Developing an Energy EKC-Based Economic Policy Uncertainty (EPU) Index for Taiwan and Assessing the Influence of US EPU Using Historical 95 Gasoline Price Data (2007-2025)

Prof. Wu-Jang Huang

Dept. of Environmental Science and Engineering, National Pingtung University of Science and Technology, Room EP107, 1, Hseuh-Fu Road, Neipu, Pingtung, 91201, Taiwan.

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ABSTRACT

This paper aims to develop an assessment method for Taiwan's economic policy uncertainty (EPU) based on the energy Environmental Kuznets Curve (EKC) model. The proposed method shows similarities to global economic uncertainty. An EPU index is introduced based on the monthly price of 95-octane gasoline. The results indicate that the EPU of the United States has become a source of economic policy risk (EPR) in Taiwan, aligning with the findings related to firms' level policy risk.

JEL Codes:

Keywords: *Economic policy uncertainty (EPU), Environmental Kuznets Curve (EKC), economic policy risk (EPR).*