

Nation Brands 2018

THE US IS ONCE AGAIN BRAND FINANCE'S MOST VALUABLE NATION BRAND, WHILE CHINA, GERMANY AND THE UK WITNESSED STRONG BRAND GROWTH TOO

For better or for worse, brand recognition is a high priority for consumers when buying products. The same applies when companies consider their next expansion destination. To compile the Nation Brand rankings, the consultancy Brand Finance measured the value of the nation brands of 100 leading countries using a method based on the royalty relief mechanism employed to value the world's largest companies.

As in previous rankings, the US has the world's most valuable nation

brand, beating its closest competitors China, Germany and the UK, respectively, by two to fivefold margins. The US economy has experienced strong growth in GDP, consumer sales, construction orders and car output. Meanwhile, falling tax rates have created a more business-friendly environment.

US still leads

"As Donald Trump approaches the start of his third year at the White House, in the longer run negative perceptions of his personal brand have turned out to have little impact on the nation brand as a whole. Rather, the new free-market policies have resonated with business leaders and the economy is growing,

driving an improvement in the US's brand strength and brand value alike," says David Haigh, CEO of Brand Finance.

Meanwhile, China's brand value has shot up 25% year on year, despite trade war fears. Booming cities such as Beijing and Shanghai, which boast world-class infrastructure and well-educated workforces, are considered some of world's best places to do business. "China is stepping up its role on the global stage, championing free trade and leading the efforts to combat climate change at a time when the US is turning towards protectionism and prioritising its own interests over a collaborative energy policy," says a statement from Brand Finance.

Germany has solidified its place as third top global brand. The country leads Europe with the fastest growing brand value in the top 50, up 28%, as it takes a bigger global role both economically and politically.

The UK is in hot pursuit of its European neighbour – despite Brexit uncertainties its brand value has increased 20%. "[This] shows that perceptions of Brexit go against the economic reality. What the exact scenario and consequences of exiting the EU will be still remains to be seen, but both current market conditions and economic forecasts for the coming years reaffirm the UK's ability to make the most of its post-Brexit future," says Mr Haigh.

Outside the norm

The countries that have seen the greatest improvement to their brand – the best performers – are Cyprus, the Democratic Republic of Congo, Egypt, and four other African countries. Similarly, many of the best performers in the overall top 50 are from emerging markets, such as Saudi Arabia, Bangladesh, Kuwait, the United Arab Emirates, China and Qatar. Twenty-nine countries of the top 50 are from outside Europe and North America.

The table for the top 10 worst performing brands features many from central Asia or the Middle East – Iran, Turkmenistan, Azerbaijan, Azerbaijan, Yemen – but Turkey has witnessed the greatest losses to its brand following contentious national elections, a diplomatic spat between with the US and a volatile Turkish lira.

"Turbulent political times in the



wider region, such as the ongoing crises in Syria and Iraq, have also played a part. The mission ahead is to nurture global Turkish brands, such as the national carrier Turkish Airlines, which has shown a promising rise in its brand value since last year, up 6% to more than \$2bn,” says Brand Finance.

In addition to measuring overall brand value, Brand Finance has also evaluated the relative strength of nation brands, determined by their performance on dozens of data points across three key pillars: goods and services, investment and society.

The top 10 strongest brands by this measure are led by Singapore, Switzerland and the UAE, respectively, as in 2017’s Nation Brands report. The top 10 is mostly made up of Western countries, with Hong Kong, Singapore and the UAE the exceptions.

As the strongest national brand, Singapore is a well-educated nation and the recognised technology hub in Asia. Indeed, Facebook has just announced plans to open its new data centre in the country in 2022. While also boasting excellent infrastructure and a high quality of life, Singapore is ideally positioned for connections with China, Hong Kong and Australia, according to Brand Finance.

Brands vs FDI

There is a clear link between world-class nation brands and world-class FDI. The parallels between the top 30 most valuable national brands and the top 30 destinations for greenfield FDI in 2017 is apparent, but not across the board, due to some interesting discrepancies, using data from greenfield investment monitor **fDi Markets**.

Some countries that have become magnets for foreign investment over the past decade, such as Mexico, Poland, Vietnam, Egypt and Morocco, have fast-growing investment hub statuses but their brand positions do not yet reflect how much investment they are pulling in. For example, Mexico was the seventh top global destination for greenfield FDI in 2017, while Poland came 10th, Vietnam 15th, Morocco 35th and Egypt 40th, according to **fDi Markets**. However, when it comes to brand rankings, Mexico is 14th, Poland 23rd, Vietnam 43rd, while Morocco and Egypt fail to make the top 50. ■

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TOP 50 MOST VALUABLE BRANDS – 2018

RANK	COUNTRY	2018 VALUE	2017 VALUE	% CHANGE
1	US	25,899	21,055	23
2	China	12,779	10,209	25
3	Germany	5,147	4,021	28
4	UK	3,750	3,129	20
5	Japan	3,598	3,439	5
6	France	3,224	2,969	9
7	Canada	2,224	2,056	8
8	Italy	2,214	2,034	9
9	India	2,159	2,046	5
10	South Korea	2,001	1,845	8
11	Australia	1,669	1,505	11
12	Spain	1,606	1,410	14
13	Netherlands	1,190	1,005	18
14	Mexico	1,066	1,049	2
15	Switzerland	973	1,014	-4
16	Indonesia	848	845	0
17	Brazil	840	798	5
18	Russia	830	832	0
19	Sweden	749	703	7
20	UAE	707	594	19
21	Saudi Arabia	677	575	18
22	Taiwan	675	625	8
23	Poland	654	571	14
24	Belgium	643	548	17
25	Norway	595	550	8
26	Austria	577	484	19
27	Ireland	538	427	26
28	Singapore	530	464	14
29	Philippines	524	466	12
30	Malaysia	523	489	7
31	Thailand	509	483	5
32	Denmark	492	453	8
33	Hong Kong	414	364	14
34	Turkey	382	570	-33
35	Czech Rep	365	299	22
36	Finland	352	322	9
37	Argentina	336	314	7
38	Chile	310	301	3
39	Bangladesh	257	208	24
40	Qatar	256	223	15
41	Colombia	254	239	6
42	Israel	248	224	11
43	Vietnam	235	203	16
44	Iran	234	250	-7
45	Romania	222	175	27
46	New Zealand	214	199	8
47	Kuwait	209	170	23
48	Portugal	208	181	15
49	South Africa	207	222	-7
50	Nigeria	203	191	6

Source for all graphs: Brand Finance

TOP 10 BEST PERFORMING BRANDS – 2018

COUNTRY	2018 VALUE	2017 VALUE	% CHANGE
Cyprus	21	15	39
DRC	22	16	38
Egypt	121	88	37
Kenya	52	38	37
Tanzania	29	22	35
Ethiopia	40	31	29
Slovenia	82	63	29
Ghana	32	25	28
Germany	5147	4021	28
Estonia	35	28	27

TOP 10 WORST PERFORMING BRANDS – 2018

COUNTRY	2018 VALUE	2017 VALUE	% CHANGE
Guatemala	59	62	-5
Turkmenistan	30	31	-5
Myanmar	52	55	-6
Azerbaijan	34	37	-6
Iran	234	250	-7
South Africa	207	222	-7
Sudan	42	49	-14
Uzbekistan	45	56	-19
Yemen	24	29	-20
Turkey	382	570	-33

TOP 10 STRONGEST BRANDS – 2018

COUNTRY	2018 BRAND STRENGTH INDEX	2018 BRAND RATING
Singapore	92.4	AAA+
Switzerland	90.1	AAA+
UAE	88.5	AAA
Hong Kong	88.4	AAA
Netherlands	87.7	AAA
Finland	87.4	AAA
New Zealand	86.2	AAA
US	85.6	AAA
Norway	84.8	AAA
UK	84.8	AAA

BRAND RATING

BRAND INDEX	BRAND RATING	CATEGORY
0	D	Failing
5	D	
10	DD	
15	DDD	
20	C	Weak
25	CC	
30	CCC	
35	B	Average
40	BB	
45	BBB	
50	A-	Strong
55	A	
60	A+	
65	AA-	Very strong
70	AA	
75	AA+	
80	AAA-	Extremely strong
85	AAA	
90	AAA+	
95	AAA+	
100	AAA+	