



Taiwan's Economic and Political Outlook: One Year of Unified Government in Taiwan

**Presented by Ross Darrell Feingold to the
Taiwan Business Leaders Forum**

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Personnel & Policy Developments

- Falling support for President Tsai:



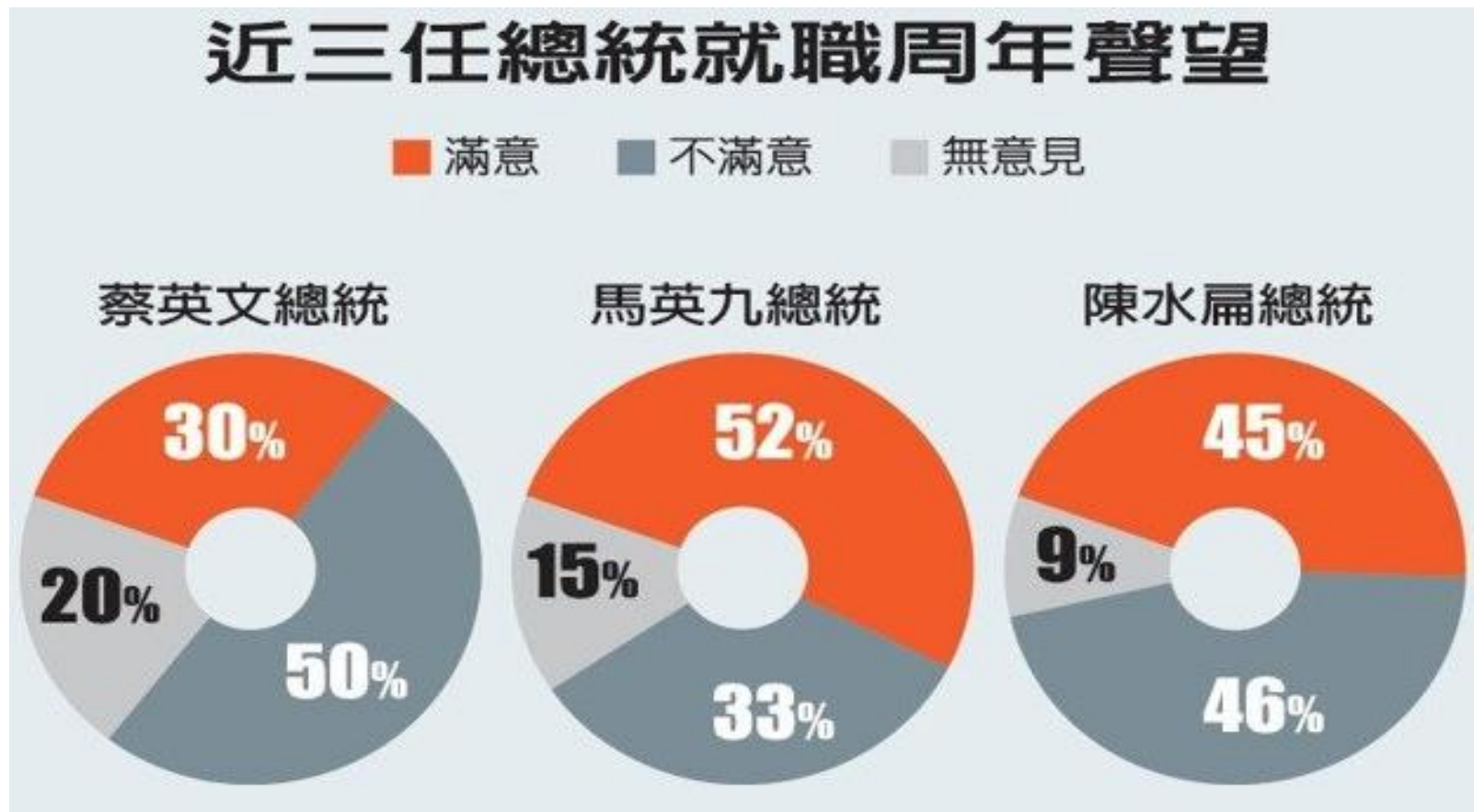
Personnel & Policy Developments

- Falling support for cabinet:



Personnel & Policy Developments

- Tsai's approval lower than presidents Ma and Chen at one year anniversary:



Personnel & Policy Developments

- Unknown if public will be impressed by Forward Looking Infrastructure plan.
- Is public losing patience with transitional justice rather than economy focus.
 - Marriage equality (constitutional court decision on 24-May).
 - Judicial reform: Judge appointment proposal controversy.
 - Pension reform: Unresolved.
- Business environment issues: Uber returns.

Personnel & Policy Developments

- Visitors to Taiwan in the first quarter of 2017 fell 9.99% year-on-year.
 - PRC: Down 41.92% y-o-y.
 - Hong Kong & Macau: Down 8.18% y-o-y.
 - Japan: Up 0.11% y-o-y.
 - South Korea: Up 34.48% y-o-y.
- Food safety.
- Demand for referendum law changes.

Personnel & Policy Developments

- Defense:
 - Internal: Information security.
 - External: US weapons sales, China.
- DPP internal politics:
 - Leadership infighting.
 - Legislator, ministers inconsistent messaging on key policies.
 - 2018 candidates, Taipei City.
- KMT chair election on 20-May.

Cross Straits Relations

- Taiwan missing from Belt and Road.
- China new united front policy to focus on youth and channels separate from DPP, KMT and government.
- Communication channels remain closed.
- New Hong Kong chief executive Carrie Lam unlikely to improve relations with Taiwan.
- Extraditions, int'l orgs, university games.
- Trump-Xi summit outcomes for Taiwan.

Taiwan – U.S. Relations

- Possible outcomes for Taiwan are both negative and positive for Taiwan.
- Tsai & Trump Reuters interviews: Teleconferences, F-35 request.
- Taiwan must understand personnel in the Trump Administration and Congress as well as potential US policies that impact Taiwan:
 - New USTR.
 - Currency manipulation report on Taiwan.
 - Destination-based cash flow tax.

Taiwan – Japan Relations

- Abe's focus on Asean, China, DPRK.
- Participation in Belt and Road vs. closer relations with Taiwan.
- Remains to be seen if name change for the organization that handles bilateral relations is optical or substantive.
- Fisheries meeting: No common ground on Okinotori, Diaoyutai.
- Fukushima food: Unresolved.

Taiwan – Foreign Relations

- South Korea: Internal politics, DPRK divert attention from Taiwan and Asean.
- China's efforts to isolate Taiwan from Asean continue :
 - Asean members Belt and Road participation.
 - Vietnam friendship statement.
- International community efforts for Taiwan's World Health Assembly participation.

Key Political Figures



Tsai Ing-wen



Lin Chuan



Xi Jinping



Donald Trump



Shinzo Abe



Lee Hsien-loong

Key Political Figures



Freddy Lim



Su Chia-chyuan



Wellington Koo



Feng Shih-kuan



Hung Hsiu-chu



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