



Nation Brands 2018

The annual report on the most valuable nation brands
October 2018

Foreword.



David Haigh
CEO, Brand Finance

The effect of a country's national image on the brands based there and the economy as a whole is now widely acknowledged. In a global marketplace, it is one of the most important assets of any state, encouraging inward investment, adding value to exports, and attracting tourists and skilled migrants. The Brand Finance Nation Brands report shows the benefits that a strong nation brand can confer, but also the economic damage that can be wrought by global events and poor nation brand management.

In this year's study we see the USA retain its status as the world's most valuable nation brand, despite the negative public image that President Trump may have attracted during his time at the White House. Our results show that his new free-market policies have definitely made waves with major corporate houses and that the overall economy is growing at a solid pace.

China continues to grow at a faster pace than many other nation brands, with the current government's policies performing well despite the onset of a looming trade war with the US. The consolidation of world-class Chinese brands such as Huawei and Alibaba have certainly contributed to this growth in status and it goes hand in hand with the opening up of the Chinese market, which makes for a more collaborative international business environment.

Once again, Singapore's nation brand strength comes out on top, with the country retaining its status as a prominent destination for investment, education, and a high standard of living. Coupled with a solid infrastructure, the Asia Pacific powerhouse is strategically located as a strong nation brand set for business dealings with China, Hong Kong and Australia.

Looking across to the African lions who are placing themselves at the forefront of the future of global economic growth, it is notable that six out of ten of the fastest-growing nation brands in the world come from Africa: Democratic Republic of the Congo, Egypt, Kenya, Tanzania, Ethiopia, and Ghana have all recorded outstanding growth since last year. As South Africa struggles to recover from the turmoil of the Zuma years, its nation brand is also in danger of being overtaken by Nigeria, making it one to watch for years ahead.

Despite Brexit fears, the UK is showing resilience and strength in the face of political and economic uncertainty that may be around the corner in March 2019. Whilst the details of the negotiations still remain to be seen, it is reassuring that a fit economy coupled with positive growth forecasts are contributing factors for the UK's healthy increase in nation brand value.

In this time marked by change, it is more important than ever that governments, trade bodies, and businesses take steps to ensure that their nation brand is strategically appropriate and well-managed.

At Brand Finance, we are proud to be able to call upon the wealth of experience from our network of global representative offices and look forward to continuing the discussion with you across the globe.

The team and I hope you enjoy this report and look forward to speaking to you soon.

About Brand Finance.

Brand Finance is the world's leading independent brand valuation and strategy consultancy.

Brand Finance was set up in 1996 with the aim of 'bridging the gap between marketing and finance'. For more than 20 years, we have helped companies and organisations of all types to connect their brands to the bottom line.

We pride ourselves on four key strengths:

- Independence
- Technical Credibility
- Transparency
- Expertise.

Brand Finance puts thousands of the world's biggest brands to the test every year, evaluating which are the strongest and most valuable.

For more information, please visit our website:

www.brandfinance.com



Contents.

Foreword	3
About Brand Finance	4
Contact Details	4
Executive Summary	6
Brand Finance Network's Insights	12
Methodology	16
Consulting Services	18
Our Clients	19

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Executive Summary.



Brand America Great Again

Topping the table as the world's most valuable nation brand, the USA's brand value has gone up 23% over the past year to US\$25.9 trillion, according to the latest Brand Finance Nation Brands report.

The US economy has expanded at a speedy pace with growth expected to continue in the months to come. Alongside the GDP, also consumer sales, construction orders, car output and other indicators of growth have each seen an increase – proving the US economy truly is booming.

In addition, thanks to the falling tax rates, which have created a more business-friendly environment, the USA's Brand Strength Index (BSI) score has improved from 83.8 in 2017 to 85.6 out of 100 this year. As a result, America's brand rating has been upgraded from AAA- to AAA, and the brand value leader has also moved up the brand strength ranking, replacing Sweden as the 8th strongest nation brand in the world.

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 America's brand strength and brand value alike.

David Haigh
CEO of Brand Finance

Top 20 Most Valuable Brands

 USA	1 Rank 2018: 1 2017: 1 → BV 2018: \$25,899bn BV 2017: \$21,055bn +23% Brand Rating: AAA	 Australia	11 Rank 2018: 11 2017: 11 → BV 2018: \$1,669bn BV 2017: \$1,505bn +11% Brand Rating: AAA-
 China	2 Rank 2018: 2 2017: 2 → BV 2018: \$12,779bn BV 2017: \$10,209bn +25% Brand Rating: AA	 Spain	12 Rank 2018: 12 2017: 12 → BV 2018: \$1,606bn BV 2017: \$1,410bn +14% Brand Rating: AA
 Germany	3 Rank 2018: 3 2017: 3 → BV 2018: \$5,147bn BV 2017: \$4,021bn +28% Brand Rating: AAA	 Netherlands	13 Rank 2018: 13 2017: 15 ↑ BV 2018: \$1,190bn BV 2017: \$1,005bn +18% Brand Rating: AAA
 United Kingdom	4 Rank 2018: 4 2017: 5 ↑ BV 2018: \$3,750bn BV 2017: \$3,129bn +20% Brand Rating: AAA	 Mexico	14 Rank 2018: 14 2017: 13 ↓ BV 2018: \$1,066bn BV 2017: \$1,049bn +2% Brand Rating: A+
 Japan	5 Rank 2018: 5 2017: 4 ↓ BV 2018: \$3,598bn BV 2017: \$3,439bn +5% Brand Rating: AAA-	 Switzerland	15 Rank 2018: 15 2017: 14 ↓ BV 2018: \$973bn BV 2017: \$1,014bn -4% Brand Rating: AAA+
 France	6 Rank 2018: 6 2017: 6 → BV 2018: \$3,224bn BV 2017: \$2,969bn +9% Brand Rating: AA+	 Indonesia	16 Rank 2018: 16 2017: 16 → BV 2018: \$848bn BV 2017: \$845bn 0% Brand Rating: AA
 Canada	7 Rank 2018: 7 2017: 7 → BV 2018: \$2,224bn BV 2017: \$2,056bn +8% Brand Rating: AAA-	 Brazil	17 Rank 2018: 17 2017: 18 ↑ BV 2018: \$840bn BV 2017: \$798bn +5% Brand Rating: A
 Italy	8 Rank 2018: 8 2017: 9 ↑ BV 2018: \$2,214bn BV 2017: \$2,034bn +9% Brand Rating: AA-	 Russia	18 Rank 2018: 18 2017: 17 ↓ BV 2018: \$830bn BV 2017: \$832bn 0% Brand Rating: A+
 India	9 Rank 2018: 9 2017: 8 ↓ BV 2018: \$2,159bn BV 2017: \$2,046bn +5% Brand Rating: AA	 Sweden	19 Rank 2018: 19 2017: 19 → BV 2018: \$749bn BV 2017: \$703bn +7% Brand Rating: AAA-
 South Korea	10 Rank 2018: 10 2017: 10 → BV 2018: \$2,001bn BV 2017: \$1,845bn +8% Brand Rating: AA	 United Arab Emirates	20 Rank 2018: 20 2017: 21 ↑ BV 2018: \$707bn BV 2017: \$594bn +19% Brand Rating: AAA

China's Boom Continues

China maintains its spot as the second most valuable nation brand, with brand value up 25% to US\$12.8 trillion. China performs well despite the prospects of a protracted trade war with the US, displaying the established robustness of the Chinese economy. This rise in brand value is also a credit to booming cities like Beijing and Shanghai, for their world-class infrastructure and well-educated workforce, which make them some of the world's best places to do business.

Whilst China's brand strength remains relatively low at 73.5, it has grown faster than for any other big nation brand, with whole two points added to the country's Brand Strength Index (BSI) score over the past year. The improvement comes as China steps up its role on the global stage, championing free trade and leading the efforts to combat climate change at a time when the USA is turning towards protectionism and prioritising own interests over a collaborative energy policy.

Recent years have also seen China shift focus from commoditised production to building world-class brands, such as Huawei and Alibaba, whose success in turn reinforces the strength of the nation brand.

The rise of China's nation brand is down to global leadership, pro-business outlook, and a steely determination for the country to create brands rather than just products. The current government's renewed commitment towards free trade, opening up of the Chinese market, and enhancing protection of intellectual property will make for a yet improved business environment in the years to come.

David Haigh
CEO of Brand Finance



10 Best Performing Nation Brands

	1 Rank 2018: 97 2017: 100 ↑ BV 2018: \$21bn BV 2017: \$15bn +39% Brand Rating: AA-
	2 Rank 2018: 96 2017: 98 ↑ BV 2018: \$22bn BV 2017: \$16bn +38% Brand Rating: BBB
	3 Rank 2018: 56 2017: 57 ↑ BV 2018: \$121bn BV 2017: \$88bn +37% Brand Rating: A+
	4 Rank 2018: 72 2017: 77 ↑ BV 2018: \$52bn BV 2017: \$38bn +37% Brand Rating: A+
	5 Rank 2018: 89 2017: 93 ↑ BV 2018: \$29bn BV 2017: \$22bn +35% Brand Rating: A+
	6 Rank 2018: 79 2017: 83 ↑ BV 2018: \$40bn BV 2017: \$31bn +29% Brand Rating: A
	7 Rank 2018: 62 2017: 62 → BV 2018: \$82bn BV 2017: \$63bn +29% Brand Rating: AA-
	8 Rank 2018: 3 2017: 3 ↑ BV 2018: \$5,147bn BV 2017: \$4,021bn +28% Brand Rating: AAA
	9 Rank 2018: 85 2017: 90 → BV 2018: \$31bn BV 2017: \$25bn +28% Brand Rating: A+
	10 Rank 2018: 83 2017: 87 ↑ BV 2018: \$35bn BV 2017: \$28bn +27% Brand Rating: AA+

Germany Gets Ahead

The fastest-growing brand in the top 50 of the Brand Finance Nation Brands 2018, Germany has seen a 28% brand value jump to US\$5.1 trillion over the past year. This has solidified the country's position as Europe's most valuable nation brand and the world's third.

Following strong growth, Germany has more than doubled the lead over the fourth brand in the table, from US\$582 billion in 2017 to US\$1.4 trillion this year. Reinforced by the country's status as the leading force in the European Union and its growing global role both economically and at the political negotiating table, Germany's brand strength has also improved, leading to a lift in brand rating from AAA- to AAA.

African Advances

Six out of ten fastest-growing nation brands this year are from Africa. Democratic Republic of the Congo, Egypt, Kenya, Tanzania, Ethiopia, and Ghana have all recorded outstanding growth between 28% and 38% year on year.

Starting from a low economic base and still troubled by political instability, Africa is nonetheless beginning to demonstrate its true potential. Following in the footsteps of Asian tigers with remarkable advances in this year's ranking, African lions are the future of global economic growth.

David Haigh
CEO of Brand Finance



Britain Strong and Stable

Perceived vulnerability undermines Britain’s standing on the global stage, reflected in the nation brand’s strength falling slightly since last year, from 85.3 to 84.8, but a healthy economy and positive growth forecasts show Britain’s resilience in the face of Brexit. The UK’s nation brand has recorded a solid 20% growth year on year to US\$3.8 trillion, replacing Japan in fourth place.

Britain’s performance in this year’s study of the world’s nation brands 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 Britain’s ability to make the most of its post-Brexit future.

David Haigh
CEO of Brand Finance

Turmoil Threatens Turkey

The ongoing economic crisis alongside the fall in value of the lira have seen Turkey’s brand value decline by one third to US\$382 billion from US\$570 billion last year. 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 over US\$2.0 billion.

Singapore: Passion Made Possible

In addition to measuring overall brand value, Brand Finance also evaluates the relative strength of nation brands, determined by performance on dozens of data points across three key pillars: Goods & Services, Investment and Society.

According to these criteria, Singapore has claimed the title of the world’s strongest nation brand once again this year, earning the elite AAA+ rating and a Brand Strength Index (BSI) score of 92.4 out of 100.

A strong nation brand denotes a highly attractive environment for investment and Singapore has carved a global reputation for itself as a well-educated nation with a high quality of life. Singapore is also the recognised technology hub in Asia - where most of the sector’s companies have their headquarters and where Facebook has just announced plans to open its new data centre in 2022. Whilst also boasting a good infrastructure, the Asia Pacific powerhouse is ideally positioned for connections with China, Hong Kong and Australia.

Just like for a consumer brand, it is important for a nation to have a compelling proposition to attract talent, investment, tourism and more. Singapore has managed to do that extremely well with their new positioning of “Passion Made Possible” which cuts across segments and stakeholders, thereby contributing to the strength of Brand Singapore in every possible way.

David Haigh
CEO of Brand Finance

Top 10 Strongest Brands

	BSI Score 92.4 -1% Brand Rating: AAA+
Singapore	
	BSI Score 90.1 0% Brand Rating: AAA+
Switzerland	
	BSI Score 88.5 0% Brand Rating: AAA
United Arab Emirates	
	BSI Score 88.4 0% Brand Rating: AAA
China (Hong Kong)	
	BSI Score 87.7 +1% Brand Rating: AAA
Netherlands	
	BSI Score 87.4 +1% Brand Rating: AAA
Finland	
	BSI Score 86.2 0% Brand Rating: AAA
New Zealand	
	BSI Score 85.6 +2% Brand Rating: AAA
United States	
	BSI Score 84.8 -1% Brand Rating: AAA
Norway	
	BSI Score 84.8 -1% Brand Rating: AAA
United Kingdom	

Brand Finance Network's Insights.



Nations as Tourism Brands

Jeremy Sampson

It is not that long ago that brands and branding were seen as the sole preserve of the FMCG brigade. Not anymore. Today everything is brandable from people to countries. And that means a value can be put on everyone and everything.

Tourism is a major potential source of income for all countries, regions, and cities. But competition is intense and so it is essential to ensure all touchpoints of the brand are aligned to provide the best possible experience.

Africa is a patchwork quilt of 54 countries, with a plethora of different cultures, currencies, and local languages. This fragmented geography, slowly harmonising, remains an obstacle to both easier trade and tourism. Another issue is the perception that Africa is a long way from everywhere, which is far from the reality. South Africa remains the gateway to the continent, with Johannesburg the hub.

Today, everyone has to fight for a share of the tourism wallet. Remember: it's the brand, stupid!

Attracting Green Field Investment

Laurence Newell

Nation branding applies widely-used marketing concepts to countries in the interest of enhancing their reputation – principally among institutional investors – and why not? Corporate marketing has created immense value through brands, based on a clear understanding of certain consumption patterns and how brands meet them. Much like consumers, investors are predictable, and nation brand managers need to study their needs.

Central to positioning a nation brand is a clear understanding of what drives investor decision-making. Having had the opportunity in the past to help define brand strategy for the investor relations arm of Brand Mexico, critical to success in that project was an understanding of what was most important to investors, and what drives their motivation to select a nation over another.

Focusing on measurement and collecting the right data going forward is a competitive advantage in itself, and knowing what not to measure can be as important as understanding what should be measured. Certainly, the closer a metric is to income – or in this case, investment – the more seriously it will be taken by management.



Jeremy Sampson
Managing Director
Brand Finance Africa



Laurence Newell
Managing Director
Brand Finance Americas



Samir Dixit
Managing Director
Brand Finance Asia Pacific



Ruchi Gunewardene
Managing Director
Brand Finance Sri Lanka

National Quality Mark

Samir Dixit

Every country aims to drive some form of competitive advantage for their products through the country's brand image. Some use tourism advertising, some FDI campaigns, and some global events such as the Olympics. But all these drive the "inbound", which in an economic context is equivalent to focusing on imports only. What about exports – the "outbound"? After all, most countries have a better chance to ride out an economic slump due to their export concentration.

In the international marketplace, consumers have a much wider choice of products from different countries. They seek higher assurance of quality than what they simply get through the place of origin. Consumers need a warranty and assurance from governments about the quality of exported products. And the solution simply lays in a strong "National Quality Mark" which endorses quality and authenticity.

Due to the efforts of a national mark program called "Vietnam Value", Vietnam's processed food industry now contributes upwards of US\$17 billion of the country's exports. The apparel industry makes up over US\$22 billion of exports. These economic contributions are absolutely crucial for Vietnam's overall growth and would not have been entirely possible without the concentrated efforts by Vietnam's government.

A well-managed national quality mark is key to nation brand success and doing it right can bring great benefits.

Opportunities for GI Products

Ruchi Gunewardene

By virtue of a country's bio-diversity, climate conditions, heritage and cultural diversity, many unique commodities and products are made available that generate appeal among customers in other countries. Whilst these are often traded, there is an opportunity for greater value creation by protecting their source of origin, so that similar products from another region cannot unfairly exploit the reputation that has been amassed.

Every nation in the world has such valuable intangible assets. These exported products add to the perceptions around a nation's brand. However, a lot of work needs to go into protecting, regulating, and managing them in order to create an effective global marketing strategy and extract the hidden value.

Ceylon tea is a good example of a country of origin product that has survived for 150 years after it was first exported to the UK. Although it still retains the perception of being a good quality tea, it is now under pressure to use modern marketing and branding techniques to stay relevant in these rapidly changing times.

Branding strategies centring on the geographical origin of a product is a key basis for differentiating them from commodity products. And the use of such "geographical indication" (GI) can involve a range of unique quality characteristics associated with a particular location.

Brand Finance Nation Brands (USD bn).

Top 100 most valuable nation brands 1-50

Rank 2018	Rank 2017	Nation Brand	Brand value (USD bn) 2018	% change	Brand value (USD bn) 2017	Brand rating 2018	Brand rating 2017
1	1	United States	25,899	23%	21,055	AAA	AAA-
2	2	China	12,779	25%	10,209	AA	AA
3	3	Germany	5,147	28%	4,021	AAA	AAA-
4	5	United Kingdom	3,750	20%	3,129	AAA	AAA
5	4	Japan	3,598	5%	3,439	AAA-	AAA-
6	6	France	3,224	9%	2,969	AA+	AA+
7	7	Canada	2,224	8%	2,056	AAA-	AAA-
8	9	Italy	2,214	9%	2,034	AA-	A+
9	8	India	2,159	5%	2,046	AA	AA
10	10	South Korea	2,001	8%	1,845	AA	AA
11	11	Australia	1,669	11%	1,505	AAA-	AAA-
12	12	Spain	1,606	14%	1,410	AA	AA
13	15	Netherlands	1,190	18%	1,005	AAA	AAA
14	13	Mexico	1,066	2%	1,049	A+	A+
15	14	Switzerland	973	-4%	1,014	AAA+	AAA+
16	16	Indonesia	848	0%	845	AA	AA-
17	18	Brazil	840	5%	798	A	A
18	17	Russia	830	0%	832	A+	A+
19	19	Sweden	749	7%	703	AAA-	AAA
20	21	United Arab Emirates	707	19%	594	AAA	AAA
21	22	Saudi Arabia	677	18%	575	AA	AA
22	20	China (Taiwan)	675	8%	625	AA+	AA+
23	23	Poland	654	14%	571	AA-	AA-
24	26	Belgium	643	17%	548	AA+	AA+
25	25	Norway	595	8%	550	AAA	AAA
26	28	Austria	577	19%	484	AAA-	AAA-
27	33	Ireland	538	26%	427	AAA-	AAA-
28	31	Singapore	530	14%	464	AAA+	AAA+
29	30	Philippines	524	12%	466	A+	A+
30	27	Malaysia	523	7%	489	AAA-	AAA-
31	29	Thailand	509	5%	483	AA	AA-
32	32	Denmark	492	8%	453	AAA-	AAA-
33	34	China (Hong Kong)	414	14%	364	AAA	AAA
34	24	Turkey	382	-33%	570	A+	A+
35	38	Czech Republic	365	22%	299	AA	AA
36	35	Finland	352	9%	322	AAA	AAA
37	36	Argentina	336	7%	314	A	A-
38	37	Chile	310	3%	301	AA+	AA
39	44	Bangladesh	257	24%	208	A	A-
40	42	Qatar	256	15%	223	AAA-	AAA
41	40	Colombia	254	6%	239	A	A+
42	41	Israel	248	11%	224	AA+	AA+
43	45	Vietnam	235	16%	203	A+	A+
44	39	Iran	234	-7%	250	A+	A+
45	49	Romania	222	27%	175	A	A
46	46	New Zealand	214	8%	199	AAA	AAA
47	51	Kuwait	209	23%	170	AA-	AA-
48	48	Portugal	208	15%	181	AA	AA
49	43	South Africa	207	-7%	222	A+	AA-
50	47	Nigeria	203	6%	191	A	A

Top 100 most valuable nation brands 51-100

Rank 2018	Rank 2017	Nation Brand	Brand value (USD bn) 2018	% change	Brand value (USD bn) 2017	Brand rating 2018	Brand rating 2017
51	50	Pakistan	196	15%	171	A	A
52	52	Peru	168	1%	166	A+	A+
53	53	Kazakhstan	167	8%	154	A+	AA-
54	54	Hungary	149	15%	129	A+	A+
55	55	Slovakia	123	18%	104	A+	A+
56	57	Egypt	121	37%	88	A+	A+
57	56	Luxembourg	113	16%	97	AAA	AAA-
58	60	Algeria	89	27%	70	A	A
59	58	Greece	87	8%	80	A	A
60	61	Ukraine	84	23%	68	A-	A-
61	59	Sri Lanka	83	8%	77	A+	AA-
62	62	Slovenia	82	29%	63	AA-	AA-
63	63	Panama	73	16%	63	AA-	AA
64	66	Iraq	73	23%	60	CC	CC
65	65	Dominican Republic	68	10%	61	A	A
66	69	Angola	61	17%	52	BB	BB
67	73	Lithuania	60	25%	48	AA-	AA-
68	64	Guatemala	59	-5%	62	A+	A+
69	72	Morocco	56	14%	49	AA-	AA-
70	74	Bulgaria	54	15%	47	A+	A+
71	70	Oman	53	6%	50	AA	AA
72	77	Kenya	52	37%	38	A+	A+
73	68	Myanmar	52	-6%	55	A-	A-
74	67	Uzbekistan	45	-19%	56	AA-	A+
75	71	Sudan	42	-14%	49	CC	CC
76	79	Ecuador	42	16%	36	A	A
77	82	Croatia	42	24%	33	A	A+
78	75	Costa Rica	40	5%	38	AA-	AA-
79	83	Ethiopia	40	29%	31	A	A
80	81	Serbia	40	17%	34	A	A
81	76	Uruguay	39	2%	38	AA-	AA-
82	80	Latvia	35	4%	34	AA-	AA-
83	87	Estonia	35	27%	28	AA+	AA+
84	78	Azerbaijan	34	-6%	37	AA	AA-
85	90	Ghana	31	28%	25	A+	A+
86	88	Iceland	30	15%	26	AAA-	AAA-
87	86	Bahrain	30	6%	28	AA+	AA+
88	84	Turkmenistan	30	-5%	31	A-	A-
89	93	Tanzania	29	35%	22	A+	A
90	91	Bolivia	26	15%	23	BBB	A-
91	89	Jordan	26	2%	25	AA-	AA-
92	92	Tunisia	24	8%	22	A+	A+
93	85	Yemen	24	-20%	29	BBB	BBB
94	96	Paraguay	23	15%	20	A	A
95	94	Lebanon	22	5%	21	A+	A+
96	98	Democratic Republic of the Congo	22	38%	16	BBB	BBB
97	100	Cyprus	21	39%	15	AA-	AA-
98	95	Trinidad & Tobago	21	0%	21	A+	A+
99	New	Mauritius	20	-	-	AA	-
100	New	Honduras	20	-	-	A	-

Methodology.

Brand Finance measures the strength and 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.

Step 1 – Nation Brand Strength

Nation Brand Strength is the part of our analysis most directly and easily influenced by those responsible for their country's nation brand campaigns. It is determined by reference to performance on dozens of data points across three key 'pillars': Goods & Services, Investment and Society. These are divided into sub-pillars; Tourism, Market, Governance and People & Skills.

These are further subdivided into individual metrics. Each metric is scored out of 100 and together they contribute to an overall Brand Strength Index (BSI) score for the nation brand, also out of 100. Based on the score, each Nation Brand is assigned a rating from AAA+ to D in a format similar to a credit rating. For example, the UK's score of 85 puts it in 10th place and gives it an AAA brand rating.

Nation Brand Strength Ratings

AAA + Exceptional	BBB Developing
AAA	BB
AAA -	B
AA + Very strong	CCC Weak
AA	CC
AA -	C
A + Strong	DDD Failing
A	DD
A -	D

Data Sources



Step 2 – Royalty Rate

The hypothetical royalty rate charged is determined by reference to average rates seen in agreements among companies in the industries identified within the economy and corroborated by reference to affordability.

Step 3 – Revenues

The nation brand valuation is based on five year forecasts of sales of all brands in each nation. Gross domestic product (GDP) is used as a proxy for total revenues. Forecasts are taken from the world economic outlook of the IMF in local currencies, exchange rate is then applied to individual brand values.

Step 4 – Weighted Average Cost of Capital (WACC) or Discount Rate

In order to account for the risk across each national economy a discount rate is calculated. This represents the average cost of a brand's sources of finance and the minimum return required on the brand asset. The discount rate is used to calculate the present value of future brand earnings (accounting for the time value of money and the associated risk).

Step 5 - Brand Valuation

The calculated royalty rate is applied to revenue data to derive a 'total brand contribution' for both the nation brand value (i.e. the nation brand plus corporate brands) and the pure nation brand effect value alone. The resulting figures are then taxed at the local corporate tax rate. The brand contribution after tax is discounted back to a 'net present value' using the discount rate. The original brand contribution figures are then added to their discounted values into perpetuity to derive both the nation brand value and the nation brand effect value.

Disclaimer

Brand Finance has produced this study with an independent and unbiased analysis. The values derived and opinions produced in this study are based only on publicly available information and certain assumptions that Brand Finance used where such data was deficient or unclear. Brand Finance accepts no responsibility and will not be liable in the event that the publicly available information relied upon is subsequently found to be inaccurate.

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Consulting Services.

How well are we currently doing? How can we track our performance?

Insight services help to uncover drivers of demand and end user decision journeys. Identifying the factors which drive behaviour allows an understanding of how brands create economic impact.

- + Brand Audits
- + Brand Scorecard Tracking
- + Brand Contribution Analysis

Where should we invest budgets?

Strategic evaluations of campaign activities, focus and spend to ensure resources are allocated to those activities which have the most impact value and support your positioning long-term.

- + Market Structure Analysis
- + Strategic Prioritisation
- + Budget Setting



How do we engage, direct, and manage all relevant stakeholders?

Governance services to help set up an ongoing framework for brand decision-making and management. We use insight from all stakeholders to develop approaches that are accepted and promoted by all relevant parties.

- Governance Advisory +
- Project & Agency Management +
- Stakeholder Management +

How can we increase the value of our nation brand?

Strategic branding services enable brands to be leveraged to grow economies. Scenario modelling will identify the best opportunities, ensuring nation brand decisions create the most beneficial results.

- Brand Architecture +
- Brand Name Development +
- Brand Positioning +



MARKETING

We help marketers to connect their brands to business performance by evaluating the return on investment (ROI) of brand-based decisions and strategies.



FINANCE

We provide financiers and auditors with an independent assessment on all forms of brand and intangible asset valuations.



TAX

We help brand owners and fiscal authorities to understand the implications of different tax, transfer pricing, and brand ownership arrangements.



LEGAL

We help clients to enforce and exploit their intellectual property rights by providing independent expert advice in- and outside of the courtroom.

Our Clients.



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Value-Based Communications

We execute strategic communications programmes to optimise the value of your business and to enhance brand perception among stakeholders.

SERVICES

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- Content and Channel Strategy
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- Communications Workshops

For more information, contact enquiries@brand-dialogue.co.uk or visit www.brand-dialogue.co.uk

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