

Brand Finance[®]



Nation Brands 2016

The annual report on the world's most valuable nation brands

October 2016

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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 results of this year's Brand Finance Nation Brands report show 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.

One of the most interesting trends to emerge in the last 12 months 2016 has been an apparent isolationist turn, seen notably in the US, UK and Turkey amongst others. This is thought to be motivated (at least in part) by a reaction against cosmopolitan internationalism by those who feel that globalization has left them behind. This illustrates the fact that as well as the power of individual nation brands changing from year to year, the very concept of the nation is subject to change. The idea of the nation state is a historically recent one. Its power has waxed and waned, with regional groupings or local identities also shaping the way people, companies and governments interact with one another. This year's events suggest that, following a slow decline in many parts of the world, the popularity of the nation state may be resurgent.

The developments of 2016 present opportunities, in that a more robust national identity may aid differentiation but given that openness is key to attracting investment, it will create challenges too. In this turbulent time, it is more important than ever that governments, trade bodies and businesses take steps to ensure that their nation brand is strategically appropriate, well-managed.

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

Comment - Investment



Courtney Fingar, Editor in Chief of fDi Magazine and head of content of fDi Intelligence, a data division of the Financial Times (www.fDintelligence.com). Sebastian Shehadi assisted with this analysis.

We can all agree that it is better to have a strong, positive country brand than the opposite. And as a result, government agencies charged with attracting inward investment spend a huge amount of time, and money, on finessing their national images. In an increasingly competitive environment where thousands of investment promotion agencies chase a finite number of greenfield investment projects, branding can be potential differentiator. But how much tangible impact does it have on foreign direct investment?

For better and for worse, brand recognition weighs heavily on people when buying products; so too when companies consider their next expansion destination. There is a science behind humans' decisions about where to invest, including elaborate benchmarking exercises and large dollops of number crunching. However, underlying all of this is a less rational factor: our perception of something and immediate association with its name.

Although it is difficult to measure the precise impact these perceptions have on investment choices, a study of national brands indicates parallels between the countries with the most 'valuable brand' and those that attract the most FDI.

Brand Finance ranks the US as the world's 'most valuable country brand' for 2016. Correspondingly, and perhaps not surprisingly, the US was also the most attractive destination for greenfield FDI projects, according to fDi Markets, our proprietary data service tracking crossborder greenfield investment. Almost all those inside the ranking's top 20, such as the UK and China, are also amongst the top 20 FDI destinations over the past year. The link is clear, however, outliers exist. For example, Sweden, despite coming 16th in Nation Brand's report, ranked 43rd for inbound FDI projects from October 2015 to present, according to our stats. Denmark and Italy somewhat underperformed in this regard too.

Singapore, Switzerland, Hong Kong, Norway, New Zealand and Finland were ranked amongst the top ten 'strongest brands', but they could never compete for top spot in 'brand value' terms. Indeed, the small size of these nations means "[their] brand simply cannot be applied extensively enough to generate the same economic uplift as, for example, the US", the Nation Brands 2016 report finds.

Comment - Culinary Diplomacy

dialogue
agency

Dialogue Agency is part of the Brand Finance Group. It is a specialist food PR and Marketing consultancy that excels in using clients' national, regional, historic, and ethical attributes to differentiate products and drive demand. It has a small, responsive, cohesive team that has worked with government bodies, NGOs and private firms from countries such as the US, Italy, Spain, Norway and the UK.

Cuisine is integral to nation brands, with profound economic implications.

Food can be the main attraction for some tourists, with San Sebastian's Pinxos bars and restaurant scene integral to the global renown of the small seaside city. For other travellers, it will prove a deciding factor when weighing up competing destinations. This is just as important for expatriate workers, business travellers, and senior financiers whose investments are likely to bring them to the country in question. Cuisine therefore helps to sure up the 'People and Skills' and 'Investment' pillars of a nation brand as well as that of 'Tourism'.

Perhaps the most direct impact is on 'Export' pillar of a nation brand. For example, Italy's reputation for fine food and wine is an extremely useful asset to leverage when promoting specific agricultural and food exports. Dialogue Agency works with numerous Italian food product brands and groups such as Prosciutto di Parma, Parmigiano Reggiano, Gorgonzola and many more; Italy's food culture, regional identity and quality are at the forefront of our successful campaigns. However, there is a less direct but by no means less powerful effect across all pillars. Foreign food and restaurants are frequently the only direct exposure that consumers have to many countries. They can therefore exert a powerful influence, building awareness and recognition of that country's strengths, reinforcing all pillars of a nation brand.

National governments have only recently begun to realise the soft power that food and culinary culture can exert and have sought to engage in 'culinary diplomacy' to manage the process. Countries such as Thailand, Peru, the USA and Malaysia have established dedicated culinary diplomacy programs that seek to promote exports, generate broader good will and build their nation brands through food.

Dialogue Agency has worked with quality food brands for over 25 years. We specialise in helping clients to leverage their national, regional and historic qualities to maximise demand in the UK and many other territories. All governments should ensure they invest in the promotion of high quality produce, not just for the sake of their agricultural producers and exporters, but for the economic and cultural good of the entire nation.

Acknowledgements

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Data Sources



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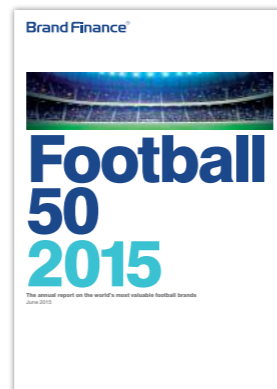
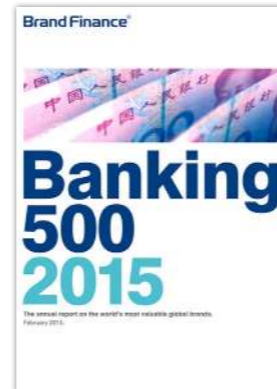
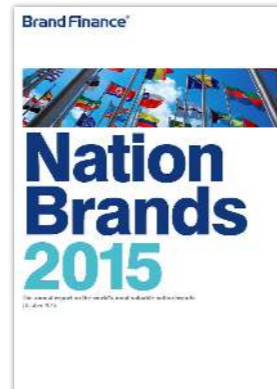
Brand Finance is the world's leading independent brand valuation and strategy consultancy. Brand Finance was set up in 1996 with the aim of 'bridging the gap between marketing and finance'. For almost 20 years we have helped companies and organisations of all types (including government institutions, trade associations and nation branding agencies) 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 most powerful and most valuable, including nation brands.

For more information, please visit our website:
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Executive Summary - Brand Value

Nation Brands



The United States continues its dominance of the Brand Finance Nation Brands table, adding US\$871 billion following 4% growth. Even this modest increase may be under threat however. In just two weeks, the US could be led by Donald Trump, whose xenophobic stance and protectionist rhetoric threatens to antagonise businesses, prospective foreign workers, students and governments.

Parallels have been drawn between the unexpected success of Mr Trump's presidential campaign the UK's decision to leave the EU. Both are thought to be motivated (at least in part) by a reaction against cosmopolitan internationalism by those who feel that globalization has left them behind. Similar trends have been witnessed across much of the western world, evidenced by the recent success of the Front Nationale in France, the actions of Victor Orban's government in Hungary and the left-wing or non-aligned populist movements such as Five Star in Italy and Podemos in Spain.

The implications of this trend for those tasked with managing nation brand value are complex and the issue illustrates the tensions between the different pillars of nation brand value. On the one hand, this trend represents a strengthening of the nation state, the reinforcing of a concept that has been eroded for several years, which may make differentiation easier. For example, if British agricultural produce is regulated by an entirely independent system it is conceivable that claims about its high-quality, safety or environmental sensitivity would be more believable. However, though distinctiveness is important for a nation brand, openness is perhaps of paramount importance for international audiences. Students, tourists and business travellers look for simple entry procedures and a welcoming local population, recruiters desire highly-educated, outward looking workers and business and investors seek ease of doing business both within the country and across borders. Some 'Brexiters' claim this openness will be better achieved with Britain outside the EU. However, the broad consensus of most business bodies and economic forecasters globally is that the opposite is true.

Executive Summary - Brand Value

Top 20 Most Valuable Nation Brands

 United States	1 Rank 2016: 1 2015: 1 → BV 2016: \$20,574bn +4% BV 2015: \$19,703bn Brand Rating: AAA	 Netherlands	11 Rank 2016: 11 2015: 15 ↑ BV 2016: \$1,121bn +12% BV 2015: \$1,000bn Brand Rating: AAA
 China	2 Rank 2016: 2 2015: 2 → BV 2016: \$7,087bn +12% BV 2015: \$6,314bn Brand Rating: AA	 Switzerland	12 Rank 2016: 12 2015: 14 ↑ BV 2016: \$998bn -2% BV 2015: \$1,024bn Brand Rating: AAA
 Germany	3 Rank 2016: 3 2015: 3 → BV 2016: \$3,882.3 -7% BV 2015: \$4,166bn Brand Rating: AAA-	 Spain	13 Rank 2016: 13 2015: 16 ↑ BV 2016: \$966bn +11% BV 2015: \$872bn Brand Rating: AA
 Japan	4 Rank 2016: 4 2015: 5 ↑ BV 2016: \$3,002bn +18% BV 2015: \$2,541bn Brand Rating: AAA	 Mexico	14 Rank 2016: 14 2015: 13 ↓ BV 2016: \$915bn -16% BV 2015: \$1,091bn Brand Rating: A+
 United Kingdom	5 Rank 2016: 5 2015: 4 ↓ BV 2016: \$2,942bn -2% BV 2015: \$3,010bn Brand Rating: AAA	 Brazil	15 Rank 2016: 15 2015: 11 ↓ BV 2016: \$820bn -30% BV 2015: \$1,171bn Brand Rating: A
 France	6 Rank 2016: 6 2015: 6 → BV 2016: \$2,339bn +8% BV 2017: \$2,158bn Brand Rating: AA+	 Sweden	16 Rank 2016: 16 2015: 17 ↑ BV 2016: \$742bn -9% BV 2015: \$814bn Brand Rating: AAA-
 India	7 Rank 2016: 7 2015: 7 → BV 2016: \$2,066bn -3% BV 2015: \$2,136bn Brand Rating: AA-	 Russia	17 Rank 2016: 17 2015: 18 ↑ BV 2016: \$736bn -9% BV 2015: \$810bn Brand Rating: A+
 Canada	8 Rank 2016: 8 2015: 8 → BV 2016: \$1,810bn -11% BV 2015: \$2,040bn Brand Rating: AAA-	 Indonesia	18 Rank 2016: 18 2015: 21 ↑ BV 2016: \$630bn +12% BV 2015: \$564bn Brand Rating: AA-
 Italy	9 Rank 2016: 9 2015: 9 → BV 2016: \$1,521bn +5% BV 2015: \$1,445bn Brand Rating: AA-	 Belgium	19 Rank 2016: 19 2015: 23 ↑ BV 2016: \$532bn +6% BV 2015: \$500bn Brand Rating: AAA-
 Australia	10 Rank 2016: 10 2015: 10 → BV 2016: \$1,305bn -7% BV 2015: \$1,404bn Brand Rating: AAA-	 Poland	20 Rank 2016: 20 2015: 20 → BV 2016: \$516bn -9% BV 2015: \$566bn Brand Rating: AA-

Executive Summary - Brand Value



Like the US, the UK has maintained a steady, if modest rate of growth despite Brexit and the depreciation of Sterling against the dollar over the past year. The lack of movement reflects the fact that Brexit's consequences are as yet unclear. The result of the vote itself is certainly not a positive signal to the rest of the world, particularly in appealing to individuals looking to live, work and study in the UK but the picture for investors, businesses and exporters is less certain. A great deal depends on the nature of the trade arrangement Theresa May is able to form with the EU. The short-term picture for manufacturing exporters is actually somewhat positive as a result of the devaluation of the pound and the continued ability to freely recruit EU workers. However, a so called 'hard-brexit', leading to the implementation of barriers to capital, trade and migration could have severe consequences across the board for both the manufacturing and service industries. The auto-industry in the North-East, heavily reliant on foreign investment and exporting primarily into the EU, is a frequently cited example. Financial services are not just an essential source of income for Britain's exchequer, but as one of a vanishingly small number of industries where the UK can still claim to lead the world, are integral to the UK's international image and nation brand. The loss of passporting rights within the EU would be potentially disastrous for London's status as a financial hub, damaging both investment and export potential and thus severely depressing the UK's nation brand value. A deadline of March 2017 has been set for triggering Article 50 so next year's Brand Finance Nation Brands results should start to provide a clearer picture of the impact of Brexit on brand Britain.

Japan has recorded the most significant growth amongst major economies. Its brand value has risen 18% due to improvements across a variety of key metrics. The first is the appreciation in the value of the Yen, which leads to an increase in the US dollar value of the Japanese Nation Brand compared to last year's result. Brand Strength has increased from 81 to 85 due to improvements across the board. There has been a particularly marked increase in perceptions of the competitiveness and dynamism of its work force. This may suggest that despite the recent slowdown in the economy, Prime Minister Abe's reforms are affecting international perceptions of Japan's fundamentals. Japan's brand value increase has been significant enough to overtake the UK, which has dropped to 5th place in Brand Finance's table.



Luxembourg is this year's fastest growing nation brand, having increased 43% to US\$85 billion. The Grand Duchy is attempting to rapidly shed its reputation for financial secrecy and more particularly the taint of impropriety left by the LuxLeaks scandal of 2014. Its status as a financial centre is of paramount importance, light touch regulation and privacy have been important factors in Luxembourg's status. However, the perception that Luxembourg is facilitating tax avoidance could potentially start to create tensions with other nations and international regulatory pressure. It also goes against the increasingly prevalent trend across the finance industry for greater transparency and openness, with secrecy and privacy subject to increasing suspicion (whether fair or not). As a result, from 2014, Luxembourg initiated a concerted nation brand campaign to unify its messages and highlight the Grand Duchy's Strengths. Reliability, Dynamism and Openness are highlighted as the country's core strengths in a refreshingly low-key campaign that is

Executive Summary - Brand Value






distinguished by its focus on credible attributes rather than aspirations. Openness is perhaps the only one of these open to question and Luxembourg will need to convince that its openness to the movement of people, capital and ideas can be matched by that of its financial system.

Pakistan is the second fastest riser, with a year on year increase of 41%. Pakistan is implementing a series of economic reforms backed by and necessary for a tranche of payments from the IMF. Lower oil prices also continue to work in the country's favour, as does an improving security environment, despite the impression that recent escalating tensions in Kashmir might give. Despite this year's positive change and an optimistic outlook for economic growth, significant risks remain. Though Pakistan's worsening relationship with India is extremely unlikely to result in conflict, it is still not an encouraging development. A recent OPEC agreement to move to reduce production is also a cause for concern. Most importantly, Pakistan must maintain the discipline it has shown in pursuing its reform program once the structure of IMF targets have been removed.






Ukraine's economy remains finely balanced as its stand-off with Russia over the Donbas continues and despite the lack of international recognition, Crimea's status as part of Russia appears to be confirmed. However, having already suffered significant damage since the start of the war, the relative stability of this year sees brand value climbing upwards again. Brand strength metrics for security rose 18.2%, with a corresponding 11.4% rise in the quality of life score and a big improvement in the country's ability to retain its most talented workers. Brand Value is up 39% making Ukraine the third fastest riser this year.



5 Best Performing Nation Brands

 Luxembourg	1 Rank 2016: 54 2015: 58 BV 2016: \$85,3bn BV 2015: \$60bn +43% Brand Rating: AAA
 Pakistan	2 Rank 2016: 51 2015: 54 ↑ BV 2016: \$127,9bn BV 2015: \$93bn +38% Brand Rating: A
 Czech Republic	3 Rank 2016: 36 2015: 42 ↑ BV 2016: \$237,3bn BV 2015: \$187bn +27% Brand Rating: AA
 Ukraine	4 Rank 2016: 59 2015: 68 ↑ BV 2016: \$56bn BV 2015: \$44bn +27% Brand Rating: A
 Mongolia	5 Rank 2016: 94 2015: 0 ↑ BV 2016: \$10,2bn BV 2015: \$8bn +27% Brand Rating: A

5 Worst Performing Nation Brands

 Jordan	1 Rank 2016: 78 2015: 73 ↓ BV 2016: \$24bn BV 2015: \$37bn -35% Brand Rating: AA-
 Cameroon	2 Rank 2016: 97 2015: 87 ↓ BV 2016: \$10bn BV 2015: \$14bn -34% Brand Rating: A
 Brazil	3 Rank 2016: 15 2015: 11 ↓ BV 2016: \$820bn BV 2015: \$1,171bn -30% Brand Rating: A
 Turkey	4 Rank 2016: 25 2015: 19 ↓ BV 2016: \$474bn BV 2015: \$668bn -29% Brand Rating: AA-
 Azerbaijan	5 Rank 2016: 75 2015: 71 ↓ BV 2016: \$29bn BV 2015: \$41bn -28% Brand Rating: A+

Executive Summary - Brand Value

At the other end of the scale, Jordan is this year's biggest faller as a result of continued conflict in neighbouring Syria. As the World Bank reports, the security situation is deteriorating, affecting tourism, construction and trade. Meanwhile, unemployment is rising. With no prospect of the situation in Syria improving, a turnaround in Jordan is unlikely for now.



Turkey is another country that is suffering from the instability of its war torn neighbour. However, this year's failed coup has been even more significant. The coup and its aftermath have triggered disruption to businesses, universities and the civil service and created an uncertainty for some investors. In this context it will come as little surprise that Turkey's nation brand value has fallen more rapidly than that of almost any country this year. It is down US\$474 million, a 29% drop.



Brazil has dropped even further than Turkey. The Olympic Games did deliver a boost to tourism – Brazil's brand strength score for tourism rose 12% on 2016. However the ailing economy and declining value of the Real eclipse this, driving Brazil's nation brand value down 30%. Compounding Brazil's woes is its unravelling corruption scandal, with money laundering and corporate and even government corruption surrounding Petrobras having been uncovered by Operation Car Wash. Dilma Rousseff's impeachment potentially provides the opportunity to Brazil to turn a new page however certain key indicators suggest that this downward trend will continue. Perceptions of corruption are up 0.5%, the IMF predicts a further 8% decline in GDF before the end of 2017 while the country's discount rate has risen from 9.9% to 17.8% reflecting the pessimistic economic outlook.



Executive Summary - Brand Strength

Singapore last year claimed the title of World's strongest Nation Brand and has held off close challenges from Hong Kong and Switzerland to do the same again this year. Nation Brand value is reliant upon GDP, (i.e, the revenues associated with the brand). Singapore's small size means it will never be able to challenge for the top spot in brand value terms, because its brand simply cannot be applied extensively enough to generate the same economic uplift as 'brand USA' for example. However, in terms of its underlying nation brand strength, Singapore comes out on top.











Intolerance of corruption combined with generous wages for public officials to discourage graft make Singapore the 'cleanest' country in Asia according to the Corruption Perceptions Index. It has slipped from 7th to 8th globally however this is the result of a significant improvement by the Netherlands, rather than a failure of Singapore. Heavy taxes on cars control congestion and have funded the development of a superb public transportation system. Finally, a high quality education system based in English makes Singapore a very easy place for ex-pats to settle. With such governmental competence, Singapore's international reputation has spread by word of mouth as much as it has by active promotion.



Tourism was identified as Singapore's only real shortcoming in last year's report and unfortunately this continues to be the case with Singapore's brand strength score for Tourism dropping four points. Performance has improved across all other metrics however, particularly investment, highlighting Singapore's unmatched reputation for business-friendliness.

For deeper insights on each nation brand, please speak to the Brand Finance team.

Top 10 Strongest Nation Brands

	1	BSI Score /100 89.0 Brand Value 2016: \$469bn Brand Rating: AAA
	2	BSI Score /100 88.6 Brand Value 2016: \$325bn Brand Rating: AAA
	3	BSI Score /100 88.7 Brand Value 2016: \$998bn Brand Rating: AAA
	4	BSI Score /100 86.4 Brand Value 2016: \$2,942bn Brand Rating: AAA
	5	BSI Score /100 86.4 Brand Value 2016: \$478bn Brand Rating: AAA
	6	BSI Score /100 86.2 Brand Value 2016: \$174bn Brand Rating: AAA
	7	BSI Score /100 85.9 Brand Value 2016: \$85bn Brand Rating: AAA
	8	BSI Score /100 85.6 Brand Value 2016: \$267bn Brand Rating: AAA
	9	BSI Score /100 85.3 Brand Value 2016: \$1,121bn Brand Rating: AAA
	10	BSI Score /100 85.2 Brand Value 2016: \$3,002bn Brand Rating: AAA

Brand Finance Nation Brands 2016 Full Results

Most valuable Nation Brands USD 1-50

Rank 2016	Rank 2015	Nation	National Brand Value 2016 (USDbn)	Change (%)	National Brand Value 2015 (USDbn)	Brand Strength 2016 (Rating)	Brand Strength 2015 (Rating) (Rebased)
1	1	United States	20,574	4%	19,703	AAA	AAA-
2	2	China	7,087	12%	6,314	AA	AA-
3	3	Germany	3,882	-7%	4,166	AAA-	AAA-
4	5	Japan	3,002	18%	2,541	AAA	AAA-
5	4	United Kingdom	2,942	-2%	3,010	AAA	AAA-
6	6	France	2,339	8%	2,158	AA+	AA
7	7	India	2,066	-3%	2,136	AA-	A+
8	8	Canada	1,810	-11%	2,040	AAA-	AAA-
9	9	Italy	1,521	5%	1,445	AA-	A
10	10	Australia	1,305	-7%	1,404	AAA-	AA+
11	15	Netherlands	1,121	12%	1,000	AAA	AAA-
12	14	Switzerland	998	-2%	1,024	AAA	AAA
13	16	Spain	966	11%	872	AA	AA-
14	13	Mexico	915	-16%	1,091	A+	A
15	11	Brazil	820	-30%	1,171	A	A-
16	17	Sweden	742	-9%	814	AAA-	AAA-
17	18	Russia	736	-9%	810	A+	A
18	21	Indonesia	630	12%	564	AA-	A+
19	23	Belgium	532	6%	500	AAA-	AA+
20	20	Poland	516	-9%	566	AA-	A+
21	25	Austria	501	14%	438	AAA-	AA+
22	22	Saudi Arabia	482	-5%	506	AA	AA
23	30	Norway	478	23%	388	AAA	AAA-
24	29	United Arab Emirates	478	19%	403	AAA	AAA
25	19	Turkey	474	-29%	668	AA-	A+
26	26	Singapore	469	14%	412	AAA	AAA
27	24	Taiwan	469	4%	450	AA+	AA+
28	27	Denmark	408	0%	410	AAA-	AAA-
29	28	Malaysia	361	-11%	407	AAA-	AAA-
30	31	Thailand	353	2%	347	AA-	AA-
31	34	Ireland	344	20%	287	AAA-	AAA-
32	35	Philippines	338	26%	267	AA-	A+
33	32	Hong Kong SAR	325	0%	325	AAA	AAA
34	33	Finland	267	-7%	289	AAA	AAA
35	36	Qatar	238	1%	235	AAA-	AAA-
36	42	Czech Republic	237	27%	187	AA	AA-
37	39	Argentina	236	14%	208	A	BB
38	38	Chile	229	5%	218	AA	AA
39	37	South Africa	196	-13%	225	AA-	AA-
40	43	Israel	189	5%	181	AA	AA-
41	45	Colombia	181	9%	166	A+	A
42	41	Nigeria	178	-5%	189	A	BBB
43	40	New Zealand	174	-13%	200	AAA	AAA
44	47	Bangladesh	170	18%	144	A-	A-
45	48	Romania	165	17%	141	A+	A
46	50	Portugal	149	9%	137	AA	AA
47	44	Kazakhstan	145	-17%	175	AA-	A+
48	49	Vietnam	141	1%	140	A+	A
49	51	Kuwait	140	13%	124	AA-	A+
50	52	Peru	139	22%	114	A+	A

* = 2015 Value Restated

Brand Finance Nation Brands 2016 Full Results

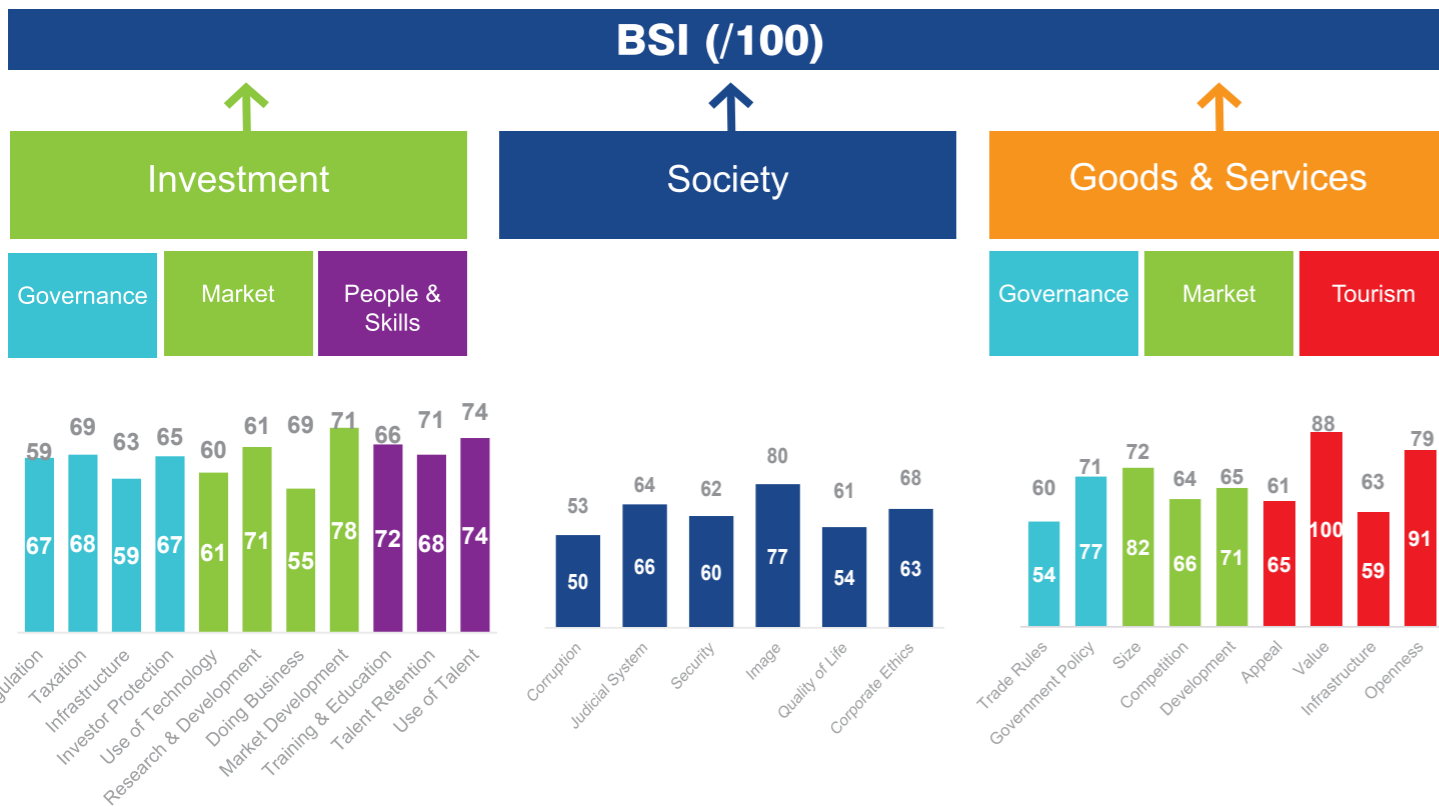
Most valuable Nation Brands USD 51-100

Rank 2016	Rank 2015	Nation	National Brand Value 2016 (USDbn)	Change (%)	National Brand Value 2015 (USDbn)	Brand Strength 2016 (Rating)	Brand Strength 2015 (Rating) (Rebased)
51	54	Pakistan	128	38%	93	A	A
52	53	Hungary	102	9%	94	A+	A
53	55	Egypt	98	21%	81	A+	A-
54	58	Luxembourg	85	43%	60	AAA	AAA-
55	57	Sri Lanka	74	9%	68	AA-	A+
56	-	Uzbekistan	72	-	-	A+	-
57	56	Algeria	64	-14%	74	A	BBB
58	59	Greece	57	-4%	59	A+	A+
59	68	Ukraine	56	27%	44	A	A-
60	61	Dominican Republic	56	2%	55	A	A-
61	62	Slovenia	53	0%	53	AA-	A
62	70	Guatemala	50	19%	42	A+	A
63	66	Costa Rica	49	6%	46	AA-	A+
64	64	Bulgaria	49	-3%	50	A+	A-
65	72	Panama	48	20%	40	AA-	A+
66	63	Lithuania	46	-8%	50	AA	AA-
67	-	Angola	45	-	-	B	-
68	-	Myanmar	44	-	-	BBB	-
69	65	Oman	41	-14%	48	AA	AA
70	69	Morocco	40	-8%	44	AA-	A
71	-	Ecuador	39	-	-	A	-
72	75	Latvia	37	7%	35	AA-	AA-
73	78	Serbia	33	9%	31	A	A-
74	76	Croatia	33	4%	32	A+	A
75	77	Kenya	30	-4%	31	A+	A
76	79	Bahrain	29	-3%	30	AA+	AA
77	71	Azerbaijan	29	-28%	41	A+	A
78	74	Uruguay	28	-24%	37	AA-	A
79	82	Ethiopia	25	10%	22	A	BBB
80	73	Jordan	24	-35%	37	AA-	A+
81	-	Trinidad and Tobago	21	-	-	A+	-
82	-	Tunisia	20	-	-	A+	-
83	85	Estonia	20	14%	17	AA+	AA
84	81	Tanzania	19	-17%	23	A	BBB
85	83	Lebanon	19	-14%	22	A	A
86	80	Ghana	18	-20%	23	A+	A-
87	-	El Salvador	18	-	-	A	-
88	84	Bolivia	17	-8%	19	A-	BBB
89	-	Paraguay	16	-	-	A-	-
90	-	Côte d'Ivoire	15	-	-	A+	-
91	86	Cambodia	15	-7%	16	A	A-
92	93	Georgia	15	22%	12	AA	A+
93	90	Iceland	14	10%	13	AAA-	AA+
94	92	Nepal	12	-7%	13	A	A-
95	94	Honduras	12	8%	11	A+	A-
96	88	Uganda	11	-23%	14	A	A-
97	0	Mongolia	10	27%	8	A	-
98	-	Nicaragua	10	-	-	A-	-
99	91	Cyprus	10	-22%	13	AA	AA-
100	87	Cameroon	10	-34%	14.4	A	A-

* = 2015 Value Restated

Methodology

Brand Finance Nation Brand Strength Index (BSI)



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 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 82 puts it in 5th place and gives it an AAA- brand rating.

Governance and People & Skills. These are further subdivided into individual metrics. Each metric is scored out of 100 and together 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 82 puts it in 5th 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

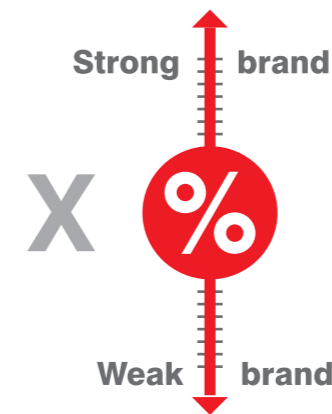
*We have optimized the way in which we calculate Nation Brand Strength this year, tweaking the weightings and organisation of our data inputs to form a three pillar structure with a tier of sub-pillars beneath, in contrast to the four pillar approach of previous years.

Brand strength index (BSI)



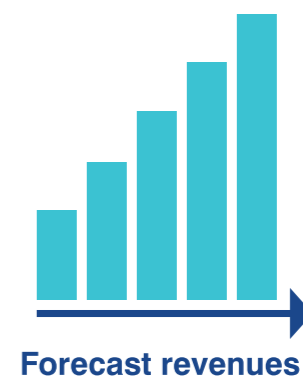
Brand strength expressed as a BSI score out of 100.

Brand 'Royalty rate'



BSI score applied to royalty rate range to determine exact rate.

Brand revenues



Royalty rate applied to forecast revenues to derive brand values.

Brand value



Post-tax brand revenues are discounted to a net present value (NPV) which equals the brand value.

Step 2 – Royalty Rate

The BSI score out of 100 is applied to a royalty rate range. The score determines, where within this range a country's royalty rate will be set, the higher the score, the higher the royalty rate.

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 (ie 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.

Our Approach

Helping you drive business performance in an age of marketing accountability

1. Insight: 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

2. Governance: 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



4. Campaign Management: 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

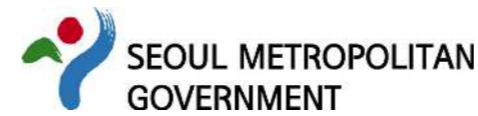
3. Brand Strategy: How can we increase the value of our Nation Brand?

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

Nation Brand Clients

Nation Brands Services Clients



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