

FOR IMMEDIATE RELEASE
August 25, 2008

<http://www.gvm.com.tw/gvsrc/eng/index.asp>


contact: liantai@cwgv.com.tw

GVSRC/Economic Daily News: TPMI Survey August 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.

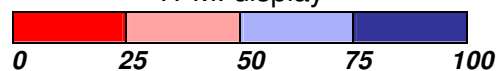
Following is the GVSRC's TPMI fundamental structure, and the survey result for August 2008:

 Taiwan Public Mood Index (TPMI) for August 2008 = 40.9	
Political Confidence Index (PCI) = 49.9	Economic Confidence Index (ECI) = 31.9
Ruling Side Trust Index (RSTI) = 49.7	Current Economic Situation Index (CESI) = 21.5
Trust Index for President Ma Ying-jeou 54.2	
Trust Index for Premier Liu Chao-shiuan 49.4	
Trust Index for the ruling party (KMT) 45.6	Current Domestic Economy Index 14.0
Political Optimism Index (POI) = 50.2	Current Personal Finance Index 28.9
Domestic Political Stability Outlook Index 40.0	Economic Optimism Index (EOI) = 42.4
Cross-Strait Relations Alleviation Outlook Index 60.3	Domestic Economic Improvement Index 43.2
	Personal Financial Improvement Index 41.5

(The following items are not included in PCI)

Opposition Side Trust Index (OSTI) = 40.0
Trust Index for Democratic Progressive Party (DPP) chairperson Tsai Ing-wen 50.3
Trust Index for the DPP 29.6

TPMI display



0-25: Losing major public approval

25-50: Losing some public approval

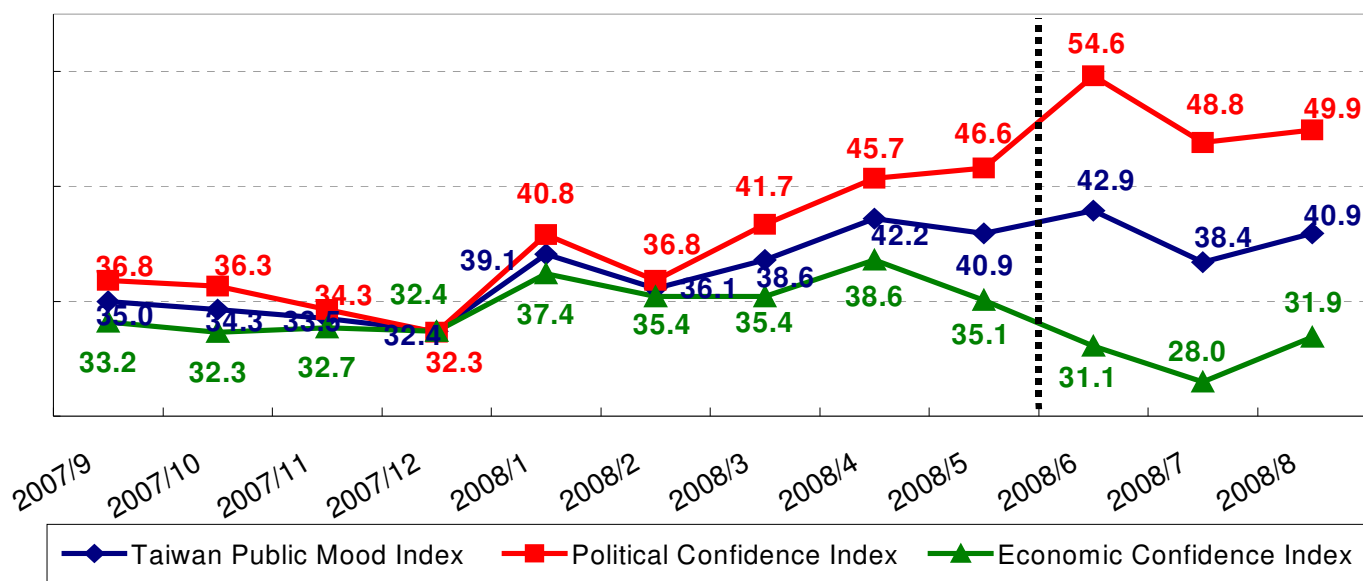
50-75: Winning some public approval

75-100: Winning major public approval

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 2.5 points this month, as PCI gains 1.1 point and ECI surges 3.9 points.

The TPMI survey this month was conducted three months after President Ma Ying-jeou took office. TPMI this month is at 40.9, PCI is at 49.9 and ECI at 31.9. Compared with last month, TPMI rises 2.5 points this month, as PCI gains 1.1 point, and ECI surges 3.9 points, the first time the subindex stops falling and rebounds since the new government took power. TPMI this month returns to the same level as where it was right before the Ma administration took power. Since mid May, Taiwanese people’s confidence in domestic politics has been on the rise, and their confidence in domestic economy has rebounded. This shows that three months after the Ma administration took power, Taiwanese people’s evaluations of the new government have returned to the same level as the beginning of the regime.

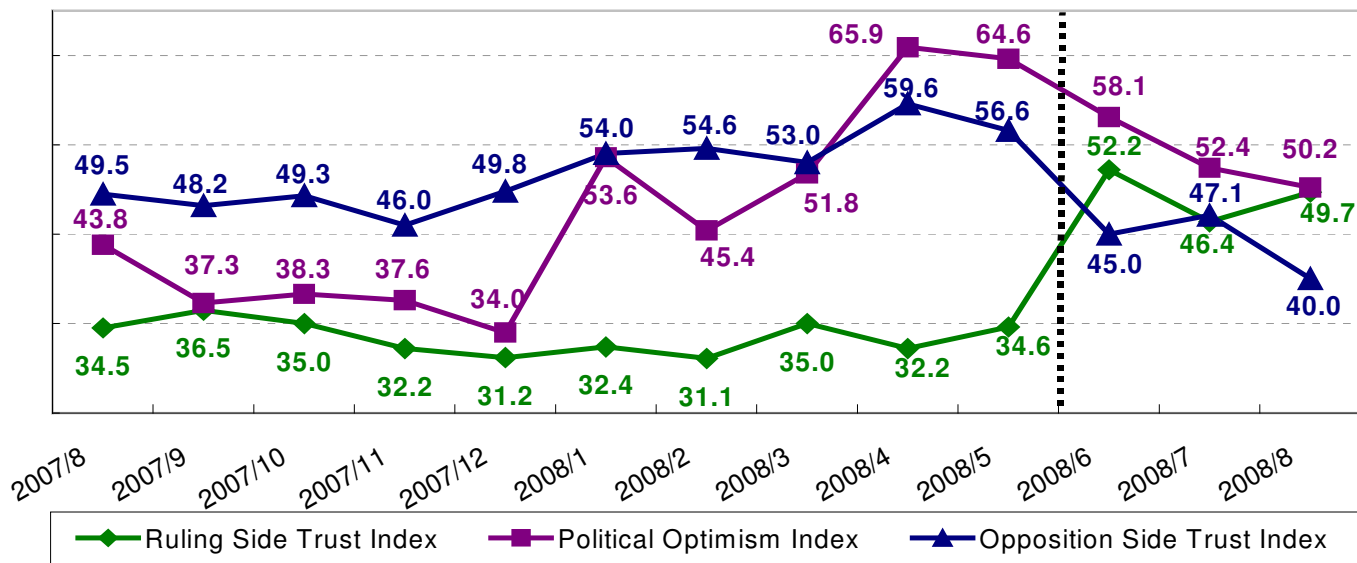


C. PCI this month: RSTI rises 3.3 points, while POI loses 2.2 points.

RSTI rises 3.3 points this month to 49.7, approaching the “winning some public approval” level. This shows that Taiwanese people’s confidence in President Ma Ying-jeou and his administration has stopped falling and rebounded. POI, however, falls 2.2 points to 50.2. Although POI still remains in the “winning some public approval” level, it has been slipping after the presidential elections. This reflects that Taiwanese people feel uncertain about possible short-term changes in domestic politics.

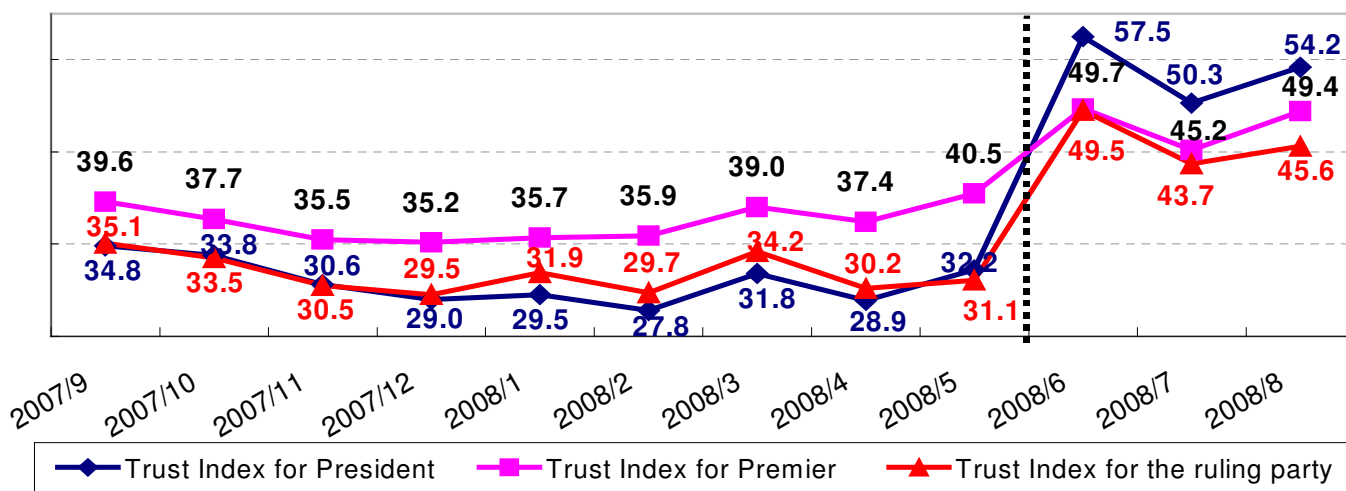
Meanwhile, OSTI loses 7.1 points and plunges to 40.0 this month. It hits a record low since

the DPP became the opposition, as former President Chen Shui-bian and his family's alleged involvement in an overseas money laundering scandal devastate the party.



a. RSTI this month: the trust indexes for the president, the premier and the ruling party all rise.

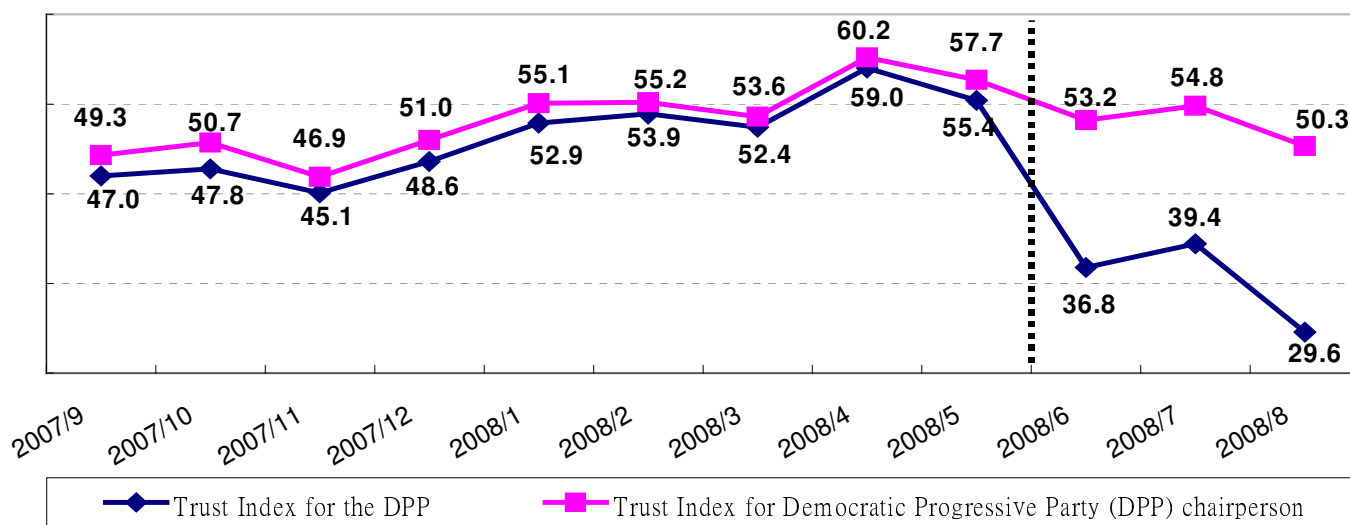
The trust index for President Ma Ying-jeou is at 54.2, the trust index for Premier Liu Chao-shiuan is at 49.4, and the trust index for the ruling KMT is at 45.6. Compared with last month, the presidential index rises 3.9 points, the trust index for the premier climbs 4.2 points, and the trust index for the KMT gains 1.9 point this month. This reflects that the administration is gradually seeing better cooperation among officials and agencies since it took power. Further, President Ma has listened to people's opinions about his role and made adjustments accordingly, and the premier has faced the public on the front line several times. These moves lead to increasing public trust in the two leaders. However, the rise in the KMT trust index is relatively small.



b. OSTI this month: the trust indexes for the DPP and its chairperson both plunge.

The trust index for the DPP plunges 9.8 points to 29.6. It is the subindex that suffers the biggest fall this month. It is also almost the lowest point for the DPP ever, including the period when it was still in power. The main reason for the plunge is the revelation of former President Chen Shui-bian and his family's alleged involvement in an overseas money laundering scandal.

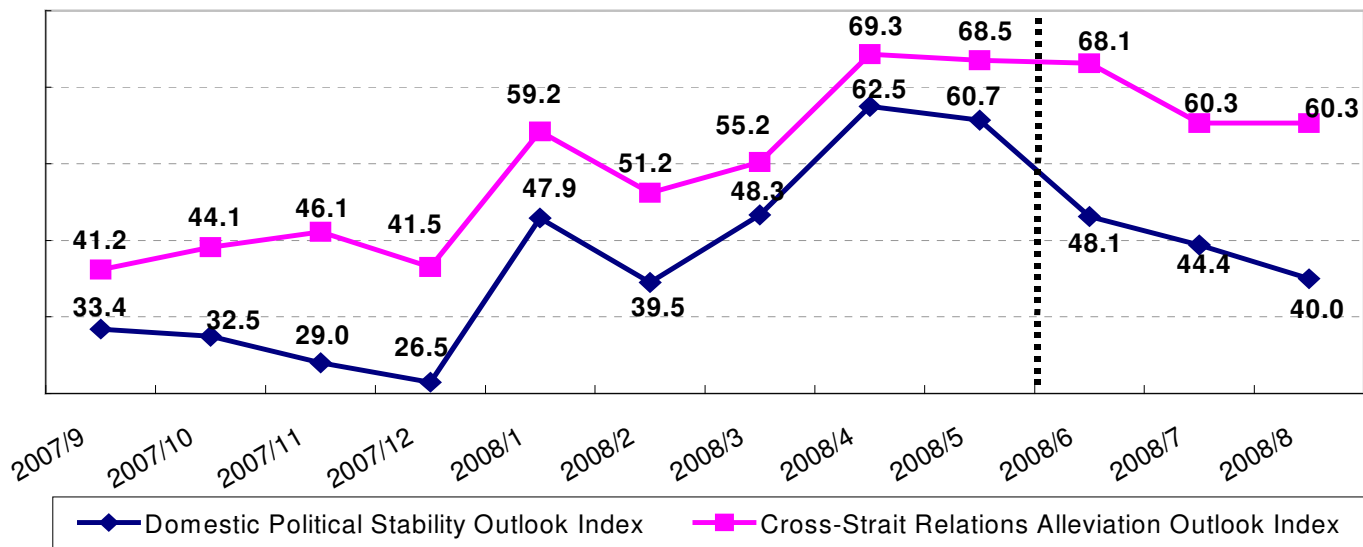
It is also disclosed that several former officials in the Chen administration, including the head of Investigation Bureau, tried to help cover up the scandal. The trust index for DPP Chairperson Tsai Ing-wen is negatively influenced by the scandal, falling 4.5 points to 50.3 this month. Taiwanese people's neutral evaluations of Tsai reflect their concerns about how she handles Chen, who is a former party chairman. Although the DPP had improved its reputations with the election of its new chairperson after being soundly defeated in the legislative and presidential elections earlier this year, the party is now once again devastated by the Chen family scandal when it is struggling to rebuild its image and meet public expectations. Supporters feel their trust in the party has been breached, and the DPP now is marked as a corrupted former ruling party.



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.

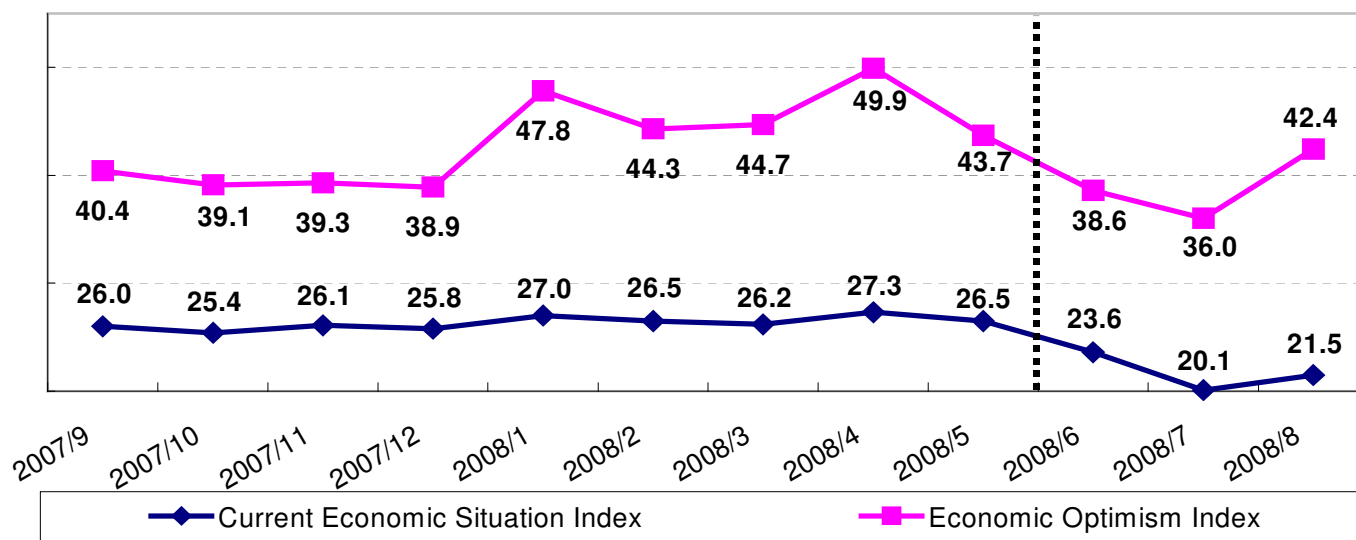
The index for public judgment on alleviation of tension in cross-Strait relations stays at 60.3 this month. This shows that Taiwanese people think that cross-strait relations have reached a stable phase. The subindex has stayed in the range of 60-70 since the presidential election, and this shows that Taiwanese people approve of the general direction of the Ma administration's cross-strait policies.

At the same time, as investigators probe into the presidential expense fund case linked to former President Chen Shui-bian, it is revealed that several members in Chen's immediately family are allegedly involved in an overseas money laundering scandal when Chen was still in office. This scandal brings the DPP to face another major crisis, and there is no way yet to tell exactly who are involved and how they are involved. The subindex for domestic political stability next month falls 4.4 points to 40.0, almost hitting a record low since the beginning of this year, as the ultimate impact of the scandal remains unclear. This shows that Taiwanese people are feeling that instability is looming over domestic politics.



D. ECI this month: CESI rises 1.4 point, and EOI surges 6.4 points.

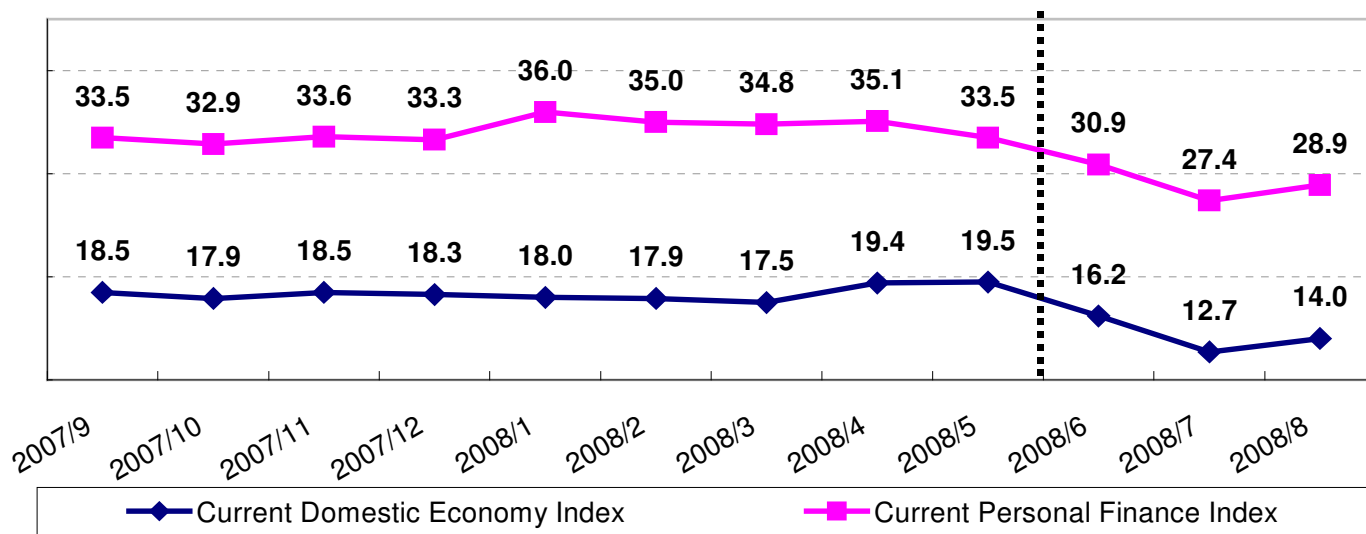
CESI is at 21.5 this month, and EOI is at 42.4. Compared with last month, CESI rises 1.4 point this month, but the gain is limited. The index is at its second lowest point since the survey started in June 2006, and it still stays in the “losing major public approval” level. On the other hand, EOI stops falling and rebounds this month, surging 6.4 points. This shows that Taiwanese people’s confidence in the short-term economy has been boosted, and it is returning almost to where it was right before the new administration took power.



a. CESI this month: the index for current personal finance and the index for current domestic economy both rise slightly, but they still stay at a low point.

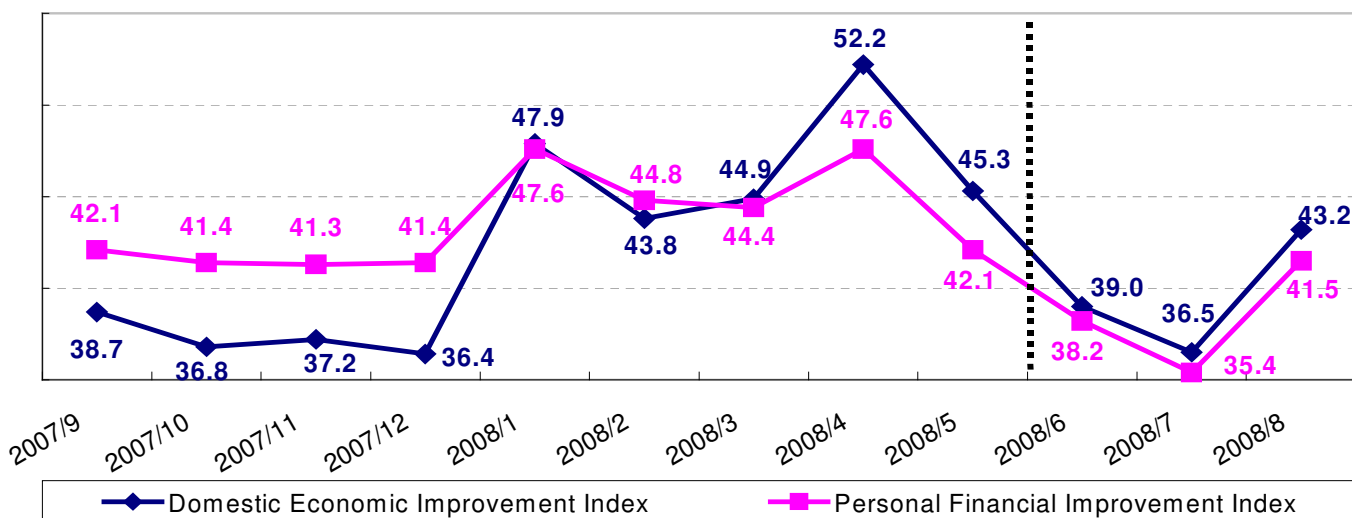
The index for current personal finance is at 28.9, staying at the bottom of the “losing some public approval” level. Meanwhile, the index for current domestic economy is at 14.0, staying in the “losing major public approval” level. Compared with last month, the index for current personal finance rises 1.5 point, and the index for current domestic economy gains 1.3 point. The indexes stay at a low point despite the domestic stock market is stabilizing, and the domestic oil price has been cut following decline in the crude oil price. The low indexes are a reflection of several elements: the price of essential goods has not dropped despite the price of international raw material is falling and inflation has been on hold; worries over the consequences of the U.S.

subprime mortgage problems and credit crisis have not gone away. These factors all make Taiwanese people have little confidence in and feel reserved about domestic economy and personal finance.



b. EOI this month: the index for judgment on improvement in domestic economy next month surges 6.7 points, and the index for judgment on improvement in personal finance next month rises 6.1 points.

The index for judgment on improvement in personal finance next month rises 6.1 points to 41.5, and the index for judgment on improvement in domestic economy next month surges 6.7 points to 43.2. The major gains in the two indexes result from the drop in the oil price and public expectation of decline in the price of essential goods. The domestic oil price has been made to fluctuate according to the crude oil price on a weekly basis, and it has been falling for two consecutive weeks, which make people feel less burdened financially. The government has repeatedly told the public that the price of international raw material has been falling, and Taiwanese people have come to expect a drop in the price of domestic essential goods. The drop in the price of various resources around the globe makes people feel more comfortable about their finance and domestic economy. The indexes are returning to the level right before the new administration took power. President Ma and his administration should pay attention to the rebound in public expectations and try to bolster people’s confidence in the economy by boosting domestic consumption.



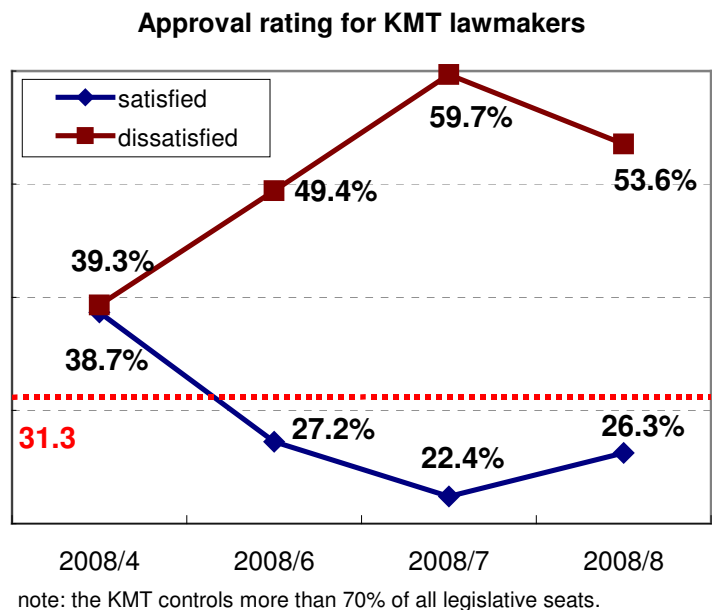
E. Miscellaneous issues this month

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 are asking TPMI interviewees' additional questions about their evaluations of the overall performances of President Ma and the KMT lawmakers, who control more than 70% of all legislative seats. The GVSRC will also ask for interviewees' take on the overall performances of the Cabinet in the last month of every season.

Further details about the evaluations of the overall performances of President Ma and his Cabinet can be found in *Global Views Monthly* September 2008. The results of the supplementary survey this month are as follows:

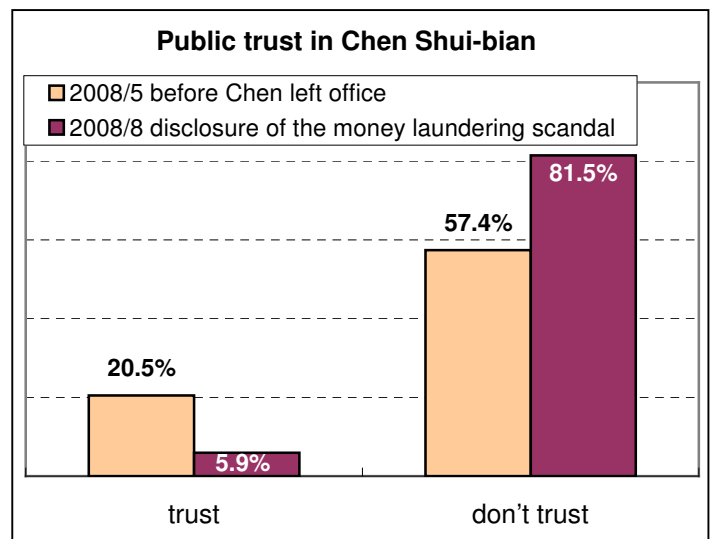
a. 26.3% of Taiwanese people are satisfied with the overall performances of the KMT lawmakers, while 53.6% are dissatisfied.

It has been almost eight months since the lawmakers in the current legislature took office, and the KMT controls over 70% of all seats. 53.6% of Taiwanese people, including 40.9% of government supporters, say they are dissatisfied with the overall performances of the KMT lawmakers in this month's survey. Among 53.6%, 28.6% say they are dissatisfied and 25.0% say they are very dissatisfied. Only 26.3% say they are satisfied, and the number is only half of those who are dissatisfied. Compared with last month's survey, the approval rating for the KMT lawmakers this month rises 3.9%, and the disapproval rating falls 6.1%. The 31.3 percent reference line in the graphic below comes from the 53.5% of all votes the KMT got during the legislative elections multiplying the 58.5% voter turnout.



b. 5.9% of Taiwanese people say they trust former President Chen Shui-bian, while 81.5% say they don't.

Before this month's survey was carried out, Chen was under investigation for whether he embezzled the presidential expense fund when it was revealed that many members in his family are allegedly involved in an overseas money laundering scandal. This case has created a great impact on the public and damaged Taiwan's image. The survey shows that 81.5% of Taiwanese people say they don't trust Chen, while 5.9% say they do. Compared with the

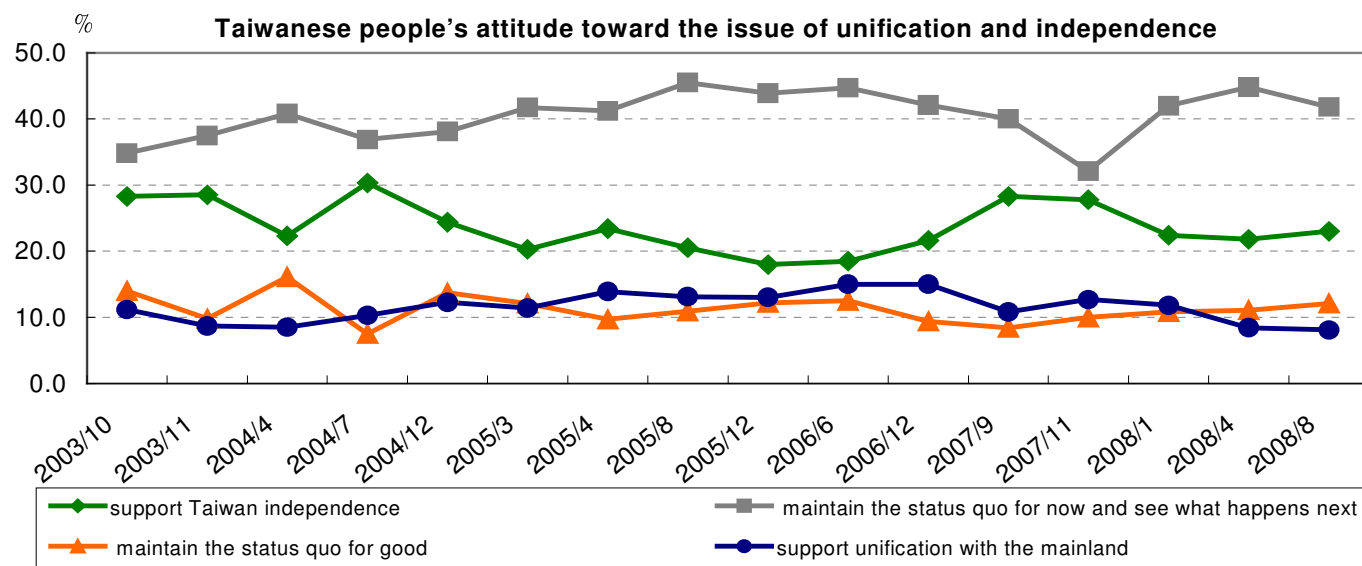


rate of trust for Chen in May 2008, right before he left office, there is a decrease of 14.6% this month in the number of people who trust him, and an increase of 24.1% in the number of people who don't. Among pan-green supporters, the percentage of people who do not trust him has surges from 22.1% to 74.0%.

On the eve of the power transfer in May 2008, the trust index for Chen was at 32.2, falling in the “losing some public approval” level. After the money laundering scandal was revealed, Chen’s trust index has plunged to 15.1, falling into the “losing major public approval” level. This shows that most people think that Chen no longer has any political credit.

c. Independence vs. unification with China: 23.0% of Taiwanese people support independence, 8.1% support unification, 12.1% support the status quo for good, and 41.8% support the status quo now and decision later.

The 2008 Beijing Olympic has grabbed the world’s attention, and the Chinese government hopes to demonstrate China’s power as it is rising on the world stage. Within this context, we are trying to investigate whether there is a shift in Taiwanese people’s stances on independence vs. unification with China. This month’s survey shows that 23.0% of Taiwanese people support independence with 16.3% saying they want it now and 6.7% saying later. 8.1% support unification with the mainland, with 3.8% saying they want it now and 4.3% saying later. 12.1% support the status quo for good, and 41.8% support the status quo now and see what happens next. 15.0% do not show a clear indication as to what they want for Taiwan’s future. Compared with past surveys, Taiwanese people’s stands on the independence/unification issue have not changed significantly due to the Beijing Olympics. Their stands remain more or less consistent with the longtime trend, and there is no fundamental shift.



Note: Data from 2003 to 2005 is from surveys conducted and published by the ERA Poll Center.

This survey was conducted by GVSRC from 6.20pm to 10.00pm on August 17-19, 2008. It is conducted with random-digit-dial sampling and computer-assisted telephone interviewing methods. 1001 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.