

Press Release:

Taiwan Consumer Expectations and Policy Response Survey

Inflation expectations are an important factor influencing prices. Since October 2023, Academia Sinica's Macroeconomic Forecasting Team has conducted the semiannual pilot "Taiwan Consumer Expectations and Policy Response Survey" to assess consumers' views on inflation. Because CPI movements often differ from perceived price changes, the survey also examines expectations regarding living-cost increases. The latest survey was conducted from October 2 to 18, 2025.

Cost-of-Living Expectations

Consumers expect overall living costs to rise by 8.9% over the next year, down from 11.3% a year earlier. Expected increases in transportation and energy expenses (15.1%) and food spending (12.3%) remain elevated, supported by dining-out CPI inflation staying above 3% for a full year. By contrast, expected growth in housing-related expenses has eased to 2.6%, compared with 4.4% in the previous survey, indicating a moderation in housing-cost pressures.

Inflation Expectations

About 86% of consumers expect CPI inflation to increase over the next year. However, the share anticipating a rise of more than 2% has fallen from 78.1% to 56.8%, and the median expected one-year inflation rate has declined from 3.0% to 2.5%. With Brent crude prices falling from USD 79 per barrel in January to USD 64 in November, CPI inflation remained below 2% for seven consecutive months, likely lowering consumers' inflation expectations.

Regarding the main drivers of future inflation, 31.7% cite the risk of a global trade war triggered by U.S. tariff policies, down from 42.7% in April. Another 29.5% point to rising commodity prices, 14.5% to potential minimum-wage increases, and 14.6% to expected adjustments in electricity and water rates.

Policy Response: Consumer Awareness of U.S.–Taiwan Tariff Negotiations

More than 60% of consumers were aware of ongoing tariff negotiations between Taiwan and the United States. If tariff cuts reduce the prices of U.S. imports, 66% believe such changes would benefit consumers, and 73% expect potential impacts on domestic industries. In addition, 64.8% would definitely, possibly, or conditionally switch to cheaper U.S. products, while 35.3% would likely maintain their current purchasing habits.

Policy Response: Housing Price Expectations

The Central Bank initiated its seventh round of credit controls in September 2024, leading to a cooler housing market in 2025. On September 8, 2025, it relaxed rules under the self-use home replacement tax refund scheme, extending the permitted period for selling a previous home from one year to eighteen months. Survey results show that six-month housing price expectations remain similar to those in April: 57.7% of

consumers expect prices to rise, slightly down from 59.8%, with most anticipating increases of less than 5%. The average expected rise is 2.5%, compared with 2.7% in April.

Survey Methodology

Details appear in the March 2024 issue of Taiwan Economic Forecast and Policy. The survey adopted dual-frame sampling (landline and mobile) for a total of 2,210 respondents, with weights adjusted for region, gender, and age to ensure representativeness. The margin of error is ± 2.08 percentage points at the 95% confidence level.