

APPENDIX 1 TO ANNEX XIV

REFERRED TO IN ARTICLE 7.3 (MOST-FAVOURED-NATION TREATMENT)

MALAYSIA LIST OF MFN EXEMPTIONS

| Sector or subsector | Description of measure indicating its inconsistency with Article II | Countries to which the measure applies | Intended duration | Conditions creating the need for the exemption |
|---------------------|---|--|-------------------|--|
| All Sectors | Liberalization of measures affecting movement of foreign semi-skilled and unskilled workers into Malaysia may be carried out in a differentiated manner based on reasons including proximity, either contiguous or regional, religious and/or cultural compatibility. | All countries | Indefinite | The measure is required to: 1) maintain the arrangements under existing bilateral agreements; and 2) ensure that the movement of foreign semi-skilled and unskilled workers contributes to the social stability and industrial harmony in Malaysia. |
| All sectors | Waiver of measures in existing or future policies limiting foreign equity or interests in companies and businesses in Malaysia shall be carried out in a preferential and differentiated manner. | All countries | Indefinite | The measure would be applied in a differentiated manner to those investments that match Malaysia's specific development requirements with the abilities and facilities provided by foreign enterprises and their home countries. The objective is to maximize economic benefits of foreign participation in the Malaysian economy. |