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CONSTRUCTING TAIWAN'S MOTORCYCLE DIFFUSION MODEL AGAINST GOVERNMENT SUBSIDY

Abstract:

Government plays an important role in promoting green consumption. However, insofar, most studies are qualitative based. The novelty of this research is to provide quantitative evidence to support the existing literature. We try to examine the connection between government policy initiatives and green consumption in Taiwan. We choose motorcycle industry as the basis of our analysis. Motorcycle is a major green-house gas emission contributor in Taiwan. Consequently, we explore factors associated with the diffusion of electric motorcycle and attempt to forecast the diffusion in Taiwan. The results show that small electric motorcycles are likely to gain a competitive advantage in Taiwan's market after 2018. Government should gradually reduce its subsidy as the market become mature.

Keywords:

government subsidy, greenhouse gas emission, Taiwan

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