

Annex II
Reservations for Measures referred to in Paragraph 3 of Article 8

“Obligations under this Agreement” specifies the obligations under Articles 2, 3 and 7 for which a non-conforming measure is maintained or may be adopted.

Part 1
Reservations of the Lao People’s Democratic Republic

Sector or Matter	Obligations under this Agreement
1. Manufacture of all types of weapons	National Treatment (Article 2) Most-Favoured-Nation Treatment (Article 3)
2. Manufacture for processing of all types of narcotic drugs	National Treatment (Article 2)
3. Manufacture of cultural items destructive of the national culture and tradition	National Treatment (Article 2)
4. Manufacture of chemical substances and industrial waste hazardous to human life and environment	National Treatment (Article 2)
5. Manufacture of wood and wood products	National Treatment (Article 2)
6. Exploitation of timber and non-timber forest products of natural forest	National Treatment (Article 2)

7. Hunting, trapping, wildlife propagation including related service activities	National Treatment (Article 2)
8. Operation of fish hatcheries in the Mekong River	National Treatment (Article 2)
9. Production and processing of local fishes	National Treatment (Article 2)
10. Security activities	National Treatment (Article 2)
11. Activities of political organisation	National Treatment (Article 2)
12. Funeral and related activities	National Treatment (Article 2)
13. Pedagogy, teaching of other religious and producing specialist for national security	National Treatment (Article 2)
14. All Sectors-Ownership, utilisation of land (*)	National Treatment (Article 2)
15. Mining (*)	National Treatment (Article 2)
16. Nuclear energy	National Treatment (Article 2)
17. Energy, except nuclear energy (*)	National Treatment (Article 2)
18. Gambling	National Treatment (Article 2)
19. Subsidies	National Treatment (Article 2)
20. Broadcasting and television	National Treatment (Article 2)
21. Retail and wholesale services(*)	National Treatment (Article 2)

22. Share purchasing of the state-owned enterprise	National Treatment (Article 2)
23. Ownership of domestic and international electricity transmission grids	National Treatment (Article 2)
24. Domestic electricity distribution	National Treatment (Article 2)
25. Telecommunication (*)	Prohibition of Performance Requirements (Article 7)
26. Air and railway transportation	National Treatment (Article 2)
27. Banking and other financial services	National Treatment (Article 2)
28. All Sectors – ASEAN	<p>Most-Favoured-Nation Treatment (Article 3)</p> <p>Note: If the Lao People’s Democratic Republic enters into an ASEAN agreement on investment after the date of entry into force of this Agreement, it shall, upon the request of Japan, consider according to investors of Japan and their investments treatment no less favourable than that it accords, in like circumstances, to investors of non-Contracting Party which is a member country of the ASEAN pursuant to such ASEAN agreement.</p>

* Any amendment or modification of an existing measure or adoption of a new measure shall not be more restrictive to existing investors of Japan and their investments than the measure applied to such investors or investments immediately before such amendments or modification or adoption.

“Existing investors of Japan and their investments” mean investors of Japan whose investments are present in the Area of the Lao People’s Democratic Republic, and investments of investors of Japan that are present in the Area of the Lao People’s Democratic Republic, immediately before the amendment or modification.

Part 2
Reservations of Japan

Sector or Matter	Obligations under this Agreement
1. Aerospace Industry	National Treatment (Article 2) Prohibition of Performance Requirements (Article 7)
2. Arms and Explosives Industry	National Treatment (Article 2) Prohibition of Performance Requirements (Article 7)
3. Broadcasting Industry	National Treatment (Article 2) Prohibition of Performance Requirements (Article 7)
4. Energy	National Treatment (Article 2) Prohibition of Performance Requirements (Article 7)

5. Fisheries within the Territorial Sea, Internal Waters, Exclusive Economic Zone and Continental Shelf	National Treatment(Article 2) Most-Favoured-Nation Treatment (Article 3) Prohibition of Performance Requirements (Article 7)
6. Land Transaction	National Treatment (Article 2) Most-Favoured-Nation Treatment (Article 3)
7. Maintenance, Designation or Elimination (including privatisation) of a Public Monopoly	National Treatment (Article 2) Prohibition of Performance Requirements (Article 7)
8. Maintenance, Establishment or Disposal (including privatisation) of a State Enterprise	National Treatment (Article 2) Prohibition of Performance Requirements (Article 7)
9. Public Law Enforcement and Correctional Services and Social Services	National Treatment (Article 2) Most-Favoured-Nation Treatment (Article 3) Prohibition of Performance Requirements (Article 7)
10. Subsidies	National Treatment (Article 2) Most-Favoured-Nation Treatment (Article 3)