

## Sunflowers boosted the economy

Written by Huang Tien-lin 黃天麟  
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On Dec. 18 last year, the Asian Development Bank estimated Taiwan's GDP growth rate for last year at 3.6 percent, 0.14 percent higher than the Chung-Hua Institution for Economic Research's October estimate of 3.46 percent. The Directorate-General of Budget, Accounting and Statistics' (DGBAS) figure, to be released soon, is likely to fall somewhere between these two.

Most notable last year was that growth forecasts from a range of organizations continued to rise following the Sunflower movement in March and April. Had it not been for food safety scandals associated with the Ting Hsin International Group (頂新國際), the economic performance would likely have been even better.

The government might be full of experts and academics, but the problem is, they are still ideologically committed to the idea of a "greater China." According to government statistics, the GDP growth rate for last year was estimated at 2.57 percent.

The government continues its attempts to convince the public that if cross-strait service trade and trade in goods agreements are not pushed through quickly, the economy will suffer.

However, the Sunflower movement was able to expose some truths about real motives behind such agreements, and without the student-led protests, last year would have turned out very differently. While it is true that the fruits of growth are still only really being felt by a few, it is possible to draw some conclusions on the consequences of the Sunflower movement.

First, foreign investors were once more introduced to the potency of the nation's grass-roots society. They were made aware that Taiwanese would not just sit back and wait to be unified with China — that the public had found its voice.

For a period of 26 days during the Sunflower movement, money spent on shares bought on the TAIEX exceeded that on shares sold by NT\$137.5 billion (US\$4.32 billion), and in June the TAIEX peaked at 9,393 points.

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Second, the surge in the local bourse was caused by increased turnover for listed companies and an optimistic business outlook. The economic indicator light flashed “green” for 10 consecutive months and exports also performed well.

Third, the 3.6 percent growth in GDP was higher than that of South Korea, Hong Kong and Singapore. In the case of South Korea, GDP growth for last year was adjusted downward from 3.8 percent at the beginning of the year to 3.5 percent. Clearly, the upward adjustment of Taiwan’s growth rate was not due to external factors. Not only does this mean that Taiwan has reappropriated its position at the head of the pack of the Asian Tigers, it is also the government’s best showing in the two terms that President Ma Ying-jeou (馬英九) has been at the helm, as the average growth rate for the previous years under Ma has been only 3.05 percent.

With this in mind, one wonders what the Ma administration is referring to when it says that the nation’s economy would be worse off if the trade pacts are not passed. The economy has positively purred along, despite the Sunflower movement having put a halt to Ma’s plans.

Ma’s administration had predicted a GDP growth rate of 2.57 percent, assuming that it managed to push through the cross-strait service trade and trade in goods agreements, and a draft bill governing the establishment of free economic pilot zones, but when these plans were run aground by the Sunflower movement, the actual GDP growth rate was 3.6 percent.

This shows that the extra 1.03 percent growth rate was the result of the Sunflower movement blocking the government’s economic policies, which would have negatively affected the economy.

A unified economic entity made up of Taiwan and China necessarily entails a magnetic effect between the center, China, and the periphery, Taiwan, and the poor performance of Taiwan’s economy has been a result of this process. Without this damaging policy, it is only natural that the nation recovers its former advantages — industrious people and enterprising companies.

Some might say a GDP growth rate of 3.6 percent is nothing to be proud of, and question why ordinary people are not feeling the benefit. Others might ask why growth of 4.42 percent was not achieved — the average annual growth rate when former president Chen Shui-bian (陳水扁) was in power. What factors account for the 0.82 percentage point difference?

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The more discerning reader already knows the answer to this. It is because the Economic Cooperation Framework Agreement (ECFA) continues to harm the economy. If it were not for the ECFA, last year's GDP growth rate might well have been 4.42 percent, or ever higher, and ordinary people could well have been the first to benefit from this growth.

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Translated by Paul Cooper

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