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<http://www.gvm.com.tw/gvsrc/eng/index.asp>  
contact: [liantai@cwgv.com.tw](mailto:liantai@cwgv.com.tw)

## GVSRC/Economic Daily News: TPMI Survey June 2008

### A. Taiwan Public Mood Index (TPMI)

Many countries, and regional and international organizations conduct regular index surveys on changes in public attitude towards politics and economy. They use the surveys to understand people's judgment on and expectation for government efficiency, economy and livelihood. The surveys are also used as an important reference for observations on national political trends and social stability. The *Global Views Monthly* is fully devoted to disseminating progressive ideas since its establishment 22 years ago. Continuing in this tradition, the Global Views Survey Research Center (GVSRC) planned and initiated the "Taiwan Public Mood Index" (TPMI) survey in June 2006. GVSRC will release survey results regularly every month to provide references for interested parties domestically and internationally.

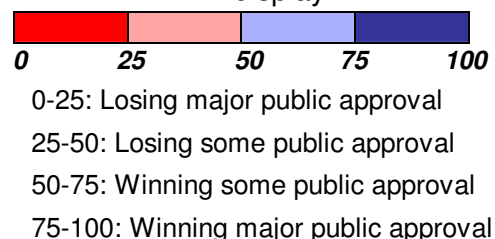
Following is the GVSRC's TPMI fundamental structure, and the survey result for June 2008:

 <b>Taiwan Public Mood Index (TPMI) for June 2008 = 42.9</b>	
Political Confidence Index (PCI) = <b>54.6</b>	Economic Confidence Index (ECI) = <b>31.1</b>
Ruling Side Trust Index (RSTI) = <b>52.2</b>	Current Economic Situation Index (CESI) = <b>23.6</b>
Trust Index for President Ma Ying-jeou <b>57.5</b>	
Trust Index for Premier Liu Chao-shiuan <b>49.7</b>	
Trust Index for the ruling parting (KMT) <b>49.5</b>	Current Domestic Economy Index <b>16.2</b>
Political Optimism Index (POI) = <b>58.1</b>	Current Personal Finance Index <b>30.9</b>
Domestic Political Stability Outlook Index <b>48.1</b>	Economic Optimism Index (EOI) = <b>38.6</b>
Cross-Strait Relations Alleviation Outlook Index <b>68.1</b>	Domestic Economic Improvement Index <b>39.0</b>
	Personal Financial Improvement Index <b>38.2</b>

(The following items are not included in PCI)

Opposition Side Trust Index (OSTI) = <b>45.0</b>
Trust Index for Democratic Progressive Party (DPP) chairman Tsai Ing-wen <b>53.2</b>
Trust Index for the DPP <b>36.8</b>

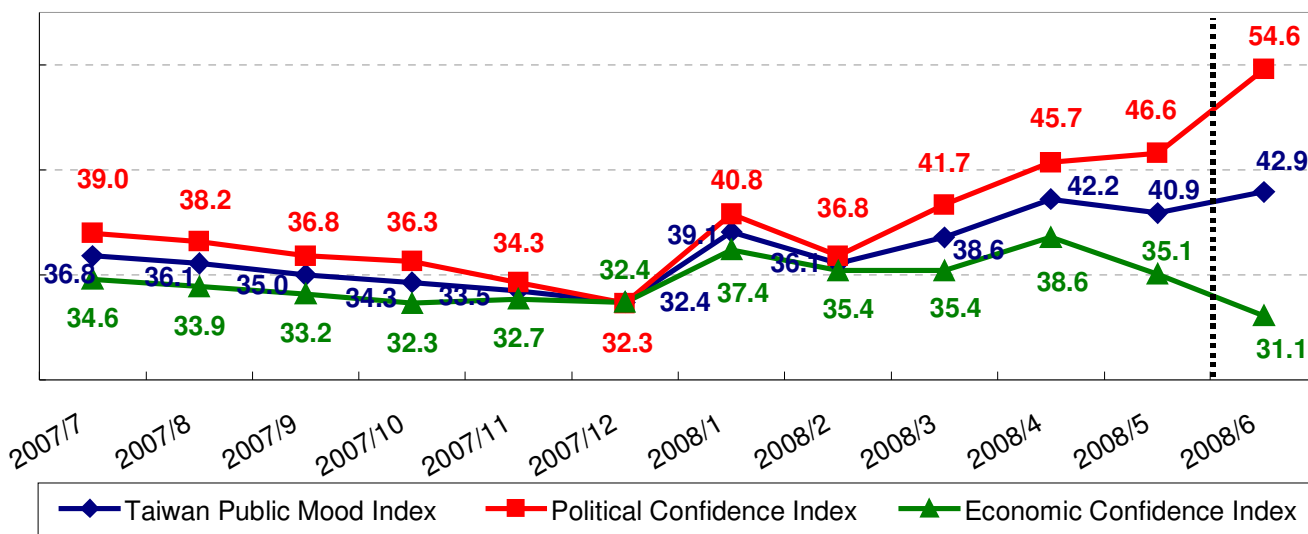
TPMI display



The TPMI includes two major aspects of Taiwan, the Political Confidence Index (PCI) and the Economic Confidence Index (ECI). The TPMI and its subsidiary indexes are between 0 and 100. When the index is higher than 50, it represents optimism or positive evaluations. The higher the index, the more optimistic and positive the public is, and that means the government is winning public approval. When the index is lower than 50, it represents pessimism or negative evaluations. The lower the index, the more pessimistic and negative the public is, and that means the government is losing public approval.

**B. TPMI rises 2.0 points this month, PCI gains 8.0 points, while ECI falls 4.0 points.**

The TPMI survey this month was conducted one month after the inauguration of President Ma Ying-jeou. TPMI this month is at 42.9, PCI is at 54.6 and ECI at 31.1. Compared with last month's survey, conducted shortly before the DPP administration wrapped up its eight-year term, TPMI rises 2.0 points this month. PCI gains 8.0 points, hitting a record high since the survey started in June 2006 and reaching the "winning some public approval" range for the first time. Yet ECI falls 4.0 points, hitting a record low since the survey started two years ago. This shows that Taiwanese people's confidence in the economy has not been boosted by the recent power transfer, instead the level of confidence continues to slump.

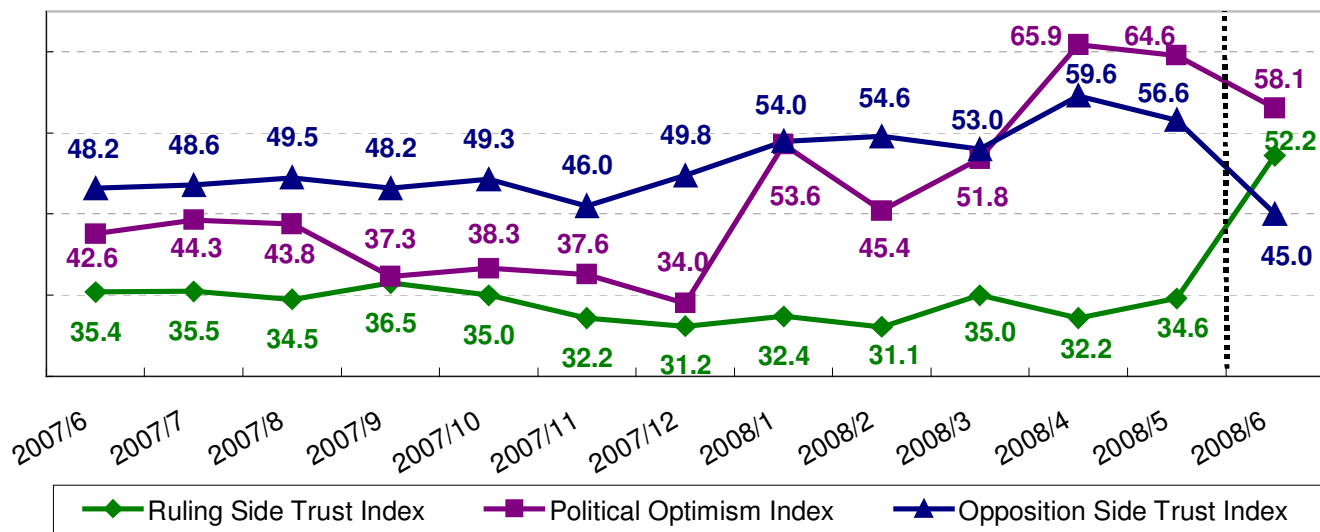


**C. PCI this month: RSTI rises 17.6 points, while POI falls 6.5 points.**

RSTI rises 17.6 points this month to 52.2, hitting a record high since the survey started two years ago and reaching the "winning some public approval" range for the first time. This shows that Taiwanese people have high expectations of and confidence in the new Ma administration. Although POI loses 6.5 points to 58.1, it is still staying in the "winning some public approval" level.

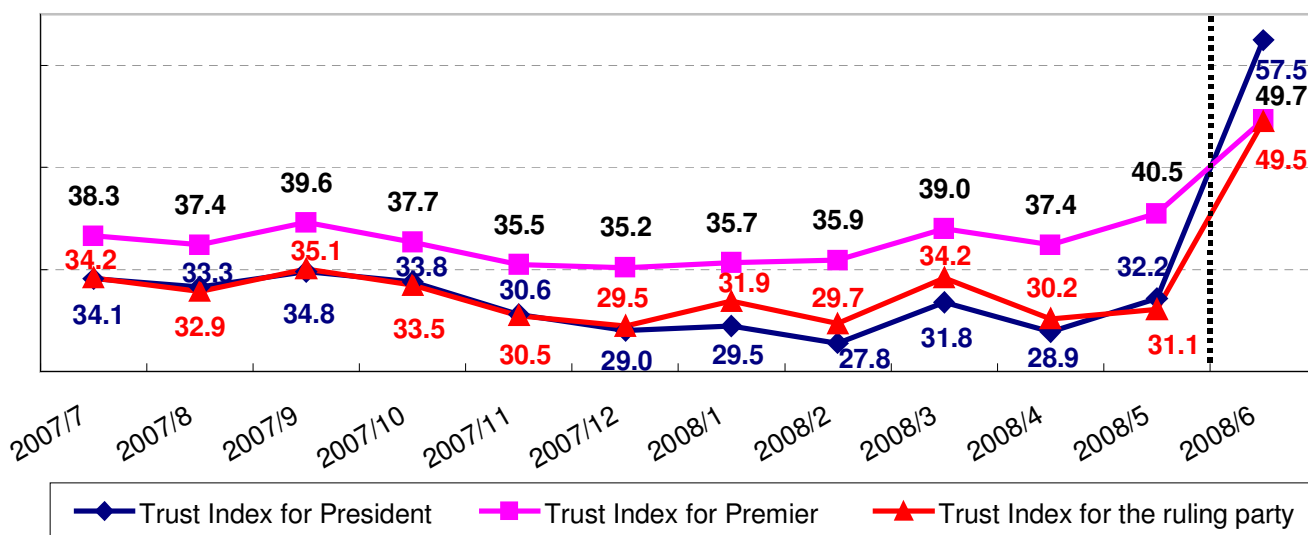
Meanwhile, OSTI falls 11.6 points to 45.0 points. This reflects public attitude toward the

Democratic Progressive Party in its first month in opposition. Compared with the evaluation the party obtained last month, it seems that Taiwanese people think it is more fitting for the DPP to be in opposition than the ruling party. The DPP got 34.6 points last month as the ruling party, while it obtained 45.0 points as opposition this month.



a. RSTI this month: the trust indexes for the president, the premier and the ruling party all rise sharply due to the power transfer and change in the government personnel.

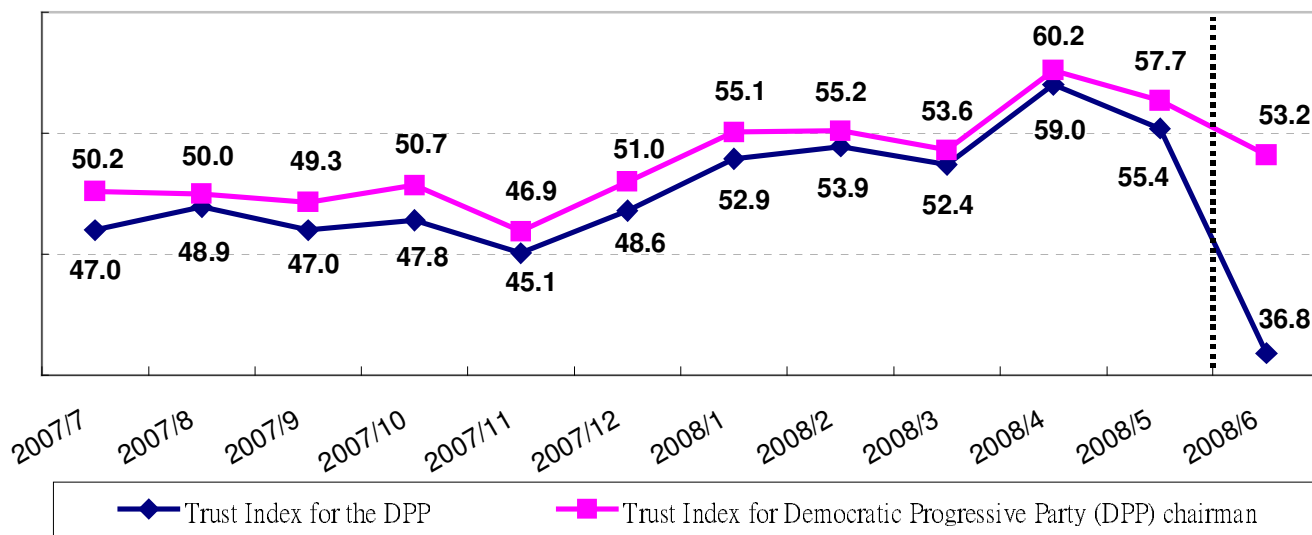
The trust index for President Ma Ying-jeou is at 57.5, 25.3 points higher than what former President Chen Shui-bian obtained last month. The trust index for the president also hits a record high this month since the survey started two years ago and reaches the “winning some public approval” range for the first time. The trust index for Premier Liu Chao-shiuan is at 49.7, 9.2 points higher than what former Premier Chang Chun-hsiung got last month. The trust index for the ruling KMT is at 49.5, 18.4 points higher than what the DPP got last month. Yet the index for the KMT as the ruling party is lower than the one it got \_55.4\_ as opposition last month. It is clear that Taiwanese people think there is still room for improvement for the KMT after it becomes the ruling party.



b. OSTI this month: the trust indexes for the DPP and its chairman are both lower than what the KMT and its chairman obtained last month before the power transfer.

The trust index for the DPP is at 36.8, 18.6 points lower than what the KMT obtained last month as main opposition. The trust index for DPP Chairman Tsai Ing-wen is at 53.2, 4.5 points lower than what KMT Chairman Wo Poh-hsiung got last month.

Facing low morale in the party around the time of the power transfer, Tsai Ing-wen still manages to win some public approval in the first month on job, including support from pan-blue and independent voters. The trust index for the DPP also rises 5.7 points from 31.1 points it got as the ruling party last month. After cross-tabular analysis, however, the GVSRC finds 18.5% of DPP supporters do not trust Tsai, while 18.9% remain neutral about her. It remains to be seen whether Tsai can resolve rows between different factions in the party, and turn the DPP's negative image around after eight years in power.

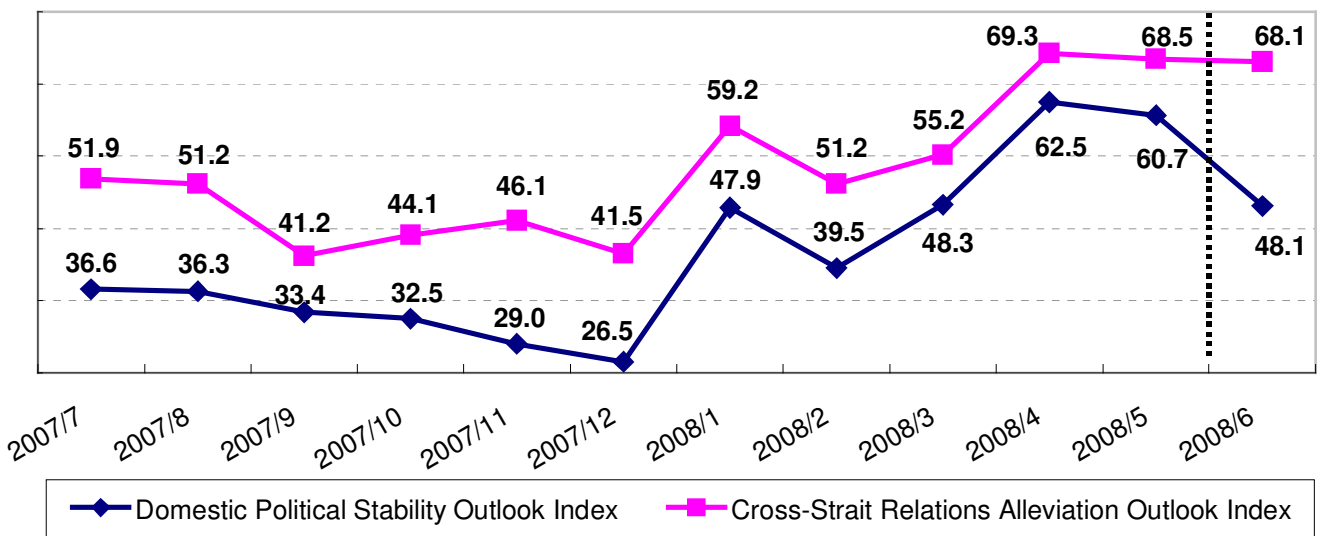


c. POI this month: Taiwanese people are optimistic about further alleviation of tension in cross-strait relations next month, while they are turning pessimistic about domestic political stability.

The index for public judgment on alleviation of tension in cross-Strait relations falls 0.4 point this month to 68.1, but it is still staying in the “winning some public approval” level. This shows that the majority of Taiwanese people approve of the new administration’s efforts to implement President Ma’s cross-strait platforms, including cross-strait weekend charter flights, increase in the number of mainland visitors to the island, and exchange of renminbi in Taiwan. Further, the resumption of formal talks between Taiwan’s Straits Exchange Foundation and China’s Association for Relations Across the Taiwan Strait in Beijing earlier this month saw the biggest delegations and most senior-ranked officials ever to participate in official cross-strait dialogues. This also allows Taiwanese people to expect stable cross-strait relations in the future.

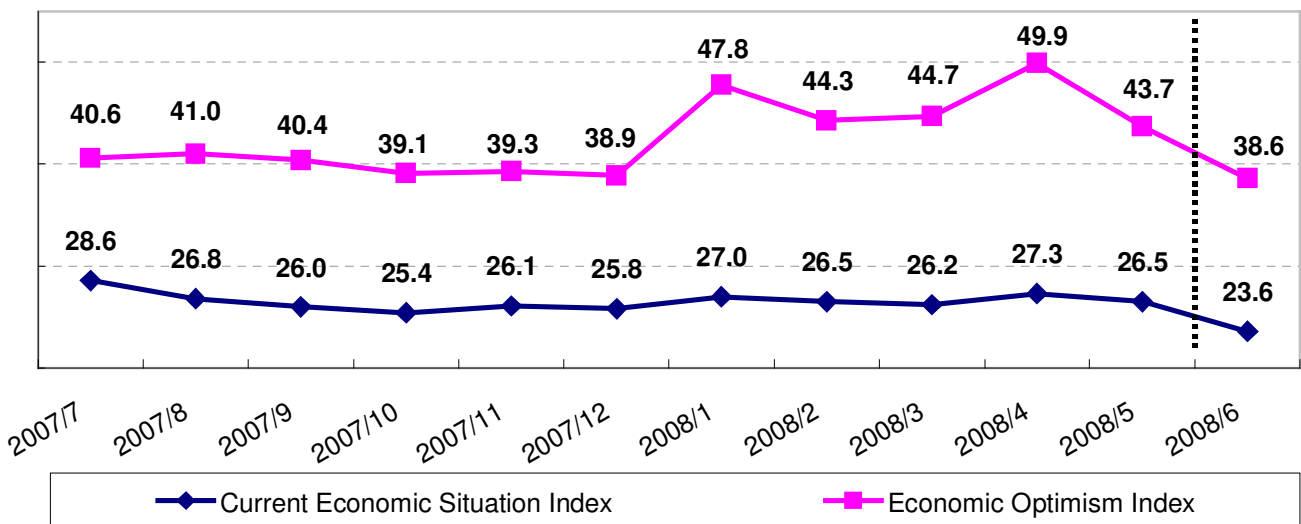
Domestically, the KMT enjoyed overwhelming victories in both legislative and presidential

polls this year, and this brings Taiwanese people to expect more stability in domestic politics. However, the new government has overruled the previous administration's policy to freeze the commodity price, and this has resulted in a sharp rise in the oil and commodity price. The surge consequently has attracted sharp public criticism. Further, the DPP has been criticizing the new government for how it dealt with officials with U.S. permanent resident status and how it handled the rows with Japan over the claim over the Diaoyutai islands. This seems to return Taiwan to the campaign period, and makes Taiwanese people feel anxious due to incessant political rows. This results in a sharp fall of 12.6 points to 48.1 in the index for public judgment on domestic political stability next month. The index falls into the "losing some public approval" level from the "winning some public approval" range last month.



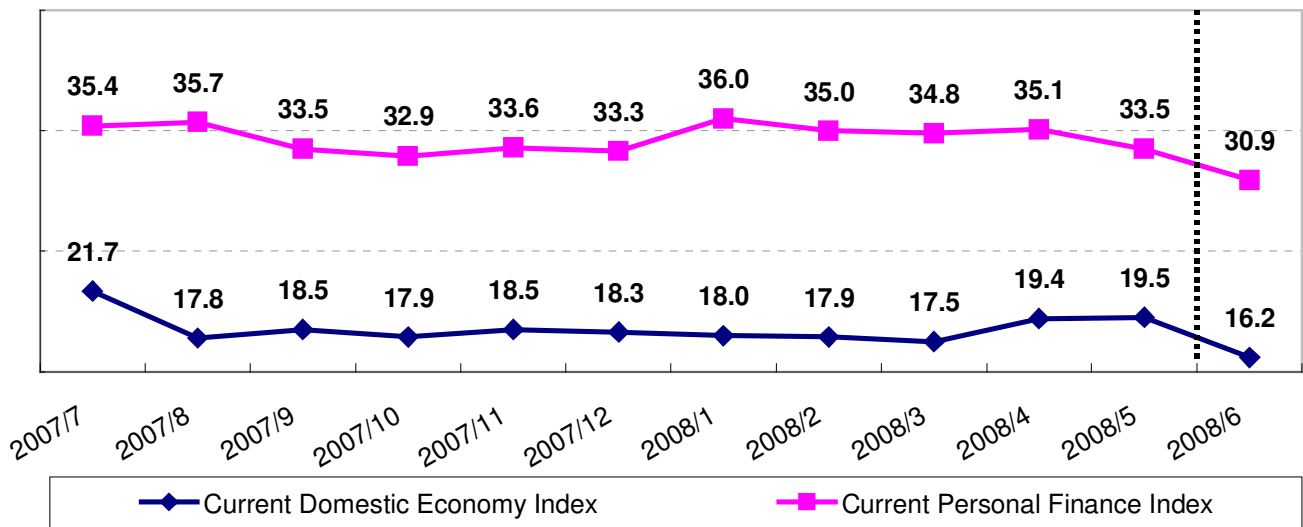
**D. ECI this month: CESI loses 2.9 points, while EOI falls 5.1 points.**

CESI falls 2.9 points to 23.6 this month, hitting a record low since the survey started, while EOI falls 5.1 points to 38.6. This shows that Taiwanese people are feeling even more pessimistic about current economic conditions, and the CESI for the first time drops to the "losing major public approval" level. Meanwhile, Taiwanese people's optimism toward the economy has also been eradicated completely over the past six months.



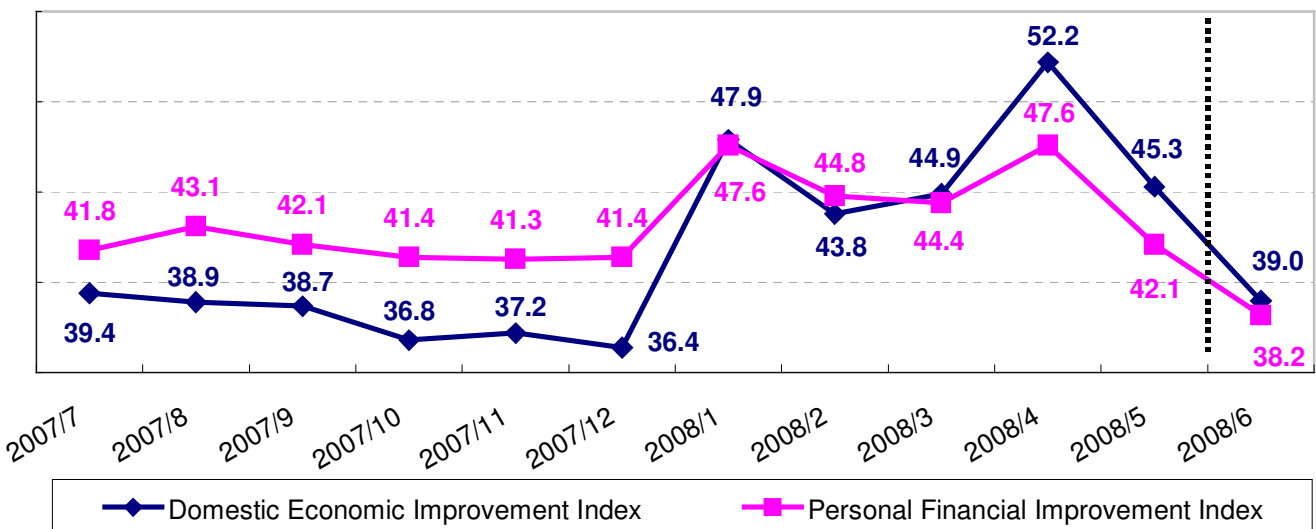
a. CESI this month: the index for current personal finance falls 2.6 points, and the index for the current domestic economy drops 3.3 points.

The index for current personal finance falls 2.6 points to 30.9, and the index for the current domestic economy falls 3.3 points to 16.2. Both hit a record low since the survey started two years ago. Taiwanese people's confidence in their personal financial situations and domestic economy continues to drop because of various factors. The new government has insisted on a hike in the domestic commodity price as crude oil and raw material prices continue to surge, while there is a short supply of food due to natural disasters. Further, Taiwan's stock market has been dropping on the Wall Street slump. Taiwanese people now are feeling more pessimistic about the economy.



b. EOI this month: the index for judgment on improvement in the domestic economy next month plunges 6.3 points, and the index for judgment on improvement in personal finance next month also loses 3.9 points.

The index for judgment on improvement in personal finance next month loses 3.9 points to 38.2. Meanwhile, the index for judgment on improvement in the domestic economy next month also plunges 6.3 points to 39.0. This may reflect Taiwanese people's anticipation that their economic burden will become worse as there will be a hike in the oil, electricity and gas prices in July while it is very likely the daily commodity price will also rise.



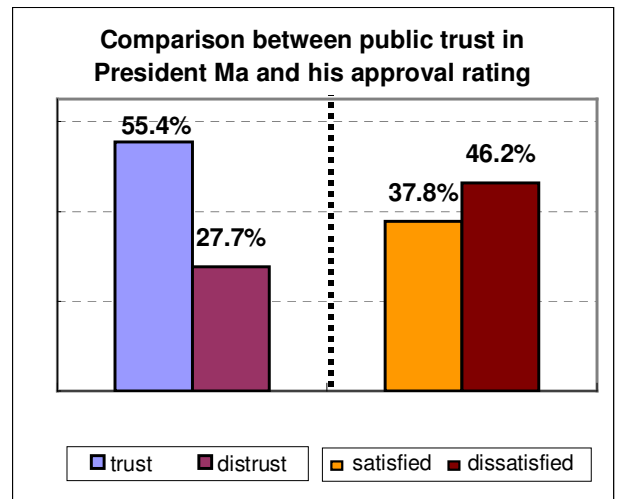
## E. Miscellaneous issues this month

Taiwanese people have awarded the KMT both legislative and presidential victories in 2008. As President Ma Ying-jeou and his Cabinet will need to take the biggest responsibilities for Taiwan's developments in next four years, the GVSRC has decided to ask for interviewees' opinions on the overall performances of President Ma, and their evaluations of the performances of the KMT lawmakers, who constitute more than 70% of all legislative seats, together with the TMPI survey every month. The GVSRC also expects to ask for interviewees' take on the overall performances of the Cabinet in the last month of every season.

The results of the supplementary survey this month is as follows:

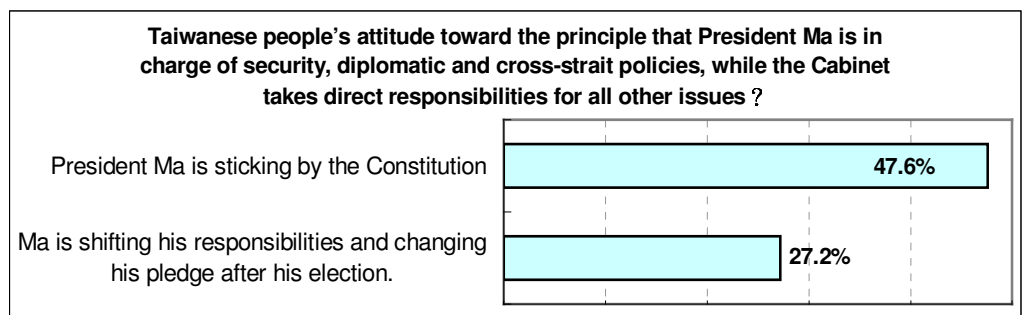
a. 37.8% of Taiwanese people approve of President Ma's overall performances in his first month on job, while 46.2% are disapprove.

In President Ma Ying-jeou's first month on job, 37.8% of Taiwanese people are satisfied with his overall performances. Among the 37.8%, 4.9% are very satisfied, and 32.9% are satisfied. On the other hand, 46.2% are dissatisfied with his performances, with 22.4% being very dissatisfied and 23.8% dissatisfied. Most people who are dissatisfied with Ma's performances are from 25 to 49 year old. Compared the survey this month with the presidential poll results, there is a 7% fall in public support for Ma as 44.6% (Ma's 58.45% vote share multiply the 76.33% turnout) of all eligible voters voted for Ma. In this survey, the gap between Ma's disapproval rating and approval rating is 8.4%, a warning that Ma should ponder on.



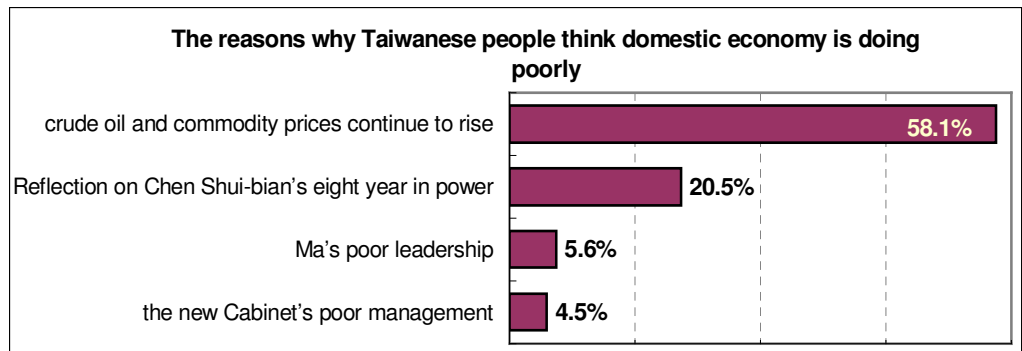
In this month's TPMI survey, 55.4% of Taiwanese people say they trust President Ma, while only 27.7% say they don't. This shows that Ma's high disapproval rating his first month on job may result from Taiwanese people's high expectations of him.

Ma has repeatedly said he is not stationing on the front line out of respect for the Constitution, and the Cabinet should instead stand on the front line and answer to the legislature. 47.6% of Taiwanese people, including 22.2% of pan-green voters, say



they agree with the principle that President Ma is in charge of security, diplomatic and cross-strait policies, while the Cabinet takes direct responsibilities for all other issues, but 27.2% say Ma is shifting his responsibilities and changing his pledge after his election.

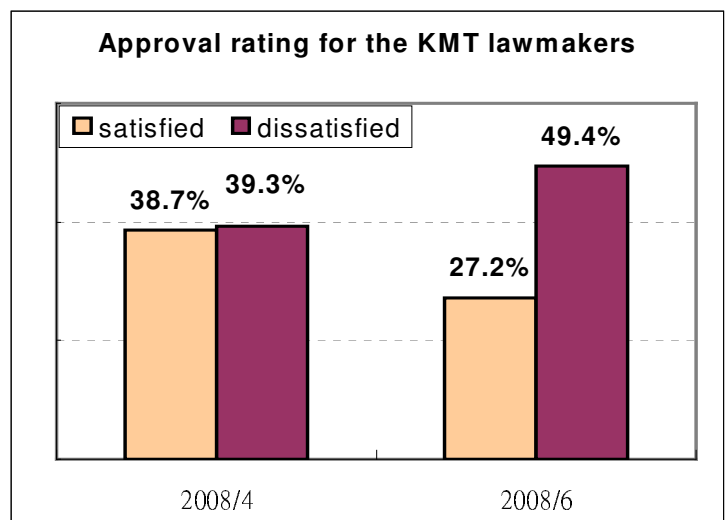
Meanwhile, when asked about why they think domestic economy continues to suffer, 58.1% of Taiwanese people say it is because of continuing hike in the crude oil and commodity prices, and 20.5% say it reflects former President Chen



Shui-bian's eight year in power. 10.1% say it is due to President Ma's poor leadership or the new Cabinet's poor management, with 30.0% of pan-green supporters saying so.

b. 27.2% of Taiwanese people approve of KMT lawmakers overall performances, while 49.5% are disapprove.

The lawmakers of the 7th legislature have been on job for nearly 5 months, and the KMT lawmakers control over 70% of all seats. However, 49.4% of Taiwanese people, including 36.7% of pan-blue supporters, say they are dissatisfied with the overall performances of the KMT lawmakers in the legislature. Only 27.2% say they are satisfied. Compared with the GVSRC's April survey, the approval rating for the KMT lawmakers has dropped 11.5%, and the disapproval rating has increased 10.1%. This shows that there is still huge room for improvement for the KMT lawmakers, and their poor approval rating may even affect the party's campaigns for the mayoral and magistrate elections next year.



This survey was conducted by GVSRC from 6.20pm to 10.00pm on June 16-18, 2008. It is conducted with random-digit-dial sampling and computer-assisted telephone interviewing methods. 1008 people who are 20 or older completed the interview. One can say with 95 percent confidence level that the theoretical margin of sampling error is ±3.1 percent. Gender, living area, age, educational level of the interviewees have undergone weighting procedure and test of the sample's representativeness in the survey results.