



# **A new President and Legislative Yuan: The results of the January elections will change Taiwan**

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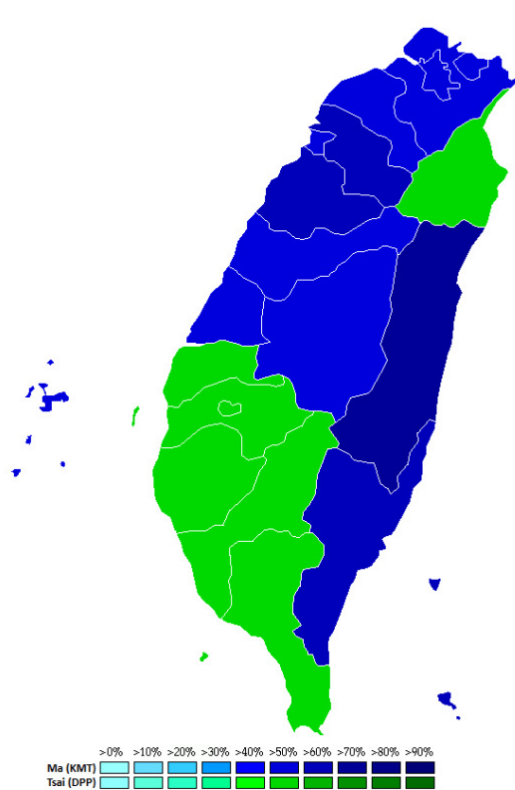
**Presented by Ross Darrell Feingold to the  
Taiwan Business Leaders' Forum**

**25 November 2015**

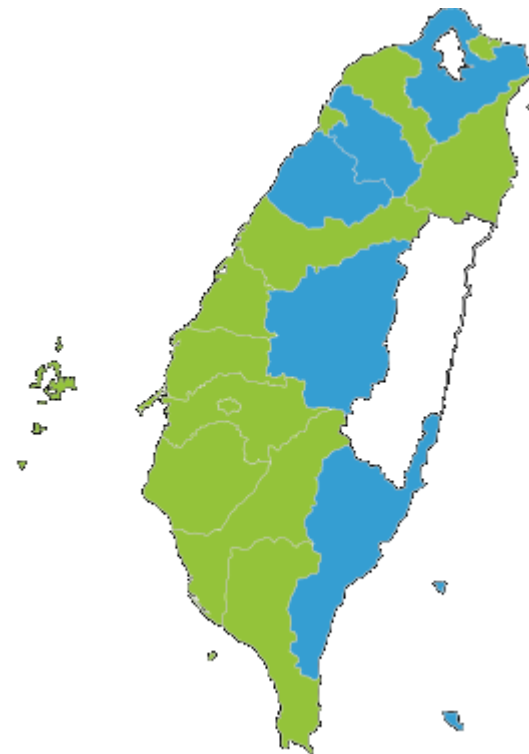
# Recent Political Events

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- November 2014 local elections: DPP, independents win big



2012 Presidential Election



2014 Local Elections

# Recent Political Events

## Local & presidential election correlation: 2012 vs. 2009 & 2010 Local Elections

	2012 Presidential					2009, 2010 City Mayor & County Executive				
	Ma-Wu		Tsai-Su		KMT-DPP %	KMT		DPP		KMT-DPP %
	Votes	%	Votes	%		Votes	%	Votes	%	
	6,891,139	51.60	6,093,578	45.63		5,463,570	45.75	5,755,079	48.19	
Taipei City	928,717	57.87	634,565	39.54	+18.33	797,865	55.65	628,129	43.81	+11.84
New Taipei	1,245,673	53.73	1,007,551	43.46	+10.27	1,115,536	52.61	1,004,692	47.39	+5.22
Keelung	128,294	59.29	79,562	36.77	+22.52	86,001	55.11	65,673	42.08	+13.03
Taoyuan	639,151	57.2	445,308	39.85	+17.35	396,237	52.22	346,678	45.69	+6.53
Hsinchu County	190,797	65.76	89,741	30.93	+34.83	97,151	38.49	77,126	30.55	+7.94
Hsinchu City	134,728	57.43	92,632	39.49	+17.94	92,667	55.63	68,882	41.32	+14.31
Miaoli	206,200	63.85	107,164	33.18	+30.67	181,256	63.79	95,469	33.6	+30.19
Taichung	792,334	52.16	678,736	44.68	+7.48	730,284	51.12	698,358	48.88	+2.24
Changhua	369,968	50.58	340,069	46.49	+4.09	346,644	54.86	275,850	43.65	+11.21
Nantou	158,703	54.63	123,077	42.37	+12.26	136,951	50.87	107,023	39.75	+11.12
Yunlin	159,891	41.67	214,141	55.81	-14.14	121,832	34.63	229,958	65.37	-30.74
Chiayi County	120,946	39.04	181,463	58.58	-18.94	128,973	40.67	177,333	55.92	-15.25
Chiayi City	69,535	46.27	76,711	51.04	-5.37	69,962	53.31	61,268	46.69	+6.62
Tainan	435,274	39.8	631,232	57.72	-17.92	406,196	39.59	619,897	60.41	-20.82
Kaohsiung	730,461	44.19	883,158	53.42	-9.23	319,171	20.52	821,089	52.8	-32.28
Pingtung	211,571	42.93	271,722	55.13	-12.2	185,384	40.67	270,402	59.33	-18.66
Yilan	115,496	44.89	135,156	52.53	-7.64	112,497	45.74	133,440	54.26	-8.62
Hualien	118,815	70.3	43,845	25.94	+44.36	38,603	25.44	0		+25.44
Taitung	72,823	66.47	33,417	30.5	+35.97	56,354	52.59	50,802	47.41	+5.18
Penghu	22,579	49.76	20,717	45.65	+4.11	22,664	49.37	22,069	48.07	+1.3
Kinmen	34,676	89.24	3,193	8.22	+81.02	14,269	37.28	0		+37.28
Lienchiang	4,507	86.61	418	8.03	+8.58	5,404	98.58	0		+98.58

Source: Central Election Commission, National Policy Foundation

# Recent Political Events

## Local & presidential election correlation: 2012 vs. 2014 Local Elections

	2012 Presidential					2014 City Mayor & County Executive				
	Ma-Wu		Tsai-Su		KMT-DPP %	KMT		DPP		KMT-DPP %
	Votes	%	Votes	%		Votes	%	Votes	%	
	6,891,139	51.60	6,093,578	45.63						
Taipei City	928,717	57.87	634,565	39.54	+18.33	609,932	40.82	853,983	57.15	-16.33
New Taipei	1,245,673	53.73	1,007,551	43.46	+10.27	959,302	50.06	934,774	48.78	+1.28
Keelung	128,294	59.29	79,562	36.77	+22.52	83,112	43.72	101,010	53.15	-9.43
Taoyuan	639,151	57.2	445,308	39.85	+17.35	463,133	47.96	492,414	51.00	-3.04
Hsinchu County	190,797	65.76	89,741	30.93	+34.83	124,309	46.94	118,698	44.82	+2.12
Hsinchu City	134,728	57.43	92,632	39.49	+17.94	75,564	37.85	117,058	58.52	-20.67
Miaoli	206,200	63.85	107,164	33.18	+30.67	207,903	65.55	89,838	28.37	+37.18
Taichung	792,334	52.16	678,736	44.68	+7.48	637,531	42.93	847,284	57.06	-14.13
Changhua	369,968	50.58	340,069	46.49	+4.09	284,738	39.57	386,405	53.71	-14.14
Nantou	158,703	54.63	123,077	42.37	+12.26	149,361	50.96	143,719	49.03	+1.93
Yunlin	159,891	41.67	214,141	55.81	-14.14	175,862	43.02	232,900	56.97	-13.95
Chiayi County	120,946	39.04	181,463	58.58	-18.94	104,488	34.08	193,399	63.09	-29.01
Chiayi City	69,535	46.27	76,711	51.04	-5.37	66,108	45.49	74,698	51.40	-5.91
Tainan	435,274	39.8	631,232	57.72	-17.92	264,536	27.10	711,557	72.89	-45.79
Kaohsiung	730,461	44.19	883,158	53.42	-9.23	450,647	30.89	993,300	68.08	-37.19
Pingtung	211,571	42.93	271,722	55.13	-12.2	182,027	37.07	308,953	62.92	-25.85
Yilan	115,496	44.89	135,156	52.53	-7.64	90,320	36.04	160,253	63.95	-27.91
Hualien	118,815	70.3	43,845	25.94	+44.36	132,552	84.13			+84.13
Taitung	72,823	66.47	33,417	30.5	+35.97	64,272	54.40	53,860	45.59	+8.81
Penghu	22,579	49.76	20,717	45.65	+4.11	23,533	44.65	29,164	55.34	-10.69
Kinmen	34,676	89.24	3,193	8.22	+81.02	39,111	86.10			+86.10
Lienchiang	4,507	86.61	418	8.03	+8.58	6,619	99.99			+99.99

Source: Central Election Commission, National Policy Foundation

## Recent Political Events

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- **Tsai Ing-wen continues to lead in public opinion polls**
  - Tsai's current control of the party apparatus is firm
- **Legislative Yuan election victory is crucial to both parties**
  - Third party candidates impact will be limited
  - Speaker Wang Jyn-ping continues to play a unique role
- **Public anger at politicians' performance**
  - Competence in government and policy making
  - Economy
  - Cross-straits attitudes, agreements
- **Reliability of polls**
- **Candidate scandals**
- **2014 Sunflower Movement**
- **Publicly the US is not taking sides**
  - Tsai's visit to the US in June 2015 was largely a non-event
  - Avoided the problems of her September 2011 visit

## Recent Political Events

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**Ma Ying-jeou**



**Tsai Ing-wen**



**Eric Chu**



**Wang Jin-pyng**



**Civil Society Leaders**



**Chen Shui-bian**

# Things to Watch in 2016 - DPP

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## ■ Mainland policy

- Services agreement, trade in goods agreement, tourists, flights, name issues, AIIB
- Visa free entry for Taiwan travelers to mainland
- 1992 Consensus, Status Quo

## ■ Economic policy

- Tax, labor laws, trade agreements (TPP, RCEP)
- Focus on disadvantaged, but to what advantage
- Deregulation & unilateral initiatives

## ■ Education policy

- Curriculum other than history

## ■ Constitutional reforms

- Parliamentary system

## ■ Tsai running mate & team

- Weak running mate performance in 2012; Chen Chien-jen known for SARS work
- No shadow cabinet
- Weak DPP governance team from 2000 to 2008

## Things to Watch in 2016 - KMT

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- **Late change in candidate, can Chu be competitive?**
- **Grassroots – party headquarters relations still sour**
- **Mainland policy**
  - One China, Too Many Interpretations
- **Economic policy**
  - Tax, labor laws, trade agreements (TPP, RCEP)
  - Deregulation & unilateral initiatives
- **Education policy**
- **Constitutional reforms**
  - Chu has also spoken favorably for a parliamentary system
- **Loyal opposition**
  - Past experience indicates legislative gridlock
- **Infighting after election, but it will survive.**
- **Is there a next generation?**



# Things to Watch in 2016 – Political & Economic Environment

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- **Long transition from election to taking office**
- **Is Taiwan open or closed for business**
  - Do battles against local and foreign corporates continue
  - Repeated pattern of foreign/mainland/Hong Kong takeovers that are rejected or permanently delayed
  - Infrastructure project delays (Aerotropolis, integrated resorts, nuclear plant)
- **Local corporates**
  - Tsai is meeting business leaders, but policy concerns unresolved
- **Multinational corporates who do business in Taiwan**
  - Multinational company exits in several sectors in favor of local operators
- **Foreign institutional investors**
- **External economic factors**
  - Global economy / falling exports
  - Trade agreements proceed without Taiwan
  - Inbound tourism from mainland

# Things to Watch in 2016 - Foreign Relations

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## ■ United States

- TPP support
- Weapons sales

## ■ Hong Kong

- Can recent progress in bilateral relations continue
- Will civil society cooperation impact relations

## ■ Japan

- Tsai Ing-wen Japan trip in October
- Friend or foe

## ■ Korea

- RCEP, TPP priority over Taiwan

## ■ Asean & India

- Go south and southeast (again)
- South China Seas

## ■ European Union

- FTA or other agreements

## Things to Watch in 2016 - Cross Straits Relations

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- **Mainland response to election and impact of Ma-Xi Summit**
- **Structure for future meetings difficult for Tsai to accept**
- **Public opinion in Taiwan mixed**
  - Word games, incentives (AIB, international space), wait-and-see
- **Winners & Losers**
  - Tsai/DPP, Ma, USA, Philippines, Taiwan voters, Hong Kong, Taiwan corporates
- **Worst case post-election scenarios**