

FOR IMMEDIATE RELEASE
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<http://www.gvm.com.tw/gvsrc/eng/index.asp>
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GVSRC/Economic Daily News: TPMI Survey July 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.

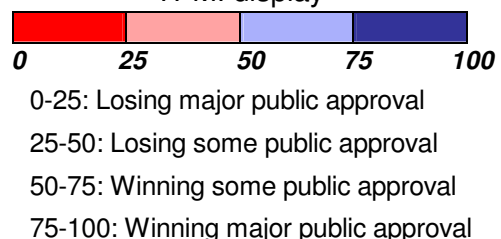
Following is the GVSRC's TPMI fundamental structure, and the survey result for July 2008:

 Taiwan Public Mood Index (TPMI) for July 2008 = 38.4	
Political Confidence Index (PCI) = 48.8	Economic Confidence Index (ECI) = 28.0
Ruling Side Trust Index (RSTI) = 46.4	Current Economic Situation Index (CESI) = 20.1
Trust Index for President Ma Ying-jeou 50.3	
Trust Index for Premier Liu Chao-shiuan 45.2	
Trust Index for the ruling party (KMT) 43.7	Current Domestic Economy Index 12.7
Political Optimism Index (POI) = 52.4	Current Personal Finance Index 27.4
Domestic Political Stability Outlook Index 44.4	Economic Optimism Index (EOI) = 36.0
Cross-Strait Relations Alleviation Outlook Index 60.3	Domestic Economic Improvement Index 36.5
	Personal Financial Improvement Index 35.4

(The following items are not included in PCI)

Opposition Side Trust Index (OSTI) = 47.1
Trust Index for Democratic Progressive Party (DPP) chairperson Tsai Ing-wen 54.8
Trust Index for the DPP 39.4

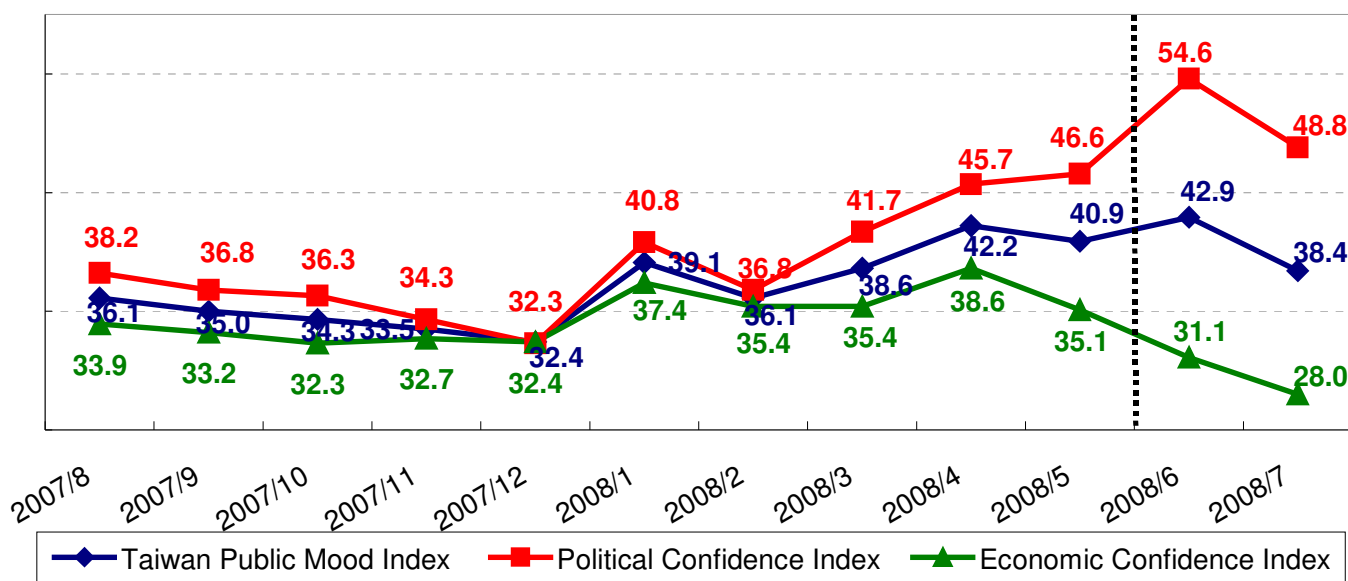
TPMI display



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 falls 4.5 points this month, as PCI suffers a sharp decline while ECI drops to a new record low.

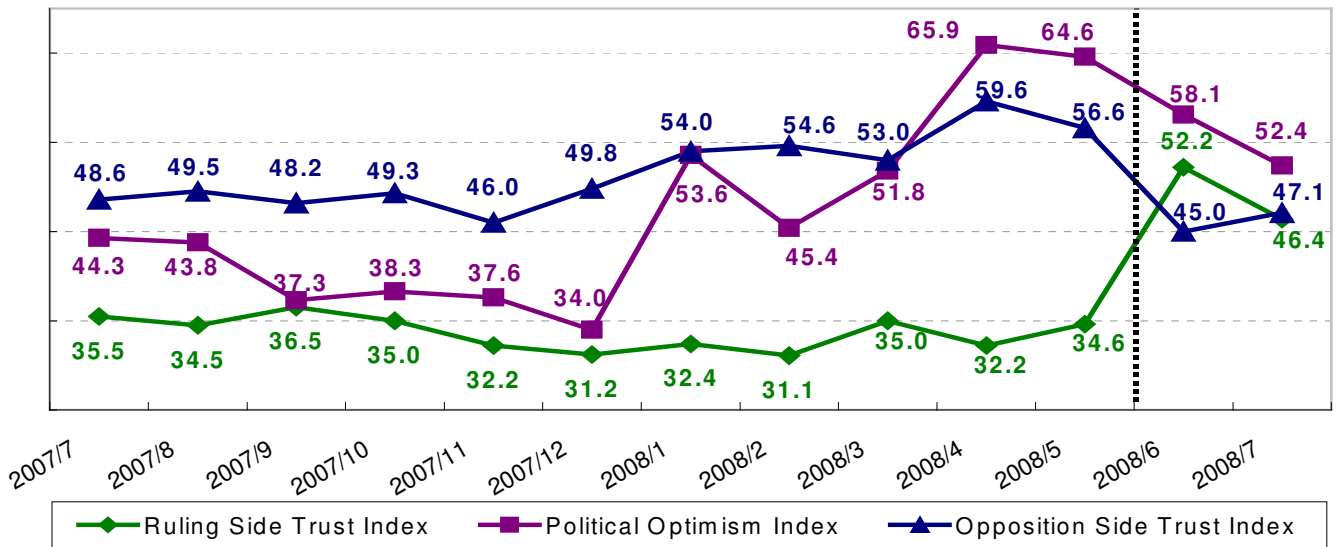
The TPMI survey this month was conducted two months after President Ma Ying-jeou was inaugurated. TPMI this month is at 38.4, PCI is at 48.8 and ECI at 28.0. Compared with last month, TPMI falls 4.5 points this month, as PCI drops 5.8 points, falling into the “losing some public approval” range. This shows that Taiwanese people are starting to feel slightly disappointed in the new administration following their high expectations for the power transfer. ECI falls 3.1 points this month to a new record low since the survey first started in June 2006. It is the first time the subindex falls below 30. Taiwanese people’s confidence in the economy has been dropping sharply for three consecutive months, and this is something the new government needs to take responsibilities for and treats seriously as a grave warning.



C. PCI this month: RSTI falls 5.8 points, while POI loses 5.7 points.

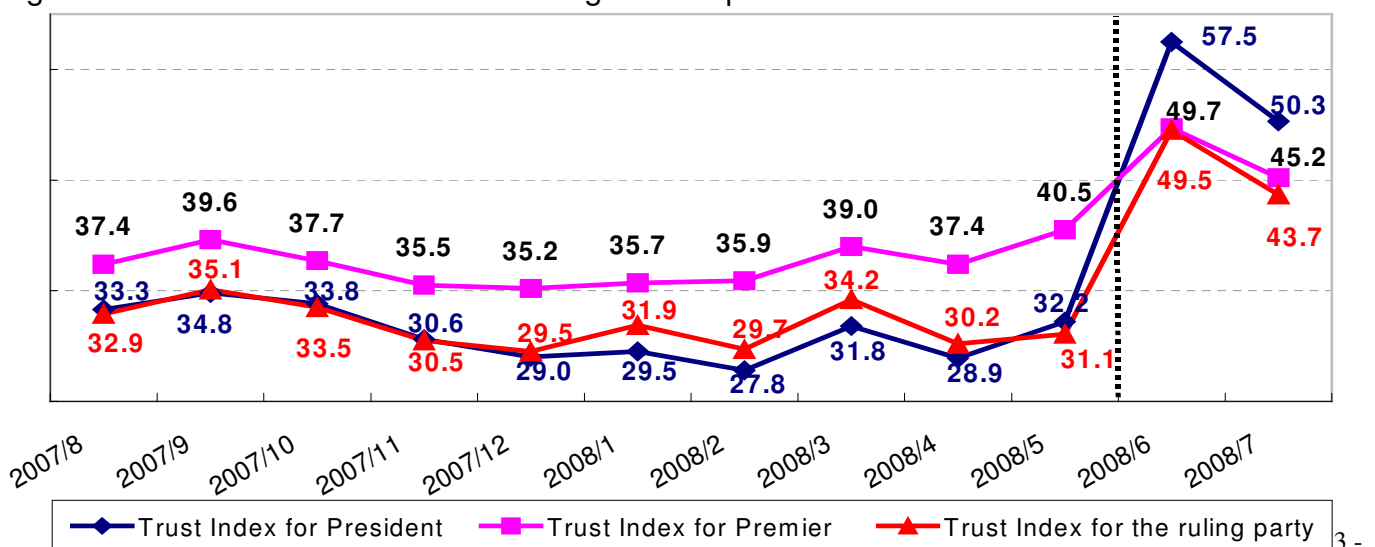
RSTI falls 5.8 points this month to 46.4, losing its positive evaluations from last month and falling into the “losing some public approval” range. Although the new government still retains better evaluations than the former Democratic Progressive Party administration, Taiwanese people are showing less confidence in the new government this month compared to last month. POI loses 5.7 points to 52.4 this month. Although POI is still staying in the “winning some public approval” range, it has been dropping for three consecutive months. Meanwhile, OSTI gains 2.1 points to 47.1 this month. What is noteworthy is that after the survey started in June 2006, the

former DPP administration never got a higher RSTI than the opposition KMT's OSTI, but now only two months after the power transfer, the DPP is earning a higher OSTI than the KMT's RSTI. It is clear that two months after Tsai Ing-wen became the DPP chairperson, she is offering Taiwanese people a new image for the DPP and helping the party recover from legislative and presidential defeats. DPP's rising index may also be boosted by the fact that in-party power struggles between former President Chen Shui-bian, former Vice President Annette Lu, former presidential candidate Frank Hsieh and Hsieh's running mate Su Tseng-chang have faded away.



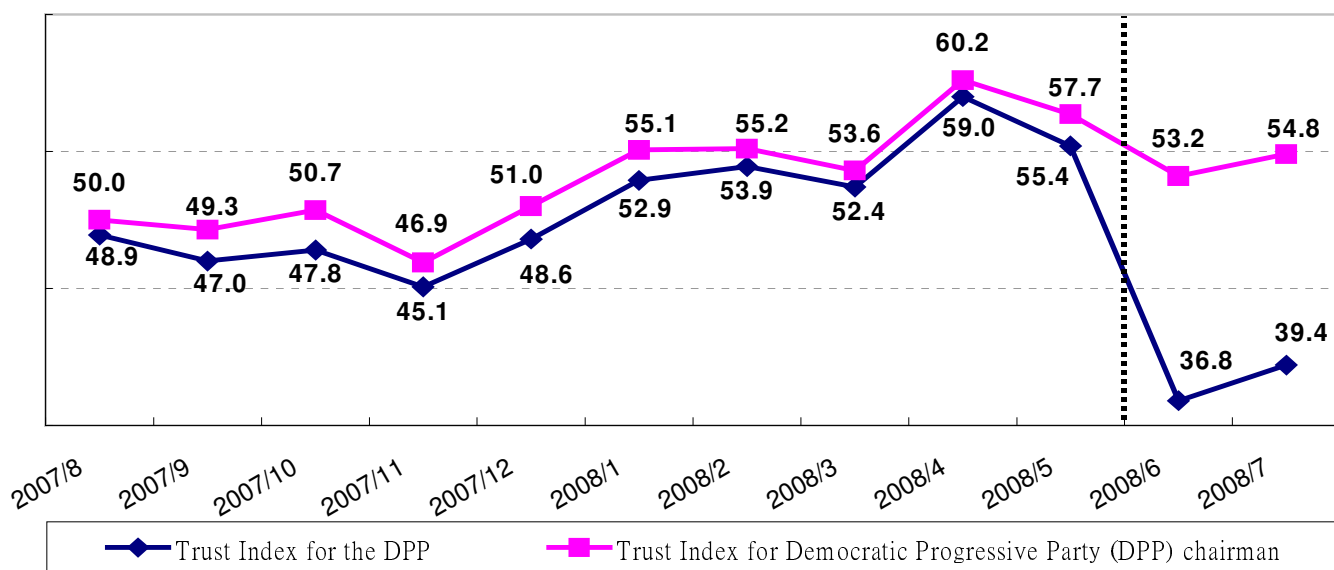
a. RSTI this month: the trust indexes for the president, the premier and the ruling party all fall sharply, with the presidential trust index suffering the biggest drop.

The trust index for President Ma Ying-jeou is at 50.3, the trust index for Premier Liu Chao-shiuan is at 45.2, and the trust index for the ruling KMT is at 43.7. Compared with last month, the presidential index suffers a 7.2 point fall, the biggest drop among all subindexes under RSTI. This shows that Taiwanese people's evaluations for Ma are turning from positive to neutral. The trust index for the premier loses 4.5 points, while the trust index for the KMT falls 5.8 points this month. The KMT managed to return to power because voters were unhappy about scandals in the previous administration and they hoped Ma can reform politics and boost domestic economy. Yet the significant fall in all RSTI subindexes shows that Taiwanese people think the administration and the party have not been up to par, despite the subindexes are still higher than what the DPP administration got in the past.



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

The trust index for the DPP is at 39.4, 2.6 points higher than last month. It still remains in the negative range and is 4.3 points lower than the trust index for the KMT this month. This gap between the DPP and the KMT, however, is the smallest ever since the survey started in June 2006. The trust index for DPP Chairperson Tsai Ing-wen rises 1.6 point to 54.8, higher than the trust indexes for the president and the premier. Tsai is especially popular with young and well-educated voters, as more than half of the 20 to 44-year-old crowd and people who have college or higher education say they trust her. This shows that over the past two months, Tsai's rational statements and acts as DPP chairperson have gradually earned public approval. This result will help Tsai consolidate her power and reshuffle personnel within the party.

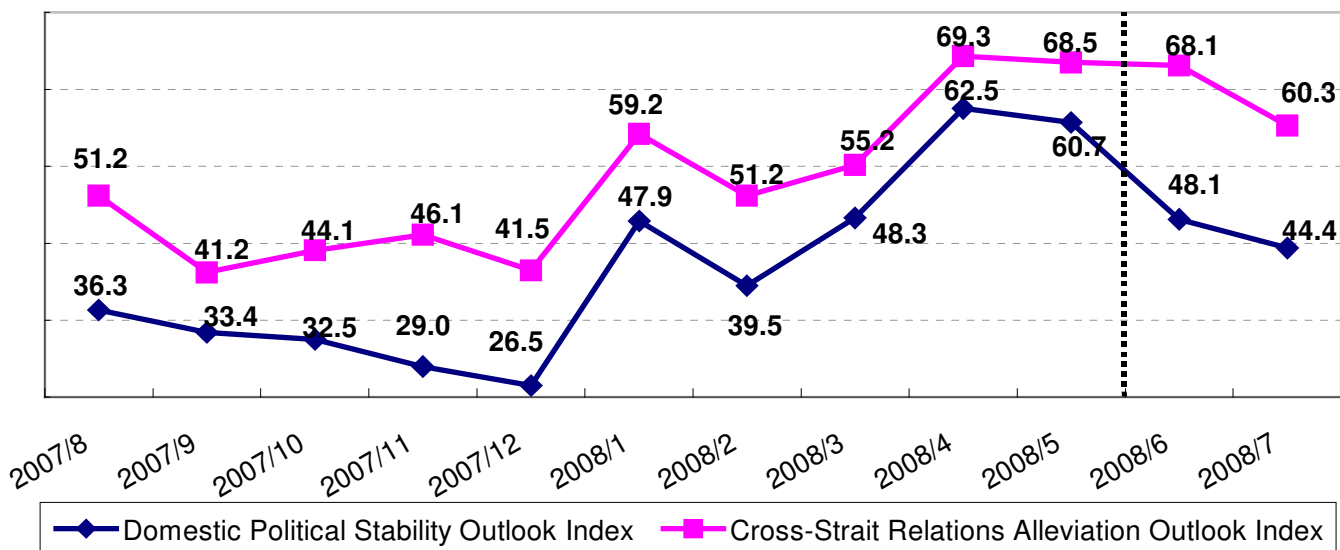


c. POI this month: Taiwanese people are cautiously optimistic about further alleviation of tension in cross-strait relations next month, while they are turning pessimistic about domestic political stability.

The index for public judgment on alleviation of tension in cross-Strait relations drops 7.8 points this month to 60.3. Taiwanese people still give the index positive evaluations because Ma has gradually implemented his cross-strait policies, including weekend charter flights, increasing number of mainland tourists and exchange between Taiwan and Chinese currencies. However, Taiwanese people think the mainland should adopt friendlier gestures toward the island as direct flights and cargo charter flights between the two sides are yet to be negotiated on. Further, China is limiting the number of visitors to Taiwan while trying to tamper with the island's name used in the Olympics. This is why Taiwanese people are being cautious in their optimism toward progress in cross-strait relations.

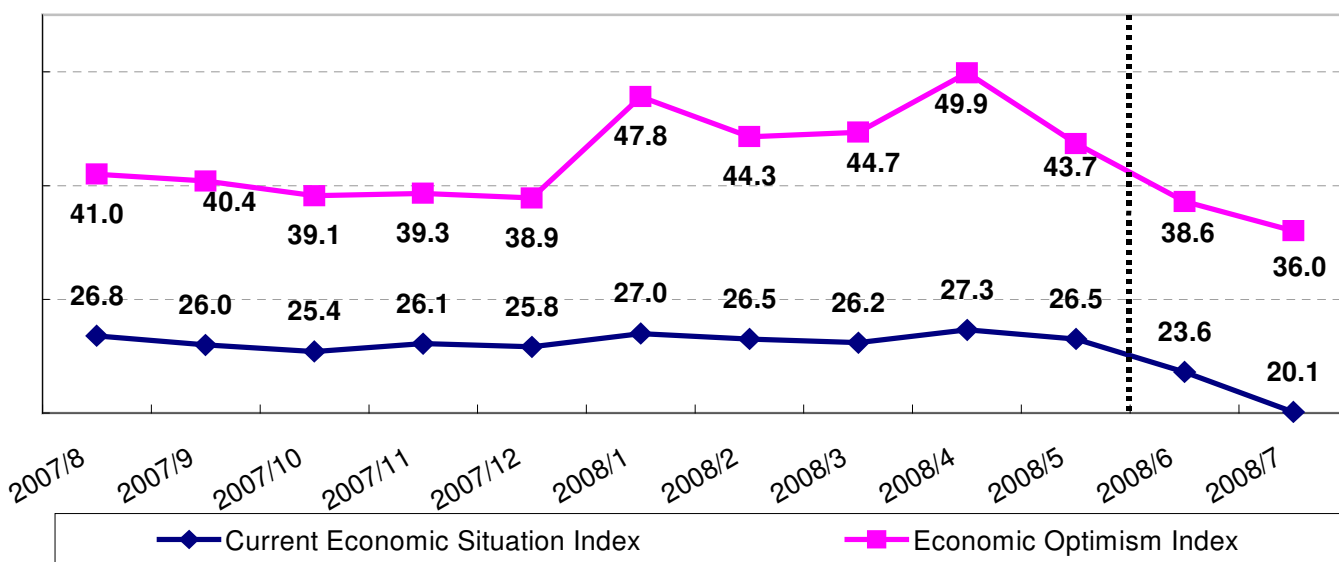
Meanwhile, the index for judgment on domestic political stability next month falls 3.7 points to 44.4 this month, staying in the negative range and showing Taiwanese people are feeling more pessimistic about politics. This may result from the president's failure to get the KMT lawmakers to approve all his nominees for the Examination Yuan and the Control Yuan. This shows that although the KMT enjoys total control over the administration and the legislature,

communications between the party and the government need to be improved. The KMT has also become the key to domestic political stability.



D. ECI this month: CESI loses 3.5 points, while EOI falls 2.6 points.

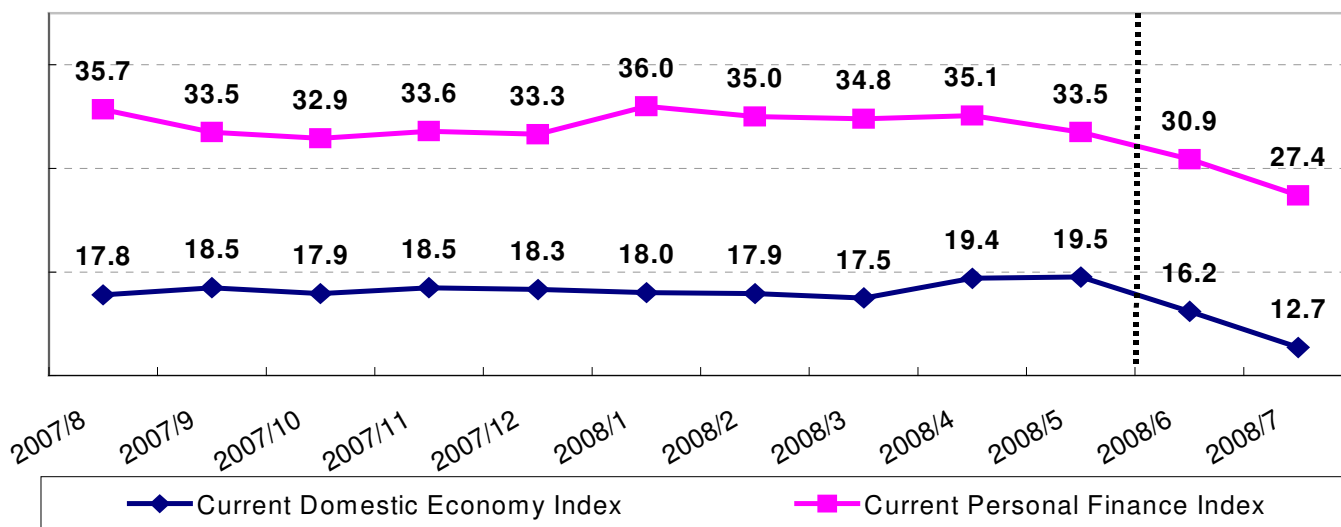
CESI falls 3.5 points to 20.1 this month, hitting a new record low since the survey started, while EOI falls 2.6 points to 36.0. It is clear that Taiwanese people are feeling even more pessimistic about current economic conditions than last month, as the CESI remains in the “losing major public approval” range. This shows that although Ma has won the presidential election with high expectations from the voters, and the KMT has come to enjoy total control over the administration and the legislature, the new administration’s efforts in response to challenges posed by sluggish global economies are yet to be approved by Taiwanese people.



a. CESI this month: the index for current personal finance and the index for current domestic economy both drop 3.5 points.

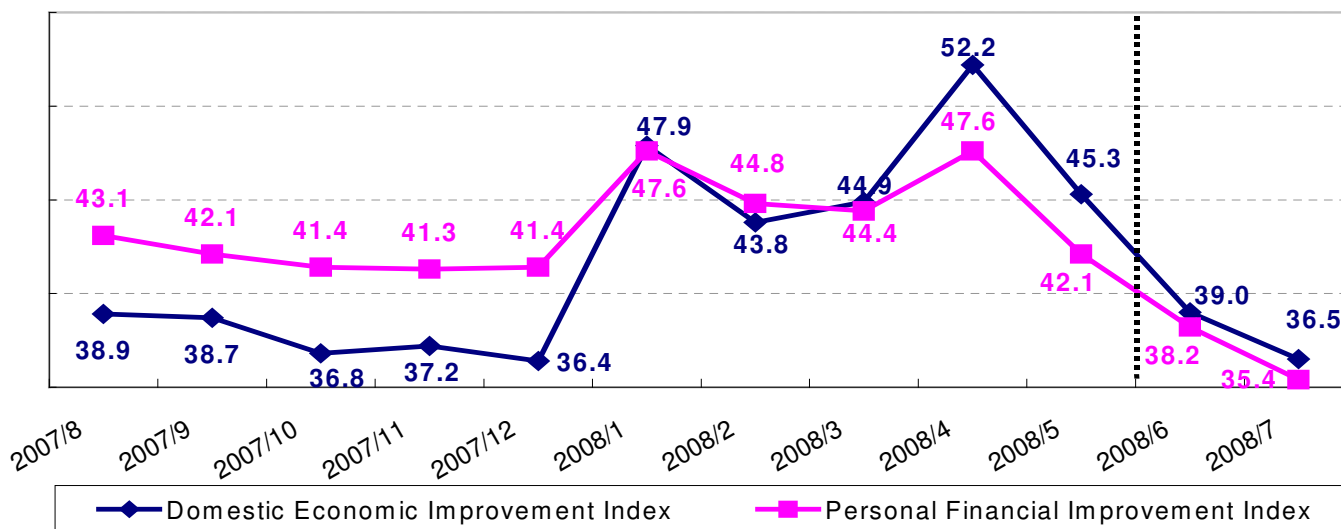
The index for current personal finance is at 27.4, and the index for current domestic economy is at 12.7. Both stay in the “losing major public approval” range. This shows that Taiwanese people are turning even more pessimistic about their financial conditions and domestic economy than before. Compared with last month, two subindexes equally fall 3.5 points, both hitting a new

record low since the survey started. Taiwanese people are feeling more and more pessimistic about domestic economy and personal financial conditions due to various factors: there is a continuing hike in the domestic oil and raw material prices, and there is a shortage of food; further, inflation is becoming a global issue, while U.S. subprime problems are driving Taiwan's stock market down.



b. EOI this month: the index for judgment on improvement in domestic economy next month falls 2.5 points, and the index for judgment on improvement in personal finance next month drops 2.8 points.

The index for judgment on improvement in personal finance next month loses 2.8 points to 35.4, hitting a record low since the survey started in June 2006. Meanwhile, the index for judgment on improvement in domestic economy next month drops 2.5 points to 36.5, falling to the level where it was at the end of last year when the DPP was still in power. It is clear that Taiwanese people's high hopes for the KMT to boost the island's economy are gone. The reason that both subindexes suffer a fall may be because there is a rise in the oil and electricity prices in July, and daily necessity goods remain expensive while there is even a possibility of a rise. Further, parents are expecting to pay their children's tuition fees in September. These conditions are making Taiwanese people feel more burdened financially and they are turning more pessimistic about the economy.



E. Miscellaneous issues this month

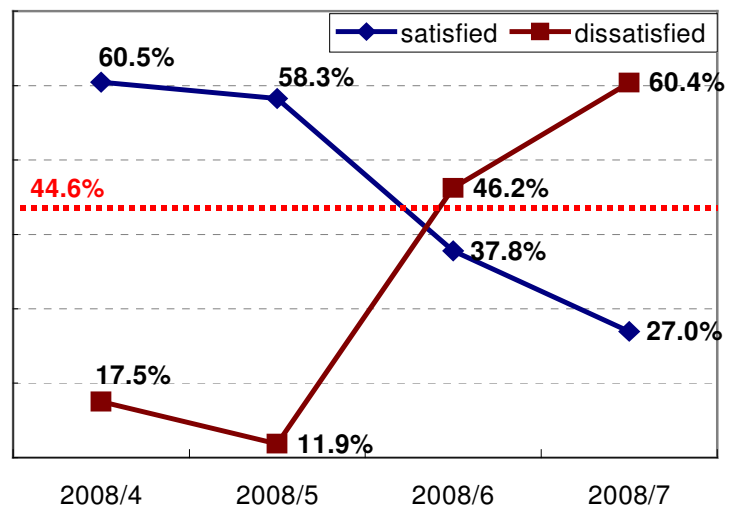
Taiwanese people have awarded the KMT both legislative and presidential victories in 2008. As President Ma Ying-jeou and his Cabinet will need to take the biggest responsibilities for Taiwan's developments in next four years, the GVSRC has decided to ask for interviewees' opinions on the overall performances 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 TPMI 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. 27.0% of Taiwanese people are satisfied with President Ma's overall performances in his first two months on job, while 60.4% are dissatisfied.

Over President Ma Ying-jeou's first two months on job, 27.0% of Taiwanese people are satisfied with his overall performances. Among the 27.0%, 4.0% are very satisfied, and 23.0% are satisfied. On the other hand, 60.4% are dissatisfied with his performances, with 30.1% being very dissatisfied and 30.3% dissatisfied. There is a gap of 33.4% between those who are dissatisfied and those who are satisfied. Compared with last

Approval rating for President Ma Ying-jeou

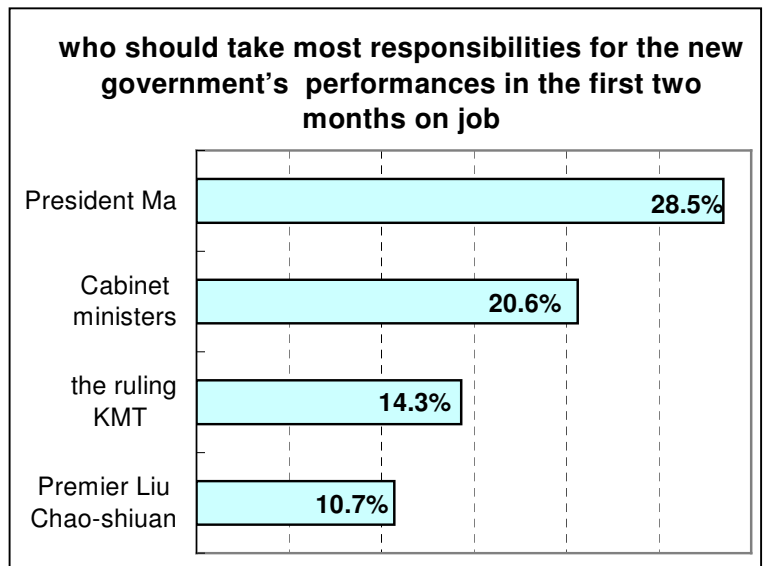


month, there is a 10.8% fall in the number of people who are satisfied, while there is a 14.2% increase in the number of those who are dissatisfied.

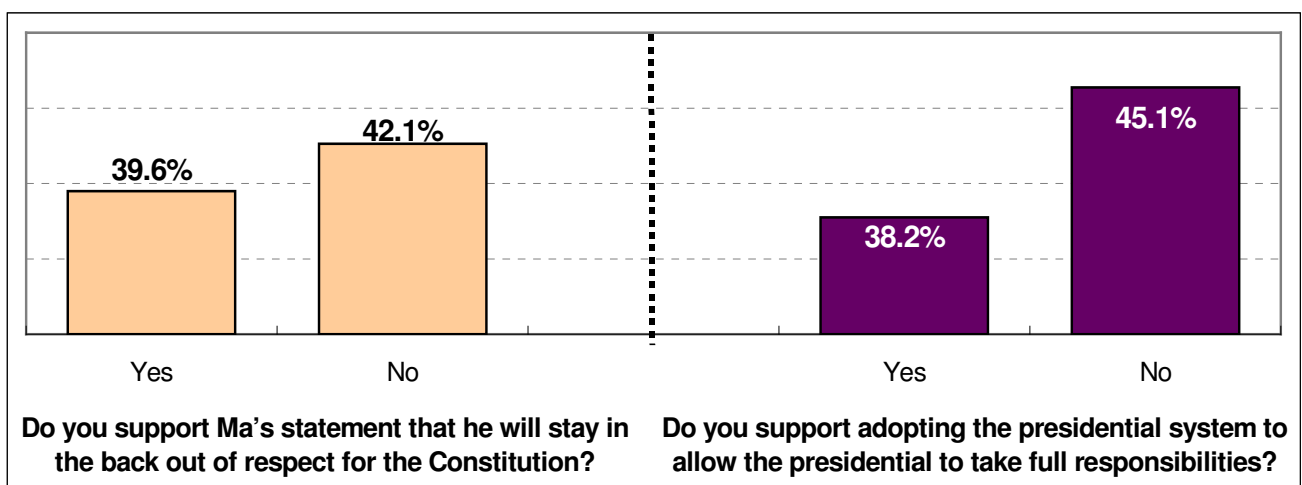
Compared the survey this month with the presidential poll results—Ma as 44.6% (Ma's 58.45% vote share multiply the 76.33% turnout), it is clear that the approval rating for Ma has suffered a sharp decline over a short period, despite there have not been major scandals in the new government. On the other hand, there are more people who trust Ma than those who do not. 46.2% of Taiwanese people say they trust Ma, while 38.5% say they don't. The drop in Ma's approval rating, therefore, may be due to Taiwanese people's dissatisfaction with the new administration's performances over the past two months as it has failed to improve domestic economy immediately. Taiwanese people originally had high hopes for the new government, and their expectations were further boosted by Ma's nomination of Vincent Siew, widely considered to be an expert on economic issues, to be his vice president.

When asked about who should take most responsibilities for the new government's performances in the first two months on job, 28.5% of Taiwanese people say Ma, 20.6% say the

Cabinet ministers, 14.3% say the ruling KMT, and 10.7% say the premier. Cross-tabular analysis of the survey data shows that pan-blue supporters mainly blame the Cabinet ministers, with 34.7% saying so. Meanwhile, pan-green supporters mainly blame Ma, with 45.8% saying so. When asked about whether Ma should remove the premier, 55.9% of Taiwanese people say there is no need while 21.5% say otherwise. Meanwhile, pan-green supporters are split about the issue.



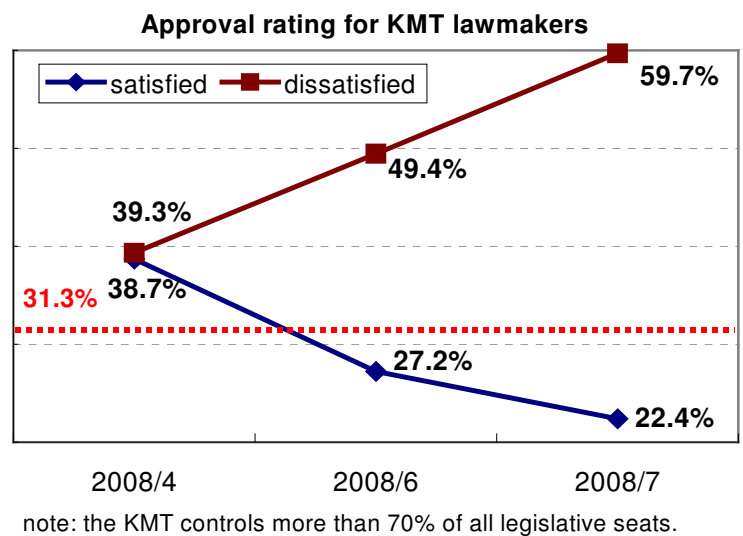
When asked whether they agree with Ma's statement that the Constitution stipulates the president should supervise the Cabinet and implement his policies through the Cabinet, so he is not stationing out on the frontline but instead staying in the back out of respect for the Constitution, 39.6% of Taiwanese people say they support Ma's decision, with 22.0% of pan-green supporters saying so. 42.1% say they do not support the decision. It is clear that Taiwanese people are split about the issue. When asked about whether they agree to amend the Constitution to adopt the presidential system and allow the president to take full responsibilities on the frontline, 38.2% of Taiwanese people say they support the idea, while 45.1% say they don't. It is clear that Taiwanese people are also split about this issue. Perhaps Taiwanese think the person who gets elected as the president should take responsibilities, yet they also don't want a presidential system that could produce a strong man. A consensus on what political system Taiwan should adopt is yet to be reached among Taiwanese people.



b. 22.4% of Taiwanese people are satisfied with the overall performances of the KMT lawmakers, while 59.7% are dissatisfied.

The lawmakers in the current legislature have been on job for six months, and the KMT lawmakers control over 70% of all seats. However, 59.7% of Taiwanese people, including 48.3%

of pan-blue supporters, say they are dissatisfied with the overall performances of the KMT lawmakers. Among 59.7%, 24.5% say they are dissatisfied and 35.2% say they are very dissatisfied. Only 22.4% say they are satisfied. Compared with last month's survey, the approval rating for the KMT lawmakers this month drops 4.8%, and the disapproval rating increases 10.3%. The current legislature has been conditioned to operate more effectively than past ones as the lawmakers were elected with the single-member districts and two-vote system, and the term of the lawmakers has been extended to four years. Further, the number of legislative seats has been cut in half, and the KMT controls over 70% of all seats. With the poor performances from the KMT lawmakers, however, they have disappointed their supporters and angered most Taiwanese people with their inefficiency in reviewing bills. The KMT cannot shift the blame to others, and it should reflect on the problem seriously.



This survey was conducted by GVSRC from 6.20pm to 10.00pm on July 15-17, 2008. It is conducted with random-digit-dial sampling and computer-assisted telephone interviewing methods. 1009 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.