



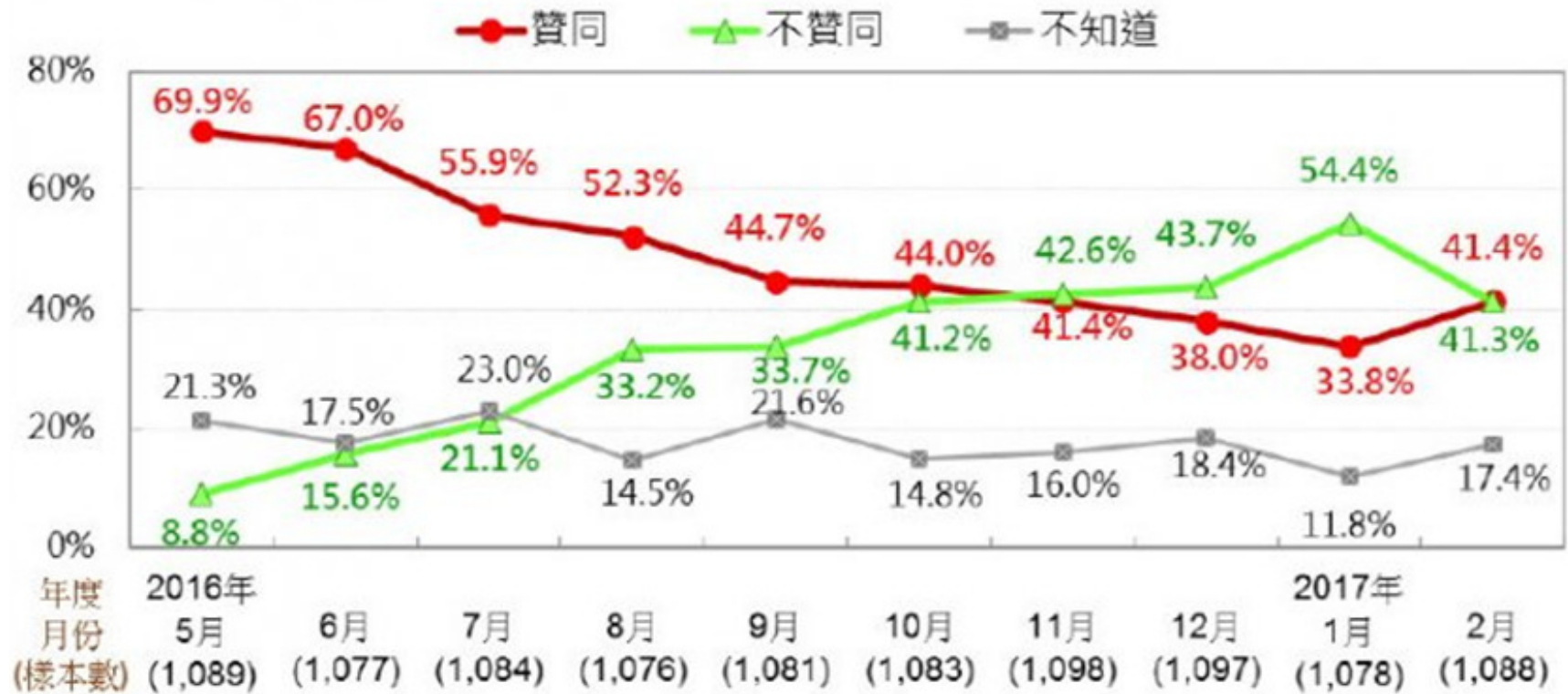
Taiwan's Economic and Political Outlook: New Year, Same Fears

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

23 February 2017

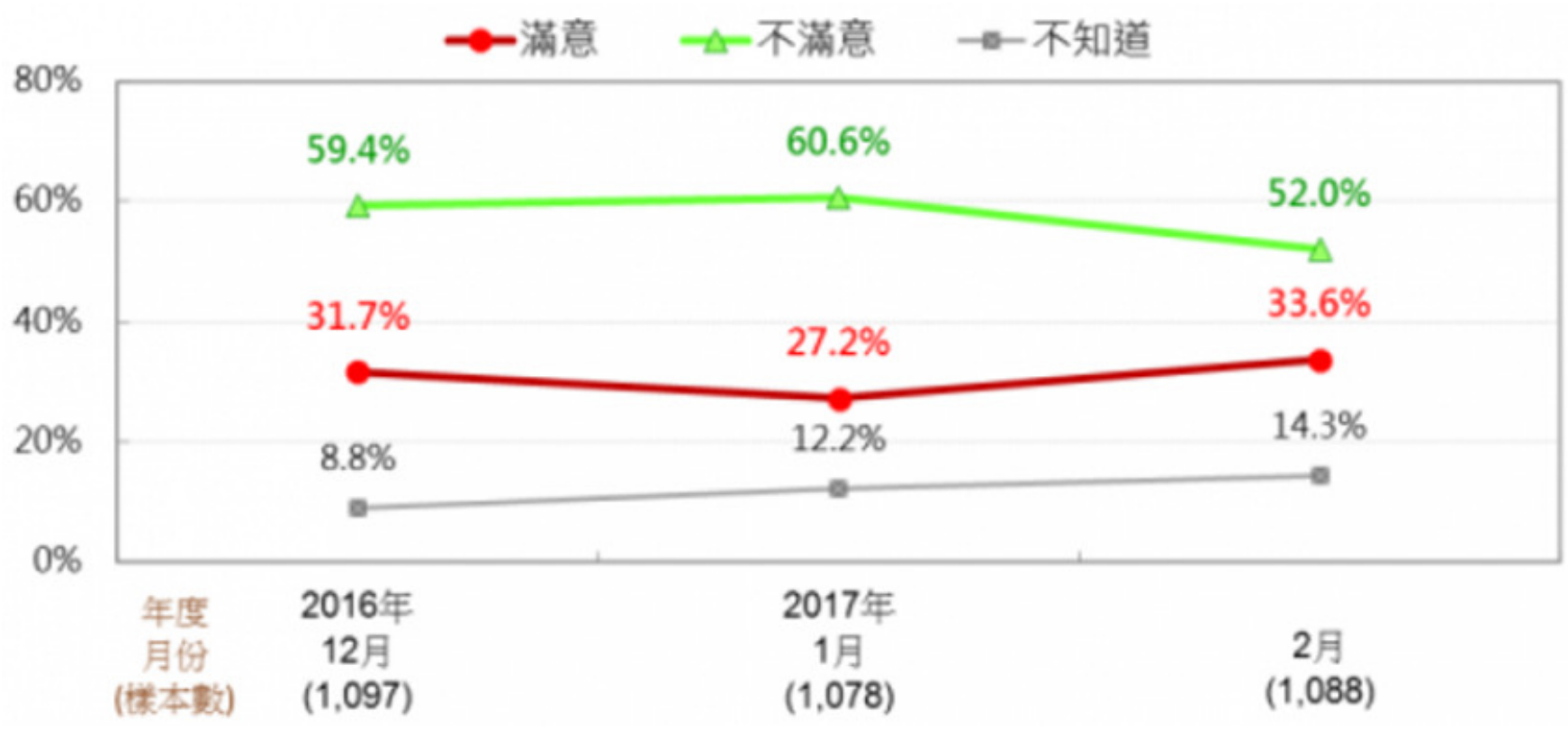
Personnel & Policy Developments

- Falling support for President Tsai:



Personnel & Policy Developments

- Falling support for cabinet:



Personnel & Policy Developments

- Cabinet changes:
 - Agri: Bird flu, Taipei sales company.
 - Health: Fukushima food, elder care.
 - Labor: Holiday schedule.
 - Tech: TSMC investment leak, plagiarism.
- Unknown if cabinet re-org will impact public perceptions about policy making.
- Transport Minister likely to be next.
- More prominent ministers unchanged.

Personnel & Policy Developments

- Is public losing patience with transitional justice rather than economy focus.
 - Party assets dispute litigation loss.
 - Party assets dispute search extended to NGOs including blood transfusion, womens organizations.
 - Marriage equality mis-managed.
 - Judicial reform, pension system.
- Business environment: Labor, Uber, CNS.
- Local election strategy dominates 2H2017.

Cross Straits Relations

- Communication channels remain closed.
- New Tsai policy this year; China unlikely to change views amid party congress.
- Criminal repatriation issue unresolved.
- United Front tactics increasing: Retired military officers, pressure on corporates.
- Military exercises around periphery of Taiwan as well as in South China Sea.

Taiwan – U.S. Relations

- Possible outcomes under Trump can be negative and positive for Taiwan.
- Tillerson confirmation hearing reiterates previous US policies.
- Trump-Xi teleconference: One China policy vs One China principle.
- Taiwan must understand personnel in the Trump Administration and Congress.
- Many positions in US government yet to be filled.

Taiwan – Japan Relations

- Abe's focus on Asean, China, DPRK could expand post-US election.
- Change in office name more an optical gesture than a change in substantive relations.
- No common ground on Diaoyutai amid South China Sea dispute and public expectations in Taiwan for robust response.
- Representative Hsieh's family problems divert attention from work.

Taiwan – Foreign Relations

- Taiwan's increasing isolation in Asia:
 - Malaysia, Philippines, Singapore, Thailand continue shift towards China or are under pressure to do so.
- President Tsai latest speech on foreign policy yesterday emphasized supporting industry, despite previous claims Southbound policy focus was on soft power objectives.
- LY delegation to India: Result unknown.

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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