2010 ^{p/}	2011 ^{p/}	Percent of GDP	
					2003	2011 ^{p/}
Total	-0.7	-9.9	9.7	5.1	17.8	17.6
Food industry	1.4	-0.5	2.2	1.7	4.0	3.8
Beverage and tobacco industries	2.5	-0.1	-0.3	4.6	1.0	1.1
Textile input manufacturing	-7.0	-9.8	8.3	-5.3	0.2	0.1
Textile manufacturing (except for apparel)	-8.5	-6.7	1.1	-2.7	0.1	0.1
Apparel industry	2.5	-11.4	5.2	-2.7	0.6	0.4
Leather product industry (except leather clothing)	-3.3	-6.0	9.7	0.0	0.3	0.2
Timber industry	-7.6	-4.4	6.5	6.3	0.2	0.2
Paper industry	2.5	-0.5	4.7	-0.8	0.4	0.4
Printing and printing-related industries	5.2	-6.7	9.6	2.3	0.2	0.2
Oil and coal by-product industries	0.7	-1.6	-4.6	-4.8	0.5	0.4
Chemical industry	-2.2	-2.5	0.1	0.6	1.8	1.6
Plastic and rubber industry	-1.7	-11.9	6.7	7.9	0.5	0.5
Non-metal mineral products industry	-3.8	-8.8	3.1	3.6	1.1	1.1
Basic metal industries	-0.5	-17.3	13.8	4.8	1.0	0.9
Metal product industry	1.1	-15.8	9.2	12.1	0.5	0.6
Machinery and equipment	-0.3	-16.6	39.6	11.0	0.4	0.5
Measurement and other equipment, electronic components and accessories	-12.1	-11.3	8.7	2.7	1.0	0.8
Manufacturing of electricity supply equipment and electric devices and accessories	-0.1	-14.3	11.9	-0.6	0.6	0.5
Transport equipment	0.5	-27.9	39.6	16.9	2.7	3.5
Manufacturing of furniture and furniture-related products	-4.1	-5.5	6.0	0.4	0.3	0.2
Other manufacturing industries	1.7	-2.2	2.3	2.7	0.4	0.4

p/ Preliminary figures.

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

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

Year	Crude oil		Natural gas	Total oil reserves ^{1/}
	(Million barrels)		(Million cubic feet per day)	(Billion barrels)
	Total	Daily average	Total	Total
1998	1,120.7	3.071	4,791	57.7
1999	1,060.7	2.906	4,791	58.2
2000	1,102.4	3.012	4,679	56.2
2001	1,141.4	3.127	4,511	53.0
2002	1,159.6	3.177	4,423	50.0
2003	1,230.4	3.371	4,498	48.0
2004	1,238.1	3.383	4,573	46.9
2005	1,216.7	3.333	4,818	46.4
2006	1,188.3	3.256	5,356	45.4
2007	1,122.6	3.076	6,058	44.5
2008	1,021.7	2.792	6,919	43.6
2009	949.4	2.601	7,031	43.1
2010	940.2	2.576	7,020	43.1
2011 ^{p/}	930.8	2.550	6,594	43.8

^{1/} Figures up to December 31.

p/ Preliminary figures.

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

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

Year	Permanent	Temporary in urban areas	Total
2005	11,685	1,287	12,971
2006	12,163	1,412	13,575
2007	12,628	1,472	14,100
2008	12,569	1,493	14,063
2009	12,314	1,567	13,881
2010	12,826	1,786	14,612
2011	13,267	1,936	15,202
2010 Jan	12,309	1,607	13,917
Feb	12,395	1,651	14,046
Mar	12,474	1,697	14,171
Apr	12,533	1,730	14,263
May	12,582	1,745	14,326
Jun	12,630	1,764	14,395
Jul	12,658	1,783	14,440
Aug	12,706	1,810	14,515
Sep	12,775	1,828	14,603
Oct	12,862	1,870	14,732
Nov	12,934	1,910	14,844
Dec	12,826	1,786	14,612
2011 Jan	12,816	1,811	14,628
Feb	12,889	1,843	14,732
Mar	12,973	1,870	14,842
Apr	13,003	1,882	14,885
May	13,039	1,899	14,939
Jun	13,082	1,912	14,994
Jul	13,099	1,939	15,037
Aug	13,142	1,962	15,104
Sep	13,225	1,990	15,215
Oct	13,309	2,029	15,338
Nov	13,376	2,051	15,427
Dec	13,267	1,936	15,202

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

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

Table A 13
Employment and Unemployment Indicators
 Percent

In relation to economically active population			In relation to employed population			
	National unemployment rate ^{1/}	Unemployment rate in urban areas ^{2/}	Partial employment and unemployment rate ^{3/}	Underemployment rate ^{4/}	Informal employment rate ^{5/}	
2008	4.0	4.9	10.2	6.8	27.3	
2009	5.5	6.7	11.7	9.2	28.2	
2010	5.3	6.4	11.8	8.7	28.2	
2011	5.2	6.0	11.5	8.6	28.8	
2010 ^{6/}	I	5.3	6.5	11.8	9.4	28.6
	II	5.2	6.5	12.0	9.0	28.9
	III	5.6	6.6	12.0	8.6	28.1
	IV	5.3	6.2	11.2	7.6	27.2
2011	I	5.2	5.9	11.0	8.2	28.5
	II	5.2	5.9	11.4	8.3	28.9
	III	5.6	6.4	11.7	8.9	28.7
	IV	4.8	5.6	12.0	9.0	29.2

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

2/ Unemployment rate in 32 cities.

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

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

5/ Percent of employed population working in an economic non-agricultural 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 balance of assets and liabilities.

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

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

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

Year	Based on consumer prices ^{2/}	Annual change in percent	
1993	73.5	-14.4	
1994	75.9	3.3	
1995	117.2	54.3	
1996	103.0	-12.1	
1997	85.8	-16.6	
1998	84.5	-1.6	
1999	77.6	-8.1	
2000	68.7	-11.5	
2001	62.6	-8.8	
2002	60.9	-2.7	
2003	71.6	17.5	
2004	77.0	7.5	
2005	73.6	-4.4	
2006	72.7	-1.2	
2007	74.8	2.9	
2008	78.2	4.5	
2009	88.6	13.4	
2010	81.6	-7.9	
2011	82.9	1.6	
2010	I	83.1	-8.9
	II	79.5	-8.0
	III	82.6	-6.6
	IV	81.2	-8.0
2011	I	79.2	-4.7
	II	79.7	0.3
	III	83.4	0.9
	IV	89.3	9.9

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

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

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

Prices, Wages and Productivity

Table A 15
Main Price Indices

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Prices												
Consumer prices												
End-period	8.96	4.40	5.70	3.98	5.19	3.33	4.05	3.76	6.53	3.57	4.40	3.82
Annual average	9.49	6.37	5.03	4.55	4.69	3.99	3.63	3.97	5.12	5.30	4.16	3.41
Producer prices (merchandise excluding oil)												
End-period	7.38	2.61	6.29	6.24	7.97	2.46	7.12	3.69	10.48	1.99	4.39	7.19
Annual average	7.84	5.02	3.66	6.31	8.58	3.56	6.12	4.25	7.38	5.91	3.25	5.23
Producer prices (merchandise and services excluding oil)												
End-period	8.58	4.33	5.67	4.52	6.52	3.59	5.39	3.57	7.75	3.29	3.70	5.74
Annual average	9.42	6.14	4.87	4.90	6.43	4.22	5.12	3.83	5.79	5.36	3.57	4.21
Producer prices (merchandise and services including oil)												
End-period	8.06	3.67	7.05	4.83	6.57	4.01	5.50	4.40	6.50	4.34	3.89	6.58
Annual average	10.40	5.28	5.19	5.51	6.81	4.52	5.39	4.05	6.33	4.88	3.82	4.92
Construction cost index (residential) ^{1/}												
End-period	7.59	3.47	3.50	6.92	12.15	-0.39	8.50	3.04	9.57	-0.33	4.54	9.28
Annual average	11.21	5.29	2.27	6.48	12.25	1.19	7.58	3.36	9.70	-0.06	3.84	6.07

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

Source: Banco de México and INEGI.

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

	Month	CPI 2nd fortnight Dec 2010	Annual change in percent		
			Annual	Annual 12-month moving average	Monthly
1996	Dec	38.282	27.70	34.38	
1997	Dec	44.300	15.72	20.63	
1998	Dec	52.543	18.61	15.93	
1999	Dec	59.016	12.32	16.59	
2000	Dec	64.303	8.96	9.49	
2001	Dec	67.135	4.40	6.37	
2002	Dec	70.962	5.70	5.03	
2003	Dec	73.784	3.98	4.55	
2004	Dec	77.614	5.19	4.69	
2005	Dec	80.200	3.33	3.99	
2006	Dec	83.451	4.05	3.63	
2007	Dec	86.588	3.76	3.97	
2008	Dec	92.241	6.53	5.12	
2009	Dec	95.537	3.57	5.30	
2010	Jan	96.575	4.46	5.15	1.09
	Feb	97.134	4.83	5.03	0.58
	Mar	97.824	4.97	4.95	0.71
	Apr	97.512	4.27	4.79	-0.32
	May	96.898	3.92	4.62	-0.63
	Jun	96.867	3.69	4.45	-0.03
	Jul	97.078	3.64	4.30	0.22
	Aug	97.347	3.68	4.19	0.28
	Sep	97.857	3.70	4.09	0.52
	Oct	98.462	4.02	4.05	0.62
	Nov	99.250	4.32	4.09	0.80
	Dec	99.742	4.40	4.16	0.50
2011	Jan	100.228	3.78	4.10	0.49
	Feb	100.604	3.57	4.00	0.38
	Mar	100.797	3.04	3.83	0.19
	Apr	100.789	3.36	3.76	-0.01
	May	100.046	3.25	3.70	-0.74
	Jun	100.041	3.28	3.67	0.00
	Jul	100.521	3.55	3.66	0.48
	Aug	100.680	3.42	3.64	0.16
	Sep	100.927	3.14	3.59	0.25
	Oct	101.608	3.20	3.52	0.67
	Nov	102.707	3.48	3.45	1.08
	Dec	103.551	3.82	3.41	0.82

Source: Banco de México and INEGI.

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

Month	CPI	Food, beverages and tobacco	Apparel, footwear and accessories	Housing	Furniture and household goods	Medical and personal care	Transport	Education and entertainment	Other goods and services
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 Dec	5.19	8.17	1.14	5.04	1.28	2.89	5.38	4.77	4.72
2005 Dec	3.33	2.24	1.26	3.60	1.87	3.87	3.50	5.09	4.46
2006 Dec	4.05	6.27	1.24	3.27	1.75	3.41	3.54	4.41	4.17
2007 Dec	3.76	6.00	1.31	2.32	1.85	4.04	3.16	4.19	4.49
2008 Dec	6.53	10.24	2.30	5.44	6.11	4.83	5.47	5.51	6.51
2009 Dec	3.57	4.24	3.47	0.94	5.51	4.94	5.35	4.04	4.36
2010 Jan	4.46	5.56	3.50	2.30	5.59	5.11	6.02	4.45	4.82
Feb	4.83	6.51	3.20	3.06	4.53	4.89	6.16	4.31	4.99
Mar	4.97	6.82	3.24	3.18	3.80	4.69	6.51	4.63	4.84
Apr	4.27	4.49	3.48	2.91	3.24	4.34	6.90	4.14	4.94
May	3.92	3.00	3.51	2.79	2.64	4.21	7.48	4.23	4.99
Jun	3.69	2.01	3.46	2.93	2.04	3.97	7.76	4.38	4.85
Jul	3.64	1.82	3.23	3.04	1.72	3.73	7.83	4.42	4.73
Aug	3.68	2.12	3.34	3.27	1.55	3.77	7.22	4.18	4.82
Sep	3.70	1.83	3.21	3.49	1.78	4.04	7.31	4.31	4.71
Oct	4.02	3.27	3.36	3.19	2.37	4.25	7.12	4.33	4.74
Nov	4.32	4.44	3.38	3.18	2.71	4.29	7.04	4.26	4.71
Dec	4.40	5.29	3.34	2.92	2.66	4.27	6.88	3.89	4.82
2011 Jan	3.78	4.34	2.84	2.30	2.03	3.71	5.96	3.78	4.49
Feb	3.57	4.17	3.27	1.93	1.98	3.42	5.60	3.60	4.32
Mar	3.04	2.88	3.51	1.71	1.92	3.16	4.93	3.07	4.50
Apr	3.36	5.16	3.51	0.93	2.00	2.86	4.83	3.55	4.41
May	3.25	5.20	3.55	0.86	2.19	2.74	4.53	3.24	4.24
Jun	3.28	5.44	3.35	0.88	2.63	2.78	4.24	2.94	4.29
Jul	3.55	6.68	3.36	0.91	2.41	2.59	4.38	2.83	4.34
Aug	3.42	6.19	3.39	0.73	2.22	2.02	4.71	3.28	4.30
Sep	3.14	5.47	3.42	0.62	2.21	1.66	4.83	2.99	4.15
Oct	3.20	5.07	3.37	1.10	2.22	1.24	5.02	3.04	4.25
Nov	3.48	5.05	3.44	1.86	2.12	1.30	5.00	3.07	4.60
Dec	3.82	6.02	3.43	2.10	2.83	1.94	4.99	3.15	4.47

Source: Banco de México and INEGI.

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

Month	CPI	Core ^{1/}	Merchandise	Services	Non-core	Agricultural	Energy and fares approved by government
2002 Dec	5.70	4.12	1.95	6.35	11.33	8.65	13.73
2003 Dec	3.98	3.87	2.61	4.96	4.37	3.65	4.82
2004 Dec	5.19	3.92	3.88	3.96	9.67	10.11	9.40
2005 Dec	3.33	3.27	2.84	3.64	3.53	-0.18	5.84
2006 Dec	4.05	3.65	3.42	3.84	5.42	8.30	3.72
2007 Dec	3.76	3.87	4.52	3.33	3.39	3.42	3.36
2008 Dec	6.53	5.54	6.50	4.72	9.80	11.63	8.68
2009 Dec	3.57	4.16	5.57	2.94	1.72	1.66	1.76
2010 Jan	4.46	4.48	5.72	3.40	4.38	4.96	4.02
Feb	4.83	4.43	5.55	3.45	6.13	7.37	5.36
Mar	4.97	4.26	5.10	3.52	7.27	9.11	6.11
Apr	4.27	3.93	4.67	3.28	5.38	3.71	6.48
May	3.92	3.96	4.35	3.62	3.76	0.16	6.21
Jun	3.69	3.85	3.98	3.73	3.19	-1.77	6.55
Jul	3.64	3.74	3.69	3.79	3.28	-1.93	6.83
Aug	3.68	3.69	3.57	3.79	3.64	-0.86	6.70
Sep	3.70	3.65	3.46	3.82	3.86	-1.02	7.24
Oct	4.02	3.51	3.53	3.50	5.70	3.10	7.43
Nov	4.32	3.61	3.69	3.54	6.61	5.59	7.25
Dec	4.40	3.58	3.82	3.36	7.09	6.96	7.16
2011 Jan	3.78	3.27	3.60	3.00	5.39	4.03	6.15
Feb	3.57	3.26	3.71	2.89	4.53	3.09	5.32
Mar	3.04	3.21	3.97	2.57	2.46	-1.69	4.96
Apr	3.36	3.18	4.07	2.44	3.90	3.70	4.04
May	3.25	3.12	4.12	2.30	3.45	3.26	3.59
Jun	3.28	3.18	4.36	2.19	3.34	2.73	3.61
Jul	3.55	3.19	4.49	2.10	4.51	5.65	3.78
Aug	3.42	3.22	4.39	2.24	3.90	4.37	3.58
Sep	3.14	3.12	4.42	2.03	2.98	2.09	3.50
Oct	3.20	3.19	4.33	2.24	3.09	0.79	4.37
Nov	3.48	3.28	4.32	2.41	4.13	0.87	5.85
Dec	3.82	3.35	4.52	2.40	5.34	3.73	6.19

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

Source: Banco de México and INEGI.

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

Period	Finished merchandise			Services			Finished merchandise and services		
	Index	Percentage change		Index	Percentage change		Index	Percentage change	
		Annual	Monthly		Annual	Monthly		Annual	Monthly
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 Dec	107.969	7.97	-0.29	105.254	5.25	0.41	106.524	6.52	0.08
2005 Dec	110.625	2.46	0.45	110.098	4.60	0.34	110.344	3.59	0.39
2006 Dec	118.502	7.12	0.30	114.341	3.85	0.14	116.287	5.39	0.21
2007 Dec	122.870	3.69	0.00	118.296	3.46	0.31	120.436	3.57	0.16
2008 Dec	135.749	10.48	0.33	124.521	5.26	0.42	129.774	7.75	0.38
2009 Jan	136.195	9.92	0.33	124.957	5.23	0.35	130.215	7.47	0.34
Feb	137.475	9.73	0.94	125.297	5.17	0.27	130.994	7.36	0.60
Mar	138.298	9.26	0.60	126.404	5.57	0.88	131.968	7.35	0.74
Apr	136.900	7.36	-1.01	126.285	5.16	-0.09	131.251	6.22	-0.54
May	136.225	6.37	-0.49	126.516	5.08	0.18	131.058	5.70	-0.15
Jun	136.350	5.84	0.09	127.088	4.62	0.45	131.421	5.21	0.28
Jul	136.495	4.99	0.11	128.079	5.02	0.78	132.016	5.01	0.45
Aug	136.797	5.16	0.22	128.286	4.97	0.16	132.268	5.06	0.19
Sep	138.392	5.81	1.17	128.252	4.61	-0.03	132.996	5.19	0.55
Oct	138.040	2.90	-0.25	128.568	4.22	0.25	132.999	3.58	0.00
Nov	138.514	2.38	0.34	129.137	4.15	0.44	133.524	3.28	0.39
Dec	138.451	1.99	-0.05	130.172	4.54	0.80	134.045	3.29	0.39
2010 Jan	139.751	2.61	0.94	130.098	4.11	-0.06	134.614	3.38	0.42
Feb	141.051	2.60	0.93	130.225	3.93	0.10	135.290	3.28	0.50
Mar	141.878	2.59	0.59	131.250	3.83	0.79	136.222	3.22	0.69
Apr	141.175	3.12	-0.50	131.200	3.89	-0.04	135.867	3.52	-0.26
May	141.035	3.53	-0.10	132.312	4.58	0.85	136.393	4.07	0.39
Jun	140.914	3.35	-0.09	132.848	4.53	0.41	136.621	3.96	0.17
Jul	141.264	3.49	0.25	133.601	4.31	0.57	137.186	3.92	0.41
Aug	141.698	3.58	0.31	133.168	3.81	-0.32	137.159	3.70	-0.02
Sep	142.266	2.80	0.40	133.202	3.86	0.03	137.443	3.34	0.21
Oct	142.637	3.33	0.26	132.904	3.37	-0.22	137.458	3.35	0.01
Nov	143.500	3.60	0.61	133.296	3.22	0.29	138.070	3.40	0.45
Dec	144.529	4.39	0.72	134.159	3.06	0.65	139.010	3.70	0.68
2011 Jan	145.387	4.03	0.59	133.948	2.96	-0.16	139.300	3.48	0.21
Feb	146.803	4.08	0.97	134.126	3.00	0.13	140.057	3.52	0.54
Mar	147.711	4.11	0.62	134.879	2.76	0.56	140.883	3.42	0.59
Apr	147.538	4.51	-0.12	135.666	3.40	0.58	141.220	3.94	0.24
May	146.628	3.97	-0.62	136.028	2.81	0.27	140.987	3.37	-0.16
Jun	147.337	4.56	0.48	136.307	2.60	0.21	141.467	3.55	0.34
Jul	148.408	5.06	0.73	137.335	2.79	0.75	142.515	3.88	0.74
Aug	149.454	5.47	0.70	137.368	3.15	0.02	143.022	4.27	0.36
Sep	150.818	6.01	0.91	137.408	3.16	0.03	143.682	4.54	0.46
Oct	151.991	6.56	0.78	137.972	3.81	0.41	144.531	5.15	0.59
Nov	153.788	7.17	1.18	138.627	4.00	0.47	145.720	5.54	0.82
Dec	154.916	7.19	0.73	140.022	4.37	1.01	146.990	5.74	0.87

Source: Banco de México and INEGI.

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

Item	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
PPI finished merchandise and services	4.33	5.67	4.52	6.52	3.59	5.39	3.57	7.75	3.29	3.70	5.74
Domestic demand	4.89	5.31	4.11	6.67	3.99	5.25	3.67	7.24	3.32	3.44	5.45
Private consumption	4.90	5.53	3.79	5.56	4.56	4.03	3.70	6.24	4.07	3.33	4.75
Government consumption	9.02	5.53	4.41	4.93	5.26	5.38	5.13	5.36	4.91	4.10	4.82
Investment	3.19	4.35	5.30	12.85	0.82	10.77	2.81	12.55	-0.53	3.58	8.78
Exports	-0.99	9.27	8.56	5.48	0.63	6.41	2.81	11.61	3.11	5.61	7.77
PPI finished merchandise	2.61	6.29	6.24	7.97	2.46	7.12	3.69	10.48	1.99	4.39	7.19
Domestic demand	3.42	5.81	5.79	8.61	3.21	7.16	3.90	10.07	1.92	4.05	6.90
Private consumption	3.61	6.26	5.25	6.00	4.84	4.94	4.60	8.42	3.64	4.40	5.68
Government consumption	2.59	4.19	5.71	9.82	4.22	6.64	4.81	8.96	2.28	4.60	7.85
Investment	3.06	4.93	6.92	13.03	0.56	10.91	2.75	12.77	-0.76	3.48	8.87
Exports	-4.73	11.07	10.38	5.44	-0.58	6.94	2.79	12.25	2.30	5.79	8.36
PPI services	5.77	5.19	3.13	5.25	4.60	3.85	3.46	5.26	4.54	3.06	4.37
Domestic demand	6.11	4.91	2.73	5.23	4.59	3.81	3.49	5.04	4.46	2.96	4.29
Private consumption	5.79	5.04	2.80	5.32	4.41	3.53	3.20	5.03	4.32	2.72	4.21
Government consumption	9.44	5.61	4.33	4.58	5.34	5.29	5.15	5.09	5.12	4.06	4.59
Investment	3.75	1.99	-1.44	7.13	9.34	6.70	4.59	5.89	6.84	6.67	6.20
Exports	2.30	8.12	7.28	5.65	4.93	4.63	2.88	9.40	5.99	4.97	5.76

Source: Banco de México and INEGI.

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

Item	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
PPI finished merchandise and services	5.67	4.52	6.52	3.59	5.39	3.57	7.75	3.29	3.70	5.74
Primary sector	11.04	3.20	8.58	8.00	10.77	5.17	11.88	2.95	13.81	4.28
Agriculture, livestock, w ood and fishing	10.40	1.75	8.08	8.32	8.42	4.45	14.16	-0.51	13.20	3.46
Mining	24.13	29.72	13.12	5.22	31.48	10.39	-3.82	31.26	17.60	9.17
Secondary sector	5.03	6.48	7.78	1.90	6.89	3.53	10.30	1.99	3.44	7.58
Manufacturing	5.00	6.21	5.10	2.46	4.81	3.82	9.03	3.38	3.23	6.81
Food, beverages and tobacco	4.06	6.30	7.27	3.85	5.33	6.08	8.44	5.80	3.87	7.50
Textils, apparel and leather	3.87	4.12	2.88	2.73	3.25	1.50	5.11	2.94	3.40	5.98
Timber	1.37	4.77	8.68	3.31	5.93	2.17	5.21	4.10	3.89	3.21
Paper, printing and publishing	3.65	3.85	2.96	3.97	3.90	3.18	12.08	5.02	3.06	1.00
Chemicals, oil and plastics	6.77	7.13	8.98	6.53	4.98	6.62	8.56	2.52	5.34	8.42
Non-metallic minerals	2.55	5.07	1.59	0.90	7.36	3.52	8.20	0.41	2.60	4.54
Basic metal industries	9.66	15.71	48.87	1.69	28.22	5.86	18.49	4.45	29.75	16.14
Metal products, machines and equipment	5.33	6.07	1.43	-0.70	3.35	0.67	10.10	0.96	-0.33	5.69
Other manufactures	7.37	4.38	2.68	-0.12	6.72	6.06	13.96	8.73	5.99	9.68
Construction	5.11	7.27	14.49	0.61	11.76	2.90	13.08	-0.95	3.89	9.29
Tertiary sector	5.76	3.23	5.44	4.60	3.88	3.48	5.47	4.37	3.12	4.40
Electricity and gas	33.64	7.87	11.32	4.41	4.60	4.07	11.70	-0.33	4.90	5.30
Commerce, restaurants and hotels	3.41	0.73	5.22	3.94	3.83	3.96	6.02	3.55	3.69	4.74
Transport and communication	4.95	3.96	8.23	5.94	2.87	2.73	6.07	6.86	2.73	5.74
Leasing	6.58	4.44	3.63	2.85	3.30	2.72	3.62	2.16	2.24	1.96
Community, personal and social services	7.17	5.30	4.04	4.76	4.88	4.21	5.27	4.36	3.51	4.41

Source: Banco de México and INEGI.

Table A 22
Construction Cost Index ^{1/}
Annual change in percent and incidence

Item	General				Residential			
	Annual change		Incidence		Annual change		Incidence	
	Dec-2010	Dec-2011	Dec-2010	Dec-2011	Dec-2010	Dec-2011	Dec-2010	Dec-2011
	Dec-2009	Dec-2010	Dec-2009	Dec-2010	Dec-2009	Dec-2010	Dec-2009	Dec-2010
General index	4.80	9.26	4.80	9.26	4.54	9.28	4.54	9.28
Construction materials subindex	5.16	10.56	4.14	8.50	4.92	10.91	3.77	8.39
Non-metal minerals	3.16	4.81	0.22	0.33	3.14	4.79	0.27	0.41
Cement and concrete	5.37	9.04	0.78	1.32	5.42	9.25	1.08	1.85
Cementing materials	5.01	5.91	0.10	0.12	4.72	6.56	0.16	0.22
Clay materials	2.85	1.68	0.07	0.04	3.03	1.72	0.15	0.09
Concrete materials	1.82	3.16	0.05	0.08	1.59	3.25	0.09	0.18
Concrete structures	3.24	6.75	0.04	0.08	3.03	5.60	0.09	0.17
Other concrete materials	2.51	3.95	0.02	0.03	2.51	3.95	0.03	0.04
Other non-metal mineral products	3.05	6.32	0.03	0.06	3.05	6.29	0.02	0.04
Timber products	3.03	2.86	0.05	0.05	3.14	3.23	0.09	0.09
Paint and other similar materials	5.01	14.83	0.09	0.27	6.12	15.08	0.11	0.27
Plastic materials	5.37	3.26	0.05	0.03	4.71	4.08	0.03	0.03
Other chemical products	7.40	15.61	0.35	0.77	7.40	15.61	0.03	0.06
Metal products	5.54	11.50	0.68	1.42	3.53	11.84	0.16	0.52
Wire products	5.22	36.15	0.37	2.60	5.28	35.53	0.57	3.89
Electric equipment	1.71	6.22	0.16	0.57	3.77	6.57	0.03	0.05
Electric accessories	15.71	5.63	0.57	0.23	16.07	5.63	0.44	0.17
Furniture and accessories	2.39	4.24	0.02	0.03	2.30	4.18	0.04	0.07
Other materials and accessories	7.70	7.51	0.48	0.49	11.94	6.95	0.39	0.25
Rented machinery and equipment subindex	3.24	5.26	0.05	0.07	3.24	5.26	0.03	0.05
Worker earnings subindex	3.32	3.80	0.61	0.69	3.32	3.80	0.74	0.84

1/ This indicator, published since January 2004, and based on December 2003 = 100, substituted the Social Housing Construction Cost Index (*Índice Nacional del Costo de Edificación de Vivienda de Interés Social*, INCEVIS).
 Source: Banco de México and INEGI.

Table A 23
Contractual Wages

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

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

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

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

Period	Nominal earnings	Output per worker	
		Total	Manufactures
2008 Average	2.4	0.1	1.7
2009 Average	0.0	-6.6	-5.1
2010 Average	1.4	4.4	6.3
2011 ^{1/} Average	1.5	1.7	3.3
2008 I	4.6	-0.1	1.9
II	2.2	0.3	0.3
III	0.6	-0.3	0.6
IV	2.0	0.6	3.8
2009 I	-1.3	-6.6	-9.2
II	2.2	-8.7	-6.8
III	0.7	-6.3	-3.9
IV	-1.4	-5.0	-0.2
2010 I	0.9	2.8	7.0
II	-0.3	4.7	9.5
III	2.9	4.0	3.7
IV	2.2	6.1	4.9
2011 ^{1/} I	2.1	3.4	7.7
II	1.3	2.5	0.8
III	0.9	2.6	4.9
IV	1.5	-1.7	-0.3

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

Table A 25
Minimum Wage
MXN per day

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

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 los Salarios Mínimos*, CONASAMI).

Source: Minimum Wage Commission.

Monetary and Financial Indicators

Table A 26
Main Monetary and Financial Indicators

	2008	2009	2010	2011
Monetary aggregates ^{1/}	Real annual change in percent			
Monetary base	7.11	10.12	5.26	5.89
M1	2.80	7.23	5.44	10.90
M4	6.96	7.61	5.75	10.03
Domestic financial saving ^{2/}	7.04	7.47	5.75	10.32
	Percent of GDP			
Monetary base	3.86	4.57	4.57	4.56
M1	10.45	12.05	12.06	12.61
M4	49.64	57.45	57.65	59.83
Domestic financial saving ^{2/}	46.25	53.45	53.64	55.80
Nominal interest rates ^{3/}	Annual rates in percent			
28-day TIIE	8.28	5.93	4.91	4.82
28-day Cetes	7.68	5.43	4.40	4.24
CPP (Average cost of term deposits)	5.69	4.25	3.41	3.34
CCP (Cost of term deposits)	6.73	5.07	4.17	4.18
Exchange rate ^{4/}	MXN/USD			
To settle liabilities denominated in foreign currency	13.5383	13.0587	12.3571	13.9904
Mexican stock exchange ^{4/}	Index base October 1978=100			
Stock exchange benchmark index (IPC)	22,380	32,120	38,551	37,078

1/ Average of outstanding stocks at end of month.

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

3/ Average of daily or weekly observations.

4/ At end of period.

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

Table A 27
Monetary Aggregates
Stocks in MXN billion

End of period	Monetary base	M1	M2	M3	M4	Domestic financial saving
Nominal stocks						
1998	131.5	388.2	1,675.6	1,702.1	1,788.0	1,672.1
1999	188.7	489.9	2,048.7	2,065.6	2,139.3	1,975.1
2000	208.9	565.0	2,351.3	2,379.7	2,436.0	2,254.0
2001	225.6	680.7	2,768.9	2,797.4	2,846.2	2,647.3
2002	263.9	766.5	3,056.6	3,081.8	3,125.6	2,893.4
2003	303.6	857.7	3,458.4	3,492.2	3,524.9	3,261.3
2004	340.2	946.6	3,800.7	3,889.8	3,928.8	3,627.6
2005	380.0	1,068.5	4,366.1	4,503.8	4,545.9	4,209.7
2006	449.8	1,218.5	4,972.3	5,149.7	5,201.4	4,811.9
2007	494.7	1,350.1	5,384.9	5,647.7	5,720.0	5,289.9
2008	577.5	1,482.9	6,269.9	6,596.6	6,680.6	6,186.2
2009	632.0	1,614.6	6,672.3	7,053.0	7,126.8	6,589.7
2010	693.4	1,833.3	7,207.4	7,951.6	8,036.8	7,437.4
2011						
Jan	648.0	1,730.4	7,230.5	7,975.9	8,052.4	7,476.7
Feb	638.3	1,725.2	7,257.3	8,043.7	8,127.9	7,558.9
Mar	634.7	1,736.1	7,261.2	8,081.9	8,194.7	7,634.5
Apr	645.6	1,743.7	7,315.4	8,188.4	8,291.3	7,727.1
May	637.6	1,726.8	7,344.2	8,285.2	8,388.9	7,824.8
Jun	635.3	1,788.0	7,420.5	8,362.1	8,464.8	7,903.2
Jul	645.7	1,774.9	7,489.4	8,478.2	8,579.7	8,011.2
Aug	635.3	1,772.4	7,578.9	8,645.7	8,750.6	8,189.2
Sep	643.3	1,879.7	7,724.8	8,738.3	8,853.6	8,284.6
Oct	651.5	1,861.9	7,794.3	8,849.5	8,955.4	8,379.5
Nov	675.5	1,897.9	7,892.1	8,953.8	9,053.6	8,464.6
Dec	763.5	2,083.1	8,060.6	9,223.1	9,326.5	8,660.6
Average stocks as percentage of GDP ^{1/}						
2005	3.44	10.04	43.63	44.93	45.37	42.28
2006	3.57	10.35	44.59	46.18	46.60	43.41
2007	3.69	10.40	45.09	46.94	47.50	44.22
2008	3.86	10.45	46.31	49.03	49.64	46.25
2009	4.57	12.05	54.06	56.80	57.45	53.45
2010	4.57	12.06	52.84	57.03	57.65	53.64
2011	4.56	12.61	52.47	59.12	59.83	55.80

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

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

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

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

M4 includes M3 plus deposits in Mexican banks' agencies abroad.

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

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

Source: Banco de México.

Table A 28
Monetary Base
Stocks in MXN billion

End of period	Monetary base	Liabilities		Assets	
		Banknotes and coins in circulation ^{1/}	Bank deposits	Net domestic credit	Net international assets ^{2/}
1998	131.528	131.109	0.419	-100.836	232.364
1999	188.718	188.718	0.000	-71.350	260.068
2000	208.943	208.880	0.063	-133.443	342.386
2001	225.580	225.223	0.358	-185.735	411.315
2002	263.937	263.937	0.000	-265.566	529.503
2003	303.614	303.614	0.000	-360.043	663.657
2004	340.178	340.178	0.000	-375.992	716.170
2005	380.034	380.034	0.000	-408.133	788.167
2006	449.821	449.821	0.000	-375.146	824.967
2007	494.743	494.743	0.000	-457.484	952.227
2008	577.543	577.542	0.000	-739.750	1317.293
2009	632.032	631.938	0.095	-672.860	1304.892
2010					
Jan	600.422	600.422	0.001	-683.726	1284.149
Feb	584.172	584.171	0.001	-693.645	1277.816
Mar	597.194	597.194	0.001	-656.091	1253.285
Apr	574.363	574.363	0.000	-698.971	1273.334
May	582.624	582.623	0.001	-759.173	1341.797
Jun	577.816	577.815	0.000	-778.466	1356.282
Jul	593.183	593.182	0.000	-792.636	1385.819
Aug	584.119	584.119	0.000	-885.180	1469.299
Sep	589.263	588.092	1.171	-843.575	1432.838
Oct	590.030	590.030	0.000	-844.927	1434.957
Nov	605.690	605.690	0.000	-858.438	1464.128
Dec	693.423	693.423	0.000	-796.192	1489.615
2011					
Jan	648.031	648.030	0.001	-853.438	1501.469
Feb	638.282	638.282	0.000	-892.969	1531.250
Mar	634.712	634.712	0.001	-893.075	1527.787
Apr	645.583	645.582	0.001	-867.954	1513.537
May	637.598	637.597	0.000	-881.536	1519.134
Jun	635.324	635.323	0.001	-934.687	1570.011
Jul	645.656	645.656	0.000	-981.009	1626.665
Aug	635.301	635.301	0.000	-1135.928	1771.230
Sep	643.274	643.274	0.000	-1304.118	1947.392
Oct	651.531	651.531	0.000	-1269.882	1921.414
Nov	675.505	675.504	0.001	-1328.184	2003.688
Dec	763.492	763.491	0.001	-1318.080	2081.572

1/ Currency outside banks and in banks' vaults.

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

Source: Banco de México.



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

	December					
	2006	2007	2008	2009	2010	2011
1. Currency outside banks	389.6	430.1	494.4	537.1	599.4	665.9
2. Domestic currency checking	532.7	604.8	623.4	654.9	794.1	934.7
3. Foreign currency checking	97.7	97.7	117.8	139.5	128.1	132.9
4. Current account deposits	195.7	214.2	244.1	276.7	304.4	341.1
5. Demand deposits in savings and loan entities	2.9	3.3	3.2	6.5	7.3	8.6
6. M1 = (1+2+3+4+5)	1,218.5	1,350.1	1,482.9	1,614.6	1,833.3	2,083.1
7. Residents' bank deposits	859.8	982.5	1,235.7	1,214.4	1,213.3	1,295.2
8. Deposits in savings and loan entities	14.2	16.1	18.0	40.9	46.8	49.7
9. Public securities held by residents ^{1/}	2,131.5	2,213.2	2,422.8	2,654.7	2,873.8	3,274.0
Federal government securities	1,212.9	1,326.5	1,591.3	1,784.1	1,866.7	2,126.5
Banco de México securities (BREMS)	82.9	11.8	1.0	1.0	1.0	0.0
IPAB securities	490.9	548.0	484.3	485.5	537.8	599.7
Other public securities	344.9	326.9	346.2	384.1	468.3	547.8
10. Private securities ^{1/}	248.4	297.5	307.8	307.1	332.0	383.2
11. Housing and other funds ^{2/}	499.8	525.6	802.8	840.5	908.1	986.0
12. M2=(6+7+8+9+10+11)	4,972.3	5,384.9	6,269.9	6,672.3	7,207.4	8,060.6
13. Non-resident bank deposits	32.6	35.1	48.0	54.4	108.1	116.9
14. Public securities held by non-residents	144.8	227.7	278.7	326.3	636.1	1,035.0
15. M3=(12+13+14)	5,149.7	5,647.7	6,596.6	7,053.0	7,951.6	9,223.1
16. Resident deposits in Mexican bank agencies abroad	42.8	47.9	53.6	45.0	43.1	31.9
17. Non-resident deposits in Mexican bank agencies abroad	8.9	24.4	30.4	28.9	42.1	71.6
18. M4=(15+16+17)	5,201.4	5,720.0	6,680.6	7,126.8	8,036.8	9,326.5

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

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

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

Source: Banco de México.

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

Item	Total					4th quarter of 2011				
	2010	2011				By size of firm		By economic activity ^{2/}		
	4th	1st	2nd	3rd	4th	From 11 up to 100 workers	More than 100 workers	Manufactures	Services and commerce	Rest
TOTAL FINANCING										
<i>Percentage of firms</i>										
Firms receiving financing: ^{3/}	91.6	88.0	90.2	91.4	90.4	90.5	90.3	91.7	90.8	82.9
Source: ^{4/}										
Suppliers	81.1	78.3	83.4	84.9	81.9	80.8	82.6	82.8	82.0	78.2
Commercial banks	33.9	31.8	33.0	36.3	34.7	28.5	38.2	38.2	32.2	36.4
Foreign banks	5.3	4.6	6.7	6.3	6.1	2.3	8.2	9.8	4.1	3.8
Firms from the corporate group/headquarters	23.1	20.8	21.4	20.2	22.8	18.3	25.4	24.0	23.0	17.3
Development banks	3.9	3.8	5.7	5.6	5.9	2.2	8.0	6.9	5.0	7.4
Through bond issuance	2.9	2.7	3.2	3.0	2.3	2.6	2.2	1.5	3.1	1.2
Firms granting financing: ^{3/}	82.6	82.5	84.5	85.8	82.1	78.9	83.9	87.8	79.9	73.1
Destined for: ^{4/}										
Clients	78.3	79.0	80.2	82.1	78.4	75.8	79.9	84.8	76.4	66.5
Suppliers	18.9	21.1	21.2	21.7	20.8	17.1	22.9	20.6	20.0	26.2
Other firms from the same corporate group	14.9	16.6	15.0	14.2	15.3	10.6	18.0	15.7	15.2	14.5
Other	0.0	0.2	0.6	0.3	0.2	0.3	0.1	0.0	0.0	1.8
Average maturity of financing granted (days) to:										
Clients	52	56	54	53	55	45	60	44	63	54
Suppliers	52	45	40	46	42	37	44	46	40	37
Other firms from the same corporate group	64	72	71	60	73	62	76	71	68	107
Firms expecting to request credit in the following three months: ^{3/}	30.4	39.3	41.5	39.8	38.1	30.0	42.7	37.7	36.6	48.3

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

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

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

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

Source: Banco de México.

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

Item	4th quarter of 2011									
	Total					By size of firm		By economic activity ^{2/}		
	2010	2011				From 11 up to 100 workers	More than 100 workers	Manufactures	Services and commerce	Rest
	4th	1st	2nd	3rd	4th					
BANK CREDIT MARKET ^{3/}										
<i>Percentage of firms</i>										
Firms with bank liabilities at the beginning of the quarter:	46.5	46.3	49.9	50.6	47.6	39.2	52.4	50.0	45.5	51.3
Firms receiving new bank credits: ^{4/}	25.6	23.2	28.5	27.8	25.2	18.0	29.3	31.4	20.9	27.1
Destined for: ^{5/}										
Working capital	75.7	73.3	74.5	78.1	71.4	75.6	69.9	70.3	68.4	89.9
Liability restructuring	15.6	11.9	7.9	10.9	16.1	16.3	16.1	15.6	17.0	14.5
Foreign trade transactions	3.0	3.5	1.5	2.8	6.4	9.1	5.5	6.3	7.5	1.9
Investment	20.5	21.8	25.6	24.6	23.0	13.9	26.2	32.8	14.5	19.0
Other purposes	6.7	3.2	5.6	8.1	6.2	2.7	7.5	6.3	7.1	1.9
General conditions of access to bank credit: ^{6/}										
Diffusion index ^{6/}										
Amounts offered	56.9	57.0	54.5	57.4	53.6	53.6	53.6	56.7	50.1	54.8
Terms offered	59.2	54.5	54.9	59.0	55.5	54.8	55.7	54.2	57.4	53.9
Collateral requirements	45.9	47.7	47.2	45.6	44.1	44.7	43.9	47.2	40.2	45.8
Credit resolution time	44.6	52.6	52.6	49.0	45.0	40.8	46.1	47.0	42.2	47.9
Conditions to refinance credits	48.8	48.2	50.2	49.4	44.1	43.8	44.1	44.6	43.2	45.3
Other requirements of the bank	42.7	47.5	47.4	45.7	40.9	45.8	39.3	40.0	40.9	44.0
General conditions of the bank credit cost: ^{7/}										
Diffusion index ^{7/}										
Bank interest rates	55.2	54.9	49.0	46.5	43.8	44.1	43.7	46.7	41.7	40.2
Commissions and other spendings	45.0	49.9	43.8	42.2	46.0	46.9	45.8	48.3	44.5	42.5
Firms that did not receive new bank credits: ^{4/}	74.5	76.8	71.5	72.2	74.8	82.0	70.7	68.6	79.1	72.9
Applied for and are going through the authorization process	5.6	6.1	4.2	4.9	3.8	5.1	3.0	2.0	4.1	8.3
Applied for and were rejected	2.1	1.3	1.9	1.6	1.2	1.3	1.1	1.0	1.0	2.5
Applied for but were rejected because it was too expensive	1.6	0.7	1.3	0.4	1.3	2.7	0.4	0.0	2.1	1.0
Did not apply	65.2	68.7	64.2	65.3	68.7	72.9	66.3	65.7	71.9	61.1
Limiting factors to apply for or receive new credits: ^{8/}										
General economic situation	58.5	61.3	59.8	62.9	60.7	63.0	59.2	55.0	62.4	70.6
Access to public support	42.0	40.2	45.5	44.5	40.6	44.7	38.0	33.6	42.2	55.7
Sales and profitability of the firm	49.6	45.7	46.9	48.6	43.5	52.0	37.9	31.4	48.9	51.7
Firm's capitalization	41.5	38.5	42.1	41.0	35.3	45.6	28.5	25.0	38.0	55.0
Firm's credit history	32.4	30.2	32.6	35.3	33.0	38.6	29.3	25.7	37.1	32.5
Banks' disposition of granting credits	45.8	44.6	43.4	45.7	41.4	46.5	38.1	35.7	42.9	52.3
Difficulties to pay for the service of performing bank debt	34.4	29.6	34.0	34.2	30.7	38.4	25.6	23.6	34.0	34.7
Interest rates of the bank credit market	50.0	50.0	49.8	51.8	46.8	52.6	42.9	38.6	49.5	58.5
Conditions of access to bank credit	45.9	44.7	46.4	46.5	45.2	51.1	41.3	35.0	49.4	54.6
Amounts required as collateral to access the bank credit	44.3	45.2	45.4	45.8	42.9	50.0	38.3	34.3	45.6	56.5
Total firms:										
The conditions of access and the cost of the market of the bank credit are limiting for the firm's operation:										
Major constraint	21.3	19.2	20.6	19.1	17.8	22.0	15.4	16.2	17.5	25.5
Minor constraint	30.4	33.3	28.1	37.0	29.3	30.7	28.5	25.5	30.8	35.0
No constraint	48.2	47.5	51.3	44.0	52.9	47.3	56.2	58.3	51.7	39.4

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

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

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

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

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

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

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

8/ See the explanatory note at the end of the press release on the Evolution of Financing to the Firms of the fourth quarter of 2010. Total percentage can be above 100 since firms can choose more than one option.

Source: Banco de México.

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

	External financing				Domestic financing				
	Total financing	Foreign credit ^{1/}	Debt instruments placed abroad ^{2/}	From commercial banks ^{3/}	From development banks ^{3/}	From non-bank intermediaries	Debt instruments issued	Infonavit ^{4/}	Fovissste ^{5/}
2008									
Mar	3,377,531	458,285	237,862	1,423,986	50,018	324,478	184,794	568,612	129,495
Jun	3,443,444	464,447	227,056	1,464,424	50,605	334,729	202,461	570,186	129,537
Sep	3,608,068	535,928	237,527	1,460,998	51,645	392,571	216,299	581,239	131,862
Dec	3,812,016	666,074	276,344	1,522,957	69,371	344,775	209,644	585,770	137,082
2009									
Mar	3,843,975	657,236	268,786	1,526,917	74,529	334,423	208,563	625,683	147,838
Jun	3,737,258	586,227	252,375	1,499,613	79,594	328,191	211,183	631,014	149,061
Sep	3,754,876	582,403	257,311	1,503,077	81,212	311,798	230,016	639,831	149,228
Dec	3,752,778	556,536	282,252	1,504,365	84,694	290,795	243,649	641,116	149,371
2010									
Mar	3,791,281	505,513	320,139	1,503,741	87,784	288,018	251,672	685,917	148,497
Jun	3,904,169	513,040	386,876	1,536,268	90,851	286,667	250,046	688,817	151,604
Sep	3,981,287	531,034	382,051	1,579,522	99,365	290,886	251,287	705,377	141,766
Dec	4,072,139	538,137	370,498	1,645,962	106,068	294,131	265,429	709,058	142,856
2011									
Mar	4,170,535	528,267	373,827	1,703,111	106,050	291,640	261,651	753,368	152,621
Jun	4,269,917	537,412	385,296	1,737,879	107,622	318,359	276,518	755,724	151,107
Sep	4,590,112	597,659	512,122	1,829,206	124,195	326,470	282,297	777,946	140,218
Dec	4,699,637	567,483	535,102	1,912,362	139,042	333,956	292,565	779,328	139,798

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

1/ Previously, denominated as Foreign Direct Financing. Includes financing from foreign suppliers to Mexican firms, from foreign commercial banks and other creditors. Excludes Pidiregas-PEMEX. Source: Banco de México, Balance of Payments.

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

3/ Includes total loan portfolio (performing and non-performing), and portfolio associated with debt-restructuring programs (UDIs, EPF IPAB-FOBAPROA and ADES).

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

5/ Non-performing and performing mortgage portfolio from the Public Employees' Housing Fund (*Fondo de Vivienda del Instituto de Seguridad y Servicios Sociales de los Trabajadores del Estado*, Fovissste).

Source: Minimum Catalogue of the National Banking and Securities Commission (CNBV, for its acronym in Spanish).

Table A 33
Financial System Flow of Funds Matrix, January – December 2011 ^{1/}
Flows revalued as a percentage of GDP ^{2/}

	Resident private sector ^{3/}			States and municipalities ^{4/}			Public sector ^{5/}			Banking sector ^{6/}			External sector		
	Use of funds (assets)	Source of funds (liabilit.)	Net financing received	Use of funds (assets)	Source of funds (liabilit.)	Net financing received	Use of funds (assets)	Source of funds (liabilit.)	Net financing received	Use of funds (assets)	Source of funds (liabilit.)	Net financing received	Use of funds (assets)	Source of funds (liabilit.)	Net financing received
	a	b	c = b - a	d	e	f = e - d	g	h	i = h - g	j	k	l = k - j	m	n	o = n - m
1. Change in domestic financial instruments (2 + 7 + 8 + 9)	5.3	2.6	-2.7	0.1	0.3	0.2	0.1	2.4	2.4	-0.4	1.9	2.4	2.2		-2.2
2. Financial instruments	5.3	0.8	-4.5	0.1	0.1	0.0	0.0	2.6	2.6	-2.5	2.1	4.6	2.8		-2.8
3. Currency (banknotes and coins)	0.5		-0.5								0.5	0.5			
4. Checkable, time and savings deposits	1.6			0.1		-0.1	0.0		0.0		1.7	1.7	0.0		0.0
4.1 Non-financial enterprises and other institutions ^{7/}	1.1		-1.1	0.1		-0.1	0.0		0.0		1.1	1.1	0.0		0.0
4.2 Individuals	0.6		-0.6								0.6	0.6	0.0		0.0
5. Securities issued ^{8/}	2.9	0.4	-2.6	0.0	0.1	0.1		2.8	2.8	-2.5	0.0	2.5	2.8		-2.8
6. Retirement and housing funds ^{9/}	0.2	0.4	0.2					-0.2	-0.2						
7. Financing		1.8	1.8		0.2	0.2	-0.2	-0.1	0.1	1.9	-0.2	-2.1			
7.1 Non-financial enterprises and other institutions ^{10/}		1.0	1.0		0.2	0.2	-0.2	-0.1	0.1	1.2	-0.2	-1.4			
7.2 Households		0.8	0.8							0.8	0.0	-0.8			
8. Shares and other equity		-0.4	-0.4							0.1		-0.1	-0.5		0.5
9. Other financial system items ^{11/}		0.4	0.4				0.3	-0.1	-0.4	0.0		0.0			
10. Change in external financial instruments (11 + 12 + 13 + 14 + 15)	0.7	0.9	0.3	0.0	0.0	0.0	0.0	0.6	0.6	2.3	-0.1	-2.4	1.5	2.9	1.5
11. Foreign direct investment		1.7	1.7										1.7		-1.7
12. External financing		0.5	0.5					0.6	0.6		-0.1	-0.1	1.1		-1.1
13. Financial assets held abroad	0.7		-0.7				0.0		0.0	-0.2		0.2		0.5	0.5
14. Banco de México international reserves										2.5		-2.5		2.5	2.5
15. Errors and omissions (balance of payments)		-1.3	-1.3										-1.3		1.3
16. Statistical discrepancy ^{12/}		0.0	0.0	0.0	0.0	0.0							0.0		0.0
17. Total change in financial instruments (1 + 10 + 16)	5.9	3.5	-2.4	0.1	0.3	0.2	0.1	3.0	3.0	1.8	1.8	0.0	3.7	2.9	-0.8

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

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

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

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

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

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

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

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

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

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

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

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

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

Source: Banco de México.



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

		Amount in MXN million			Price			
	Maturity (days)	Offered	Alloted	Tendered	Weighted placement	Maximum	Minimum allotted	Minimum
06/01/2011	1,113	2,000	2,000	59,411	99.48090	99.48380	99.47800	98.00000
13/01/2011	1,106	2,000	2,000	70,858	99.51125	99.51320	99.51074	99.10000
20/01/2011	1,099	2,000	2,000	24,495	99.53111	99.53121	99.53079	98.00000
27/01/2011	1,092	2,000	2,000	18,586	99.56805	99.57599	99.56400	99.47129
03/02/2011	1,141	2,000	2,000	11,697	99.58120	99.58263	99.57991	99.00000
10/02/2011	1,134	2,000	2,000	4,700	99.59379	99.59825	99.58716	99.57250
17/02/2011	1,127	2,000	2,000	8,100	99.59539	99.62110	99.59170	99.00000
24/02/2011	1,120	2,000	2,000	3,499	99.56071	99.56073	99.52500	98.00000
03/03/2011	1,113	2,000	2,000	17,228	99.59914	99.60000	99.59658	98.00000
10/03/2011	1,106	2,000	2,000	5,938	99.56671	99.58416	99.55340	99.00000
17/03/2011	1,099	2,000	2,000	2,600	99.46161	99.53000	99.43881	99.43881
24/03/2011	1,092	2,000	2,000	29,481	99.48935	99.52123	99.48030	99.00000
31/03/2011	1,085	2,000	2,000	51,460	99.51699	99.52340	99.51354	99.00000
07/04/2011	1,141	2,000	2,000	85,756	99.47196	99.49109	99.46719	98.00000
14/04/2011	1,134	2,000	2,000	66,684	99.50867	99.50867	99.50867	99.38441
20/04/2011	1,128	2,000	2,000	69,708	99.49163	99.51600	99.47789	98.90000
28/04/2011	1,120	2,000	2,000	14,264	99.52872	99.52872	99.52872	99.36594
05/05/2011	1,113	2,000	2,000	36,074	99.51811	99.53577	99.51426	99.00000
12/05/2011	1,106	2,000	2,000	16,600	99.53666	99.53690	99.53212	90.00000
19/05/2011	1,099	2,000	2,000	49,472	99.54540	99.55070	99.54319	90.00000
26/05/2011	1,092	2,000	2,000	27,501	99.57669	99.59100	99.56885	99.50370
02/06/2011	1,085	2,000	2,000	27,650	99.57830	99.59410	99.56740	90.00000
09/06/2011	1,134	2,000	2,000	40,209	99.50533	99.50602	99.50113	90.00000
16/06/2011	1,127	2,000	2,000	46,019	99.51052	99.51070	99.51000	90.00000
23/06/2011	1,120	2,000	2,000	76,772	99.53562	99.53950	99.53450	90.00000
30/06/2011	1,113	2,000	2,000	38,343	99.54250	99.55000	99.53500	99.00000
07/07/2011	1,106	3,000	3,000	28,970	99.48836	99.49242	99.48670	90.00000
14/07/2011	1,099	3,000	3,000	9,800	99.49199	99.49550	99.48696	90.00000
21/07/2011	1,092	3,000	3,000	19,279	99.49789	99.49899	99.49757	99.44844
28/07/2011	1,148	3,000	3,000	29,431	99.48347	99.48355	99.48260	99.42785
04/08/2011	1,141	3,000	3,000	25,476	99.49387	99.49842	99.49269	90.00000
11/08/2011	1,134	3,000	3,000	89,222	99.50918	99.50935	99.50840	90.00000
18/08/2011	1,127	3,000	3,000	36,199	99.51930	99.53000	99.50020	90.00000
25/08/2011	1,120	3,000	3,000	22,108	99.51474	99.52691	99.51244	90.00000
01/09/2011	1,113	3,000	3,000	5,800	99.52430	99.52938	99.51330	90.00000
08/09/2011	1,162	3,000	3,000	88,588	99.51052	99.51300	99.50557	90.00000
15/09/2011	1,155	3,000	3,000	8,950	99.50764	99.51311	99.49654	99.38098
22/09/2011	1,148	3,000	2,900	36,198	99.43262	99.48782	99.31725	98.00000
29/09/2011	1,141	3,000	3,000	112,441	99.41387	99.46523	99.35400	99.12000
06/10/2011	1,134	3,000	3,000	10,300	99.39009	99.42299	99.38340	99.10000
13/10/2011	1,127	3,000	3,000	13,126	99.40414	99.41580	99.40112	99.33445
20/10/2011	1,183	3,000	3,000	4,710	99.35894	99.36721	99.35790	99.00000
27/10/2011	1,176	3,000	3,000	9,950	99.34786	99.37000	99.30183	99.12050
03/11/2011	1,169	3,000	3,000	15,700	99.22129	99.24600	99.21525	99.18519
10/11/2011	1,162	3,000	3,000	18,469	99.27953	99.30910	99.26546	99.13298
17/11/2011	1,155	3,000	3,000	57,801	99.25624	99.29798	99.24960	99.16414
24/11/2011	1,148	3,000	3,000	9,617	99.24194	99.28746	99.22833	98.00000
01/12/2011	1,197	3,000	3,000	26,943	99.20427	99.23006	99.19373	99.00000
08/12/2011	1,190	3,000	3,000	46,186	99.17432	99.21740	99.10806	98.80000
15/12/2011	1,183	3,000	3,000	26,449	99.11839	99.19294	99.10235	98.01000
22/12/2011	1,176	3,000	500	3,500	99.11205	99.11205	99.11205	98.97200
29/12/2011	1,169	3,000	1,470	51,492	99.10216	99.12673	99.08178	98.94825

Continues



Continuation

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

	Maturity (days)	Amount in MXN million			Price			
		Offered	Alloted	Tendered	Weighted placement	Maximum	Minimum allotted	Minimum
06/01/2011	1,764	2,000	2,000	42,313	99.13073	99.13111	99.13000	98.80000
13/01/2011	1,820	2,000	2,000	52,229	99.13980	99.15000	99.12918	98.00000
20/01/2011	1,813	2,000	2,000	11,700	99.15768	99.16430	99.14900	98.00000
27/01/2011	1,806	2,000	2,000	44,200	99.20614	99.23990	99.20000	98.00000
03/02/2011	1,799	2,000	2,000	61,900	99.25930	99.26000	99.23190	99.08690
10/02/2011	1,792	2,000	2,000	9,800	99.25835	99.26664	99.25590	99.20150
17/02/2011	1,785	2,000	2,000	8,400	99.23426	99.23670	99.22516	99.15905
24/02/2011	1,778	2,000	2,000	66,968	99.16595	99.20658	99.11890	98.50000
03/03/2011	1,771	2,000	2,000	12,887	99.20113	99.21162	99.19760	99.00000
10/03/2011	1,820	2,000	2,000	14,774	99.16086	99.17322	99.15020	98.50000
17/03/2011	1,813	2,000	2,000	44,603	99.08371	99.16871	99.06000	98.65572
24/03/2011	1,806	2,000	2,000	8,362	99.07751	99.09440	99.06062	98.50000
31/03/2011	1,799	2,000	2,000	58,771	99.06469	99.07000	99.05000	98.77821
07/04/2011	1,792	2,000	2,000	12,215	99.04003	99.04500	99.03800	98.00000
14/04/2011	1,785	2,000	2,000	52,212	99.05573	99.07913	99.04800	97.00000
20/04/2011	1,779	2,000	2,000	38,529	99.04208	99.04229	99.04200	96.00000
28/04/2011	1,771	2,000	2,000	8,378	99.07880	99.07880	99.07880	98.86329
05/05/2011	1,764	2,000	2,000	25,411	99.12510	99.12510	99.12510	90.00000
12/05/2011	1,820	2,000	2,000	25,151	99.12095	99.12100	99.12000	90.00000
19/05/2011	1,813	2,000	2,000	11,790	99.15550	99.15550	99.15550	94.00000
26/05/2011	1,806	2,000	2,000	49,592	99.16370	99.17020	99.16100	90.00000
02/06/2011	1,799	2,000	2,000	20,807	99.17859	99.18697	99.17500	98.80000
09/06/2011	1,792	2,000	2,000	27,266	99.15818	99.15994	99.15510	90.00000
16/06/2011	1,785	2,000	2,000	16,665	99.16012	99.16310	99.15880	90.00000
23/06/2011	1,778	2,000	2,000	18,447	99.17307	99.17339	99.17240	90.00000
30/06/2011	1,771	2,000	2,000	47,961	99.11852	99.12055	99.08000	99.00000
07/07/2011	1,820	3,000	3,000	20,750	99.04344	99.07200	99.02700	90.00000
14/07/2011	1,813	3,000	3,000	17,745	99.05492	99.06097	99.04500	90.00000
21/07/2011	1,806	3,000	3,000	9,100	99.06224	99.06307	99.06100	90.00000
28/07/2011	1,799	3,000	3,000	13,500	99.09102	99.09270	99.08850	90.00000
04/08/2011	1,792	3,000	3,000	13,900	99.17045	99.18377	99.14120	90.00000
11/08/2011	1,785	3,000	3,000	70,964	99.17176	99.17512	99.16640	90.00000
18/08/2011	1,778	3,000	3,000	52,644	99.15656	99.17900	99.08279	90.00000
25/08/2011	1,771	3,000	3,000	20,139	99.10838	99.12018	99.09850	90.00000
01/09/2011	1,764	3,000	3,000	23,214	99.12456	99.12560	99.12300	90.00000
08/09/2011	1,820	3,000	3,000	30,019	99.09207	99.09981	99.07800	90.00000
15/09/2011	1,813	3,000	3,000	11,800	99.08143	99.09238	99.07600	90.00000
22/09/2011	1,806	3,000	3,000	11,900	98.93679	99.05840	98.86466	90.00000
29/09/2011	1,799	3,000	3,000	4,300	98.77759	98.90642	98.67187	98.49000
06/10/2011	1,792	3,000	3,000	31,405	98.76112	98.76112	98.76112	98.22691
13/10/2011	1,785	3,000	3,000	9,700	98.82623	98.82623	98.82623	98.65731
20/10/2011	1,778	3,000	3,000	52,825	98.77794	98.81909	98.77100	98.20000
27/10/2011	1,771	3,000	3,000	14,438	98.77631	98.81193	98.73887	98.46280
03/11/2011	1,820	3,000	1,300	2,600	98.52818	98.55000	98.51300	95.00000
10/11/2011	1,813	3,000	3,000	24,610	98.65054	98.71881	98.62000	98.51591
17/11/2011	1,806	3,000	3,000	11,783	98.54750	98.56726	98.53684	98.00000
24/11/2011	1,799	3,000	3,000	5,854	98.55364	98.63960	98.53074	98.39640
01/12/2011	1,792	3,000	3,000	24,955	98.50344	98.56258	98.49426	98.36257
08/12/2011	1,785	3,000	1,000	6,793	98.47327	98.47327	98.47327	98.23220
15/12/2011	1,778	3,000	3,000	43,148	98.40640	98.50863	98.36715	97.01000
22/12/2011	1,771	3,000	3,000	45,743	98.39000	98.42400	98.37000	98.29354
29/12/2011	1,764	3,000	3,000	10,713	98.30392	98.36529	98.17715	98.04146

Continues



Continuation

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

	Maturity (days)	Amount in MXN million			Price			
		Offered	Alloted	Tendered	Weighted placement	Maximum	Minimum allotted	Minimum
07/04/2011	2,547	2,000	2,000	71,233	98.00000	99.00000	98.00000	98.00000
14/04/2011	2,540	2,000	2,000	101,905	98.00000	98.00000	98.00000	97.00000
20/04/2011	2,534	2,000	2,000	240,669	98.00000	98.00000	98.00000	95.00000
28/04/2011	2,526	2,000	2,000	17,261	98.00000	98.00000	98.00000	98.00000
05/05/2011	2,519	2,000	2,000	42,558	98.00000	98.00000	98.00000	90.00000
12/05/2011	2,512	2,000	2,000	66,167	99.00000	99.00000	99.00000	90.00000
19/05/2011	2,505	2,000	2,000	50,144	99.00000	99.00000	99.00000	99.00000
26/05/2011	2,498	2,000	2,000	80,102	99.00000	99.00000	99.00000	90.00000
02/06/2011	2,491	2,000	2,000	17,546	99.00000	99.00000	99.00000	90.00000
09/06/2011	2,484	2,000	2,000	35,838	99.00000	99.00000	99.00000	90.00000
16/06/2011	2,477	2,000	2,000	28,318	99.00000	99.00000	99.00000	90.00000
23/06/2011	2,470	2,000	2,000	58,648	99.00000	99.00000	99.00000	90.00000
30/06/2011	2,463	2,000	2,000	36,995	99.00000	99.00000	99.00000	90.00000
07/07/2011	2,548	3,000	3,000	50,600	98.00000	98.00000	98.00000	90.00000
14/07/2011	2,541	3,000	3,000	21,800	98.00000	98.00000	98.00000	90.00000
21/07/2011	2,534	3,000	3,000	24,600	98.00000	98.00000	98.00000	90.00000
28/07/2011	2,527	3,000	3,000	84,184	99.00000	99.00000	99.00000	90.00000
04/08/2011	2,520	3,000	3,000	13,500	99.00000	99.00000	99.00000	90.00000
11/08/2011	2,513	3,000	3,000	85,808	99.00000	99.00000	99.00000	90.00000
18/08/2011	2,506	3,000	3,000	121,840	99.00000	99.00000	99.00000	90.00000
25/08/2011	2,499	3,000	3,000	50,645	99.00000	99.00000	99.00000	90.00000
01/09/2011	2,492	3,000	3,000	50,265	99.00000	99.00000	99.00000	90.00000
08/09/2011	2,485	3,000	3,000	34,060	99.00000	99.00000	99.00000	90.00000
15/09/2011	2,478	3,000	3,000	18,400	99.00000	99.00000	99.00000	90.00000
22/09/2011	2,471	3,000	3,000	12,800	98.00000	99.00000	98.00000	98.00000
29/09/2011	2,464	3,000	3,000	8,700	98.00000	98.00000	98.00000	98.00000
06/10/2011	2,548	3,000	3,000	37,354	98.00000	98.00000	98.00000	98.00000
13/10/2011	2,541	3,000	3,000	33,181	98.00000	98.00000	98.00000	98.00000
20/10/2011	2,534	3,000	3,000	6,126	98.00000	98.00000	98.00000	98.00000
27/10/2011	2,527	3,000	3,000	12,984	98.00000	98.00000	98.00000	98.00000
03/11/2011	2,520	3,000	2,050	7,750	98.00000	98.00000	98.00000	95.00000
10/11/2011	2,513	3,000	3,000	46,185	98.00000	98.00000	98.00000	94.00000
17/11/2011	2,506	3,000	3,000	50,439	98.00000	98.00000	98.00000	98.00000
24/11/2011	2,499	3,000	3,000	35,187	98.00000	98.00000	98.00000	97.00000
01/12/2011	2,492	3,000	3,000	13,494	98.00000	98.00000	98.00000	97.00000
08/12/2011	2,485	3,000	3,000	72,918	98.00000	98.00000	98.00000	97.00000
15/12/2011	2,478	3,000	3,000	112,601	98.00000	98.00000	98.00000	97.00000
22/12/2011	2,471	3,000	1,230	50,976	98.00000	98.00000	98.00000	97.00000
29/12/2011	2,464	3,000	3,000	6,190	98.00000	98.00000	98.00000	97.00000

Source: Banco de México.



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

	CETES ^{2/}				Fixed Rate Bond					
	28 days	91 days	182 days	364 days	3 years (1092 days)	5 years (1820 days)	7 years (2520 days)	10 years (3640 days)	20 years (7280 days)	30 years (10800 days)
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	7.44	8.08	8.54	9.51	9.84	10.19	10.13		
2003	6.23	6.51	6.93	7.37	7.83	8.18	8.80	8.98	8.39	
2004	6.82	7.10	7.38	7.74	8.25	8.75	9.30	9.54	10.45	
2005	9.20	9.33	9.30	9.28	9.11	9.14	9.34	9.42	9.81	
2006	7.19	7.30	7.41	7.51	7.71	7.86	8.19	8.39	8.55	8.08
2007	7.19	7.35	7.48	7.60	7.60	7.70		7.77	7.83	7.83
2008	7.68	7.89	8.02	8.09	8.00	8.24		8.36	8.55	8.44
2009	5.43	5.52	5.60	5.83	6.51	7.41		7.96	8.48	8.79
2010	4.40	4.57	4.68	4.86	5.59	6.35		6.95	7.60	7.85
2011	4.24	4.35	4.51	4.66	5.38	5.93		6.65	7.85	8.00
2009										
Jan	7.59	7.66	7.40	7.24	6.91	7.70			7.73	7.84
Feb	7.12	7.32	7.17	7.16	7.17	7.60		8.24	9.23	
Mar	7.03	7.22	7.24	7.48	7.08	8.48		7.75		9.78
Apr	6.05	5.99	5.97	6.13	6.04	7.15			8.18	8.36
May	5.29	5.24	5.25	5.41	6.18	6.78		7.55	8.13	
Jun	4.98	5.03	5.08	5.20	6.20	7.45		8.22		9.04
Jul	4.59	4.69	4.80	5.12	6.16	6.81		8.09	8.80	9.08
Aug	4.49	4.59	4.78	5.13	6.46	7.33			8.66	9.02
Sep	4.48	4.60	4.86	5.36	6.60	7.50		8.00	8.64	
Oct	4.51	4.64	4.92	5.39	6.57	7.39		8.05		8.56
Nov	4.51	4.61	4.82	5.23	6.30	7.25			8.55	8.67
Dec	4.50	4.60	4.85	5.07	6.40	7.45		7.81	8.44	8.73
2010										
Jan	4.49	4.62	4.83	4.99	6.27	7.37			8.41	
Feb	4.49	4.64	4.74	5.00	6.10	7.05		7.66		8.49
Mar	4.45	4.64	4.77	5.08	6.12	6.75			8.14	8.46
Apr	4.44	4.63	4.72	5.09	5.85	6.63		7.54	7.99	
May	4.52	4.64	4.72	4.96	5.73	6.20		7.49		8.20
Jun	4.59	4.66	4.72	4.86	5.37	6.23			7.79	7.69
Jul	4.60	4.64	4.70	4.80	5.43			6.88		
Aug	4.52	4.64	4.71	4.78	5.38			6.49	6.69	
Sep	4.43	4.61	4.65	4.74	5.23			6.25		7.23
Oct	4.03	4.39	4.55	4.66	5.04	5.53			6.71	7.03
Nov	3.97	4.25	4.37	4.52	5.15	5.28		6.13	7.29	
Dec	4.30	4.53	4.68	4.86	5.44	6.11		7.16	7.74	7.84
2011										
Jan	4.14	4.44	4.55	4.76	5.89	6.27				8.18
Feb	4.04	4.29	4.58	4.82	5.87	6.40			8.18	8.31
Mar	4.27	4.32	4.57	4.75	5.90	6.73			8.30	
Apr	4.28	4.39	4.61	4.93	5.87	6.45		7.28		8.50
May	4.31	4.45	4.60	4.84	5.65	6.18			7.80	8.07
Jun	4.37	4.39	4.52	4.72	5.51	5.94		6.92	7.71	7.98
Jul	4.14	4.27	4.49	4.65	5.59			6.90		
Aug	4.05	4.22	4.42	4.52	5.08			5.78		7.68
Sep	4.23	4.28	4.37	4.46	4.74					7.93
Oct	4.36	4.37	4.43	4.40	4.66	5.11		6.85	7.48	
Nov	4.35	4.37	4.43	4.47	4.84	4.98		6.38		7.56
Dec	4.34	4.44	4.52	4.57	5.00	5.30		6.46	7.60	7.76

1/ Simple average.

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

Continues



Continuation

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

	UDIBONOS ^{2/}				Surtax		
	3 years	10 years	20 years	30 years	BPA ^s ^{3/ 4/}	BPAT ^s ^{3/ 5/}	BPA 182 ^{3/ 6/}
	(1092 days)	(3640 days)	(7280 days)	(10800 days)	3 years (1092 days)	5 years (1820 days)	7 years (2548 days)
2000		6.74			1.11		
2001		6.63			0.82		
2002		5.52			0.73	0.84	
2003		4.59			0.60	0.69	
2004		4.79			0.38	0.40	0.38
2005		4.92			0.23	0.21	0.20
2006		4.17	4.34	4.41	0.20	0.20	0.20
2007	3.40	3.63	3.58	3.61	0.14	0.11	0.13
2008	3.48	4.04	3.75	4.21	0.22	0.18	0.19
2009	2.53	3.84		4.40	0.44	0.37	0.35
2010	1.47	2.79		3.66	0.26	0.22	0.22
2011	1.47	2.59		3.91	0.31	0.28	0.24
2009							
Jan	3.39	3.80		3.85	0.35	0.33	0.31
Feb	3.47	4.35		4.72	0.41	0.35	0.32
Mar	3.29	4.74		4.94	0.55	0.43	0.42
Apr	3.01	3.76		4.44			
May	2.60	3.94		4.32			
Jun	2.61	4.16		4.74			
Jul	2.32	3.92		4.75			
Aug	2.38	3.68		4.45			
Sep	2.34	3.66		4.36			
Oct	1.96	3.29		4.04			
Nov	1.68	3.44		4.12			
Dec	1.34	3.35		4.06			
2010							
Jan	1.40	3.36			0.24		
Feb	1.76	3.29			0.24		
Mar	2.07	3.31		4.27	0.28		
Apr	1.96	3.40		4.13	0.29	0.28	0.37
May	2.24	3.40		4.05	0.30	0.25	
Jun	1.50	2.87		3.97	0.21		
Jul	1.38			3.65	0.18	0.18	0.19
Aug	1.21	2.17		2.99	0.18	0.16	0.15
Sep	1.05	2.20		3.26	0.22	0.16	0.17
Oct	0.77	1.97		2.93	0.37	0.22	0.20
Nov	0.97	2.02		3.49	0.36	0.26	0.23
Dec	1.27	2.71		3.90	0.30	0.23	0.21
2011							
Jan	1.86			3.99	0.37	0.27	0.29
Feb	2.16			4.18	0.42	0.30	0.34
Mar	2.11			4.33	0.39	0.29	0.34
Apr	2.17	3.16		4.26	0.32	0.29	0.32
May	1.94	3.10		3.84	0.30	0.24	0.28
Jun	1.67	2.85		3.81	0.23	0.24	0.25
Jul	1.26	2.55		3.76	0.27	0.27	0.21
Aug	0.58	2.04		3.17	0.31	0.28	0.15
Sep	0.85	2.45		3.95	0.28	0.25	0.15
Oct	0.68	2.50		3.80	0.27	0.27	0.20
Nov	1.03	2.22		3.94	0.27	0.31	0.18
Dec	1.38	2.46		3.90	0.29	0.35	0.22

1/ Simple average.

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

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

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

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

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

Source: Banco de México.



Table A 36
Representative Interest Rates
 Costs of Bank Deposits (CCP and CPP), Interbank Interest Rate, Overnight Interest Rate and Short-term Private Securities Annual rates in percent ^{1/}

	Target rate ^{2/}	Weighted funding rate		Interbank rates			Cost of bank deposits					Short-term private securities ^{3/}
		Bank	Government	28-day TIE	91-day TIE	91-day Mexibor ^{4/}	CCP	CCP-USD	CCP-Udis	CPP	CCP development banks	
2000		16.16	15.34	16.96	17.23		14.59	6.77	4.06	13.69	17.69	16.93
2001		11.95	11.13	12.89	13.43	10.42	10.95	5.33	5.26	10.12	12.75	12.80
2002		7.15	7.00	8.17	8.45	8.09	6.17	3.30	5.82	5.36	7.72	8.21
2003		6.15	5.96	6.83	7.15	6.81	5.15	2.95	5.75	4.45	6.61	7.02
2004		6.75	6.57	7.15	7.44	7.26	5.41	2.91	4.88	4.62	6.95	7.44
2005		9.30	9.00	9.61	9.63	9.50	7.64	3.61	5.50	6.47	9.46	9.70
2006		7.23	7.07	7.51	7.69	7.38	6.06	4.05	5.45	5.14	7.55	7.51
2007		7.23	7.12	7.66	7.78	7.24	5.99	4.44	4.93	5.00	7.47	7.56
2008	7.84	7.82	7.67	8.28	8.35		6.73	3.27	4.74	5.69	7.94	8.71
2009	5.59	5.62	5.55	5.93	5.93		5.07	2.62	4.67	4.25	6.06	7.07
2010	4.50	4.59	4.55	4.91	5.00		4.17	2.18	4.20	3.41	4.87	5.29
2011	4.50	4.48	4.46	4.82	4.86		4.18	2.15	3.89	3.34	4.67	4.92
2009												
Jan	7.99	8.02	7.90	8.41	8.41		7.01	2.96	4.85	5.82	8.25	10.46
Feb	7.67	7.68	7.60	7.94	7.86		6.69	3.07	4.85	5.58	7.88	9.74
Mar	7.21	7.22	7.17	7.64	7.54		6.40	2.72	4.85	5.37	7.58	9.35
Apr	6.40	6.39	6.34	6.68	6.50		5.85	2.52	4.86	4.95	6.89	8.71
May	5.59	5.60	5.53	5.78	5.65		5.18	2.61	4.86	4.38	6.11	6.89
Jun	5.05	5.08	5.03	5.26	5.18		4.69	2.60	4.85	3.95	5.60	6.22
Jul	4.63	4.66	4.62	4.92	4.91		4.32	2.57	4.80	3.63	5.26	5.67
Aug	4.50	4.52	4.45	4.89	4.95		4.13	2.47	4.73	3.47	5.09	5.74
Sep	4.50	4.53	4.45	4.91	5.00		4.11	2.56	4.59	3.46	5.06	5.72
Oct	4.50	4.53	4.45	4.91	5.00		4.12	2.50	4.37	3.47	5.07	5.53
Nov	4.50	4.59	4.50	4.93	5.08		4.13	2.58	4.22	3.45	4.98	5.53
Dec	4.50	4.63	4.53	4.93	5.07		4.16	2.31	4.25	3.42	4.95	5.33
2010												
Jan	4.50	4.61	4.54	4.91	5.06		4.18	2.08	4.28	3.44	4.95	5.32
Feb	4.50	4.64	4.60	4.92	5.03		4.17	2.24	4.34	3.41	4.95	5.44
Mar	4.50	4.57	4.52	4.92	5.03		4.15	1.93	4.43	3.40	4.91	5.31
Apr	4.50	4.60	4.55	4.94	5.03		4.13	2.08	4.63	3.40	4.92	5.50
May	4.50	4.60	4.55	4.94	5.04		4.14	2.56	4.78	3.40	4.92	5.34
Jun	4.50	4.59	4.55	4.94	5.01		4.17	2.60	4.53	3.43	4.92	5.40
Jul	4.50	4.61	4.58	4.92	5.01		4.19	2.51	4.16	3.43	4.90	5.35
Aug	4.50	4.61	4.57	4.90	4.99		4.21	2.22	4.00	3.45	4.88	5.25
Sep	4.50	4.57	4.54	4.90	4.98		4.21	2.12	3.88	3.47	4.85	5.18
Oct	4.50	4.54	4.51	4.87	4.95		4.20	2.03	3.81	3.44	4.77	5.04
Nov	4.50	4.56	4.53	4.87	4.92		4.12	1.91	3.77	3.35	4.75	5.16
Dec	4.50	4.62	4.58	4.89	4.95		4.14	1.87	3.79	3.28	4.75	5.15
2011												
Jan	4.50	4.58	4.53	4.86	4.92		4.18	1.84	3.78	3.29	4.76	5.11
Feb	4.50	4.55	4.51	4.84	4.88		4.15	1.85	3.83	3.31	4.74	5.05
Mar	4.50	4.51	4.47	4.84	4.87		4.17	2.10	3.86	3.34	4.71	5.05
Apr	4.50	4.52	4.49	4.85	4.88		4.21	2.13	4.15	3.38	4.69	5.08
May	4.50	4.49	4.45	4.85	4.88		4.20	2.15	4.44	3.35	4.66	5.04
Jun	4.50	4.51	4.48	4.85	4.89		4.22	2.21	4.44	3.38	4.64	4.90
Jul	4.50	4.49	4.47	4.82	4.86		4.22	2.12	3.82	3.39	4.65	4.92
Aug	4.50	4.46	4.44	4.81	4.85		4.19	2.25	3.68	3.33	4.65	4.80
Sep	4.50	4.38	4.37	4.78	4.80		4.16	2.33	3.67	3.33	4.62	4.75
Oct	4.50	4.38	4.37	4.79	4.81		4.17	2.20	3.67	3.35	4.61	4.78
Nov	4.50	4.40	4.41	4.80	4.81		4.16	2.26	3.67	3.32	4.63	4.77
Dec	4.50	4.48	4.50	4.80	4.81		4.17	2.35	3.67	3.26	4.67	4.74

1/ Simple average.

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

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

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

Source: Banco de México, based on Indeval data.

Table A 37
Representative Exchange Rates
MXN/USD

	Exchange rate for settling liabilities payable in foreign currency in Mexico ^{1/}		48-hour Interbank Exchange Rate Closing references ^{2/}			
			Buy		Sell	
	End of period	Period average	End of period	Period average	End of period	Period average
2006	10.8810	10.8992	10.7975	10.9025	10.8090	10.9049
2007	10.8662	10.9282		10.9280	10.9195	10.9297
2008	13.5383	11.1297	13.8050	11.1504	13.8150	11.1545
2009	13.0587	13.5135	13.0730	13.5063	13.0820	13.5124
2010	12.3571	12.6360	12.3550	12.6316	12.3650	12.6347
2011	13.9904	12.4233	13.9655	12.4375	13.9725	12.4404
2008						
Jan	10.8444	10.9171	10.8300	10.9085	10.8320	10.9100
Feb	10.7344	10.7794	10.7145	10.7624	10.7160	10.7640
Mar	10.6962	10.7346	10.6400	10.7315	10.6420	10.7332
Apr	10.4464	10.5295	10.5125	10.5151	10.5145	10.5166
May	10.3447	10.4542	10.3300	10.4346	10.3310	10.4358
Jun	10.2841	10.3305	10.3065	10.3292	10.3070	10.3305
Jul	10.0610	10.2390	10.0425	10.2081	10.0440	10.2095
Aug	10.1421	10.0906	10.2845	10.1094	10.2875	10.1107
Sep	10.7919	10.5744	10.9450	10.6510	10.9490	10.6540
Oct	12.9142	12.4738	12.8400	12.6233	12.8600	12.6352
Nov	13.2117	13.0609	13.3800	13.1063	13.4200	13.1201
Dec	13.5383	13.3726	13.8050	13.4257	13.8150	13.4348
2009						
Jan	14.1513	13.8492	14.2725	13.8815	14.2790	13.8899
Feb	14.9275	14.5180	15.0900	14.6063	15.0990	14.6154
Mar	14.3317	14.7393	14.2050	14.6599	14.2100	14.6683
Apr	13.8667	13.4890	13.8350	13.4342	13.8435	13.4408
May	13.1590	13.2167	13.1710	13.1625	13.1750	13.1690
Jun	13.2023	13.3439	13.1625	13.3370	13.1695	13.3419
Jul	13.2643	13.3619	13.1980	13.3743	13.2025	13.3800
Aug	13.2462	13.0015	13.3390	13.0144	13.3440	13.0186
Sep	13.5042	13.3987	13.5000	13.4233	13.5035	13.4284
Oct	13.2823	13.2626	13.2215	13.2289	13.2270	13.2338
Nov	12.9475	13.1305	12.9650	13.1008	12.9695	13.1056
Dec	13.0587	12.8504	13.0730	12.8524	13.0820	12.8570
2010						
Jan	12.9295	12.8070	13.0265	12.8106	13.0300	12.8146
Feb	12.8539	12.9624	12.7735	12.9356	12.7790	12.9395
Mar	12.4640	12.6138	12.3560	12.5668	12.3570	12.5694
Abr	12.3698	12.2420	12.2840	12.2236	12.2870	12.2259
May	12.8846	12.6826	12.9210	12.7494	12.9300	12.7542
Jun	12.6567	12.7234	12.8840	12.7265	12.8900	12.7302
Jul	12.6798	12.8341	12.6565	12.8192	12.6600	12.8226
Aug	13.0148	12.7261	13.2325	12.7744	13.2340	12.7769
Sep	12.5011	12.8610	12.6240	12.8034	12.6250	12.8063
Oct	12.4776	12.4535	12.3630	12.4413	12.3660	12.4439
Nov	12.4890	12.3251	12.4580	12.3347	12.4610	12.3373
Dic	12.3571	12.4011	12.3550	12.3931	12.3650	12.3960
2011						
Jan	12.0239	12.1477	12.1561	12.1246	12.1591	12.1272
Feb	12.1730	12.0726	12.1030	12.0677	12.1050	12.0696
Mar	11.9678	12.0173	11.8888	11.9953	11.8903	11.9973
Apr	11.5868	11.7584	11.5028	11.7054	11.5038	11.7071
May	11.6256	11.6479	11.5662	11.6491	11.5682	11.6511
Jun	11.8389	11.7920	11.7085	11.8051	11.7100	11.8068
Jul	11.6527	11.6760	11.7244	11.6679	11.7269	11.6699
Aug	12.4148	12.1707	12.3390	12.2372	12.3440	12.2402
Sep	13.4217	12.9291	13.8815	13.0642	13.8835	13.0681
Oct	13.1973	13.4808	13.2948	13.4385	13.2988	13.4427
Nov	14.0344	13.6358	13.6640	13.7151	13.6670	13.7205
Dec	13.9904	13.7516	13.9655	13.7799	13.9725	13.7843

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 setting date. It is used to settle liabilities denominated in foreign currency payable in Mexico the day after its publishing.

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

Source: Banco de México.

Table A 38
Auctions of USD Put Options ^{1/}
 USD million

Date	Month	Amount offered	Weighted premium	Amount ^{2/}
30-Dec-10	1-Jan-11	600	45.13	
03-Jan-11				592
11-Jan-11				3
12-Jan-11				5
Subtotal				600
31-Jan-11	1-Feb-11	600	43.89	
04-Feb-11				290
18-Feb-11				25
Subtotal				315
28-Feb-11	1-Mar-11	600	45.01	
04-Mar-11				33
09-Mar-11				367
24-Mar-11				200
Subtotal				600
31-Mar-11	1-Apr-11	600	51.51	
01-Apr-11				400
08-Apr-11				140
15-Apr-11				5
19-Apr-11				53
26-Apr-11				2
Subtotal				600
29-Apr-11	1-May-11	600	56.01	
10-May-11				242
30-May-11				40
31-May-11				318
Subtotal				600
31-May-11	1-Jun-11	600	53.80	
30-Jun-11				600
Subtotal				600
30-Jun-11	1-Jul-11	600	53.70	
01-Jul-11				600
Subtotal				600
29-Jul-11	1-Aug-11	600	50.80	
Subtotal				0
31-Aug-11	1-Sep-11	600	61.72	
Subtotal				0
30-Sep-11	1-Oct-11	600	65.32	
12-Oct-11				450
14-Oct-11				50
27-Oct-11				100
Subtotal				600
31-Oct-11	1-Nov-11	600	67.17	
Subtotal				0
Total		6,600		4,515

^{1/} As defined by the Foreign Exchange Commission's press release of February 22, 2010 and Banco de México's circular 8/2010. USD put options were suspended temporarily by the Foreign Exchange Commission's press release of November 29, 2011.

^{2/} Payment in 48 hours.
 Source: Banco de México.

Table A 39
Mexican Stock Exchange (*Bolsa Mexicana de Valores, BMV*) Market Capitalization
 MXN million, according to last listed prices

Previous methodology: indices by sector according to the previous classification of Mexican Stock Exchange								
	Overall total	Mining	Manufacturing	Construction	Retail and commerce	Communications and transport	Services	Other ^{1/}
2004	1,916,618	72,479	282,035	241,646	294,503	740,438	143,762	141,755
2005	2,543,771	89,036	362,336	368,992	399,823	953,698	168,316	201,570
2006	3,771,498	142,574	572,818	497,754	650,601	1,395,233	271,454	241,064
2007	4,340,886	273,841	586,815	453,355	644,805	1,772,050	390,211	219,810
2008	3,220,900	141,652	516,354	217,308	632,165	1,239,884	313,449	160,088
2007								
Jan	3,913,893	159,576	584,392	523,214	686,725	1,445,725	272,927	241,333
Feb	3,832,303	170,370	573,036	518,959	645,178	1,418,774	278,568	227,417
Mar	4,114,981	184,568	584,043	518,859	702,902	1,570,875	304,561	249,173
Apr	4,211,416	206,279	590,771	512,628	677,685	1,639,947	336,276	247,831
May	4,553,781	216,700	621,506	579,198	675,223	1,842,954	360,116	258,083
Jun	4,557,468	223,457	616,893	580,709	674,899	1,831,792	375,705	254,013
Jul	4,500,724	259,809	609,272	550,394	682,319	1,753,651	400,414	244,866
Aug	4,447,516	239,114	584,517	531,416	676,377	1,797,302	381,663	237,127
Sep	4,442,831	278,613	584,392	506,299	679,080	1,802,060	363,185	229,201
Oct	4,566,888	356,109	571,289	501,224	705,923	1,790,600	397,432	244,312
Nov	4,370,523	305,970	539,076	468,501	668,734	1,778,275	390,350	219,617
Dec	4,340,886	273,841	586,815	453,355	644,805	1,772,050	390,211	219,810
2008								
Jan	4,215,720	268,704	555,655	461,093	638,710	1,701,257	375,152	215,150
Feb	4,258,349	301,698	597,974	460,261	636,353	1,658,264	376,175	227,623
Mar	4,483,960	315,522	605,295	441,826	705,025	1,778,918	402,917	234,456
Apr	4,382,527	332,787	632,963	455,806	699,076	1,614,075	391,486	256,334
May	4,619,520	344,048	670,331	490,154	760,944	1,696,804	412,462	244,777
Jun	4,271,885	311,578	648,423	427,249	703,959	1,528,599	401,141	250,935
Jul	4,009,636	260,837	629,652	375,043	703,719	1,425,274	386,785	228,326
Aug	3,861,576	217,972	622,733	349,383	656,516	1,445,782	362,045	207,144
Sep	3,653,418	154,185	580,825	311,390	640,870	1,411,917	356,567	197,664
Oct	3,005,325	139,177	489,392	192,992	548,903	1,152,003	323,224	159,635
Nov	2,981,598	116,986	478,424	181,339	605,936	1,142,233	313,258	143,423
Dec	3,220,900	141,652	516,354	217,308	632,165	1,239,884	313,449	160,088
2009								
Jan	2,879,821	118,556	496,867	191,876	495,116	1,168,246	276,741	132,419
Feb	2,652,792	125,187	463,339	159,527	459,557	1,058,985	262,011	124,186
New methodology: Mexican Stock Exchange classification by sector ^{2/}								
		Materials	Industrial	Services and non-basic consumer goods	Frequently consumed goods	Health care	Financial services	Tele-communication services
2009	4,596,094	673,709	374,927	299,754	1,255,922	41,975	366,018	1,583,789
2010	5,603,894	890,805	553,538	308,804	1,537,221	59,004	501,174	1,753,348
2011	5,703,430	909,660	460,721	539,049	1,758,093	57,958	448,577	1,529,373
2010								
Jan	4,368,581	582,065	374,665	307,271	1,206,517	39,844	360,994	1,497,226
Feb	4,554,316	619,918	387,373	306,280	1,333,440	43,447	390,645	1,473,211
Mar	4,760,669	654,781	407,360	306,526	1,359,408	46,124	401,486	1,584,984
Apr	4,718,883	663,208	399,348	298,904	1,322,620	44,585	393,696	1,596,522
May	4,630,094	634,887	379,164	274,396	1,303,811	46,838	399,659	1,591,340
Jun	4,514,517	620,625	367,030	274,745	1,290,221	46,422	400,222	1,515,252
Jul	4,637,650	646,762	394,110	261,033	1,341,713	46,697	401,194	1,546,140
Aug	4,615,267	631,731	409,195	249,985	1,352,874	45,281	406,565	1,519,635
Sep	4,869,258	667,742	435,608	258,791	1,394,999	48,917	436,853	1,626,348
Oct	5,176,844	732,738	467,988	270,296	1,456,813	53,655	468,270	1,727,083
Nov	5,375,584	776,100	537,892	287,712	1,513,367	56,691	472,069	1,731,754
Dec	5,603,894	890,805	553,538	308,804	1,537,221	59,004	501,174	1,753,348
2011								
Jan	5,456,658	945,762	478,092	304,192	1,481,594	61,501	486,423	1,699,094
Feb	5,453,348	933,714	484,275	306,835	1,494,059	57,456	476,369	1,700,640
Mar	5,501,147	935,733	495,702	306,904	1,538,822	53,751	486,930	1,683,305
Apr	5,455,001	886,794	546,995	301,331	1,553,871	55,680	515,038	1,595,291
May	5,323,964	908,997	514,590	315,121	1,538,942	56,940	494,334	1,495,040
Jun	5,399,234	905,749	518,261	331,808	1,562,321	62,061	480,911	1,538,123
Jul	5,373,137	956,547	505,418	395,053	1,525,699	59,172	482,140	1,449,108
Aug	5,396,668	932,985	467,339	441,940	1,525,277	57,967	466,532	1,504,627
Sep	5,137,744	792,807	434,956	434,159	1,544,124	56,181	424,221	1,451,296
Oct	5,517,357	871,283	452,513	428,896	1,632,707	54,842	466,801	1,610,316
Nov	5,634,401	907,269	450,299	515,249	1,705,702	56,266	447,626	1,551,991
Dec	5,703,430	909,660	460,721	539,049	1,758,093	57,958	448,577	1,529,373

1/ Mainly holding companies.

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

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

Table A 40
Mexican Stock Exchange Main Benchmark Index (*Índice de Precios y Cotizaciones, IPC, de la Bolsa Mexicana de Valores, BMV*)
 End of period
 October 1978 = 100

Previous methodology: indices by sector according to the previous classification of Mexican Stock Exchange								
	Overall total	Mining	Manufacturing	Construction	Retail and commerce	Communications and transport	Services	Other ^{1/}
2004	12,918	16,686	4,159	21,353	20,040	56,329	1,858	4,399
2005	17,803	20,214	4,611	30,743	27,731	80,359	2,144	5,406
2006	26,448	32,778	7,167	40,316	44,267	121,352	3,331	6,833
2007	29,537	62,127	7,604	34,786	44,610	155,119	4,128	7,094
2008	22,380	30,885	5,894	16,985	36,242	117,947	3,340	4,395
2007								
Jan	27,561	36,646	7,275	42,167	46,976	126,368	3,407	6,841
Feb	26,639	39,118	6,960	41,843	43,775	123,644	3,347	6,540
Mar	28,748	42,375	7,194	41,722	47,212	138,488	3,695	7,170
Apr	28,997	47,396	7,302	41,184	45,180	143,208	3,732	7,477
May	31,399	49,803	7,727	46,071	44,084	162,220	3,937	7,786
Jun	31,151	51,287	7,701	45,607	44,223	159,443	3,995	7,646
Jul	30,660	59,451	7,577	43,154	44,751	151,036	4,316	7,836
Aug	30,348	54,821	7,371	41,735	44,402	155,461	4,012	7,607
Sep	30,296	63,878	7,393	39,097	44,870	153,871	3,719	7,410
Oct	31,459	81,346	7,266	38,665	47,676	154,812	4,223	7,731
Nov	29,771	69,714	6,941	35,851	45,041	155,216	4,099	6,887
Dec	29,537	62,127	7,604	34,786	44,610	155,119	4,128	7,094
2008								
Jan	28,794	60,949	7,288	35,368	43,952	149,535	3,949	6,921
Feb	28,919	68,471	7,487	35,197	43,925	145,208	4,001	7,355
Mar	30,913	71,844	7,660	33,942	49,260	157,831	4,302	7,569
Apr	30,281	74,254	8,030	34,764	48,565	145,373	4,364	7,811
May	31,975	74,207	8,558	36,334	52,977	153,781	4,717	7,479
Jun	29,395	67,260	8,261	32,673	48,121	141,239	4,332	7,431
Jul	27,501	56,368	7,907	29,732	46,827	131,709	4,202	6,838
Aug	26,291	47,173	7,734	26,886	42,691	131,480	3,935	6,195
Sep	24,889	33,432	6,982	23,440	40,847	130,871	3,763	5,823
Oct	20,445	30,269	5,443	17,032	29,465	111,675	3,014	4,647
Nov	20,535	25,498	5,348	15,211	33,231	106,754	3,005	3,917
Dec	22,380	30,885	5,894	16,985	36,242	117,947	3,340	4,395
2009								
Jan	19,565	25,850	5,624	14,830	28,482	109,444	2,943	3,651
Feb	17,752	27,295	5,210	13,330	26,265	95,479	2,767	3,475
New methodology: Mexican Stock Exchange classification by sector ^{2/}								
	Materials	Industrial	Services and non-basic consumer goods	Frequently consumed goods	Health care	Financial services	Tele-communication services	
2009	32,120	461	106	310	360	338	59	709
2010	38,551	635	135	329	423	477	70	720
2011	37,078	597	120	351	462	467	52	657
2010								
Jan	30,392	437	108	321	345	343	56	682
Feb	31,635	452	108	313	365	350	57	669
Mar	33,266	489	115	322	384	372	62	671
Apr	32,687	485	115	319	371	360	63	655
May	32,039	466	109	307	364	377	60	643
Jun	31,157	456	105	300	358	373	59	635
Jul	32,309	478	109	289	374	376	63	649
Aug	31,680	478	108	272	377	403	60	655
Sep	33,330	501	115	279	384	394	62	671
Oct	35,568	540	121	292	397	433	65	711
Nov	36,817	577	128	301	411	458	65	717
Dec	38,551	635	135	329	423	477	70	720
2011								
Jan	36,982	595	134	326	418	497	70	691
Feb	37,020	601	132	322	419	464	69	686
Mar	37,441	604	134	314	432	469	66	690
Apr	36,963	589	137	330	431	485	67	671
May	35,833	575	132	323	429	495	63	647
Jun	36,558	568	132	322	452	502	63	669
Jul	35,999	608	130	323	432	477	60	654
Aug	35,721	616	119	323	417	467	55	626
Sep	33,503	524	110	301	423	453	51	612
Oct	36,160	568	115	318	440	476	57	641
Nov	36,829	607	117	340	454	487	53	644
Dec	37,078	597	120	351	462	467	52	657

1/ Mainly holding companies.

2/ The new BMV methodology for sector classification came into force in March 2009.

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

Public Finances

Table A 41
Public Finance Indicators: 2006-2011
 Percent of GDP

Item	2006	2007	2008	2009	2010	2011
Budgetary revenues	21.8	22.0	23.5	23.6	22.6	22.8
Budgetary expenditures	21.7	21.9	23.6	25.9	25.5	25.3
Budgetary balance	0.1	0.0	-0.1	-2.3	-2.9	-2.5
Non-budgetary balance ^{1/}	0.0	0.0	0.0	0.0	0.0	0.0
Economic balance on a cash basis	0.1	0.0	-0.1	-2.3	-2.8	-2.5
Primary balance on a cash basis ^{2/}	2.5	2.2	1.8	-0.1	-0.9	-0.5
Accrued operational balance ^{3/}	0.1	0.4	0.7	-2.3	-1.6	-2.1
Net broad economic debt ^{4/}	15.8	14.1	18.1	28.7	29.0	30.3
Budgetary sector financial cost ^{5/}	2.4	2.1	1.9	2.2	2.0	1.9
Memo:						
Economic balance (excl. investment by Pemex)	0.3	0.4	0.5	-0.2	-0.8	-0.6
Primary balance (excl. investment by Pemex) ^{2/}	2.7	2.5	2.4	2.0	1.2	1.3

1/ Includes statistical difference with sources of financing.

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

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

4/ Includes net liabilities of the federal government, public entities and official financial intermediaries (development banks and public funds and trusts).

Stocks at end of period. Measured by Banco de México.

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

Note: Figures may not add up due to rounding.

Source: Ministry of Finance (SHCP).

Table A 42
Public Sector Revenues, Expenditures and Balances in 2010-2011

Item	2010		2011				Real growth % 2011-2010
	Observed		Programmed		Observed		
	MXN billion	Percentage of GDP	MXN billion	Percentage of GDP ^{1/}	MXN billion	Percentage of GDP	
Budgetary revenues	2,960.4	22.6	3,055.3	21.5	3,269.6	22.8	6.8
Federal government	2,080.0	15.9	2,179.3	15.4	2,320.3	16.2	7.9
Tax revenues	1,260.4	9.6	1,464.4	10.3	1,294.1	9.0	-0.7
ISR/IETU/IDE	679.6	5.2	768.9	5.4	759.6	5.3	8.1
Income tax (ISR) ^{2/}	626.5	4.8	689.0	4.9	720.7	5.0	11.2
Flat rate business tax (IETU)	45.1	0.3	60.6	0.4	47.2	0.3	1.2
Tax on cash deposits (IDE)	8.0	0.1	19.3	0.1	-8.2	-0.1	d.n.a.
VAT	504.5	3.9	555.7	3.9	537.0	3.7	2.9
Excise tax (IEPS)	4.5	0.0	69.9	0.5	-76.5	-0.5	d.n.a.
Import duties	24.5	0.2	22.8	0.2	26.9	0.2	6.0
Tax on crude oil returns	2.3	0.0	1.5	0.0	3.0	0.0	27.1
Other	45.0	0.3	45.6	0.3	44.2	0.3	-5.0
Non-tax revenues	819.6	6.3	714.9	5.0	1,026.2	7.1	21.1
Public entities and enterprises ^{3/}	880.4	6.7	876.1	6.2	949.3	6.6	4.3
Pemex	385.4	2.9	386.5	2.7	393.7	2.7	-1.2
Other	495.0	3.8	489.6	3.5	555.6	3.9	8.5
Net paid budgetary expenditures	3,333.9	25.5	3,411.9	24.1	3,629.8	25.3	5.3
Programmable	2,618.9	20.0	2,595.5	18.3	2,859.8	19.9	5.6
Deferred payments	d.n.a.	d.n.a.	-27.0	-0.2	d.n.a.	d.n.a.	d.n.a.
Programmable accrued expenditures	2,618.9	20.0	2,622.5	18.5	2,859.8	19.9	5.6
Current expenditures	1,958.8	15.0	1,976.3	13.9	2,155.5	15.0	6.4
Wages and services	800.1	6.1	846.6	6.0	861.8	6.0	4.2
Other current expenditures	1,158.8	8.9	1,129.7	8.0	1,293.7	9.0	8.0
Capital expenditures	660.1	5.0	646.2	4.6	704.3	4.9	3.2
Fixed investment	622.5	4.8	636.3	4.5	650.8	4.5	1.1
Financial investment	37.6	0.3	10.0	0.1	53.5	0.4	37.8
Non-program mable	715.0	5.5	816.4	5.8	770.0	5.4	4.1
Financial cost	255.8	2.0	309.1	2.2	274.0	1.9	3.6
Federal government	202.5	1.5	239.8	1.7	225.1	1.6	7.5
Public entities and enterprises	39.5	0.3	52.6	0.4	33.4	0.2	-18.2
Debtor and saving support program	13.7	0.1	16.7	0.1	15.4	0.1	8.9
Revenue sharing	437.3	3.3	493.7	3.5	477.3	3.3	5.5
Adefas and other	22.0	0.2	13.6	0.1	18.8	0.1	-17.1
Budgetary balance	-373.5	-2.9	-356.5	-2.5	-360.2	-2.5	-6.7
Non-budgetary balance	3.0	0.0	0.0	0.0	4.7	0.0	53.2
Direct balance	4.0	0.0	0.0	0.0	8.1	0.1	95.9
Difference with sources of financial methodology ^{4/}	-1.0	0.0	0.0	0.0	-3.4	0.0	219.3
Economic balance	-370.5	-2.8	-356.5	-2.5	-355.5	-2.5	-7.2
Primary balance ^{5/}	-113.7	-0.9	-46.9	-0.3	-78.1	-0.5	-33.6
Memo:							
Economic balance (excluding investment by Pemex)	-102.0	-0.8	-70.2	-0.5	-88.3	-0.6	-16.3
Primary balance (excluding investment by Pemex) ^{5/}	154.8	1.2	239.4	1.7	189.1	1.3	18.1

1/ Programmed GDP of 2011 was used.

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

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

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

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

d.n.a. Does not apply.

Note: Figures may not add up due to rounding.

Source: Ministry of Finance (SHCP).

Table A 43
Public Sector Revenues, Expenditures and Balances: 2006-2011
 Percent of GDP

Item	2006	2007	2008	2009	2010	2011
Budgetary revenues	21.8	22.0	23.5	23.6	22.6	22.8
Federal government	15.0	15.1	16.8	16.8	15.9	16.2
Tax revenues	8.6	8.9	8.2	9.5	9.6	9.0
Non-tax revenues	6.4	6.3	8.7	7.3	6.3	7.1
Public entities and enterprises ^{1/}	6.8	6.8	6.7	6.8	6.7	6.6
Pemex	3.1	3.3	3.0	3.2	2.9	2.7
Other	3.7	3.5	3.7	3.6	3.8	3.9
Net paid budgetary expenditures	21.7	21.9	23.6	25.9	25.5	25.3
Programmable expenditures	16.0	16.7	18.1	20.4	20.0	19.9
Current expenditures	12.7	13.2	13.8	15.3	15.0	15.0
Capital expenditures	3.2	3.6	4.4	5.1	5.0	4.9
Non-programmable expenditures	5.8	5.2	5.4	5.5	5.5	5.4
Financial cost	2.4	2.1	1.9	2.2	2.0	1.9
Revenue sharing	3.2	2.9	3.5	3.2	3.3	3.3
Adefas and other ^{2/}	0.2	0.1	0.1	0.1	0.2	0.1
Budgetary balance	0.1	0.0	-0.1	-2.3	-2.9	-2.5
Non-budgetary balance ^{3/}	0.0	0.0	0.0	0.0	0.0	0.0
Economic balance	0.1	0.0	-0.1	-2.3	-2.8	-2.5
Primary balance ^{4/}	2.5	2.2	1.8	-0.1	-0.9	-0.5
Memo:						
Economic balance (excluding investment by Pemex)	0.3	0.4	0.5	-0.2	-0.8	-0.6
Primary balance (excluding investment by Pemex) ^{4/}	2.7	2.5	2.4	2.0	1.2	1.3

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

^{2/} Includes other net flows from the federal government.

^{3/} Includes the difference with sources of financing.

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

Note: Figures may not add up due to rounding.

Source: Ministry of Finance (SHCP).

Table A 44
Public Sector Budgetary Revenues: 2006-2011
 Percent of GDP

Item	2006	2007	2008	2009	2010	2011
Budgetary revenues	21.8	22.0	23.5	23.6	22.6	22.8
Classification I						
Federal government	15.0	15.1	16.8	16.8	15.9	16.2
Tax revenues	8.6	8.9	8.2	9.5	9.6	9.0
ISR/IETU/IDE	4.3	4.7	5.1	5.0	5.2	5.3
Income tax (ISR) ^{1/}	4.3	4.7	4.6	4.5	4.8	5.0
Flat rate business tax (IETU)	d.n.a.	d.n.a.	0.4	0.4	0.3	0.3
Tax on cash deposits (IDE)	d.n.a.	d.n.a.	0.1	0.1	0.1	-0.1
Value added tax (VAT)	3.7	3.6	3.8	3.4	3.9	3.7
Excise tax (IEPS)	-0.1	-0.1	-1.4	0.4	0.0	-0.5
Tax on crude oil returns	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.6	0.6	0.6	0.6	0.5	0.5
Non-tax revenues	6.4	6.3	8.7	7.3	6.3	7.1
Duties	5.8	5.1	7.7	4.3	5.1	6.2
Proceeds	0.1	0.1	0.1	0.1	0.0	0.0
Benefits	0.6	1.1	0.9	2.9	1.1	0.9
Public entities and enterprises ^{2/}	6.8	6.8	6.7	6.8	6.7	6.6
Pemex	3.1	3.3	3.0	3.2	2.9	2.7
Other	3.7	3.5	3.7	3.6	3.8	3.9
Classification II						
Oil revenues	8.3	7.8	8.7	7.3	7.4	7.7
Pemex	3.1	3.3	3.0	3.2	2.9	2.7
Exports	2.9	2.4	2.4	1.7	1.9	2.1
Domestic sales ^{3/}	5.9	5.8	8.1	5.6	6.0	6.6
(-) Taxes ^{4/}	5.7	4.9	7.5	4.1	5.0	6.0
Federal government ^{5/}	5.2	4.5	5.7	4.1	4.5	4.9
Non-oil revenues	13.5	14.2	14.8	16.3	15.2	15.1
Federal government	9.8	10.6	11.1	12.6	11.4	11.2
Tax revenues	9.0	9.3	9.9	9.4	10.0	10.0
ISR ^{1/}	4.3	4.7	4.6	4.5	4.8	5.0
IETU	d.n.a.	d.n.a.	0.4	0.4	0.3	0.3
IDE	d.n.a.	d.n.a.	0.1	0.1	0.1	-0.1
VAT	3.7	3.6	3.8	3.4	3.9	3.7
IEPS	0.4	0.4	0.4	0.4	0.5	0.5
Other	0.6	0.6	0.6	0.6	0.5	0.5
Non-tax revenues	0.8	1.4	1.2	3.2	1.4	1.2
Duties	0.2	0.2	0.2	0.2	0.2	0.3
Proceeds	0.1	0.1	0.1	0.1	0.0	0.0
Benefits	0.6	1.1	0.9	2.9	1.1	1.0
Public entities and enterprises ^{2/}	3.7	3.5	3.7	3.6	3.8	3.9

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

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

3/ Includes various revenues.

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

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

d.n.a. Does not apply.

Note: Figures may not add up due to rounding.

Source: Ministry of Finance (SHCP).

Table A 45
Public Sector Budgetary Expenditures: 2006-2011
 Percent of GDP

Item	2006	2007	2008	2009	2010	2011
Net paid budgetary expenditures	21.7	21.9	23.6	25.9	25.5	25.3
Programmable	16.0	16.7	18.1	20.4	20.0	19.9
Current expenditures	12.7	13.2	13.8	15.3	15.0	15.0
Wages and salaries	5.9	5.8	5.8	6.4	6.1	6.0
Direct	2.8	3.1	3.1	3.5	3.3	3.3
Indirect ^{1/}	3.1	2.7	2.7	2.9	2.8	2.7
Acquisitions	1.5	1.5	1.8	1.6	1.7	1.7
Other ^{2/}	3.2	3.6	3.4	4.2	4.1	4.1
Subsidies and transfers ^{3/}	2.2	2.3	2.7	3.1	3.1	3.3
Capital expenditures	3.2	3.6	4.4	5.1	5.0	4.9
Fixed investment	2.6	3.0	3.1	4.6	4.8	4.5
Direct	0.9	1.4	1.4	3.0	3.2	3.1
Indirect ^{4/}	1.7	1.6	1.7	1.6	1.6	1.4
Financial investment and other ^{5/}	0.6	0.6	1.3	0.5	0.3	0.4
Non-programmable	5.8	5.2	5.4	5.5	5.5	5.4
Financial cost	2.4	2.1	1.9	2.2	2.0	1.9
Federal government	1.5	1.4	1.4	1.7	1.5	1.6
Public entities and enterprises	0.6	0.4	0.2	0.3	0.3	0.2
Debtor and saving support program	0.4	0.2	0.2	0.3	0.1	0.1
Revenue sharing	3.2	2.9	3.5	3.2	3.3	3.3
Adefas and other ^{6/}	0.2	0.1	0.1	0.1	0.2	0.1

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

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

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

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

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

6/ Includes other net flows from the federal government.

Note: Figures may not add up due to rounding.

Source: Ministry of Finance (SHCP).

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

Years	Net broad economic debt ^{2/}				Debt consolidated with Banco de México ^{3/}				
	Domestic	External		Total	Domestic	External		Total	
	MXN billion	USD million	MXN billion	Percentage of GDP	MXN billion	USD million	MXN billion	Percentage of GDP	
2006	977.0	62,619.5	677.0	15.9	1,892.2	-17,870.5	-193.2	16.4	
2007	1,240.1	43,388.8	473.6	15.1	2,158.0	-36,826.8	-402.0	15.5	
2008	1,393.9	25,922.6	358.6	14.4	2,467.0	-49,322.2	-682.2	14.7	
2009	2,090.7	88,878.3	1,161.3	26.6	3,232.4	-525.4	-6.9	25.3	
2010	January	2,242.5	95,544.2	1,243.0		3,607.2	591.0	7.7	
	February	2,241.6	96,315.0	1,230.6		3,617.3	-185.1	-2.4	
	March	2,264.4	98,411.3	1,213.5	28.5	3,649.5	-910.2	-11.2	29.8
	April	2,273.9	98,209.7	1,204.3		3,669.8	-1,744.6	-21.4	
	May	2,290.1	93,680.3	1,209.8		3,693.9	-2,317.4	-29.9	
	June	2,311.7	94,397.4	1,212.4	28.1	3,722.8	-3,049.6	-39.2	29.4
	July	2,336.2	96,235.6	1,216.9		3,757.4	-3,736.6	-47.3	
	August	2,353.6	93,273.2	1,228.2		3,786.3	-4,231.9	-55.7	
	September	2,374.4	97,852.2	1,232.9	28.2	3,817.2	-4,946.0	-62.3	29.3
	October	2,397.4	100,128.9	1,235.5		3,850.9	-5,600.1	-69.1	
	November	2,411.4	99,338.6	1,238.4		3,875.8	-6,140.7	-76.6	
	December	2,430.6	101,058.1	1,248.0	28.1	3,907.2	-6,291.3	-77.7	29.3
2011 ^{p/}	January	2,603.5	106,227.2	1,290.9		4,252.2	-13,586.4	-165.1	
	February	2,608.6	107,955.1	1,306.9		4,275.0	-13,544.1	-164.0	
	March	2,618.1	109,703.0	1,306.4	29.4	4,298.1	-14,145.3	-168.4	30.9
	April	2,636.1	112,512.4	1,297.0		4,328.3	-15,297.7	-176.3	
	May	2,669.0	110,988.7	1,285.0		4,368.1	-16,289.6	-188.6	
	June	2,690.6	109,423.3	1,282.8	29.1	4,400.1	-17,010.8	-199.4	30.8
	July	2,714.9	109,585.4	1,286.8		4,438.1	-17,852.6	-209.6	
	August	2,737.7	105,248.3	1,299.6		4,477.6	-18,242.1	-225.3	
	September	2,756.5	96,197.1	1,327.5	29.2	4,509.1	-17,292.3	-238.6	30.6
	October	2,775.9	102,045.9	1,345.0		4,543.7	-19,096.5	-251.7	
	November	2,790.6	100,219.7	1,364.0		4,573.3	-19,482.8	-265.2	
	December	2,809.3	99,291.5	1,384.9	29.2	4,607.4	-19,909.1	-277.7	30.2

p/ Preliminary figures.

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

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

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

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

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

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

Years	Net broad economic debt ^{2/}				Debt consolidated with Banco de México ^{3/}				
	Domestic	External		Total	Domestic	External		Total	
	MXN billion	USD million	MXN billion	Percentage of GDP	MXN billion	USD million	MXN billion	Percentage of GDP	
2006	1,171.8	48,592.3	525.4	15.8	2,035.0	-27,951.9	-302.2	16.1	
2007	1,307.4	34,545.4	377.1	14.1	2,296.1	-52,877.8	-577.2	14.4	
2008	1,817.1	28,948.6	400.4	18.1	3,018.1	-66,591.1	-921.1	17.1	
2009	2,244.4	92,964.3	1,214.7	28.7	3,528.2	-3,176.6	-41.5	27.6	
2010	January	2,242.5	95,544.2	1,243.0		3,607.2	591.0	7.7	
	February	2,240.7	95,344.3	1,218.2		3,627.5	-971.9	-12.4	
	March	2,309.8	95,631.6	1,179.2	28.1	3,713.8	-2,347.1	-28.9	29.6
	April	2,302.6	95,967.7	1,176.8		3,730.6	-4,232.6	-51.9	
	May	2,354.9	95,395.2	1,232.0		3,790.6	-4,960.8	-64.1	
	June	2,419.6	95,412.0	1,225.5	28.2	3,866.9	-6,647.1	-85.4	29.3
	July	2,483.1	98,369.5	1,243.9		3,965.5	-7,571.0	-95.7	
	August	2,475.1	99,247.1	1,306.8		3,988.7	-8,736.0	-115.0	
	September	2,540.9	100,858.1	1,270.8	28.8	4,064.2	-9,133.4	-115.1	29.9
	October	2,604.8	101,983.5	1,258.3		4,153.6	-10,545.5	-130.1	
	November	2,551.2	101,691.5	1,267.7		4,125.1	-12,119.5	-151.1	
	December	2,641.6	109,638.4	1,354.0	29.0	4,252.9	-7,309.1	-90.3	30.2
2011 ^{p/}	January	2,603.5	106,227.2	1,290.9		4,252.2	-13,586.4	-165.1	
	February	2,613.7	109,281.9	1,323.0		4,297.8	-13,450.5	-162.8	
	March	2,637.1	109,612.6	1,305.3	29.0	4,344.5	-14,897.7	-177.4	30.7
	April	2,690.1	110,074.7	1,268.9		4,418.9	-17,353.9	-200.1	
	May	2,800.4	106,845.2	1,237.1		4,526.9	-20,522.6	-237.6	
	June	2,798.6	108,460.2	1,271.5	29.0	4,560.5	-21,624.2	-253.5	30.7
	July	2,861.1	111,648.4	1,311.0		4,666.1	-23,072.8	-270.9	
	August	2,896.8	112,504.6	1,389.2		4,754.1	-27,096.6	-334.6	
	September	2,907.1	112,346.4	1,550.3	30.7	4,760.5	-25,043.5	-345.6	30.4
	October	2,950.3	114,011.1	1,502.7		4,856.0	-28,022.6	-369.3	
	November	2,938.0	114,183.7	1,554.0		4,868.9	-29,376.5	-399.8	
	December	3,015.0	115,765.3	1,614.6	30.3	4,983.1	-29,785.3	-415.4	29.9

p/ Preliminary figures.

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

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

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

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

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

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

Stock at end of:		Public sector non-financial net economic debt			Total net debt Percentage of GDP
		Domestic	External		
		MXN billion	USD million	MXN billion	
2006		1,216.1	42,777.4	462.5	15.6
2007		1,443.4	29,977.3	327.2	14.8
2008		1,983.4	23,933.8	331.1	18.9
2009	January	2,079.5	78,150.6	1,118.3	28.6
	February	2,031.8	78,761.4	1,186.9	
	March	2,145.3	77,764.0	1,100.5	
	April	2,064.4	78,029.0	1,080.3	
	May	2,067.1	78,591.9	1,034.8	
	June	2,068.2	78,792.4	1,037.9	
	July	2,132.7	78,971.1	1,043.4	
	August	2,167.1	79,653.6	1,060.5	
	September	2,167.8	83,713.7	1,129.5	
	October	2,271.2	83,964.5	1,104.0	
	November	2,289.2	84,515.8	1,091.6	
	December	2,298.9	88,107.6	1,151.2	
2010 ^{p/}	January	2,316.5	89,413.5	1,163.3	28.0
	February	2,332.6	88,929.1	1,136.2	
	March	2,380.4	89,144.3	1,099.2	
	April	2,396.3	89,471.5	1,097.2	
	May	2,425.2	88,852.4	1,147.5	
	June	2,524.3	88,695.4	1,139.2	
	July	2,579.7	92,009.6	1,163.5	
	August	2,570.3	92,734.9	1,221.1	
	September	2,653.6	93,830.3	1,182.2	
	October	2,732.0	94,950.2	1,171.6	
	November	2,672.0	94,442.6	1,177.4	
	December	2,743.2	101,656.1	1,255.4	
2011 ^{p/}	January	2,688.4	100,053.7	1,215.8	28.9
	February	2,684.1	101,556.4	1,229.5	
	March	2,705.7	102,073.3	1,215.5	
	April	2,759.7	103,384.9	1,191.8	
	May	2,851.2	100,009.4	1,157.9	
	June	2,865.9	102,128.2	1,197.2	
	July	2,950.2	103,946.1	1,220.6	
	August	3,025.0	106,061.7	1,309.6	
	September	3,022.0	104,528.2	1,442.4	
	October	3,059.2	106,528.1	1,404.1	
	November	3,052.2	106,589.7	1,450.7	
	December	3,094.8	108,187.7	1,509.0	

^{1/} Non-financial public sector (federal government and public entities) net debt is computed on an accrued basis with data available from the banking sector.

Federal government domestic securities are reported at market value and external debt is classified by debtor and not by end user.

^{p/} Preliminary figures.

Source: Banco de México.

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

Outstanding stocks at end of:	Total securities in circulation	Cetes	Bondes	Udibonos	Fixed rate bonds	Bondes D	
2006	1,767.9	358.8	219.2	170.7	814.7	204.5	
2007	2,082.4	352.6	140.7	258.1	975.8	355.2	
2008	2,361.8	368.9	59.5	350.6	1,148.9	433.8	
2009	January	2,462.3	397.5	44.5	365.7	1,206.2	448.4
	February	2,443.4	398.0	44.3	362.2	1,179.5	459.4
	March	2,566.2	417.9	44.6	384.6	1,248.4	470.6
	April	2,648.3	445.2	32.4	402.3	1,294.7	473.7
	May	2,707.1	472.7	32.6	415.4	1,305.7	480.6
	June	2,677.7	469.1	32.3	414.6	1,277.5	484.2
	July	2,742.4	483.2	32.1	430.0	1,305.4	491.7
	August	2,773.7	502.6	20.8	444.2	1,322.8	483.4
	September	2,838.1	511.2	20.9	458.1	1,359.5	488.5
	October	2,858.7	525.6	21.0	448.7	1,391.8	471.7
	November	2,904.9	524.1	21.1	458.6	1,424.8	476.3
	December	2,767.9	512.6	20.9	466.4	1,299.7	468.4
2010	January	2,800.1	505.8	11.1	479.0	1,330.4	473.8
	February	2,874.3	508.5	11.1	488.8	1,400.6	465.2
	March	2,963.2	517.3	11.2	515.3	1,449.8	469.7
	April	3,024.4	532.6	11.2	526.7	1,496.8	457.0
	May	3,060.5	523.4	11.3	536.2	1,529.3	460.3
	June	3,071.1	540.1	0.0	554.2	1,528.1	448.7
	July	3,146.8	506.3	0.0	582.3	1,606.0	452.1
	August	3,129.7	496.0	0.0	596.2	1,640.7	396.8
	September	3,223.5	502.4	0.0	623.2	1,699.2	398.7
	October	3,228.2	466.6	0.0	641.3	1,730.4	389.9
	November	3,194.0	457.7	0.0	621.3	1,715.1	400.0
	December	3,152.9	557.1	0.0	583.1	1,612.5	400.2
2011 ^{p/}	January	3,156.6	564.1	0.0	556.0	1,617.2	419.2
	February	3,187.1	537.5	0.0	558.9	1,660.6	430.1
	March	3,243.0	536.8	0.0	578.2	1,685.0	442.9
	April	3,355.5	540.7	0.0	607.6	1,737.6	469.5
	May	3,481.6	563.2	0.0	624.2	1,797.9	496.4
	June	3,504.4	631.9	0.0	619.8	1,731.1	521.7
	July	3,614.2	631.2	0.0	648.9	1,782.6	551.4
	August	3,763.7	641.3	0.0	671.4	1,867.8	583.2
	September	3,810.3	631.4	0.0	681.3	1,873.6	624.1
	October	3,947.1	663.6	0.0	703.1	1,938.2	642.2
	November	3,980.2	672.7	0.0	698.4	1,939.4	669.7
	December	3,875.9	696.0	0.0	703.1	1,779.2	697.6

p/ Preliminary figures.

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

Source: Banco de México.

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

Outstanding stocks at end of:	Total securities in circulation	Private firms and individuals ^{2/3/}	Non-bank public sector ^{3/}	Development banks	Commercial banks	Repos
2006	1,767.9	1,377.0	126.6	38.7	98.9	126.9
2007	2,082.4	1,573.9	211.3	37.2	119.9	140.2
2008	2,361.8	1,900.2	173.4	41.1	147.1	100.0
2009						
January	2,462.3	2,056.2	182.7	60.4	93.6	69.5
February	2,443.4	2,074.9	136.7	33.4	89.9	108.5
March	2,566.2	2,106.1	133.0	33.1	138.1	155.8
April	2,648.3	2,125.3	157.8	39.0	147.3	178.9
May	2,707.1	2,159.4	166.6	39.2	156.8	185.0
June	2,677.7	2,113.6	166.4	48.8	158.3	190.6
July	2,742.4	2,175.2	162.8	36.0	139.7	228.7
August	2,773.7	2,204.5	158.1	37.0	136.8	237.3
September	2,838.1	2,176.0	184.9	24.5	188.7	264.0
October	2,858.7	2,258.7	171.9	23.2	184.9	219.9
November	2,904.9	2,293.6	146.6	16.7	219.1	228.8
December	2,767.9	2,162.7	122.7	21.0	338.0	123.5
2010 ^{p/}						
January	2,800.1	2,244.1	121.2	17.7	260.1	157.1
February	2,874.3	2,264.2	148.0	18.0	293.1	151.0
March	2,963.2	2,301.9	133.0	25.7	316.0	186.6
April	3,024.4	2,363.8	120.5	20.1	311.5	208.5
May	3,060.5	2,418.0	125.3	27.0	289.5	200.7
June	3,071.1	2,374.4	139.1	42.6	402.3	112.8
July	3,146.8	2,473.2	142.5	33.5	389.2	108.3
August	3,129.7	2,524.4	135.4	28.3	371.3	70.2
September	3,223.5	2,609.8	147.6	23.9	377.2	65.0
October	3,228.2	2,662.0	146.2	34.0	374.6	11.4
November	3,194.0	2,583.6	153.3	29.8	419.4	7.9
December	3,152.9	2,530.9	120.2	27.8	449.4	24.6
2011 ^{p/}						
January	3,156.6	2,634.6	129.2	41.4	351.4	0.0
February	3,187.1	2,664.9	147.2	46.4	328.5	0.0
March	3,243.0	2,715.7	143.3	34.4	349.6	0.0
April	3,355.5	2,726.2	166.8	44.1	418.1	0.4
May	3,481.6	2,838.0	162.2	49.7	430.0	1.7
June	3,504.4	2,834.7	162.0	76.9	430.7	0.1
July	3,614.2	2,956.8	176.1	46.4	434.8	0.0
August	3,763.7	3,063.2	190.5	50.7	459.3	0.0
September	3,810.3	3,062.6	221.6	51.3	455.7	19.1
October	3,947.1	3,109.4	200.8	62.7	506.7	67.5
November	3,980.2	3,180.7	190.5	48.2	456.3	104.6
December	3,875.9	3,199.4	152.3	37.7	428.6	57.9

p/ Preliminary figures.

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

2/ Includes securities held by Siefors since 1997.

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

Source: Banco de México.

External Sector

Table A 51
External Sector Indicators

	2004	2005	2006	2007	2008	2009	2010	2011 p/
Balance of payments	USD billion							
Current account	-5.2	-5.9	-4.5	-9.3	-15.7	-5.1	-3.1	-8.8
Trade balance	-8.8	-7.6	-6.1	-10.1	-17.3	-4.7	-3.0	-1.2
Financial account	15.3	19.6	3.1	25.6	29.0	18.7	38.9	52.4
Foreign direct investment	24.8	24.4	20.0	31.3	26.9	16.0	20.2	19.4
Change in gross international reserves	5.2	9.9	2.2	10.9	8.1	4.6	20.7	28.6
Stock of gross international reserves	64.2	74.1	76.3	87.2	95.3	99.9	120.6	149.2
	Percent of GDP							
Current account	-0.7	-0.7	-0.5	-0.9	-1.4	-0.6	-0.3	-0.8
Financial account	2.0	2.3	0.3	2.5	2.6	2.1	3.8	4.5
Foreign trade	Annual change in percent							
Exports	14.1	14.0	16.7	8.8	7.2	-21.2	29.9	17.2
Oil	27.2	34.8	22.4	10.2	17.7	-39.1	35.2	35.3
Non-oil	12.4	11.0	15.7	8.5	5.2	-17.4	29.1	14.2
Manufactures	12.2	11.0	15.7	8.4	5.1	-17.8	29.5	13.4
Other	19.0	8.9	14.1	12.2	7.4	-6.6	20.3	32.5
Imports	15.4	12.7	15.4	10.1	9.5	-24.0	28.6	16.4
Consumer goods	18.1	24.0	17.1	16.7	11.3	-31.5	26.2	25.0
Intermediate goods	15.5	10.3	15.0	8.8	7.9	-22.9	34.5	14.9
Capital goods	11.8	16.0	16.4	10.1	16.4	-21.6	-1.3	15.8
Gross external debt and interest paid ^{1/}	Percent of income in current account							
Total external debt	72.8	66.2	56.4	58.8	59.3	64.0	59.5	55.0
Public sector ^{2/}	35.0	27.8	18.4	17.1	16.6	38.0	33.3	30.2
Private sector	37.8	38.4	38.0	41.7	42.7	26.0	26.1	24.8
Interest ^{3/}	5.0	4.8	4.6	4.6	4.2	4.3	3.7	4.0
	Percent of GDP							
Total external debt	21.7	20.1	17.7	18.4	18.4	19.7	19.7	18.9
Public sector ^{2/}	10.4	8.4	5.8	5.3	5.2	11.7	11.0	10.4
Private sector	11.3	11.6	11.9	13.0	13.3	8.0	8.7	8.5
Interest ^{3/}	1.5	1.4	1.4	1.4	1.3	1.3	1.2	1.4

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

2/ Includes Banco de México.

3/ Includes public and private sector.

Note: Figures may not add up due to rounding.

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

p/ Preliminary figures.

Table A 52
Balance of Payments
USD million

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 p/
Current account	-14,155.3	-7,161.4	-5,238.8	-5,860.9	-4,487.4	-9,288.6	-15,663.5	-5,116.3	-3,093.9	-8,788.9
Revenues	188,139.8	196,878.9	226,503.2	257,603.1	298,426.5	323,637.0	343,220.0	272,574.6	343,311.6	398,179.3
Goods and services	173,737.6	177,299.4	201,903.7	230,299.3	266,146.3	289,375.2	309,382.5	244,471.8	313,796.6	365,129.2
Goods	161,277.9	164,986.1	188,294.1	214,632.9	250,319.0	272,293.0	291,886.3	229,975.0	298,859.8	350,246.5
General merchandise	161,046.0	164,766.4	187,998.6	214,233.0	249,925.1	271,875.3	291,342.6	229,703.6	298,473.1	349,675.9
Goods procured in ports by carriers	231.9	219.6	295.5	399.9	393.9	417.7	543.7	271.5	386.7	570.7
Services	12,459.7	12,313.3	13,609.6	15,666.4	15,827.2	17,082.2	17,496.2	14,496.8	14,936.8	14,882.7
Tourists	6,724.7	7,251.7	8,382.2	9,146.3	9,559.4	10,340.2	10,817.0	9,221.2	9,782.0	9,825.9
Hikers	2,133.3	2,110.0	2,413.3	2,657.1	2,617.1	2,511.7	2,472.0	2,054.0	1,978.0	1,836.9
Various transport	910.7	893.0	1,066.4	1,353.1	1,518.4	1,511.9	1,768.5	1,342.2	1,061.9	850.0
Other	2,691.0	2,058.6	1,747.6	2,509.9	2,132.3	2,718.4	2,438.7	1,879.4	2,114.9	2,369.8
Rent	4,098.6	3,941.8	5,757.0	5,109.8	6,243.6	7,758.3	8,247.0	6,511.3	7,924.9	9,970.3
Interests	2,835.3	2,342.8	2,211.3	3,010.6	5,096.7	6,311.8	5,845.0	3,812.5	3,718.4	3,666.6
Other	1,263.3	1,599.0	3,545.7	2,099.2	1,147.0	1,446.5	2,402.0	2,698.8	4,206.5	6,303.7
Transfers	10,303.7	15,637.7	18,842.6	22,194.1	26,036.5	26,503.5	25,590.5	21,591.5	21,590.1	23,079.7
Workers' remittances	9,814.4	15,138.7	18,331.7	21,688.3	25,566.8	26,049.6	25,138.6	21,244.7	21,271.2	22,730.9
Other	489.2	499.1	510.8	505.8	469.7	453.9	452.0	346.9	318.9	348.8
Expenditures	202,295.1	204,040.3	231,742.0	263,463.9	302,913.9	332,925.6	358,883.5	277,690.9	346,405.5	406,968.2
Goods and services	186,338.7	188,687.2	216,588.7	243,259.5	278,891.4	306,013.2	334,138.1	257,976.4	327,076.8	381,046.1
Goods	168,912.9	170,777.9	197,137.4	222,343.0	256,631.3	282,604.4	309,500.9	234,900.6	301,819.7	351,116.1
General merchandise	168,678.9	170,545.8	196,809.7	221,819.5	256,058.4	281,949.0	308,603.3	234,385.0	301,481.8	350,842.5
Goods procured in ports by carriers	234.0	232.0	327.8	523.5	572.9	655.3	897.7	515.6	337.9	273.6
Services	17,425.9	17,909.3	19,451.3	20,916.4	22,260.1	23,408.9	24,637.2	23,075.8	25,257.1	29,930.1
Insurance and freight	4,407.8	4,492.9	5,450.2	6,494.0	7,417.7	8,297.0	10,000.3	7,509.8	8,723.2	10,225.0
Tourists	2,777.6	2,835.0	3,227.3	3,653.5	4,193.3	4,707.2	4,904.1	4,321.1	4,569.4	4,952.3
Hikers	3,282.0	3,418.3	3,731.7	3,946.9	3,914.9	3,667.6	3,621.8	2,810.6	2,714.8	2,817.9
Various transport	1,755.8	1,698.2	1,799.4	2,192.4	2,110.5	2,333.4	2,566.8	2,339.3	2,544.7	2,414.1
Commissions	920.1	1,007.7	1,217.1	660.5	876.1	270.0	115.7	419.3	547.9	452.4
Other	4,282.5	4,457.2	4,025.5	3,969.1	3,747.5	4,133.7	3,428.6	5,675.7	6,157.0	9,068.4
Rent	15,921.2	15,315.9	15,073.3	20,147.9	23,934.9	26,804.6	24,617.1	19,654.1	19,242.8	25,743.9
Remitted earnings	1,471.1	1,541.0	1,325.9	3,856.6	2,423.0	3,987.0	2,299.9	3,516.0	3,902.6	2,282.2
Reinvested earnings	2,484.0	2,104.9	2,524.9	4,031.6	7,749.7	8,079.6	7,796.0	4,382.8	2,652.2	7,636.7
Interests	11,966.1	11,670.1	11,222.4	12,259.7	13,762.2	14,738.0	14,521.3	11,755.4	12,688.0	15,825.0
Public sector	6,574.8	6,831.3	6,684.1	7,389.8	8,144.1	8,475.9	8,410.2	6,700.1	7,507.4	9,556.7
Private sector	5,391.3	4,838.8	4,538.3	4,869.9	5,618.2	6,262.1	6,111.1	5,055.3	5,180.7	6,268.3
Transfers	35.2	37.1	80.0	56.6	87.7	107.7	128.2	60.4	85.9	178.2
Financial account	22,239.9	20,208.5	15,277.0	19,623.6	3,090.6	25,573.2	29,027.4	18,713.8	38,894.8	52,406.6
Foreign direct investment	23,041.5	17,300.6	20,389.0	17,899.4	14,248.0	23,057.0	25,731.4	8,940.1	6,637.6	9,799.4
in Mexico	23,932.3	18,554.1	24,820.9	24,373.4	20,006.4	31,313.4	26,888.5	15,959.0	20,207.6	19,439.8
Abroad	-890.8	-1,253.5	-4,431.9	-6,474.0	-5,758.5	-8,256.3	-1,157.1	-7,018.9	-13,570.1	-9,640.4
Portfolio investment	250.5	4,220.2	3,340.0	-3,078.6	-1,913.7	63.3	10,396.1	-5,293.7	29,620.1	41,743.5
Liabilities	-1,520.6	3,005.6	5,094.1	7,713.1	137.2	13,348.6	4,826.1	15,274.6	37,557.4	41,075.5
Public sector	-2,642.5	-328.8	5,184.5	-4,284.5	-8,010.0	2,058.2	1,237.2	9,314.5	28,097.4	36,977.2
Securities issued abroad	-2,671.1	-1,088.5	134.7	-6,977.9	-10,523.4	-5,752.7	-4,696.3	5,835.7	4,970.1	5,325.7
Money market	28.6	759.7	5,049.8	2,693.4	2,513.4	7,810.9	5,933.5	3,478.8	23,127.3	31,651.5
Private sector	-2,213.0	-1,589.3	-4,737.3	7,175.8	3,184.4	2,989.0	-6,220.6	5,960.2	9,460.0	4,098.3
Securities issued abroad	-2,109.4	-1,466.0	-2,215.1	3,822.9	379.3	3,471.0	-2,717.3	1,791.2	8,818.7	10,342.3
Equity	-103.6	-123.3	-2,522.2	3,352.9	2,805.2	-482.1	-3,503.3	4,168.9	641.3	-6,244.0
Pidiregas	3,334.9	4,923.7	4,646.9	4,821.8	4,962.7	8,301.4	9,809.5	0.0	0.0	0.0
Assets	1,771.1	1,214.6	-1,754.0	-10,791.7	-2,050.9	-13,285.3	5,569.9	-20,568.3	-7,937.3	668.0
Other investment	-1,052.1	-1,312.4	-8,452.0	4,802.8	-9,243.6	2,452.8	-7,100.0	15,067.4	2,637.1	863.7
Liabilities	-2,771.6	-3,718.8	-3,980.7	-1,044.1	-2,236.6	10,245.9	5,967.4	6,074.1	15,590.0	-2,080.4
Public sector	-1,793.3	-3,243.5	-4,574.2	-3,114.7	-11,504.0	-1,194.6	768.4	11,825.7	5,477.7	301.9
Development banks	-545.0	-1,416.8	-2,214.8	-3,121.5	-7,947.1	-1,039.8	-496.4	1,194.3	648.0	-282.7
Banco de México	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7,229.0	-3,221.0	0.0
Non-bank sector	-1,248.3	-1,826.7	-2,359.4	6.8	-3,556.9	-154.8	1,264.8	3,402.4	8,050.7	584.6
Private sector	-2,915.7	-1,754.3	-708.3	-1,856.6	7,204.5	6,516.9	2,155.4	-5,751.6	10,112.3	-2,382.3
Commercial banks	-2,319.5	256.4	-513.5	-2,199.3	173.0	2,804.3	-1,139.9	-194.8	9,131.6	506.0
Non-bank sector	-596.2	-2,010.7	-194.8	342.7	7,031.5	3,712.6	3,295.3	-5,556.8	980.7	-2,888.4
Pidiregas	1,937.4	1,279.0	1,301.7	3,927.2	2,062.9	4,923.6	3,043.6	0.0	0.0	0.0
Assets	1,719.5	2,406.5	-4,471.3	5,846.9	-7,007.0	-7,793.1	-13,067.5	8,993.3	-12,952.8	2,944.1
Errors and omissions	-2,238.7	-4,706.0	-4,872.0	-3,858.4	3,603.0	-5,428.7	-5,285.5	-9,069.0	-15,185.7	-15,437.7
Change in gross international reserves	5,860.3	8,354.3	5,169.4	9,912.5	2,219.9	10,881.0	8,090.6	4,591.4	20,694.5	28,621.3
Valuation adjustments	-14.4	-13.2	-3.2	-8.2	-13.7	-25.2	-12.1	-63.0	-79.2	-441.3

p/ Preliminary figures.

Note: Figures may not add up due to rounding.

Source: Banco de México.

Table A 53
Foreign Trade
USD million

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 p/
Exports	161,046.0	164,766.4	187,998.6	214,233.0	249,925.1	271,875.3	291,342.6	229,703.6	298,473.1	349,675.9
Oil	14,823.5	18,597.2	23,663.1	31,888.6	39,016.8	43,013.8	50,635.4	30,831.3	41,693.4	56,426.1
Crude oil ^{1/}	13,392.2	16,676.3	21,257.8	28,329.5	34,707.1	37,937.2	43,341.5	25,614.0	35,918.5	49,363.3
Other	1,431.3	1,920.9	2,405.3	3,559.1	4,309.7	5,076.7	7,293.8	5,217.3	5,774.9	7,062.8
Non-oil	146,222.5	146,169.2	164,335.5	182,344.4	210,908.3	228,861.5	240,707.2	198,872.2	256,779.7	293,249.8
Agriculture	4,196.0	5,022.5	5,666.5	5,981.1	6,835.9	7,415.0	7,894.6	7,725.9	8,610.4	10,560.1
Mining	367.2	496.4	900.8	1,167.7	1,320.6	1,737.1	1,931.0	1,447.9	2,424.0	4,063.5
Manufacturing	141,659.4	140,650.3	157,768.2	175,195.6	202,751.8	219,709.4	230,881.6	189,698.4	245,745.3	278,626.2
Imports	168,678.9	170,545.8	196,809.7	221,819.5	256,058.4	281,949.0	308,603.3	234,385.0	301,481.8	350,842.5
Oil	6,796.3	8,519.3	11,228.8	16,393.7	19,637.0	25,469.2	35,656.9	20,462.5	30,211.2	42,704.1
Non-oil	161,882.6	162,026.6	185,580.9	205,425.8	236,421.3	256,479.9	272,946.3	213,922.5	271,270.7	308,138.4
Consumer goods	21,178.4	21,509.0	25,409.0	31,512.9	36,901.0	43,054.5	47,940.7	32,828.1	41,422.7	51,790.2
Oil	1,677.2	1,588.4	2,639.8	5,570.7	7,303.1	10,931.9	15,805.1	8,929.7	12,820.3	18,964.6
Non-oil	19,501.1	19,920.6	22,769.2	25,942.1	29,597.9	32,122.6	32,135.6	23,898.4	28,602.4	32,825.7
Intermediate goods	126,508.1	128,831.5	148,803.7	164,091.1	188,632.5	205,295.5	221,565.4	170,911.7	229,812.4	264,020.2
Oil	5,119.0	6,930.8	8,589.0	10,823.0	12,333.9	14,537.3	19,851.8	11,532.8	17,390.8	23,739.5
Non-oil	121,389.1	121,900.6	140,214.7	153,268.1	176,298.5	190,758.2	201,713.6	159,378.9	212,421.6	240,280.7
Capital goods	20,992.5	20,205.3	22,597.0	26,215.5	30,524.9	33,599.0	39,097.1	30,645.2	30,246.7	35,032.0
Trade balance	-7,632.9	-5,779.4	-8,811.1	-7,586.6	-6,133.2	-10,073.7	-17,260.7	-4,681.4	-3,008.7	-1,166.6
Oil trade balance	8,027.2	10,078.0	12,434.3	15,494.9	19,379.8	17,544.6	14,978.4	10,368.9	11,482.3	13,722.0
Non-oil trade balance	-15,660.1	-15,857.4	-21,245.4	-23,081.4	-25,513.0	-27,618.4	-32,239.1	-15,050.3	-14,490.9	-14,888.6

p/ Preliminary figures.

Note: Figures may not add up due to rounding.

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

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

Table A 54
Exports by Economic Sector
USD million

Item	2005	2006	2007	2008	2009	2010	2011 p/
T o t a l	214,233.0	249,925.1	271,875.3	291,342.6	229,703.6	298,473.1	349,675.9
I. Agriculture and forestry	4,873.7	5,544.8	6,192.6	6,851.2	6,575.5	7,325.5	8,699.2
II. Livestock and fishing	1,107.4	1,291.1	1,222.4	1,043.4	1,150.4	1,284.9	1,860.9
III. Mining industries	33,056.3	40,337.4	44,750.9	52,566.4	32,279.3	44,117.4	60,489.6
Crude oil ^{1/}	28,329.5	34,707.1	37,937.2	43,341.5	25,614.0	35,918.5	49,363.3
Other	4,726.8	5,630.3	6,813.7	9,224.9	6,665.3	8,198.9	11,126.3
IV. Manufacturing	175,195.6	202,751.8	219,709.4	230,881.6	189,698.4	245,745.3	278,626.2
A. Food, beverages and tobacco	5,750.7	6,871.1	7,376.2	8,467.3	8,346.4	9,552.1	11,531.0
B. Textiles, apparel and leather products	10,391.4	9,326.8	8,213.4	7,684.5	6,400.3	7,151.0	7,856.4
C. Timber products	709.6	751.6	647.2	582.2	479.0	492.9	530.6
D. Paper, printing and publishing	1,714.8	1,862.8	1,920.8	1,944.8	1,665.7	1,959.7	2,119.1
E. Chemical industry	5,912.0	6,540.4	7,487.3	8,382.1	7,582.3	8,521.5	9,910.2
F. Plastic and rubber products	5,466.0	5,873.9	6,354.6	6,409.7	5,390.9	6,870.4	8,094.6
G. Non-metal mineral products	2,687.3	2,977.9	2,965.0	3,051.1	2,430.5	2,951.6	3,094.9
H. Iron and steel	5,487.1	6,263.7	7,016.4	8,728.4	4,943.3	6,542.5	7,913.0
I. Mining and metallurgy	3,467.1	6,009.7	7,666.3	8,686.8	8,561.1	12,333.8	17,397.8
J. Metallic products, machinery and equipment	128,192.4	150,633.1	163,704.4	169,410.3	137,566.1	182,696.7	202,353.0
1. For agriculture and stockbreeding	371.8	415.7	391.6	463.1	409.6	558.5	691.2
2. For other transport and communications	47,022.9	54,727.2	58,398.2	58,168.2	43,690.7	66,489.4	81,655.5
Automotive industry	45,787.0	53,094.0	56,117.8	55,681.0	42,373.1	64,947.9	79,176.5
3. Special machinery and equipment for different industries	24,917.8	27,800.1	28,684.3	27,894.3	24,073.5	33,560.7	38,514.2
4. Metallic products (domestic use)	1,538.5	2,499.8	2,788.0	3,344.6	3,820.3	4,715.6	5,152.9
5. Professional and scientific equipment	7,293.3	8,163.3	8,269.3	9,007.4	8,227.3	9,808.2	10,602.0
6. Electric and electronic equipment	46,511.3	56,346.6	64,560.0	70,090.9	56,932.6	67,089.2	65,325.9
7. Photographic and optical equipment and watchmaking	537.0	680.3	612.9	441.9	412.1	475.2	411.4
K. Other industries	5,417.1	5,640.8	6,357.9	7,534.3	6,332.6	6,673.0	7,825.7

p/ Preliminary figures.

Note: Figures may not add up due to rounding.

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

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

Table A 55
Imports by Economic Sector
USD million

Item	2005	2006	2007	2008	2009	2010	2011 p/
T O T A L	221,819.5	256,058.4	281,949.0	308,603.3	234,385.0	301,481.8	350,842.5
I. Agriculture and forestry	5,930.6	6,855.1	8,531.5	11,291.1	8,303.6	9,416.7	12,632.3
II. Livestock and fishing	310.3	368.0	462.3	546.4	306.4	428.4	508.7
III. Mining industries	17,611.6	21,371.9	27,047.6	37,530.5	21,274.7	31,414.9	44,355.3
IV. Manufacturing	197,967.0	227,463.4	245,907.6	259,235.3	204,500.3	260,221.8	293,346.2
A. Food, beverages and tobacco	8,233.0	8,959.8	10,535.4	11,524.9	9,884.6	11,231.0	13,333.8
B. Textiles, apparel and leather products	10,715.9	10,609.4	10,144.5	9,947.6	7,745.9	9,336.7	10,979.2
C. Timber industry	1,479.2	1,590.3	1,677.7	1,671.4	1,120.0	1,308.2	1,424.2
D. Paper, printing and publishing	5,522.2	6,134.9	6,485.7	6,700.8	5,474.4	6,612.3	6,898.9
E. Chemical industry	14,013.9	15,644.7	17,353.7	19,804.1	16,685.0	19,507.8	22,004.1
F. Plastic and rubber products	14,966.3	16,476.0	16,890.0	16,606.8	13,270.0	18,375.3	19,891.8
G. Non-metal mineral products	2,086.2	2,293.1	2,498.8	2,233.1	1,658.7	2,174.0	2,547.8
H. Iron and steel	10,696.1	12,718.1	13,000.8	15,118.4	10,113.3	13,356.4	15,252.5
I. Mining and metallurgy	5,707.2	7,851.5	8,558.6	8,520.1	5,550.9	8,198.3	10,191.0
J. Metallic products, machinery and equipment	118,103.0	136,938.1	148,645.9	155,547.4	123,195.1	158,232.0	176,807.6
1. For agriculture and stockbreeding	599.5	641.9	738.3	877.3	682.8	785.9	927.7
2. For other transport and communications	29,207.2	32,940.8	35,839.6	36,119.3	24,752.5	34,599.9	41,221.8
Automotive industry	27,778.8	31,303.2	33,332.9	33,993.1	23,703.5	33,283.6	38,890.7
3. Special machinery and equipment for different industries	32,650.1	36,257.4	38,619.7	40,850.7	33,492.7	41,281.1	46,948.0
4. Metallic products (domestic use)	758.8	964.1	1,064.6	1,008.4	737.5	1,007.8	1,223.4
5. Professional and scientific equipment	6,456.6	9,386.0	12,209.7	11,958.9	8,192.4	9,794.7	10,789.0
6. Electric and electronic equipment	47,665.9	55,947.0	59,393.1	63,983.9	54,765.4	70,070.5	74,931.6
7. Photographic and optical equipment, and watchmaking	765.0	800.8	781.0	749.0	571.9	692.1	766.2
K. Other industries	6,443.9	8,247.5	10,116.5	11,560.8	9,802.4	11,889.7	14,015.2

p/ Preliminary figures.

Note: Figures may not add up due to rounding.

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

Table A 56
Foreign Trade by Country
USD million

	Exports				Imports			
	2008	2009	2010	2011 ^{p/}	2008	2009	2010	2011 ^{p/}
Total	291,343	229,704	298,473	349,676	308,603	234,385	301,482	350,843
America	262,795	208,494	270,599	312,060	176,656	130,528	167,153	198,987
North America	240,625	193,345	249,370	285,375	160,777	119,738	153,615	184,002
U.S.	233,523	185,101	238,684	274,698	151,335	112,434	145,007	174,356
Canada	7,102	8,244	10,686	10,677	9,443	7,304	8,608	9,645
Central America	4,923	3,770	4,638	5,485	1,847	1,880	2,933	3,923
Costa Rica	920	651	806	999	776	923	1,902	2,650
El Salvador	801	463	658	668	71	71	105	110
Guatemala	1,385	1,192	1,468	1,787	501	500	488	543
Panama	864	770	882	1,024	116	95	32	121
Other countries of Central America	953	694	824	1,007	384	292	405	499
South America	13,840	9,856	14,820	18,871	12,065	8,122	9,611	10,083
Argentina	1,317	1,084	1,769	1,958	1,436	1,145	1,093	1,061
Brazil	3,367	2,438	3,781	4,891	5,183	3,495	4,328	4,562
Colombia	3,032	2,491	3,757	5,633	1,072	619	795	825
Chile	1,587	1,049	1,864	2,072	2,592	1,651	1,952	2,101
Peru	1,180	586	974	1,286	426	355	337	582
Venezuela	2,310	1,418	1,564	1,661	769	435	640	373
Other countries of South America	1,047	790	1,112	1,370	588	422	466	579
Antilles	3,407	1,523	1,770	2,329	1,967	789	995	980
Europe	18,173	12,286	15,806	21,130	42,428	29,602	35,891	41,477
European Union	17,288	11,626	14,432	18,977	39,183	27,226	32,497	37,585
Germany	5,008	3,210	3,572	4,344	12,606	9,727	11,077	12,863
Belgium	789	698	873	1,212	884	613	780	878
Denmark	97	65	119	116	369	372	528	443
Spain	4,233	2,508	3,838	4,903	4,056	3,004	3,232	3,843
France	525	496	587	721	3,511	2,503	3,024	3,360
Netherlands	2,488	1,695	1,842	2,084	4,184	2,171	2,811	3,061
Italy	587	516	651	1,554	5,219	3,147	3,997	4,983
Portugal	126	34	183	332	439	297	461	520
United Kingdom	1,749	1,243	1,734	2,160	2,596	1,838	2,005	2,142
Other countries of European Union	1,686	1,160	1,033	1,552	5,320	3,556	4,581	5,493
Other European countries	885	661	1,374	2,154	3,245	2,376	3,394	3,892
Asia	8,626	7,561	10,704	14,561	86,211	72,158	95,918	107,111
China	2,045	2,208	4,183	5,965	34,690	32,529	45,608	52,248
Korea	541	500	944	1,524	13,548	10,959	12,777	13,690
Philippines	66	51	82	47	1,238	1,070	1,546	1,636
Hong Kong	396	380	463	451	533	296	344	343
India	1,559	1,112	1,015	1,799	1,361	1,140	1,797	2,385
Indonesia	63	77	67	126	957	854	1,232	1,231
Israel	222	86	89	116	524	416	510	542
Japan	2,046	1,601	1,926	2,257	16,283	11,397	15,015	16,494
Malaysia	114	137	110	124	4,659	4,036	5,276	5,610
Singapore	427	386	657	592	1,698	1,378	1,457	1,185
Thailand	129	100	149	320	2,208	1,983	2,698	3,089
Taiwan	307	176	321	468	6,659	4,592	5,621	5,770
Other Asian countries	712	748	698	773	1,855	1,509	2,040	2,889
Africa	807	635	466	739	2,047	928	1,332	1,809
Oceania	743	575	718	993	1,230	1,119	1,157	1,433
Australia	671	515	657	895	807	788	770	984
New Zealand	57	44	58	92	417	327	374	435
Other countries of Oceania	15	16	3	7	7	4	13	14
Not identified	199	152	180	192	31	51	31	25

p/ Preliminary figures.

Note: Figures may not add up due to rounding.

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

**Table A 57
Main Traded Goods**

	Exports				Imports		
	2009	2010	2011 p/		2009	2010	2011 p/
Total (USD million)	229,704	298,473	349,676	Total (USD million)	234,385	301,482	350,843
	Percent of total				Percent of total		
Crude oil ^{1/}	11.2	12.0	14.1	Gasoline	3.6	4.0	5.1
Automobiles	6.6	7.7	7.7	Automobile spare parts	4.6	4.9	5.0
T.V. sets	7.9	6.9	5.4	Telephone electric devices	4.2	4.2	3.9
Automobile spare parts	4.0	4.6	4.8	Microelectric circuits	3.3	3.5	3.6
Computers	3.5	4.5	4.7	Spare parts for recorders and T.V. sets	4.2	3.8	2.8
Telephone electric devices	7.0	6.1	4.6	Computers	2.2	2.1	2.2
Trucks and cargo vehicles	2.8	3.5	3.6	Automobiles	2.0	2.1	2.1
Insulating cables for electric installations	2.2	2.3	2.3	Diesel oil	0.0	0.4	1.8
Gold (crude, worked and ground)	1.7	1.9	2.2	Computer spare parts	1.4	1.8	1.5
Oils other than crude oil	1.9	1.6	1.7	LP gas	1.2	1.3	1.4
Tractors	1.1	1.2	1.7	Devices for cutting and connecting electric circuits	1.4	1.5	1.3
Medical or veterinarian devices	1.7	1.5	1.3	Insulating cables for electric installations	1.3	1.3	1.3
Silver (crude, worked and ground)	0.6	0.9	1.3	Diesel motors	0.6	0.8	1.0
Refrigerators	1.4	1.3	1.2	Liquid crystal monitors	1.0	1.0	0.9
Seats and their parts	1.0	1.1	1.1	Plastic parts for furnitures, automobiles, apparel, etc.	1.0	1.4	0.9
Motor parts	0.8	1.0	1.0	Motor parts	0.7	0.9	0.9
Devices for cutting and connecting electric circuits	1.0	1.0	0.9	Corn	0.6	0.5	0.9
Electric motors and generators	0.8	0.8	0.7	Medicine (retail)	1.1	0.9	0.8
Electric transformers	0.9	0.7	0.7	Air and vacuum parts	0.7	0.7	0.8
Gasoline motors	0.5	0.5	0.7	Electric transformers	0.9	0.9	0.8
Fresh and refrigerated tomato	0.5	0.5	0.6	T.V. sets	0.8	0.8	0.8
Malta beer	0.8	0.6	0.6	New rubber tiers	0.6	0.6	0.7
Automatic-regulating instruments	0.5	0.5	0.5	Faucet and tap-related products	0.7	0.7	0.7
Faucet and tap-related products	0.6	0.6	0.5	Iron and steel bars and hooks	0.8	0.7	0.7
Diesel motors	0.2	0.5	0.5	Parts of radio/recording devices	0.6	0.7	0.7
Suits and pants (men and boys)	0.6	0.5	0.5	Cyclical hydrocarbons	0.6	0.6	0.7
Air-conditioning machines and devices	0.4	0.4	0.5	Semiconductor devices	0.7	0.7	0.7
Centrifugates, filters and purifiers	0.4	0.5	0.4	Cleaning machines and devices	0.9	0.8	0.7
Medicines (retails)	0.4	0.4	0.4	Propeller shafts, bearings and gear assemblies	0.5	0.6	0.6
Lathe, jack and block and tackle parts	0.3	0.4	0.4	Gasoline motors	0.5	0.6	0.6
Semiconductor devices	0.4	0.4	0.4	Plastic containers	0.7	0.6	0.6
Electric machines and devices	0.4	0.4	0.4	Medical and veterinarian devices	0.7	0.6	0.6
Liquid pumps	0.4	0.4	0.4	Natural gas	0.5	0.5	0.6
Fresh and refrigerated legumes	0.5	0.5	0.4	Trucks and cargo vehicles	0.8	0.7	0.6
Refined copper and copper alloys	0.1	0.2	0.4	Screws, iron and steel bolts	0.5	0.6	0.6
Sugar	0.2	0.2	0.3	Polyethylenes	0.6	0.6	0.6
Microphones and their support bases	0.4	0.4	0.3	Liquid pumps	0.5	0.5	0.5
Copper ores and concentrates	0.1	0.2	0.3	Soy beans	0.6	0.5	0.5
Radios	0.3	0.3	0.3	Printed circuit board assembly	0.6	0.6	0.5
Electric lighting devices	0.3	0.3	0.3	Centrifugates, filters and purifiers	0.5	0.5	0.5
Other	33.4	30.4	29.9	Other	51.2	49.4	48.8

p/ Preliminary figures.

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

Note: Figures may not add up due to rounding.

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



**Table A 58
International Travelers**

Item	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 ^{p/}
Balance (USD million)	2,795.1	2,698.7	2,798.3	3,108.4	3,836.5	4,203.0	4,068.3	4,477.2	4,763.2	4,143.5	4,475.7	3,892.7
Incoming												
Revenues (USD million)	8,294.2	8,400.6	8,858.0	9,361.7	10,795.6	11,803.4	12,176.6	12,851.9	13,289.0	11,275.2	11,759.9	11,662.9
Tourists	5,816.2	5,941.4	6,083.7	6,680.1	7,783.5	8,502.4	8,954.6	9,716.5	10,115.8	8,623.9	9,245.1	9,276.4
In border areas	2,277.0	2,243.9	2,491.8	2,393.1	2,591.3	2,848.4	2,763.6	2,647.6	2,695.1	2,198.5	1,970.2	1,902.7
Overnight visitors	619.2	597.0	640.9	571.6	598.8	643.9	604.8	623.7	701.3	597.3	536.9	549.6
One-day visitors	1,657.7	1,646.9	1,850.9	1,821.5	1,992.5	2,204.5	2,158.8	2,023.9	1,993.8	1,601.3	1,433.3	1,353.1
Cruises	201.1	215.3	282.5	288.5	420.8	452.6	458.3	487.8	478.2	452.7	544.6	483.8
Number of travelers (thousands)	105,673	100,719	100,153	92,330	99,250	103,146	97,701	92,179	91,462	86,189	79,766	73,958
Tourists	10,591	10,152	9,883	10,353	11,553	12,534	12,608	12,956	13,300	11,781	12,640	12,733
In border areas	91,615	86,762	85,135	77,002	81,204	83,905	78,577	72,409	71,732	68,718	60,839	55,878
Overnight visitors	10,050	9,659	9,784	8,312	9,065	9,381	8,745	8,414	9,338	9,673	9,620	9,944
One-day visitors	81,565	77,103	75,352	68,690	72,139	74,524	69,832	63,995	62,394	59,045	51,219	45,933
Cruises	3,467	3,805	5,136	4,975	6,493	6,707	6,516	6,814	6,431	5,690	6,287	5,347
Average spending (USD)	78.5	83.4	88.4	101.4	108.8	114.4	124.6	139.4	145.3	130.8	147.4	157.7
Tourists	549.1	585.3	615.6	645.2	673.7	678.4	710.3	750.0	760.6	732.0	731.4	728.5
In border areas	24.9	25.9	29.3	31.1	31.9	33.9	35.2	36.6	37.6	32.0	32.4	34.1
Overnight visitors	61.6	61.8	65.5	68.8	66.1	68.6	69.2	74.1	75.1	61.7	55.8	55.3
One-day visitors	20.3	21.4	24.6	26.5	27.6	29.6	30.9	31.6	32.0	27.1	28.0	29.5
Cruises	58.0	56.6	55.0	58.0	64.8	67.5	70.3	71.6	74.4	79.6	86.6	90.5
Outgoing												
Expenditures (USD million)	5,499.1	5,701.9	6,059.7	6,253.3	6,959.0	7,600.4	8,108.3	8,374.8	8,525.8	7,131.7	7,284.2	7,770.2
Tourists	2,163.9	2,399.5	2,429.1	2,565.3	2,910.9	3,313.7	3,805.4	4,285.7	4,524.6	3,982.3	4,216.7	4,631.0
In border areas	3,335.3	3,302.4	3,630.6	3,688.0	4,048.1	4,286.7	4,302.8	4,089.0	4,001.3	3,149.3	3,067.5	3,139.2
Overnight visitors	281.1	368.0	348.5	269.7	316.4	339.7	387.9	421.5	379.5	338.8	352.7	321.3
One-day visitors	3,054.2	2,934.4	3,282.0	3,418.3	3,731.7	3,946.9	3,914.9	3,667.6	3,621.8	2,810.6	2,714.8	2,817.9
Number of travelers (thousands)	127,268	123,737	124,633	123,015	128,904	128,392	122,022	109,366	107,442	98,066	91,718	87,970
Tourists	6,200	6,423	6,492	6,603	7,399	8,000	8,486	9,213	9,321	8,875	9,392	10,057
In border areas	121,068	117,309	118,141	116,412	121,505	120,392	113,536	100,153	98,122	89,191	82,326	77,913
Overnight visitors	4,879	5,652	5,456	4,441	5,096	5,305	5,516	5,870	5,129	5,067	5,003	4,599
One-day visitors	116,189	111,657	112,685	111,971	116,409	115,087	108,020	94,283	92,992	84,124	77,323	73,314
Average spending (USD)	43.2	46.1	48.6	50.8	54.0	59.2	66.4	76.6	79.4	72.7	79.4	88.3
Tourists	349.0	373.6	374.1	388.5	393.5	414.2	448.4	465.2	485.4	448.7	449.0	460.5
In border areas	27.5	28.2	30.7	31.7	33.3	35.6	37.9	40.8	40.8	35.3	37.3	40.3
Overnight visitors	57.6	65.1	63.9	60.7	62.1	64.0	70.3	71.8	74.0	66.9	70.5	69.9
One-day visitors	26.3	26.3	29.1	30.5	32.1	34.3	36.2	38.9	38.9	33.4	35.1	38.4

Note: Figures may not add up due to rounding.

p/ Preliminary figures.

Source: Banco de México.

Table A 59
Revenues from Workers' Remittances

	2007	2008	2009	2010	2011 ^{p/}
Total remittances (USD million)	26,049.6	25,138.6	21,244.7	21,271.2	22,730.9
Money orders	859.7	598.6	386.2	389.7	206.8
Electronic transfers	24,802.7	24,113.7	20,547.5	20,583.3	22,228.9
Cash and kind	387.3	426.2	311.0	298.2	295.3
Number of remittances (thousands)	75,635.8	72,618.6	66,936.9	67,434.7	69,671.9
Money orders	1,585.9	1,353.3	866.4	816.1	427.3
Electronic transfers	73,278.7	70,478.0	65,381.4	65,930.0	68,553.1
Cash and kind	771.2	787.2	689.1	688.6	691.5
Average remittance (USD)	344	346	317	315	326
Money orders	542	442	446	478	484
Electronic transfers	338	342	314	312	324
Cash and kind	502	541	451	433	427

p/ Preliminary figures.

Note: Figures may not add up due to rounding.

Source: Banco de México

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

Distribution by state and international comparison

State	By state					International comparison: selected countries in 2010					Country	USD million	As a percentage of GDP
	Ranking					Percentage structure							
	1995	2001	2009	2010	2011 p/	1995	2001	2009	2010	2011 p/			
											India	53,044	3.3
Michoacán	1	1	1	1	1	16.25	11.69	10.01	10.17	9.85	Mexico		
Guanajuato	3	2	2	2	2	10.25	8.31	9.13	8.72	9.45	2008	25,139	2.3
Jalisco	2	3	4	3	3	12.70	7.89	7.96	8.35	8.31	2009	21,245	2.4
State of México	7	4	3	4	4	4.39	7.16	7.98	7.99	7.27	2010	21,271	2.1
Puebla	6	9	5	5	5	4.84	3.97	6.45	6.73	6.45	2011	22,731	2.0
Oaxaca	8	8	6	8	6	4.34	4.03	6.09	5.84	6.26	China	19,804	0.3
Veracruz	15	6	7	7	7	2.07	5.99	6.08	5.95	5.58	Nigeria	19,651	9.7
Guerrero	4	5	8	6	8	6.11	6.27	5.63	5.98	5.54	Philippines	16,238	8.1
Federal District	5	7	9	9	9	5.34	5.67	4.53	4.81	5.05	Egypt	12,453	5.7
Hidalgo	16	10	10	10	10	1.95	3.89	3.53	3.27	3.34	Bangladesh	10,836	10.3
San Luis Potosí	10	12	11	11	11	3.26	2.82	2.94	2.73	3.07	Pakistan	9,667	5.5
Zacatecas	11	17	13	14	12	3.12	2.10	2.69	2.65	2.74	Spain	7,111	0.5
Chiapas	27	15	12	13	13	0.54	2.51	2.86	2.68	2.61	Indonesia	6,735	1.0
Morelos	9	11	14	12	14	3.56	2.82	2.57	2.71	2.57	Morocco	6,423	7.0
Sinaloa	13	14	15	15	15	2.99	2.62	2.14	2.33	2.24	Korea	6,400	0.6
Tamaulipas	21	13	16	17	16	1.27	2.69	1.95	1.81	1.95	Lebanon	4,361	11.1
Chihuahua	19	18	17	16	17	1.75	2.05	1.91	1.89	1.84	Guatemala	4,163	10.1
Durango	14	16	18	18	18	2.08	2.11	1.76	1.75	1.83	Sri Lanka	4,116	8.3
Baja California	23	23	21	20	19	0.85	1.64	1.51	1.60	1.74	Colombia	4,023	1.4
Querétaro	17	20	19	21	20	1.93	1.79	1.69	1.51	1.68	Poland	3,613	0.8
Nayarit	20	19	20	19	21	1.57	1.91	1.60	1.61	1.56	El Salvador	3,431	16.2
Sonora	24	22	24	24	22	0.76	1.67	1.31	1.18	1.43	Nepal	3,336	21.2
Nuevo León	22	24	22	23	23	1.05	1.56	1.38	1.36	1.35	Serbia	3,185	8.4
Aguascalientes	12	25	23	22	24	3.11	1.24	1.32	1.40	1.34	Portugal	3,181	1.4
Tlaxcala	26	27	25	25	25	0.60	0.75	1.21	1.17	1.20	Romania	3,172	2.0
Coahuila	18	21	26	26	26	1.84	1.69	1.10	1.07	1.08	Jordan	3,165	12.0
Colima	25	26	27	27	27	0.75	1.15	0.77	0.80	0.81	Dominican Republic	2,994	5.8
Yucatán	28	29	29	28	28	0.31	0.42	0.52	0.55	0.52	Honduras	2,594	16.9
Tabasco	32	28	28	29	29	0.09	0.70	0.54	0.51	0.49	Peru	2,534	1.6
Quintana Roo	29	30	30	30	30	0.13	0.37	0.40	0.46	0.40	Ecuador	2,324	4.0
Campeche	31	31	31	31	31	0.10	0.28	0.26	0.25	0.25	Thailand	2,302	0.7
Baja California Sur	30	32	32	32	32	0.12	0.21	0.15	0.17	0.16	Tajikistan	2,245	39.8
											Brazil	2,076	0.1
TOTAL						100.00	100.00	100.00	100.00	100.00			

p/ Preliminary figures.

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



Table A 61
Foreign Investment Flows
USD million

	2004	2005	2006	2007	2008	2009	2010	2011 p/
Total	27,348.5	30,419.7	25,325.0	38,642.2	29,318.7	23,606.7	43,976.2	44,847.3
Direct investment	24,820.9	24,373.4	20,006.4	31,313.4	26,888.5	15,959.0	20,207.6	19,439.8
New investment	14,859.9	12,942.7	6,081.8	17,135.0	11,659.5	7,494.1	13,554.7	8,043.1
Reinvested earnings	2,524.9	4,031.6	7,749.7	8,079.6	7,518.7	4,250.7	2,652.2	7,636.7
Intercompany accounts	7,436.0	7,399.1	6,175.0	6,098.8	7,710.3	4,214.1	4,000.8	3,760.0
Portfolio investment	2,527.6	6,046.3	5,318.6	7,328.8	2,430.2	7,647.7	23,768.6	25,407.5
Equity	-2,522.2	3,352.9	2,805.2	-482.1	-3,503.3	4,168.9	641.3	-6,244.0
Money market	5,049.8	2,693.4	2,513.4	7,810.9	5,933.5	3,478.8	23,127.3	31,651.5

Note: Figures may not add up due to rounding.
p/ Preliminary figures.

Table A 62
Foreign Investment in Government Securities
 End of period outstanding stocks at face value
 USD billion

		CETES		BONDES		UDIBONOS		IPAB Bonds ^{1/}		Bonds ^{2/}		Total ^{3/}	
		Stock	%	Stock	%	Stock	%	Stock	%	Stock	%	Stock	%
1998	Dec	2.1	91.6	0.2	7.2	*	1.2	n.e.	0.0	n.e.	0.0	2.3	100.0
1999	Dec	1.0	88.7	0.1	9.5	*	1.7	n.e.	0.0	n.e.	0.0	1.1	100.0
2000	Dec	0.7	72.0	0.1	9.7	*	0.2	n.e.	0.0	0.2	18.1	0.9	100.0
2001	Dec	0.7	37.0	*	0.9	*	2.5	0.1	7.2	0.9	52.4	1.8	100.0
2002	Dec	0.3	17.4	0.1	3.3	*	0.2	0.1	8.2	1.1	70.9	1.6	100.0
2003	Dec	0.4	18.0	0.5	21.9	*	0.4	*	2.1	1.2	57.5	2.1	100.0
2004	Dec	0.6	9.1	*	0.3	*	0.7	0.2	2.7	6.1	87.2	7.0	100.0
2005	Dec	0.3	3.2	0.2	2.3	0.3	2.6	0.5	4.7	8.8	87.2	10.1	100.0
2006	Dec	0.6	4.7	*	0.0	0.4	3.3	0.6	5.1	10.8	86.9	12.4	100.0
2007	Dec	0.9	4.3	*	0.0	0.5	2.4	0.1	0.5	18.8	92.8	20.2	100.0
2008	Dec	1.3	6.4	0.0	0.0	0.7	3.3	0.1	0.5	17.9	89.8	20.0	100.0
2009	Dec	0.9	3.7	0.0	0.0	0.9	3.9	*	0.2	22.1	92.2	24.0	100.0
2010	Dec	8.1	16.8	0.0	0.0	2.0	4.1	0.8	1.7	37.5	77.4	48.4	100.0
2011	Dec	15.6	22.3	0.0	0.0	3.0	4.3	0.6	0.9	50.7	72.6	69.8	100.0
2008	Jan	2.0	8.7	*	0.0	0.6	2.6	0.1	0.2	20.7	88.5	23.4	100.0
	Feb	1.5	6.0	*	0.0	0.5	2.0	0.1	0.3	23.1	91.6	25.3	100.0
	Mar	1.2	4.6	*	0.0	0.8	3.3	0.3	1.0	23.3	91.1	25.5	100.0
	Apr	1.8	6.9	*	0.0	0.8	3.2	0.3	1.2	23.0	88.6	25.9	100.0
	May	1.9	7.2	*	0.0	1.0	3.7	0.6	2.1	22.6	87.0	26.0	100.0
	Jun	1.7	6.3	*	0.0	1.3	4.9	0.4	1.5	23.7	87.3	27.1	100.0
	Jul	2.4	7.7	*	0.0	1.3	4.2	0.3	0.9	27.7	87.2	31.7	100.0
	Aug	2.7	8.1	*	0.0	1.1	3.3	0.2	0.5	29.2	88.0	33.2	100.0
	Sep	2.6	8.6	*	0.0	1.1	3.7	0.1	0.4	26.4	87.3	30.3	100.0
	Oct	1.4	6.0	*	0.0	0.6	2.8	1.1	4.9	19.6	86.3	22.7	100.0
	Nov	1.1	5.4	*	0.0	0.7	3.3	0.1	0.3	19.1	91.0	21.0	100.0
	Dec	1.3	6.4	0.0	0.0	0.7	3.3	0.1	0.5	17.9	89.8	20.0	100.0
2009	Jan	1.3	6.3	0.0	0.0	0.6	3.1	0.1	0.3	17.9	90.3	19.9	100.0
	Feb	1.1	5.9	0.0	0.0	0.6	3.4	0.1	0.4	16.3	90.2	18.0	100.0
	Mar	0.9	4.7	*	0.0	0.7	3.8	0.1	0.4	16.6	91.1	18.2	100.0
	Apr	0.7	3.5	0.0	0.0	0.7	3.8	0.1	0.4	17.1	92.2	18.6	100.0
	May	0.7	3.3	0.0	0.0	0.8	3.8	*	0.2	18.5	92.7	20.0	100.0
	Jun	0.6	3.0	0.0	0.0	0.8	3.9	*	0.1	18.3	93.0	19.7	100.0
	Jul	0.5	2.3	0.0	0.0	0.8	4.0	*	0.2	18.8	93.6	20.0	100.0
	Aug	0.4	1.8	0.0	0.0	0.8	3.9	*	0.2	19.5	94.2	20.7	100.0
	Sep	0.7	3.3	0.0	0.0	0.8	3.8	0.1	0.4	19.9	92.6	21.5	100.0
	Oct	0.7	2.9	*	0.0	0.8	3.7	0.1	0.3	21.2	93.0	22.8	100.0
	Nov	0.7	2.9	0.0	0.0	0.9	3.9	*	0.2	22.0	93.0	23.6	100.0
	Dec	0.9	3.7	0.0	0.0	0.9	3.9	*	0.2	22.1	92.2	24.0	100.0
2010	Jan	1.3	5.1	0.0	0.0	1.0	3.9	0.1	0.4	23.7	90.6	26.2	100.0
	Feb	1.6	5.8	0.0	0.0	1.0	3.6	0.2	0.6	24.3	89.9	27.0	100.0
	Mar	2.9	9.4	0.0	0.0	1.1	3.6	0.2	0.8	26.4	86.1	30.6	100.0
	Apr	3.9	11.6	0.0	0.0	1.3	3.8	0.3	0.8	28.3	83.8	33.8	100.0
	May	2.1	6.8	0.0	0.0	1.2	4.0	0.3	0.9	27.8	88.3	31.4	100.0
	Jun	1.6	5.0	0.0	0.0	1.2	3.8	0.4	1.4	28.9	89.9	32.2	100.0
	Jul	1.9	5.8	0.0	0.0	1.3	3.9	0.3	0.8	29.8	89.5	33.3	100.0
	Aug	2.5	7.2	0.0	0.0	1.1	3.3	0.3	0.9	30.2	88.6	34.1	100.0
	Sep	2.2	5.8	0.0	0.0	1.2	3.2	0.4	1.2	33.4	89.8	37.2	100.0
	Oct	5.6	12.9	0.0	0.0	1.3	3.1	0.3	0.8	36.0	83.2	43.2	100.0
	Nov	6.8	14.9	0.0	0.0	1.7	3.8	0.3	0.6	36.6	80.7	45.3	100.0
	Dec	8.1	16.8	0.0	0.0	2.0	4.1	0.8	1.7	37.5	77.4	48.4	100.0
2011	Jan	12.2	22.7	0.0	0.0	2.2	4.0	0.3	0.6	38.9	72.7	53.5	100.0
	Feb	14.1	24.4	0.0	0.0	2.6	4.5	0.3	0.5	40.8	70.6	57.7	100.0
	Mar	15.4	25.4	0.0	0.0	2.8	4.6	0.3	0.5	42.3	69.5	60.8	100.0
	Apr	14.8	22.5	0.0	0.0	3.0	4.6	0.3	0.5	47.7	72.5	65.8	100.0
	May	15.2	21.9	0.0	0.0	2.9	4.1	0.3	0.5	51.2	73.5	69.5	100.0
	Jun	14.6	21.6	0.0	0.0	3.0	4.5	0.4	0.5	49.7	73.4	67.7	100.0
	Jul	16.4	22.0	0.0	0.0	2.7	3.7	1.3	1.8	54.1	72.6	74.5	100.0
	Aug	16.2	22.0	0.0	0.0	2.8	3.8	0.4	0.5	54.1	73.7	73.5	100.0
	Sep	11.8	18.7	0.0	0.0	2.6	4.1	0.4	0.6	48.5	76.7	63.2	100.0
	Oct	12.3	18.2	0.0	0.0	2.8	4.2	0.5	0.8	52.2	76.9	67.9	100.0
	Nov	12.4	18.4	0.0	0.0	2.8	4.2	0.3	0.4	51.7	76.9	67.2	100.0
	Dec	15.6	22.3	0.0	0.0	3.0	4.3	0.6	0.9	50.7	72.6	69.8	100.0

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

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

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

*/ Less than USD 50 million.

d.n.e. Does not exist.

Table A 63
Gross External Debt Position
 By residence criteria ^{1/}
 End of period outstanding stocks

Items	USD million			Percent of GDP		
	2010	2011 ^{p/}	Difference	2010	2011 ^{p/}	Difference
TOTAL (I + II + III + IV)	196,702.3	209,819.5	13,117.2	17.63	19.14	1.51
TOTAL ADJUSTED (I + II +III + IV + V)	246,564.0	281,050.9	34,486.9	22.10	25.63	3.54
PUBLIC SECTOR (I + 3.3 + 4.2.1)	110,428.0	116,420.2	5,992.2	9.90	10.62	0.72
I. Federal government ^{2/}	57,187.0	61,351.5	4,164.5	5.12	5.60	0.47
II. Monetary authority	0.0	0.0	0.0	0.00	0.00	0.00
III. Banking sector	20,361.9	21,976.6	1,614.7	1.82	2.00	0.18
3.1 Commercial banks ^{3/}	11,888.0	13,435.2	1,547.2	1.07	1.23	0.16
3.2 Other depository corporations ^{4/}	810.2	912.2	102.0	0.07	0.08	0.01
3.3 Development banks ^{2/}	7,663.7	7,629.2	-34.5	0.69	0.70	0.01
IV. Other sectors	119,153.4	126,491.5	7,338.1	10.68	11.54	0.86
4.1 Non-bank financial corporations ^{5/}	0.0	0.0	0.0	0.00	0.00	0.00
4.2 Non-financial enterprises	119,153.4	126,491.5	7,338.1	10.68	11.54	0.86
4.2.1 Public enterprises and entities ^{2/}	45,577.3	47,439.5	1,862.2	4.08	4.33	0.24
4.2.2 Private sector ^{6/}	73,576.1	79,052.0	5,475.9	6.59	7.21	0.62
4.2.3 IPAB ^{7/}	0.0	0.0	0.0	0.00	0.00	0.00
V. Adjustments (5.1-5.2+5.3+5.4+5.5)	49,861.8	71,231.4	21,369.6	4.47	6.50	2.03
5.1 Non-residents' holdings of MXN-denominated debt ^{8/}	48,469.1	69,828.9	21,359.8	4.34	6.37	2.03
5.2 Residents' holdings of foreign currency-denominated debt ^{9/}	3,873.6	3,387.2	-486.4	0.35	0.31	-0.04
5.3 Agencies' claims on Mexican residents ^{10/}	5,189.8	4,655.2	-534.6	0.47	0.42	-0.04
5.4 Pidiregas-Pemex ^{11/}	0.0	0.0	0.0	0.00	0.00	0.00
5.5 Other debt liabilities with non-residents ^{12/}	76.5	134.4	57.9	0.01	0.01	0.01

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

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

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

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

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

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

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

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

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

11/ Pidiregas (*Proyectos de Infraestructura Productiva a Largo Plazo*) is a mechanism used since 1995 for financing strategic long-term investment projects for the oil, gas and energy industries. This item does not include debt related with Pidiregas-CFE because such debt is assumed as part of the private sector. If such assumption were incorrect, the Gross External Debt associated with Pidiregas would be underestimated.

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

Note: This table differs from Table 16 of the Annual Report. While this table is based on IMF criteria, which present data in a more international comparable format, Table 16 is based on the criteria used for integrating the balance of payments. For further details on such differences, see footnotes of both tables.

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



Balance Sheet



BANCO DE MEXICO

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

BALANCE SHEET AS OF DECEMBER 31, 2011
MXN MILLION

<u>ASSETS</u>		<u>LIABILITIES AND EQUITY</u>	
INTERNATIONAL RESERVES	\$ 1,987,191	MONETARY BASE	\$ 763,492
INTERNATIONAL ASSETS	2,081,103	BANKNOTES AND COINS IN CIRCULATION	763,491
LIABILITIES TO BE DEDUCTED	(93,912)	BANK DEPOSITS IN CURRENT ACCOUNT	1
		FEDERAL GOVERNMENT CURRENT ACCOUNT DEPOSITS	157,756
CREDIT GRANTED TO THE FEDERAL GOVERNMENT	0	OTHER FEDERAL GOVERNMENT DEPOSITS	17,648
		MONETARY REGULATION DEPOSITS	992,642
SECURITIES	63,322	BANKS	279,215
GOVERNMENT SECURITIES	0	GOVERNMENT SECURITIES	713,427
IPAB SECURITIES	63,322	OTHER DEPOSITS FROM BANKS AND CREDITORS FROM REPO OPERATIONS	0
CREDIT GRANTED TO FINANCIAL INTERMEDIARIES AND DEBTORS FROM REPO OPERATIONS	68,639	TRUST FUNDS' DEPOSITS	0
		INTERNATIONAL MONETARY FUND	0
CREDIT GRANTED TO TRUST FUNDS	5,011	SPECIAL DRAWING RIGHTS	61,054
		OTHER LIABILITIES	59,251
SHARES IN INTERNATIONAL FINANCIAL INSTITUTIONS	10,251	TOTAL LIABILITIES	2,051,843
FIXED ASSETS, FURNISHING AND EQUIPMENT	3,941	CAPITAL	8,284
		CAPITAL RESERVES	107,507
OTHER ASSETS	29,279	PREVIOUS FISCAL YEARS' OPERATIONAL SURPLUS	0
		FISCAL YEAR'S OPERATIONAL SURPLUS	0
		FISCAL YEAR'S ACCOUNTS	207,540
		PREVIOUS FISCAL YEARS' LOSS AMORTIZATION	(100,033)
		RESERVES COMPOSITION	(107,507)
TOTAL ASSETS	\$ 2,167,634	TOTAL EQUITY	115,791
		TOTAL LIABILITIES AND EQUITY	\$ 2,167,634

MEMORANDUM ACCOUNTS \$18,080,993

The present Balance Sheet was prepared according to the rules and requirements set in the Law governing Banco de México and Banco de México's Internal Bylaw, and according to internal financial information standards, following adequate practices of central banks. In compliance with Article 38 of the referred Bylaw, international reserves are defined as stated in Article 19 of the Law governing Banco de México; government securities are presented as net holdings after deducting monetary regulation deposits, excluding any securities purchased or transmitted via repo operations, and if there is a creditor position, it is listed under line item Monetary Regulation Deposits; IPAB securities correspond to instruments from the Bank Savings' Protection Institute (*Instituto para la Protección al Ahorro Bancario*, IPAB) acquired by Banco de México; credit granted to financial intermediaries and debtors via repo operations includes commercial banks, development banks and repo operations. Capital reserves correspond to asset revaluation reserve. Outstanding stocks in foreign currency were valued at the daily exchange rate and capital reflects a surplus of MXN 6,916, due to the revaluation of fixed assets and inventories.

DR. AGUSTÍN GUILLERMO CARSTENS CARSTENS
GOVERNORACT. DAVID AARON MARGOLÍN SCHABES
BUDGET AND PLANNING GENERAL DIRECTORC.P.C. JUAN MANUEL SÁNCHEZ RAMÍREZ
ACCOUNTING AND BUDGET DIRECTOR

External Auditors' Report

We have examined the Balance Sheet of Banco de México as of December 31, 2011, as well as its Profits and Loss Statement for the year ending on the aforementioned date. Banco de México's Administrative Department is responsible for these financial statements. Our responsibility is to express an opinion on the abovementioned, based on our audit.

Our audit was carried out following the auditing standards commonly accepted in Mexico, which require a planned audit, realized in a way that allows avoiding significant errors in financial statements, which are prepared according to the requirements for financial information, specified in the Law governing Banco de México and Banco de México's Internal Bylaw. The audit is an assessment, based on selected tests, of the evidence supporting the figures and financial statements. Likewise it includes an evaluation of the accounting practices used, significant estimations made by Banco de México's Administration Department and the total of Banco de México's financial statements. We believe this assessment provides sufficient evidence to support our opinion.

Financial statements have been prepared following the requirements set out in the Law governing Banco de México and Banco de México's Internal Bylaw, according to the accounting standards of providing internal financial information and the best central banks' practices.

As regards the fiscal year 2011, it stands out that the Board of Governors in session of March 22, 2012 decided to use MXN 107,507 million from the fiscal year 2011 in order to restructure the asset revaluation reserve, stipulated in Articles 46, Section XV, 53 and 55 of Banco de México's Law. The decision of the abovementioned reserve reconstitution has not been agreed by the Ministry of Finance (*Secretaría de Hacienda y Crédito Público*, SHCP). These proceedings of determining the asset revaluation reserve differ from those used in the previous fiscal years. The aforesaid reconstitution of the asset revaluation reserve did not generate any operational surplus that would have to be directed to the Mexican government in accordance with the referred articles.

In our opinion, these financial statements provide a reasonable depiction of Banco de México's financial position as of December 31, 2011, as well as the results of its operations for the year ending on this date, in accordance with the aforementioned accounting requirements.

March 27, 2012

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