

Nation Brands 2017

CHINA'S NATIONAL BRAND HAS INCREASED SIGNIFICANTLY IN 2017 AT 44%, REFLECTING A GENERAL GLOBAL DYNAMIC WHERE ASIAN COUNTRIES ARE ADVANCING WHILE WESTERN COUNTRIES ARE STAGNATING

China is fast closing the gap with the US when it comes to the prestige and value of its national brand. According to 2017's annual Brand Finance Nation Brands study, China is the fastest growing nation brand this year in absolute terms, with a change of more than \$3100bn year on year. This figure is equal to the entire nation brand value of the UK, a marker of how quickly China is outpacing other countries.

Chinese companies make up 50 of the 500 most valuable brands globally, increasing from eight in 2008. Chinese brands lead in four sectors – banks (ICBC); spirits (Moutai); insurance (PingAn); and real estate (Dalian Wanda) – compared with none in 2008.

Enhanced image

"In a virtuous circle, Chinese brands and the transformed national image of China as an emerging global power are reinforcing each other and further add to the country's attractiveness to investors and tourists," says Brand Finance CEO David Haigh.

"In relative terms, China's nation brand value grew 44% year on year, or at a pace 20 times faster than the US. However, at \$10,200bn, China's nation brand value is still only half that of the US's, and sustaining growth will be key to narrow the gap."

To compile the rankings, the consultancy Brand Finance measured 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.

US stagnation

With a value of \$21,100bn, the US remains the most valuable nation brand in the world but low growth of 2% year on year is putting its dominance at risk in the long run.

"The US's nation brand value's stagnation can be attributed to macroeconomic challenges, such as the declining participation rate caused by the mass retirement of baby boomers, ultimately contributing to a slow pace of GDP growth compared with previous expansions," says Mr Haigh.

"However, perceptions of Donald Trump's presidency are not exactly helping Brand America. Mr Trump's administration is seen as increasingly unpredictable and although tax relief promises can boost FDI in the short run, a failure to fulfil them, considering that many propositions of new legislation fell through in Congress, will make investors' confidence disappear," he adds.

The dynamic between American and Chinese nation brands is mirrored by the broader trends of Western stagnation and Asian advance. Established European nation brands, such as Germany, the Netherlands, Belgium, Switzerland, Sweden and Austria, recorded either a decline or a negligible growth of value in this year's league tables, while Asian nation brands are rising up the ranks rapidly. Vietnam, the Philippines, Thailand and South Korea have all added 37% to 43% to their nation brand value in the past year.

Southern European countries can also boast record nation brand value growth year on year as they regain confidence following their recovery from crisis, and pursue reforms. Portugal is up 22%, Italy 34%, Greece 41%, Spain 46% and Cyprus 57%.

The fastest growing nation brand of 2017, however, is Iceland, up 83% from last year in value, on the back of a tourism boom. The most reliable performer is Singapore. It not only maintained its position as the strongest nation brand this year, but with a Brand Strength Index BSI of 92.9, it is also the only country to score more than 90. ■



TOP 10 BEST PERFORMING BRANDS – 2017

COUNTRY	2017 VALUE	2016 VALUE	% CHANGE
Iceland	26	14	83
Cyprus	15	10	57
Spain	1,410	966	46
China	10,209	7,087	44
Vietnam	203	141	43
South Korea	1,845	1,289	43
Greece	80	57	41
Estonia	28	20	39
Philippines	466	338	38
Thailand	483	353	37

TOP 10 WORST PERFORMING BRANDS – 2017

COUNTRY	2017 VALUE	2016 VALUE	% CHANGE
Uzbekistan	56	72	-23
Costa Rica	38	49	-21
Egypt	88	98	-10
Netherlands	1,005	1,121	-10
Ecuador	36	39	-7
Qatar	223	238	-6
Sweden	703	742	-5
Austria	484	501	-3
Bulgaria	47	49	-3
Brazil	798	820	-3

TOP 10 STRONGEST BRANDS – 2017

COUNTRY	2017 BRAND STRENGTH INDEX	2017 BRAND RATING
Singapore	92.9	AAA+
Switzerland	89.8	AAA+
UAE	88.8	AAA
Hong Kong	88.4	AAA
Netherlands	86.9	AAA
Finland	86.8	AAA
New Zealand	86.6	AAA
Sweden	85.9	AAA
Norway	85.6	AAA
UK	85.3	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+	

TOP 50 MOST VALUABLE BRANDS – 2017

RANK	COUNTRY	2017 VALUE	2016 VALUE	% CHANGE
1	US	21,055	20,574	2
2	China	10,209	7087	44
3	Germany	4021	3882	4
4	Japan	3439	3002	15
5	UK	3129	2942	6
6	France	2969	2339	27
7	Canada	2056	1810	14
8	India	2046	2066	-1
9	Italy	2034	1521	34
10	South Korea	1845	1289	43
11	Australia	1505	1305	15
12	Spain	1410	966	46
13	Mexico	1049	915	15
14	Switzerland	1014	998	2
15	Netherlands	1005	1121	-10
16	Indonesia	845	630	34
17	Russia	832	736	13
18	Brazil	798	820	-3
19	Sweden	703	742	-5
20	Taiwan	625	469	33
21	UAE	594	478	24
22	Saudi Arabia	575	482	19
23	Poland	571	516	11
24	Turkey	570	474	20
25	Norway	550	478	15
26	Belgium	548	532	3
27	Malaysia	489	361	35
28	Austria	484	501	-3
29	Thailand	483	353	37
30	Philippines	466	338	38
31	Singapore	464	469	-1
32	Denmark	453	408	11
33	Ireland	427	344	24
34	Hong Kong	364	325	12
35	Finland	322	267	20
36	Argentina	314	236	33
37	Chile	301	229	31
38	Czech Rep	299	237	26
39	Iran	250	225	11
40	Colombia	239	181	32
41	Israel	224	189	19
42	Qatar	223	238	-6
43	South Africa	222	196	13
44	Bangladesh	208	170	22
45	Vietnam	203	141	43
46	New Zealand	199	174	15
47	Nigeria	191	178	7
48	Portugal	181	149	22
49	Romania	175	165	6
50	Pakistan	171	128	34

Source for all graphs: Brand Finance