

Brazil's Right-Wing Re-elects Leader, Plans Oil Sell-Off



Brasilia, July 07 (teleSUR-RHC) Aécio Neves was re-elected leader of Brazil's main opposition party, PSDB, on Sunday.

While Neves was the only candidate on the ballot paper, he will likely face stiff competition from the high-ranking PSDB Senator Jose Serra for the party's presidential candidacy in 2018.

Neves told party members, "I reaffirm the basis of our ideas, such as the defense of freedom, the validity of the rule of law, the independence of institutions and the relentless pursuit of renewed economic growth, with the balance of public accounts and social inclusion."

In all of Brazil's presidential elections between 2002 and 2014, the PSDB candidate has lost out to the ruling Workers' Party (PT) in the runoff elections.

Meanwhile, Serra has proposed a new controversial piece of legislation aimed at lifting restrictions on foreign firms in offshore oil projects by removing state oil company Petrobras's right to be the only operator of the oil fields.

Current Brazilian legislation requires foreign companies to work with Petrobras in deep-water pre-salt fields. In 2013, the Brazilian government passed an oil royalty law, which diverts 75 percent of oil royalties

to the education sector and 25 percent to healthcare.

As a result, the government hopes to increase public expenditure on education as a percentage of total GDP from 6.4 percent in 2014 to 10 percent in 2024.

Despite privatization efforts by members of the PSDB, current President Dilma Rousseff has repeatedly stated that Brazilian participation in gas and oil production will not change under her administration.

The newly proposed legislation by PSDB lawmakers has also been met with opposition from within the ranks of the Brazilian labor movement. "A priority of the oil sector workers now is to fight against the proposed bill by Jose Serra that wants to hand over the Pre-salt fields to the multinational corporations," the coordinator of the Brazilian oil workers' federation the FUP, Jose Maria Rangel, said Monday.

According to the United States Energy Information Administration, the Brazilian "pre salt" oil reserves were originally discovered in 2007 in the Santos Basin off the coast of Brazil and are believed to contain more than 90 percent of Brazil's total oil reserves.

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