Press Release:
Taiwan Consumer Expectations and Policy Response Survey

July 13, 2026

Since March 2026, the U.S.–Iran war has pushed up global energy prices and driven sharp volatility, raising domestic price pressure through higher transport and petroleum-related costs. Although the government substantially dampened the pass-through to domestic energy prices, CPI inflation has risen since March, climbing to 2.20% year on year in May, breaking a streak of sub-2% readings that had held for the preceding year, and reaching 2.60% in June, with core CPI at 2.45%. Import prices in New Taiwan dollar terms rose 23.07% year on year in June, indicating clear upward pressure from external cost shocks.

The Institute of Economics, Academia Sinica, launched the Taiwan Consumer Expectations and Policy Response Survey in October 2023. Since 2026, the survey has been conducted quarterly to measure expectations for both CPI inflation and changes in the cost of living. The sample is drawn from the online survey panel of the Research Center for Humanities and Social Sciences, Academia Sinica, and adjusted to be representative of Taiwan's adult population by gender, age, and region.

The March 2026 survey, conducted from March 11 to 29, collected 2,324 valid responses. Of respondents, 63.17% expected their cost of living to rise over the next year, with an average expected increase of 8.77%. Expected increases in transportation and energy expenses and food expenses were 15.87% and 12.54%, respectively. Meanwhile, 92.91% expected CPI to rise, with an average expected inflation rate of 2.20% and a median of 1.75%. Among them, 52.42% cited possible increases in commodity prices as the main reason. Although actual CPI inflation was still only 1.20% in March, the survey suggests that inflation expectations had already risen ahead of the subsequent increase in actual inflation.

Regarding house price expectations, 30.65% of consumers expected prices to remain broadly unchanged six months later, while 53.11% still expected prices to be higher than in the March survey. This suggests that although the housing market cooled markedly following the seventh round of credit controls, with transaction volumes falling sharply and prices showing a correction, more than half of consumers had not reversed their expectations of further price increases, even as the average expected increase was only 2.04%.

The March policy response survey also examined the NT$10,000 universal cash payment. By March, 81.15% of respondents had spent the cash, but only 36.26% had used or planned to use it for purchases they would not otherwise have made, implying an estimated marginal propensity to consume (MPC) of 0.29. A parallel telephone survey of 2,216 respondents produced an MPC of 0.15, close to the 0.16 estimated for the 2023 NT$6,000 cash payment. Overall, the low MPC estimates suggest that both cash payments may have had only limited effects on consumption and aggregate demand.

The June 2026 policy survey focused on fertility intentions. Preliminary unweighted results show that the three leading reasons for not wanting children were high child-rearing costs or low wages, unaffordable housing, and concerns about changes to one's current lifestyle. The results suggest that, in addition to child-rearing costs and low wages, housing costs should also be considered in policies addressing low fertility. Only 12% of respondents said that a monthly allowance of NT$5,000 per child until age 18 would increase their willingness to have children, while 35% responded that even NT$10,000 per month would not provide sufficient incentive.