

Mexico Approves Opening Up of Oil Sector



Mexico City, August 7 (Xinhua-RHC) -- Mexico will open the state-controlled oil sector to foreign investment for the first time since 1938 after the Congress gave final approval Wednesday to an historic energy reform.

The legislation, which was approved by a vote of 78 to 26 in the Senate, now goes to President Enrique Peña Nieto to be signed into law in the coming days. Nieto has made energy reform the centerpiece of his drive to expand Mexico's economy.

The package of bills will break the 75 years of monopoly under the state-run Pemex company, which has been struggling to reverse the flagging oil production of 2.5 million barrels per day compared with 3.4 in 2004.

With the reform, private exploitation of the country's vast shale and deep-water reserves will be allowed and daily production will increase to 3 million barrels by 2015 and is predicted to rise to 3.5 million by 2018.

The governing Institutional Revolutionary Party (PRI) believes the overhaul will boost growth, create jobs and modernize Pemex, while the leftist opposition argued the move amounts to a fatal privatization of the main source of the country's tax revenue and a symbol of national sovereignty.

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