BRAND FINANCE® NATION BRANDS

THE ANNUAL REPORT ON NATION BRANDS | DECEMBER 2014

Referendum Relief, Sporting Spectacles & Costly Conflict

Introduction

Foreword

David Haigh, CEO Brand Finance plc

‘The states of the 21st century are participants in a global marketplace, with intense competition for tourists, students, the best workers and investment. The results of this year’s Brand Finance Nation Brands report show the advantages that a strong nation brand can confer; the effect of a country’s image on the brands based there and the economy as a whole makes a nation brand the most important asset of any state. Governments, trade bodies and businesses must take steps to ensure that their nation brand is strategically appropriate, well-managed and regularly monitored in order to maximise the benefits.’

Contents

BRAND·FINANCE®

Brand Finance is an independent global business focused on advising strongly branded organisations on how to maximize value through the effective management of their brands and intangible assets.

Since it was founded in 1996, Brand Finance has performed thousands of branded business, brand and intangible asset valuations worth trillions of dollars.

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Methodology

The Brand Finance Nation Brands measures the strength and value of the nation brands of 100 leading countries using a method based on the royalty relief mechanism that Brand Finance uses to value the world's largest companies. The report provides each country with a measure of its brand strength in addition to its nation brand value.

Step 1a – Determine forecast GDP

- The first step in the valuation involves estimating future sales of all brands in each nation over a five year explicit forecast period
- Gross domestic product (GDP) is used as a proxy for total revenues
- Forecast GDP is derived by reference to historic GDP trends and growth estimates from public and private organisations
- GDP is segmented by economic segments (Primary, Secondary, and Tertiary) in order to take into consideration the role of product brands and the nation brand in each sector

Step 1b – establish royalty rate range

- An analysis of publicly available license agreements is conducted in industries within primary, secondary and tertiary sectors using ktMINE. The results are as follows:
- As you move from less sophisticated products in the primary sector towards more advanced services in the tertiary sector, the royalty rate increases in licensing agreements.
- This is because intellectual property tends to be more valuable in the more technically demanding, value added, products/services

Step 2a – establish royalty rate range for Nation Brand influence

- Royalty ranges are then adjusted to take into consideration the Nation Brand influence on each of the economic sectors
- This analysis allows us to isolate nation brand portion in each sector
- In our opinion, industries in the primary and secondary sector are highly influenced by the nation brand (e.g. Sri Lankan tea, German cars). In comparison, the nation brand may not be a significant driver of demand for tertiary sectors such as financial services. Therefore primary has a level of influence at 25%, and tertiary at 15%
- Tertiary sector industry will typically command a higher royalty as it represents more 'highly branded' industry, compared to the 'less branded' commoditised primary sector.

Step 2b – assess nation brand strength

- Nation Brand strength is determined by reference to performance across four 'pillars'; Goods & Services, Tourism, People & Skills and Investment
- The BSI captures 195 measures across the four pillars
- The measures fall into three categories; inputs, throughputs and outputs, each worth 33% of the overall BSI
- Inputs are factors that can be directly controlled by the nation, throughputs are factors of internal and external reputation and outputs are measures of current performance
- The scores for the input, throughput and output measures are combined to create a score out of 100 for each pillar
- The scores in each area are then combined to produce an overall BSI score, for example the UK has a score of 74
- Based on the score, each Nation Brand is assigned a rating between AAA+ (exceptionally strong) and DDD (failing) in a format similar to a credit rating
- The BSI score is applied to the respective royalty range for each economic sector in order to determine the applicable royalty rate for primary, secondary and tertiary GDP segments
- It is then applied to the necessary royalty rate range to determine the exact royalty rate

Step 3 – 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
- The discount rate 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 4 – long term growth rate

- The nation brand valuation is based on five year forecasts. In addition, an annuity is calculated on the final year's brand contribution to account for the value of the nation brand into perpetuity
- The long term growth rate is taken from the long term economic growth forecasts, sourced from OECD

Step 5 – brand valuation

- The calculated royalty rates for the primary, secondary and tertiary sectors are multiplied to the appropriate segmented GDP to derive a 'total brand contribution' for both the total national brand value (ie the nation brand plus corporate brands) and the pure nation brand alone.
- The resulting figures are then taxed at the local corporate tax rate
- The brand contribution after tax for each is discounted back to a 'net present value' using the discount rate
- The figures are then added to their discounted values into perpetuity
- This valuation calculation is completed for all segments and totalled for each to derive both the total national brand value and the nation brand value in isolation

Data Sources

Executive Summary

Referendum Relief, Sporting Spectacles & Costly Conflict

Brand USA continues its domination of the Brand Finance Nation Brands report. Though the actions of the US on the international stage are frequently in question and polarisation and deadlock beset domestic politics, decades as the pre-eminent force in finance, entertainment, democracy and technology means the US should continue to top the ranking for years to come.

The ranks for the rest of the top five also remain unchanged from 2013; China is 2nd, followed by Germany, the UK and Japan. Germany, though not the most valuable, is this year's strongest nation brand. Nation Brand strength is determined by reference to performance across four 'pillars'; Goods & Services, Tourism, Talent and Investment. The scores in each area are combined to produce an overall 'Brand Strength Index' (BSI) score. Germany's score of 76 (75.84 to be precise) means it has just pulled ahead of neighbour Switzerland, last year's strongest nation brand. Nation Brand Value is calculated by combining the BSI score with GDP data, another reason behind the US's firm hold of the top spot. Despite fairly flat growth of late, Germany remains Europe's powerhouse with an almost unrivalled reputation for quality manufacturing and efficiency. Unemployment is falling and the country's World Cup win has, to a limited extent at least, generated a positive 'halo' effect.

The UK has enjoyed another surge in Nation Brand Value as economic growth outstrips most other European states and as the GREAT Britain nation brand campaign continues to pay dividends. By far the biggest factor however has been the outcome of the Scottish independence referendum. The growth in the value of Brand Britain has been somewhat muted over the last two or three years in the run up to the referendum. Some investors have been put off by the uncertainty around the result and analysts attached a greater risk premium to the country's growth. Had Scotland voted yes, the centuries of brand equity built up around the UK Nation Brand would have been lost. Scotland has developed a robust nation brand even within the greater UK, however what was left of the UK would have had a tricky task to stabilise its international reputation and to re-establish a credible identity.

The UK total brand value has risen 20% to $2.8 trillion. Of the 'four pillars' the UK's biggest improvements have come from 'Goods & Services' and 'Tourism'. The UK has actually fallen back slightly (from 75 to 74) on the 'Talent' segment as efforts to curb immigration from outside the EU have made attracting the world's brightest students more difficult for the UK's world leading universities and most critically, its businesses.

Executive Summary

The lower half of the top ten has seen more significant changes. Canada, India and Australia have all climbed a place in the rankings after growth of up to 24% and now sit at 6th, 8th and 9th respectively. Though the appointment of India's new Prime Minister Narendra Modi was greeted cautiously by many western governments, he has provided a renewed sense of purpose to India's bureaucracy, improving confidence at home and abroad in the ease of doing business there. The India Brand Equity Foundation is reinforcing that message, providing a gateway for investors by providing information on India's products, services and business climate with the aim of promoting "international awareness of the Made in India label in markets overseas." India also boasts one of the most enduring nation brand campaigns in 'Incredible India'. The word 'incredible', as opposed to 'beautiful' or another easily claimed adjective, has a particular relevance for India, renowned as it is for its intense pace of life and variety of cultures, cuisine, languages and landscapes. It could be argued that the phrasing does not sufficiently differentiate India from other nations however for such a large, diverse country, a broad approach was probably required.

Completing the top ten is Brazil, which has not only fallen in the rankings (from 8th to 10th), its nation brand value has actually shrunk. The total brand value for Brazil now stands at $1.4 trillion. Economic growth has been weak under Dilma Rousseff and her re-election at the expense of Aecio Neves leaves little to suggest an immediate turnaround in fortunes, despite Mrs Rousseff's more conciliatory and collaborative tone.

The promised financial boost from the 2014 World Cup failed to materialise. Economic activity, rather than having been stimulated, was stifled. Another country that seems to have gained little from hosting major sporting events is Russia. Brand value has fallen by $13 billion to $1.246 trillion despite the country having hosted both the inaugural Russian Formula 1 Grand Prix and the Winter Olympics (the most expensive in history). Brand Finance has previously valued the Olympic brand at $47.6 billion, yet repeated experiences demonstrate the difficulty nations have in harnessing the power of that brand to build their own.

When the eyes of the world are focussed on a country, they are just as likely to see flaws as the image the host nation is keen to project. Brazil's street protests

IBEF
INDIA BRAND EQUITY FOUNDATION

Incredible India

The contrasting perceptions of Brazil left by the 2014 World Cup

Executive Summary

were a direct reaction to the cost of the World Cup. Rather than Brazil being seen as a rapidly developing, well-managed economy, ready to welcome the world, old stereotypes of Latin American nations as inefficiently run and occasionally lawless were reinforced. Russia and Qatar's bids for the next two World Cup tournaments have seen both countries accused of cronyism and corruption as well as an intensified criticism of their social policies, attitude to sexual minorities and political entanglements.

The evidence suggests that such sporting spectacles are not only loss making in the short term, but can be an ineffective way to build nation brand value. When Russia and Brazil swap hosting roles in the coming years, with Russia hosting the next World Cup in 2018 and Brazil the next Olympics in 2016, there is little to suggest any change in outcome. Good governance and a measured, well-managed and regularly monitored nation branding campaign is a far more likely route to success.

Russia's problems are far more extensive than adverse publicity of course. The falling price of crude oil threatens to play havoc with Russia's balance of payments and potentially destabilise the Putin government. The rouble is rapidly depreciating against the dollar. Though this makes labour costs more competitive (which would help improve the BSI score for Goods and Services) it also increases the price of imported industrial inputs prompting car manufacturers such as Volkswagen to temporarily halt production in recent weeks. As a consequence, Russia's score for 'Goods & Services' has actually fallen from 51 to 50.

Conflict has damaged both Russia's nation brand and GDP; the invasion of Crimea and support for rebels in Donetsk and Luhansk has alienated many foreign governments, investors and tourists and has led to the imposition of economic sanctions. Russia's score for 'Tourism' is down from 46 to 43 and 'Investment' has fallen from 48 to 45. The combined effect of all these issues has meant Russia has lost its status as an 'A rated' nation brand, a new overall BSI score of 49 gives it a BBB rating. Overall national brand value is also down, from $1.26 trillion to $1.17 trillion, which sees Russia fall behind Italy into 12th place.

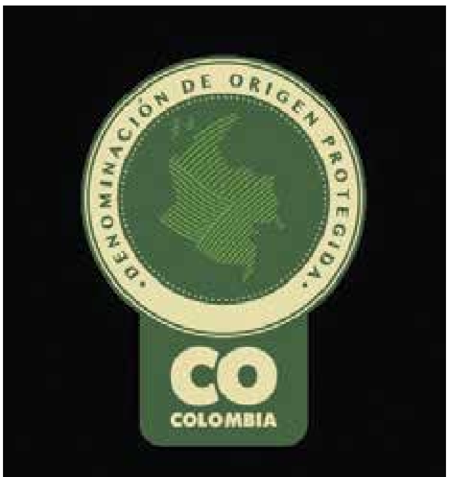
The impact of the conflict on Ukraine has been even greater however. Though a turn towards western values of transparency and democracy has certainly had some impact in improving Ukraine's reputation in Europe, the US and beyond, continuing instability is a major problem for its nation brand. In losing Crimea, Ukraine has lost not just a significant landmass and economic base, but the better part of its tourist industry. With a continuing war in the east, as sympathetic as western investors would like to be, Ukraine remains a very risky prospect. A perhaps unsurprising consequence is that Ukraine has suffered the most dramatic drop in nation brand value of any country this year; total nation brand value is down 37% to $80 billion.

At the opposite end of the scale is Qatar. The reputational issues mentioned above, while significant, have by no means overwhelmed the emirate. For the region it is particularly stable and has been afflicted by neither civil war, nor conflict in neighbouring states; a rarity in today's

Executive Summary

Middle East. Home grown brands such as Ooreedoo are flourishing internationally, laying the foundations for success beyond the era of liquefied natural gas. Total nation brand value is up 39%, making Qatar this year's fastest mover.

Colombia is the fastest growing Latin American Nation brand (there has been brand value growth of 32% to a total of $159 billion) thanks in part to a very well-planned and executed nation brand campaign. 'The Answer is Colombia', launched two years ago, replaced the 'Colombia is Passion' brand used from 2005, representing a significant leap forward from a logo and slogan than drew upon more dated and clichéd Latin American motifs. The new campaign has a much fresher, contemporary design. The focus on the letters 'CO' (Colombia's ISO country code, used in web addresses) is



This seal will proudly mark all products whose origin and quality standards are an expression of Colombian regions.

a nod to the digital age. More important than the design however is the holistic approach; all of Colombia's strengths are showcased as part of the campaign. In addition to a focus on the four pillars of Talent, Goods & Services, Tourism and Investment, Colombia's environment, culture, sports and technological innovations are also brought to the fore.
Colombia has also developed its own certification scheme for products of designated origin. Such schemes have proved incredibly useful marketing tools for agencies such as Brand Finance's sister company Dialogue Agency, which specialises in communicating the virtues of quality produce from around the world to the UK market.

A final interesting case study is the United Arab Emirates. Though Saudi Arabia, with its significantly larger economy and oil reserves, is top in the Middle East region in terms of nation brand value, the UAE comes out on top for brand strength with a BSI score of 66. This is despite the fact that the country's authorities have to balance the promotion of the national brand with very powerful sub-national brands.

Dubai is the best known internationally, having put itself on the map with iconic infrastructure projects such as the Burj Al Arab, the Palm and the Burj Khalifa, the world's tallest building. It has developed a thriving tourist industry and a reputation as an international transport and business hub, which will be reinforced as Dubai hosts EXPO 2020. Brand Finance has estimated the uplift in value to 'Brand Dubai' of hosting the event at approximately $8 billion.

Abu Dhabi is following a slightly different path, with a greater emphasis on culture (it has developed a branch of the Louvre museum) and a more sustainable pace of infrastructure development and economic growth. The Office of the Brand of Abu Dhabi (OBAD) was established in 2007 and helps to ensure that a consistent

brand image for Abu Dhabi is conveyed across all four pillars.

The national UAE brand has to some extent relied upon the successes of Abu Dhabi and Dubai. Nascent efforts to more proactively promote the UAE rather than the sub-national brands are welcome. If implemented effectively, they will see the already strong growth of the UAE's nation brand value accelerate in future Brand Finance studies.

Abu Dhabi

Key Findings - 2014

Most Valuable Nation Brands

		2013 Rank			Rating
01	United States	1	$19,261bn	+7%	AA+
02	China	2	$6,352bn	+4%	AA-
03	Germany	3	$4,357bn	+9%	AA+
04	United Kingdom	4	$2,833bn	+20%	AA
05	Japan	5	$2,458bn	+9%	AA-
06	Canada	7	$2,212bn	+19%	AA-
07	France	6	$1,938bn	+7%	AA-
08	India	9	$1,621bn	+19%	A+
09	Australia	10	$1,555bn	+24%	AA
10	Brazil	8	$1,403bn	-5%	A+
11	Italy	12	$1,289bn	+24%	A+
12	Russian Federation	11	$1,167bn	-7%	BBB
13	Switzerland	14	$1,151bn	+19%	AA+
14	Mexico	15	$1,027bn	+27%	A
15	Netherlands	13	$1,026bn	+3%	AA
16	Korea Republic	16	$997bn	+29%	AA-
17	Sweden	17	$802bn	+7%	AA
18	Spain	18	$801bn	+11%	A+
19	Turkey	19	$751bn	+9%	A+
20	Poland	20	$602bn	+21%	A

Key Findings - 2014

Best Performers

01
Qatar
+39%
Brand Value 2014: **$256bn** 2013: **$184bn**

02
Bangladesh
+39%
Brand Value 2014: **$115bn** 2013: **$83bn**

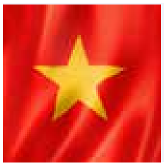
03
Sri Lanka
+37%
Brand Value 2014: **$61bn** 2013: **$45bn**

04
Kazakhstan
+37%
Brand Value 2014: **$164bn** 2013: **$120bn**

05
Ireland
+35%
Brand Value 2014: **$250bn** 2013: **$185bn**

06
Philippines
+35%
Brand Value 2014: **$260bn** 2013: **$193bn**

07
Colombia
+32%
Brand Value 2014: **$159bn** 2013: **$120bn**

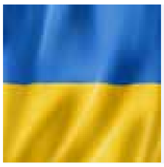


08
Vietnam
+30%
Brand Value 2014: **$172bn** 2013: **$133bn**

09
Korea Republic
+29%
Brand Value 2014: **$997bn** 2013: **$775bn**

10
Ethiopia
+28%
Brand Value 2014: **$18bn** 2013: **$14bn**

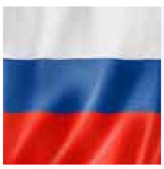
Worst Performers



01
Ukraine
-37%
Brand Value 2014: **$80bn** 2013: **$126bn**

02
Lebanon
-23%
Brand Value 2014: **$22bn** 2013: **$28bn**

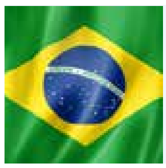
03
Croatia
-9%
Brand Value 2014: **$36bn** 2013: **$40bn**



04
Russian Federation
-7%
Brand Value 2014: **$1,167bn** 2013: **$1,257bn**

05
Kuwait
-5%
Brand Value 2014: **$100bn** 2013: **$106bn**

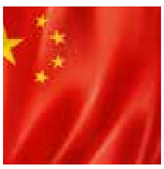
06
South Africa
-5%
Brand Value 2014: **$256bn** 2013: **$270bn**



07
Brazil
-5%
Brand Value 2014: **$1,403bn** 2013: **$1,478bn**

08
Bulgaria
-1%
Brand Value 2014: **$45bn** 2013: **$45bn**

09
Netherlands
+3%
Brand Value 2014: **$1,026bn** 2013: **$997bn**



10
China
+4%
Brand Value 2014: **$6,352bn** 2013: **$6,109bn**

Key Findings – 2014

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 195 data points across four 'pillars'; Goods & Services, Tourism, Talent and Investment. A score out of 100 is calculated for each of the four pillars. These are then combined to produce an overall Brand Strength Index (BSI) score, also out of 100. Based on the score, each Nation Brand is assigned a rating between AAA+ and D in a format similar to a credit rating. For example The UK's score of 74 puts it in 5th place and gives it an AA brand rating.

A country's BSI score is combined with GDP data to arrive at the nation brand value. Looking at the BSI in isolation can therefore in some ways be seen to be the truest reflection of a government's guidance of its nation brand, as the inherent GDP advantage of larger countries is removed.

Nation Brand Ratings

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

01 Germany
2013 BSI rank **4**
BSI Score **75.84**
Rating **AA+**

02 Singapore
2013 BSI rank **2**
BSI Score **75.80**
Rating **AA+**

03 Switzerland
2013 BSI rank **1**
BSI Score **75.73**
Rating **AA+**

04 United States
2013 BSI rank **3**
BSI Score **75.70**
Rating **AA+**

05 United Kingdom
2013 BSI rank **5**
BSI Score **73.67**
Rating **AA**

06 Sweden
2013 BSI rank **6**
BSI Score **72.13**
Rating **AA**

07 Netherlands
2013 BSI rank **7**
BSI Score **71.68**
Rating **AA**

08 Malaysia
2013 BSI rank **8**
BSI Score **70.88**
Rating **AA**

09 Australia
2013 BSI rank **11**
BSI Score **69.73**
Rating **AA**

10 Japan
2013 BSI rank **15**
BSI Score **69.45**
Rating **AA-**

11 Austria
2013 BSI rank **12**
BSI Score **69.36**
Rating **AA-**

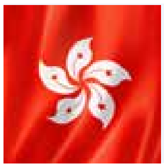
12 Canada
2013 BSI rank **10**
BSI Score **69.13**
Rating **AA-**

13 Denmark
2013 BSI rank **18**
BSI Score **68.90**
Rating **AA-**

14 New Zealand
2013 BSI rank **13**
BSI Score **68.79**
Rating **AA-**

15 Finland
2013 BSI rank **16**
BSI Score **68.26**
Rating **AA-**

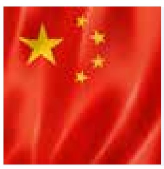
16 Norway
2013 BSI rank **17**
BSI Score **68.22**
Rating **AA-**



17 Hong Kong SAR
2013 BSI rank **9**
BSI Score **67.42**
Rating **AA-**

18 Ireland
2013 BSI rank **26**
BSI Score **67.42**
Rating **AA-**

19 Taiwan, China
2013 BSI rank **14**
BSI Score **67.41**
Rating **AA-**



20 China
2013 BSI rank **27**
BSI Score **66.93**
Rating **AA-**

Key Findings - 2014

TOP 10 INVESTMENT 2014

TOP PERFORMERS		TOP MOVERS	
Country name	**BSI Score**	**Country name**	**BSI Increase**
Singapore	79	**Norway**	4
Switzerland	78	**Switzerland**	3
Sweden	76	**Finland**	2
Germany	75	**Singapore**	2
Norway	74	**New Zealand**	2
United States	73	**South Africa**	2
United Kingdom	73	**Denmark**	2
Denmark	73	**Luxembourg**	2
Finland	72	**Iceland**	2
Netherlands	72	**Netherlands**	2

Investment

Developing the Investment segment of a nation brand allows a country to attract greater foreign direct investment (FDI) as well as increase the interest of investors in opportunities within a country. A strong nation brand helps to cut through the information glut that is inherent in the modern business news both locally and internationally. It also supports investor confidence in the value of a country

TOP 10 GOODS & SERVICES 2014

TOP PERFORMERS		TOP MOVERS	
Country name	**BSI Score**	**Country name**	**BSI Increase**
Germany	80	**Switzerland**	4
Switzerland	76	**Norway**	3
United States	76	**Denmark**	3
Singapore	74	**Finland**	3
Netherlands	71	**Germany**	3
Sweden	71	**New Zealand**	3
United Kingdom	70	**Botswana**	2
Norway	69	**South Africa**	2
Japan	69	**Netherlands**	2
Denmark	69	**Estonia**	2

Goods and Services

Developing the Goods and Services segment of a nation brand improves both the export potential of a country's output as well as reducing the imports of goods. Internally it can drive an increase in employment as consumption flows stay within the economy and externally it can provide markets for producers unconnected from local economic shifts. Once established it also allows for quicker adoption of a country's new outputs.

TOP 10 PEOPLE & SKILLS 2014

TOP PERFORMERS		TOP MOVERS	
Country name	**BSI Score**	**Country name**	**BSI Increase**
Switzerland	82	**Indonesia**	4
Singapore	80	**Russian Federation**	3
Norway	78	**Zambia**	2
United States	78	**Azerbaijan**	2
Sweden	78	**Romania**	2
Netherlands	76	**Algeria**	2
Finland	76	**Switzerland**	2
Germany	76	**Qatar**	1
Canada	76	**Norway**	1
Denmark	75	**China**	1

People and Skills

Development of the People and Skills segment of the nation brand allows a country to both keep their skilled citizens, avoiding 'brain drain', as well as attract talent internationally. Communicating and developing opportunities for both internal and external talent within a nation can improve innovation and the quality of production. Once established, the nation brand also allows for the recruitment of specific skills and experiences needed by a country.

TOP 10 TOURISM 2014

TOP PERFORMERS		TOP MOVERS	
Country name	**BSI Score**	**Country name**	**BSI Increase**
Thailand	78	**Morocco**	13
Malaysia	77	**Egypt**	10
New Zealand	73	**Indonesia**	9
Austria	72	**China**	9
Australia	71	**Azerbaijan**	9
United Arab Emirates	71	**Vietnam**	8
Singapore	71	**Georgia**	8
Turkey	71	**Ethiopia**	8
United Kingdom	70	**Cambodia**	7
Spain	70	**Albania**	7

Tourism

Development of the Tourism segment allows a country to both attract international tourism as well as increase the number of domestic trips. The imagery and attributes used to promote tourism often run counter to those that work best for the other pillars but still influence the perceptions of international audiences. A strong tourism brand acts as the flag carrier of for the nation brand, but must be carefully considered to project a clear image of the nation as a whole.

Case Study

Investment: Sweden

THE SWEDISH TRADE & INVEST COUNCIL
BUSINESS SWEDEN

Developing the Investment segment of a nation brand allows a country to attract greater foreign direct investment (FDI) as well as increase the interest of investors in opportunities within a country. A strong nation brand helps to cut through the information glut that is inherent in the modern business news both locally and internationally. It also supports investor confidence in the value of a country

A strong nation brand can also be used to develop investment within a country from internal sources. Investing at home is often the first stop for a country's investment community, with local knowledge and contacts allowing for easier risk evaluations, but leveraging the national image can help to direct investment towards new areas.

Organisation Intro

Business Sweden facilitates and promotes the growth of Swedish companies abroad from its 60 international offices as well as developing investment opportunities for foreign companies in Sweden. It was formed less than two years ago in January 2013 from the merger of the Swedish Trade Council and Invest Sweden. It also has a domestic focus; by promoting Sweden as an attractive, innovative and competitive business partner it supports Swedish companies in reaching export markets and creates business opportunities for small and medium-sized enterprises to grow internationally.

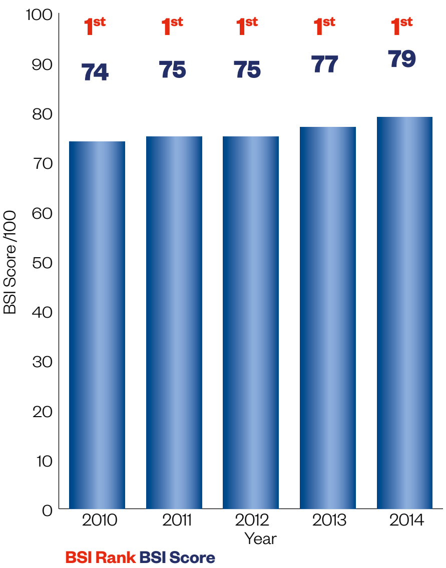
2014 Accomplishments:

Sweden has an embarrassment of riches when it comes to its investment climate; the IMD's World Competitiveness Ranking has ranked Sweden as one of the world's most competitive countries, it is the most effective at using the web to its advantage, it has one of the best educated workforces, an attractive corporate tax rate for Europe and a level of transparency and good governance that means there is minimal corruption.

Research and development has become a key area of strength thanks to this welcoming environment and the work of Business Sweden. According to the European Commission's Innovation Union Scoreboard 2014, Sweden is the most innovative EU state. The EU has set R&D investment targets at 3% of GDP which Sweden has exceeded. Per capita spending of life science research is the highest in Europe.

Sweden remains 3rd in the Investment rankings of Brand Finance nation brand strength index, though its score is up from 75 to 76. In Q3 of 2014, Bloomberg reports that business investment helped to underpin robust GDP growth of 0.3% on the previous quarter despite household spending having stalled. Business Sweden clearly already has excellent product to work with already, however it is putting the 'icing on the cake'. The decision to form it last year by merging the Swedish Trade Council and Invest Sweden has been a sensible one; the more holistic approach recognises the fact that exporters, covered by the 'Goods & Services' pillar, can act as catalysts for investment and means there is a one stop shop for anyone with a business interest in the country.

Investment Pillar BSI Performance, Sweden



Case Study

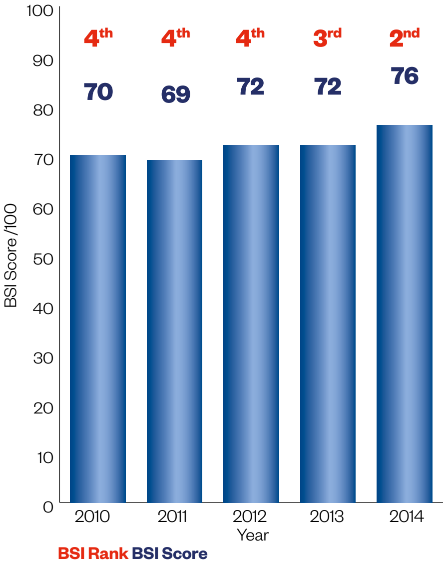
Goods & Services: Switzerland

SWITZERLAND GLOBAL ENTERPRISE
enabling new business

Developing the Goods and Services segment of a nation brand improves both the export potential of a country's output as well as reducing the imports of goods. Internally it can drive an increase in employment as consumption flows stay within the economy and externally it can provide markets for producers unconnected from local economic shifts. Once established it also allows for quicker adoption of a country's new outputs.

Switzerland scores particularly highly in the goods and services pillar of the BSI. The country's brands have helped forge its reputation but also benefit hugely from it. Brands such as Tissot, Emmi and Rolex all promote their Swiss heritage, leverage a national reputation for competence and precision. When such brands deliver on their promises they in turn act as soft power ambassadors for their country, paving the way for other Swiss exporters and improving national performance across the four pillars.

Goods and Services Pillar BSI Performance, Switzerland



Organisation Intro

Switzerland Global Enterprise was founded as a non-profit association in Lausanne in 1927. It informs, advises and guides SMEs from Switzerland and Liechtenstein in their international business ventures. It links companies, experts and private and public organisations around the world, thus facilitating efficient promotion of foreign trade. Switzerland Global Enterprise runs 21 Swiss Business Hubs abroad, most of which are based in Swiss embassies. These offices provide guidance to Swiss exporters on four continents and promote Switzerland as a business location abroad.

2014 Accomplishments:

2014 has been a great year for Switzerland in the Goods & Services segment; it is this year's top riser with an improvement of 5.1% in that part of the BSI score. This increase has allowed Switzerland to overtake the US, which has fallen from 1st place down to 3rd. Switzerland's improving performance can be partially accredited to a healthy increase in exports this year, 1.4% for goods and 7.1% for commercial services.

Case Study

People & Skills: Singapore

Development of the People and Skills segment of the nation brand allows a country to both keep their skilled citizens, avoiding 'brain drain', as well as attract talent internationally. Communicating and developing opportunities for both internal and external talent within a nation can improve innovation and the quality of production. Once established, the nation brand also allows for the recruitment of specific skills and experiences needed by a country.

Organisation Intro

The Singapore Workforce Development Agency (WDA) is a domestically focussed organisation. It aims to help workers advance in their careers, develop and strengthen skills-based training for adults, working with employers, industry associations, unions and training organisations.

The WDA's mission is to lead, drive and champion workforce development, enhancing the employability and competitiveness of Singapore's workforce. The agency began with three main objectives; keep training relevant, strengthen infrastructure for continuing education and training, and finally to help workers find jobs.

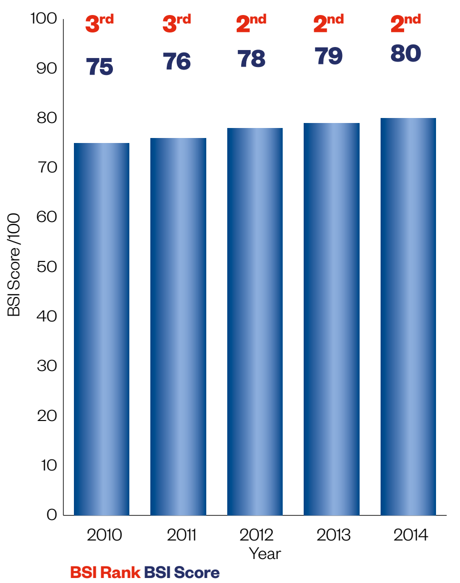
2014 Accomplishments:

Singapore holds on to 2nd place in the People & Skills segment for the third year in a row, with a BSI score of 80, up from 79 last year. Its excellent school system consistently tops international rankings and its universities are particularly aligned with commercial opportunities. The employment rate reached an all time high of 79.7% this year and low paid workers now take home 31% more than they did five years ago. In contrast to most developed nations, median pay is on the increase; median monthly income grew 1.8% this year. Singapore is the only Asian nation to feature in the top ten for the People & Skills top ten.

The WDA, in conjunction with many other organisations, is clearly succeeding, however recent changes to immigration policy make its work all the more important. Singapore is renowned for its openness and expatriate community but is making it increasingly difficult for firms to hire foreign workers.

This is already beginning to have an effect on businesses; from senior staff taking on extra hours in junior or manual roles to compensate for the lack of labour to international firms having problems securing the highly skilled workers they need. Though the number of businesses folding as a result has so far been limited, there could be thousands which have not expanded as they would have. This poses a threat to Singapore's scores for all four pillars, but People and Skills in particular. The WDA has its work cut out to get an already highly talented an educated populace to deliver more.

Investment Pillar BSI Performance, Singapore



Case Study

Tourism: Malaysia

Domestic tourism in particular keeps economic activity and cash flows within a nation and can help bolster areas of a country which are highly reliant on the tourism industry during an economic downturn. A successful campaign can also help establish a greater base for tourism in general, as consumers might permanently increase their number of annual trips once they are aware of locations close by.

International tourism is an important source of income for many economies around the world but with huge choice and flexibility for both conferences and leisure, competition is fierce, making a strong nation brand crucial to growing a nation's market share.
A strong tourism brand is often the flag carrier of for the nation brand, being the dominant way in which perceptions are formed for most external audiences. For this reason the tourist image must be carefully managed in coordination with the other pillars.

Organisation Intro

The Malaysia Tourism Promotion Board (MTPB), also known as Tourism Malaysia, is responsible for industry performance and promotes tourism both domestically and internationally. In addition to showcasing Malaysia's natural environment, attractions and variety of cultures to the general tourist audience, high value tourist categories are given particular attention, with dedicated resources for golf, medical tourism, second home buyers and convention organisers.

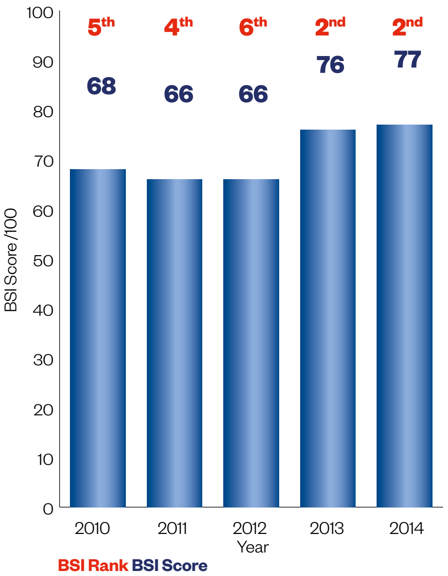
2014 Accomplishments:

MTPB boasts one of the most widely admired nation branding campaigns in 'Malaysia Truly Asia'. It has successfully differentiated itself by positioning Malaysia not just as somewhere to visit for its own sake, but as a place where you can experience the whole of Asia, including the Indian subcontinent, South-East Asia and China all in one well-run, manageable place.

Malaysia has just concluded the celebration of the fourth "Visit Malaysia Year" (VMY). VMY is set to contribute to the Government's target to of 36 million tourist arrivals and RM168 billion in receipts by 2020, as outlined in the Malaysia Tourism Transformation Plan 2020. 2015's theme is "Malaysia: Year of Festivals", the intention being to reinforce the message that Malaysia is a cauldron of Asia's cultures and that people will extend trips to take in the festivals.

Malaysia reached 2nd place in the BSI rankings for 'Tourism' this year with an overall score of 78. The effects of the tragic aviation disasters involving Malaysian Air have not been as dire for the Malaysian tourism sector as many had initially predicted. Thanks in part to an already well established tourist brand, the airline has taken the brunt of negative PR coverage with limited effects on the industry as a whole. Tourist numbers actually went up 9.7 % between January and August this year, suggesting that MPTB and Malaysia can look forward to another booming year of tourism in 2015.

Tourism Pillar BSI Performance, Malaysia



Case Study

Integrated Campaign: Team Finalnd

A good example of an integrated organisation is The Team Finland network which promotes Finland and its interests abroad. The umbrella organisation deals with Finland's external economic relations, the internationalisation of Finnish enterprises, investments in Finland, tourism and overall promotion of the nation brand.

Like the better known GREAT Britain Campaign, Team Finland is an overarching structure that coordinates the efforts existing organisations. The holistic approach helps to ensure that a consistent message reaches across the four pillars. The Finland Promotion board is responsible for overall country branding and aims to promote the following general themes; reliability, dependability, high-end technology, problem-solving ability, high-quality products, innovation, well-being, security, fluency, equality, sincerity and authenticity.

Unlike the GREAT campaign, Team Finland is not an external facing brand. Finpro is the most prominent outward facing part of the network; its various services are deliver by sub-brands Export Finland, Invest in Finland and Visit Finland.

Goods & services

Team Finland offers services supporting the internalisation of businesses by providing domestic companies with advice and training. It provides networking opportunities, connecting local brands with officials, sources of finance and market opportunities.

The Team Finland network is responsible for influencing the external environment in which Finnish companies operate. Finland is part of the EU and its common market, which makes trade simpler and provides a quasi domestic market of 500m. There is still scope for negotiation and influence at this level however, for which organisations that fall under the Team Finland banner, such as the Prime Minister's Office and Ministry for Employment and Education take responsibility.

Team Finland's network outside the EU also has the capacity to influence trade legislation and enforcement and support companies' market access, which is overseen by the Ministry of Foreign Affairs.

Though Finnish standard bearer Nokia's golden age is behind it, it remains a valuable brand and there are a host of powerful Finish brands that are either well established or rapidly developing, Angry Birds creator Rovio being one of the most famous. Finland's Brand Index Score for Goods & Services is up to 68 from 65.

Case Study

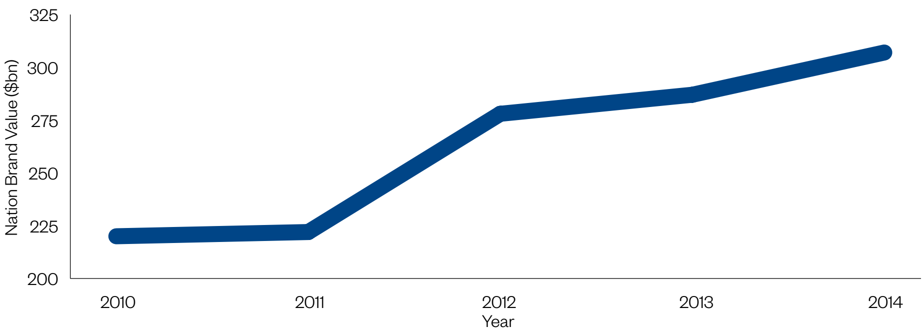
Investments

Under the Team Finland 'umbrella', Invest in Finland is the agency responsible for promoting foreign direct investment in Finland. It does so by promoting Finland's many existing strengths as an investment location such as its highly educated, multilingual workforce, stability and expertise in key growth sectors such as tech. Foreign owned companies are entitled to the same investment incentives as local ones, making Finland particularly open. Due to its geographical location it is also positioned as a gateway to Russia, though given the situation there at the time of writing, this may be less of a selling point.

Invest in Finland offers a wide range of tailored services for potential investors, from situation analysis and data gathering, identifying business incentives and locations to the launch of new operations, covering the entire investment process from start to finish.

Finland has broken into the top 10 for Investment with its score for that part of the Nation Brand Strength Index up from 70 to 72. This makes Finland the 3rd most improved in terms of Investment strength behind Switzerland and Norway and represents Finland's biggest improvement in the last four years.

Finland's historic nation brand value



People & Skills

Finland consistently tops international rankings for the quality of its education. According to the World Economic Forum's (WEF) Global Competitiveness Report, Finland is 2nd to Singapore in Maths and Science, 2nd to Switzerland in overall competitiveness and top for primary education.

Team Finland is helping to promote these positive attributes, cultivating culture and education as a soft power of the country. Finnish education is so highly regarded in fact that the system has become an export product, with Finnish teachers and administrators opening up new markets with the assistance of Team Finland.

Finland does a good job of educating and retaining its talent at a higher level too. According to the OECD, over 50% of Finns participate in higher education in contrast to an OECD average of 34% and the country has the best availability of scientists and engineers of any country according to WEF. Finland records its highest score of any pillar in Education, with a BSI value of 76.

Tourism

Visit Finland has an active role in Team Finland's operations, focusing on communication and country brand development for the tourist sector. Visit Finland works closely with ministries, travel businesses, transport companies and the Finnish regions. This cooperation involves research, product development and, above all, marketing of leisure tourism to Finland from abroad.

Tourism is Finland's weakest segment, although it has steadily improved over the last four years. Helsinki is ranked as the 8th most liveable city in the world in the Economist Intelligence Unit's annual survey which assesses 140 cities worldwide. However 'liveability' is not necessarily at the top of a tourist's priority list and is more of an asset in attracting talent, benefitting the 'People & Skills' pillar. This illustrates a problem identified by Pekka Isosomppi of the Embassy of Finland in the UK at the recent Brand Finance Nation Brands Forum, namely that there is a need to 'make Finland interesting'.

Neighboring countries Norway and Sweden are both outperforming Finland in the 'Tourism' pillar, suggesting that though Finland needs to differentiate itself, there is definite potential for growth, particularly in high-value, activity based trips whether ski-dooing in Lapland or kite-surfing on the unspoiled coast.

Feature Article

Nation Branding is Essential but not an Easy Ride

By Paul Temporal

Branding activities carried out by nations have been on the increase for the last two decades, although there is some debate as to whether the branding of an entire nation is actually possible given its complexity. What is very clear is that countries are trying to maximize the strong elements of their identity and image and improve more negative perceptions in order to be more competitive in the global marketplace.

Several countries have acknowledged that they are undertaking some form of nation branding activities in the sense that they are not confining their activities to one industry or sector, but instead are addressing many sectors in an attempt to raise their profiles and build their images in a holistic way. Some are developed nations such as South Korea, Canada, Switzerland and Australia, and some are developing countries classified as NICs (Newly Industrialized Countries) such as South Africa, India, China, Turkey, Malaysia, Mexico and Brazil. In different ways, they are all trying to ensure that their national brands are stronger than their competitor brands.

Every country already has a brand in the form of an identity and image (or images) made up of various perceptions held by different people, organizations or other governments that know of or have had experience of it. It is the identity (what the country wants to be seen as) and the image (how it is actually seen) that governments try to influence through branding. For example, Singapore has not systematically created a country brand image but it does have one and possesses many images and associations held by various groups of people at home and abroad. It has many brand strengths such as efficiency, safety, reliability, confidence, good organization, forward-looking government and more, but like other countries it has some more negative perceptions and is seen as a little unfriendly, strict and slightly arrogant. Removing the negatives and leveraging on the strengths is the focus for government policies and brand activities in Singapore and many nations.

Sometimes, a country's image that arises from collective perceptions can be very favourable for its products based on heritage in terms of national characteristics or reputational skills; for example, Japan with consumer electronics, Germany with automotive engineering, and Switzerland with precision watchmaking. . "Made in Germany", "Made in Japan" and "Made

Feature Article

Japan (l) shook off its reputation for poor quality manufacturing and is now perceived as a modern, efficient and naturally beautiful. By contrast China (r) is held back by a perception that its polluted cities produce only low value added goods.

in Switzerland" bring to mind associations of high quality and innovative products. These positive images produce a powerful country-of-origin effect.
Where brand images do not match desired brand identities then there will be perception gaps that need to be closed. For example, Canada has wanted to be seen as a high-tech player in Asia for some time, but the reality is that it is not perceived in this way, despite having many strong technology companies such as Bombardier. Research shows that its image is largely confined to education and holidays. Nations often have to work hard on perception management to improve brand image. China is in exactly that position now as it has an image challenge regarding product and service quality. Major changes can be accomplished, as Japan proved when it had a similar challenge in the 1960's, but China wants, and needs, to move at a faster pace.

Many countries have undergone different types of branding exercises but the main objectives of these remain the same. The overarching goal of any nation branding exercise is to find and exploit areas of strategic competitive advantage that will lead to a powerful image and gains in terms of:

- Promotion of tourism and national culture.
- Attraction of investments and global capital.
- Increases in the exports of products and services.
- The retention and attraction of talent.

Countries are turning to branding techniques demonstrated so successfully by the private sector in order to differentiate themselves from competitor nations and manage their image to achieve these four broad goals. They have seen that, just as in the corporate world, image power leads to economic power, wealth, national confidence and success.

More than Tourism is required

Traditionally, the tourism industry has been used by countries as a driver for country branding and country brand image, especially by emerging countries. In some respects, the reason for this is that it's a relatively easy market to analyse, well researched and global in nature. Moreover, most countries have the basics there to satisfy the needs and wants of tourists, such as sea, sand, sun, shopping and culture.

But it is very difficult to drive a whole country brand via one industry and in tourism it is now becoming very difficult to achieve clear differentiation. If we look at a selection of slogans from a variety of countries, we see, "Amazing Thailand," "Incredible India," "It's more fun in the Philippines," and "Wonderful Indonesia." It is hard to make sense of these and very difficult to differentiate between them in terms of what they offer. One country that has differentiated itself quite well as a tourist destination is Malaysia, with its "Malaysia, Truly Asia" brand, established and managed consistently from the 1990's to now. With its mix of races including Malays, Chinese and Indians, Malaysia opted for a positioning designed to attract those tourists who were looking to see and engage with Asian culture and global research revealed that there is a large-enough segment of people seeking a multi-cultural experience who would visit somewhere that could offer it to them. Importantly, this choice of brand positioning fits the political agenda of the government who see the country as multi-racial and multi-cultural. Branding cannot be really successful without the relevant political will and policies being in place.

Neither are successful tourism brands necessarily relevant to other national objectives and thought has to be given to areas of importance such as direct foreign investment, exports, talent and

Feature Article

Canada's reputation as a land of wild, open landscapes is valuable for tourism but continues to hinder efforts to present the country as a high-tech player in Asia

other areas of need and importance. Some countries are focusing one or more industries other than tourism in order to get wider brand involvement. Canada, for example, is focusing heavily on branding its food and agriculture industry, while Costa Rica and South Africa are both trying to enhance their brand strategies to gain more foreign direct investment and export business in addition to tourism. Tourism is a great economic contributor and brand builder for a country, but this and other sectors have to be brought together. Nation branding should be done in a holistic way to avoid mixed messaging and a multiplicity of logos, slogans and other brand communications.

The Nation Brand Effect (NBE) – Private and Public Sector Partnership

To achieve strong and sustainable brands nations need corporate brand ambassadors; companies with strong brands themselves who are operating in international markets. National and corporate brands need to work together and enhance the national brand and this can happen in two ways. If a nation has a strong brand and reputation for certain skills or abilities it will be easier for its industries and companies to move out into international markets and succeed. This is one half of the NBE. However, the reverse situation can also be helpful, where industries and organizations from a country go out into markets and are successful, and this has a positive impact on the image of the nation. When these two situations are in play there is a virtuous circle. If either of the halves is in a negative situation then the result tends to be a negative image for all.

For example, Germany is associated with precision engineering, and feeds off brands like Mercedes-Benz and BMW, just as the brands themselves do with the "Made in Germany" label. France is the home of chic and luxury with Chanel, Christian Dior, L'Oréal and many other famous brands. Brands such as these successfully move around the world and help improve a nation's image, not to mention its "bottom line." They are national brand ambassadors. This interaction of public and private sector brand images via the NBE is probably the most important source of a nation's brand value, especially in developed economies. The challenge that emerging economies have to deal with is that they have not yet achieved this virtuous circle and tend not to have a strong national reputation or global corporate ambassadors.

The existence of a strong NBE is critical to a nation's brand value and although we can see from the rankings that some emerging countries are moving up, for most of them their progress is slow. As the valuation of commercial and nation brands becomes even more popular and meaningful, it is in emerging countries where I would expect to see most national branding activities occurring in the next few years.

Brand Management

It is worth emphasising that branding is not about creating logos, slogans, advertising and public relations – it is about developing competitive strategies and intentions that must not only be communicated but also delivered on. At country level, this involves policies and public diplomacy as well as changes in behaviour across both public and private sectors. Inclusiveness is critical to success, and a failure to include all stakeholders in the national branding process will almost certainly lead to

Feature Article

a sub-optimum outcome with intra-brand competition, a duplication of resources, and probably some confused consumers.

It is imperative that country-wide brand management must not only be top-down driven but must also involve cross-sector representation. It is tempting for governments to avoid this challenge as branding just one or two industries can help drive a country's brand image and achieve certain national objectives. However, in the absence of a holistic strategy, special attention is often given to certain strategic industries where improvements can be made that will impact economically and help enhance a country's image.

This need for inclusiveness creates many challenges for governments in gaining "buy-in" and commitment to brand strategies, policies and initiatives from all stakeholders, including national citizens. The size and complexity of the country branding process means that it takes time and there are no quick fixes. It is a long-term process. It also means that there must be a firm structure to deal with all the issues that arise in the branding process - a structure that is designed both to give direction as regards brand priorities and the resource to manage the branding activities across private and public sectors.

As nation brands become more serious about creating value they also have to become more astute at managing this valuable property just as commercial brands do. For example, Switzerland views its national brand as so important it is set out in the Federal Act and Ordinance on the promotion of Switzerland's image abroad, managed within the Federal Department of Foreign Affairs. And South Korea has a Presidential Council on Nation Branding, which includes 47 members from the public and private sectors to ensure inclusiveness and 'buy-in' on the brand.

Brand management is critical to the growth and success of any brand, and emerging countries (some developed ones too) should put a structure in place to ensure that the implementation of the brand strategy is carried out in a consistent and relevant way as markets and national priorities change, and competition increases. Given the importance to economies of nations, their brands should be managed at a very high level. There is much to learn from the private sector and including corporate brands and other stakeholders in national brand management is advisable.

SUMMARY

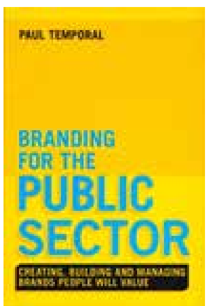
Branding is not easy to do at a national level and there are some pitfalls to avoid, including:

- Failure to have a clear and sustainable strategy based on a clear vision, commonly held values, and differentiated competitive positioning.
- Not taking care to ensure that policies and diplomacy back up the brand strategy and communications.
- Treating branding as one or more relatively short term campaigns to be run instead of a long term investment with consistent messaging. Branding is a never-ending journey.
- Keeping brand consistency while at the same time staying relevant to the changing needs of consumers in different markets and demonstrating innovation..
- Allowing too much intra-brand competition between public sector brands within the country.
- Failure to control the brand, manage it from top down and yet ensure inclusiveness from all stakeholders. This includes not having a proper brand management structure.
- Political Instability.
- Inefficiencies in the public service.

Nevertheless, nations can establish considerable wealth and success through branding activities, as shown by the Brand Finance Nation Brands 2014 report. In addition to economic wealth nations can gain many other benefits including:

- Currency stability.
- Restoration of international credibility and investor confidence.
- Reversing international ratings downgrades.
- Attraction of global capital.
- Greater international political influence.
- Increase in the growth of branded exported products and services.
- Increases in inbound tourism and foreign direct investment.
- Development of stronger international partnerships..... Enhancement of nation building (confidence, pride, harmony, ambition, national resolve).
- Attraction and retention of talent – the human resource and global knowledge.
- Greater access to global markets.
- An improvement in the ability to win against regional and global business competitors, and defend their own markets.

Nation Branding is certainly not an easy ride but the benefits, when realised, outweigh the difficulties.



Paul Temporal *is based at Said Business School, University of Oxford, prior to which he lived in Asia for over twenty years. He has written several best-selling books on branding including his latest on "Branding for the Public Sector".*

Full Results - 2014

NATION BRANDS 1-50								
Rank 2014	**Rank 2013**	**Nation Brand**	**Brand Value 2014 ($bn)**	**Brand Rating 2014**	**Brand Value Change %**	**Brand Value Change ($bn)**	**Brand Value 2013 ($bn)**	**Brand Rating 2013**
1	1	**United States**	19,261	AA+	7%	1,271	17,990	AA
2	2	**China**	6,352	AA-	4%	242	6,109	AA-
3	3	**Germany**	4,357	AA+	9%	355	4,002	AA
4	4	**United Kingdom**	2,833	AA	20%	478	2,354	AA
5	5	**Japan**	2,458	AA-	9%	195	2,263	AA-
6	7	**Canada**	2,212	AA-	19%	349	1,863	AA
7	6	**France**	2,076	AA-	7%	139	1,938	AA-
8	9	**India**	1,621	A+	19%	255	1,366	A+
9	10	**Australia**	1,555	AA	24%	298	1,257	AA
10	8	**Brazil**	1,403	A	-5%	-75	1,478	A+
11	12	**Italy**	1,289	A+	24%	247	1,043	A
12	11	**Russian Federation**	1,167	BBB	-7%	-90	1,257	A-
13	14	**Switzerland**	1,151	AA+	19%	186	965	AA+
14	15	**Mexico**	1,027	A	27%	220	807	A
15	13	**Netherlands**	1,026	AA	3%	29	997	AA
16	16	**Korea, Rep.**	997	AA-	29%	222	775	AA-
17	17	**Sweden**	802	AA	7%	50	752	AA
18	18	**Spain**	801	A+	11%	76	725	A+
19	19	**Turkey**	751	A+	9%	63	688	A+
20	20	**Poland**	602	A	21%	105	497	A
21	21	**Austria**	471	AA-	7%	32	439	AA
22	22	**Saudi Arabia**	463	A	10%	43	420	A
23	24	**Singapore**	460	AA+	14%	57	404	AA+
24	23	**Belgium**	452	AA-	8%	32	420	AA-
25	27	**Taiwan, China**	414	AA-	22%	75	339	AA
26	26	**Thailand**	409	AA-	14%	50	359	AA-
27	29	**Norway**	396	AA-	20%	66	330	AA-
28	28	**Indonesia**	395	A+	16%	56	339	A+
29	25	**Denmark**	394	AA-	7%	25	369	AA-
30	30	**Malaysia**	385	AA	27%	81	304	AA
31	31	**Finland**	307	AA-	7%	20	287	AA-
32	34	**United Arab Emirates**	293	AA-	18%	44	249	AA-
33	33	**Argentina**	265	A-	4%	10	255	A-
34	36	**Philippines**	260	A	35%	67	193	A
35	32	**South Africa**	256	A+	-5%	-14	270	A+
36	39	**Qatar**	256	A+	39%	72	184	AA-
37	35	**Chile**	250	A+	24%	49	202	A+
38	38	**Ireland**	250	AA-	35%	65	185	AA-
39	37	**Hong Kong SAR**	226	AA-	17%	33	193	AA
40	41	**New Zealand**	191	AA-	26%	40	152	AA
41	40	**Czech Republic**	180	A	16%	25	154	A+
42	44	**Vietnam**	172	A	30%	39	133	A
43	42	**Peru**	171	A	17%	25	146	A
44	48	**Kazakhstan**	164	A-	37%	44	120	A-
45	47	**Colombia**	159	A-	32%	39	120	A-
46	43	**Israel**	151	A	10%	14	138	A-
47	49	**Nigeria**	132	BBB	19%	21	111	BBB
48	46	**Romania**	127	A-	4%	5	121	A-
49	52	**Bangladesh**	115	BBB	39%	32	83	A-
50	51	**Portugal**	114	A+	25%	23	91	A+

Full Results - 2014

NATION BRANDS 51-100

Rank 2014	Rank 2013	Nation Brand	Brand Value 2014 ($bn)	Brand Rating 2014	Brand Value Change %	Brand Value Change ($bn)	Brand Value 2013 ($bn)	Brand Rating 2013
51	50	**Kuwait**	100	BBB	-5%	-6	106	A-
52	53	**Hungary**	82	A-	9%	7	75	A
53	45	**Ukraine**	80	BBB	-37%	-46	126	A-
54	54	**Egypt**	75	BBB	7%	5	70	BBB
55	56	**Pakistan**	72	A-	12%	8	64	A-
56	58	**Algeria**	66	BB	28%	14	52	BB
57	57	**Slovak Republic**	65	A-	15%	8	57	A-
58	65	**Sri Lanka**	61	A+	37%	17	45	A+
59	61	**Greece**	61	A-	27%	13	48	BBB
60	62	**Slovenia**	56	A-	18%	9	47	A
61	59	**Luxembourg**	56	A+	8%	4	52	AA-
62	60	**Oman**	53	A-	8%	4	49	A
63	63	**Dominican Republic**	53	A-	16%	7	45	A-
64	67	**Morocco**	48	A	20%	8	40	A-
65	64	**Bulgaria**	45	BBB	-1%	0	45	A-
66	69	**Ecuador**	44	BBB	22%	8	36	BBB
67	70	**Lithuania**	44	A-	26%	9	35	A
68	68	**Costa Rica**	43	A	13%	5	38	A
69	74	**Panama**	40	A-	24%	8	32	A-
70	71	**Azerbaijan**	39	A	15%	5	34	A-
71	72	**Jordan**	38	A-	16%	5	33	A
72	73	**Guatemala**	37	A-	12%	4	33	A-
73	66	**Croatia**	36	A	-9%	-4	40	A
74	75	**Serbia**	34	BBB	11%	3	31	BBB
75	78	**Latvia**	33	A-	22%	6	27	A-
76	76	**Uruguay**	33	A-	10%	3	30	A-
77	79	**Bahrain**	28	A	11%	3	25	A
78	77	**Lebanon**	22	BBB	-23%	-7	28	A-
79	81	**Kenya**	22	A-	11%	2	19	A
80	82	**Paraguay**	21	BBB	24%	4	17	BBB
81	80	**Ghana**	21	BBB	5%	1	20	BBB
82	85	**Estonia**	19	A+	28%	4	15	A+
83	86	**Ethiopia**	18	BBB	28%	4	14	BBB
84	83	**Bolivia**	17	BBB	9%	1	16	A-
85	88	**Tanzania**	16	BBB	18%	2	13	BBB
86	84	**El Salvador**	16	A-	6%	1	15	A-
87	87	**Cyprus**	15	A	8%	1	14	A
88	91	**Cambodia**	15	A	24%	3	12	A
89	90	**Bosnia and Herzegovina**	15	BBB	19%	2	12	BBB
90	89	**Honduras**	14	A-	10%	1	13	A-
91	92	**Georgia**	13	BBB	7%	1	12	BBB
92	94	**Uganda**	12	BBB	26%	2	10	A-
93	93	**Iceland**	11	A+	6%	1	11	A+
94	95	**Nepal**	11	BBB	15%	1	9	BBB
95	98	**Brunei Darussalam**	10	A	10%	1	9	A
96	96	**Cameroon**	10	BB	5%	0	9	BBB
97	97	**Botswana**	10	A-	6%	1	9	A-
98	99	**Zambia**	10	BBB	16%	1	8	BBB
99	100	**Albania**	9	A-	7%	1	8	BBB
100		**Jamaica**	8	A	N/A	N/A	-	A-

Improving Your Nation Brand

Our Services by Pillar

NATION BRAND IMPACT™ FRAMEWORK

People & Skills (Talent)

Encourage citizens to study and work locally, rather than going overseas i.e. avoid "brain drain". Encourage foreign students and skilled workers to come to study and work in the country

- Tertiary sector analysis (SWOT) regionally and globally.
- Analysis into tertiary sector opportunities (regionally and globally)
- 'brand building' analysis (opportunities)
- Analysis into sector positioning, aspirations and perceptions globally

Investment

Encourage local commerce to invest domestically as opposed to investing overseas. Attract Foreign Direct Investment (FDI), including business relocation

- Local investment and FDI analysis
- Local investment and FDI opportunity analysis
- Local investment and FDI risk analysis

Goods & Services

Encourage citizens to buy locally-made products and services i.e. reduce imports. Promote nation's products and services to international markets i.e. increase exports

- Sector analysis (SWOT) regionally and globally.
- Sector core competencies analysis
- Analysis into sector opportunities (regionally and globally)
- Sector 'brand building' analysis (opportunities)
- Analysis into sector positioning, aspirations and perceptions globally

Tourism

Encourage citizens to explore domestic destinations rather than vacationing abroad. Promote the nation to foreign tourists and conference delegates

- Marketing budget allocation
- Return on advertising analysis
- Advertising campaign tracking

Valuation / Technical

- Nation brand tracking and valuation
- Nation brand value scenario modelling: calculating uplift to GDP (and brand) based on economic uplift scenarios.

Improving Your Nation Brand

Holistic Nation Brand Services

Stage 1: Macro national level review **is focused on the nation as a whole, covering all elements of the Nation Brand Impact ™ Framework. This level is centered on initial engagement with key nation brand stakeholders and building a base of research knowledge on the nation as a whole.**

Stage 2: Micro sector level review **allows stakeholders in the government and industry to control the level of granularity in the Nation Brand development strategy process. The number of sectors analysed and how broadly or narrowly defined a sector is changes the length and cost of the project.**

Stage 1: Macro national level review

(Macro view of the nation brand strategy)

Explore	Learn	Focus	Define	Accept	Create	Deliver
Explore the vision for the nation brand	Understand the aspirations and perceptions of the nation brand	Prioritise the value drivers and key audiences in terms of how to govern the nation brand	Assess the nation brand in terms of Purpose, Positioning and Commitment	Work with all stakeholders in order to define the Strategy and Investment Allocation	Develop the basis for a strategy of concerted communication and create a platform for its conduct.	Collaborate with all stakeholders for the Implementation and Monitoring of the defined strategy.

Step 1: Engage key nation brand stakeholders in government, tourism, trade, business, finance, education in order to explore the brands positioning, vision and perceptions.

1.1. Review existing data
1.2. Review third party data
1.3. Conduct a workshop.

Engage key stakeholders in government, business, finance, and media through the first workshop.

Brand Finance would coordinate, facilitate and gather representatives of key stakeholders, such as government ministers, top civil servants, and major business leaders from a range of sectors, to come together for high level discussions, brain storming, debate and visioning.

Topics covered in this workshop will include:

- *The insights and conclusions from the review of internal and external nation data*
- *Exploring the vision of the nation brand*
- *Reputation, perception vs. reality of the nation*
- *Current issues with maximising the nation brand*
- *The nation's strengths weakness, opportunities and threats (SWOT) within the Brand Finance Nation Brand Impact™ segments - Investment, Tourism, Product and Talent*

Step 2: Research the nation as a 'business' and a 'brand'

Building on the results from the workshop in Step1, through a wide range of data sources available to Brand Finance, Brand Finance would produce an initial high level analysis of the nation.

Determine the audiences that are most impacted by the country's brand as well as determine how perceptions of the country's brand affect your decision making, including decisions of foreign direct investment (FDI), exports, education, tourism and culture.

This analysis would include:

- *The nation's strengths, weaknesses opportunities and threats ('SWOT') both regionally and globally.*
- *The SWOT would address the four segments of the Nation Brand Impact™ Framework as well as geographical, cultural and infrastructure aspects of the nation.*
- *A decomposition, analysis and thorough understanding of the nation's GDP to identify contributions by sector.*
- *Examining perceptions of the nation brand & which brand narratives are and are not being successfully communicated.*
- *An evaluation of where the nation stands in terms of its stage of development e.g. emerging, innovation driven.*
- *Review of the nation brand's economy (General macroeconomic indicators)*

Key Deliverable:
High level report on the nation as a business and brand

Step 3: Analyse regional and global trends across the four brand impact areas

Improving Your Nation Brand

Holistic Nation Brand Services

Brand Finance would use the data collected to identify at a high level, sectors with current or potential competitive advantages through a regional and global analysis of trends across the 4 segments: Investment, Tourism, Product and Talent.

- Analyse and prioritise audiences and motivations for each of the four segments
- Gain insight into audience aspirations and perceptions in each of the four segments
- Review the GDP decomposition to identify key sectors for future focus and growth (the 'nation attractiveness' diagram is one of the tools)
- Determine the key international markets the nation brand based on its strengths and opportunities.

Key Deliverable:

A high level sector attractiveness model to inform Step 4 discussions and Stage 2 focus.

Using the analysis undertaken, Brand Finance would identify at a high level international markets the nation brand could target based on their strengths and opportunities,.

To maximise performance and return on investment, a nation should allocate resources for customers, markets and opportunities that offer the best growth prospects and that can be effectively influenced by the strategy.

Key international markets can be categorised into:

- *Volume markets with current downward trend*
- *Current markets with high growth for the nations businesses*
- *Markets of opportunity, with short-term effects*
- *Markets for low turnover*
- *Emerging Markets*

Step 4: Set initial priorities for nation brand development

Through collaboration with sector representatives and relevant government bodies Brand Finance would set the initial priorities for the development of the nation brand.
These discussions focus on the 4 segments and the corresponding sectors which could most benefit from development to provide the most enhancements to the nation brand

Key Deliverable:

- The macro analysis on the nation brand would provide a high level report concluding on the findings from steps 1 to 4.
- The findings from the macro analysis will form the basis for a second workshop that will go into more sector specific detail, and would provide some insight as to which particular sectors the second stage should focus (i.e. Financial Services, Engineering, Telecoms, Tourism etc)
- For a more insightful and granular insight into the nation brand it is suggested that the brand is reviewed at a sector by sector level.

Improving Your Nation Brand

Holistic Nation Brand Services

Stage 2: Micro sector level review

(Micro view of the nation brand strategy by industry sector)

Stage 2 allows stakeholders in the government and industry to control the level of granularity in the Nation Brand development strategy process. The number of sectors analysed and how broadly or narrowly defined a sector is changes the length and cost of the project.

Explore the vision for the nation brand	Understand the aspirations and perceptions of the Nation Brand in the Industrial Sector and its subsectors	Prioritise the value drivers and key audiences in terms of how to govern the Nation Brand	Evaluate the Nation Brand in industrial sector and subsectors in terms of Purpose, Positioning and Commitment	Work with all stakeholders in order to define the Strategy and Investment Allocation by subsector	Develop the basis for a strategy of concerted communication and create a platform for its conduct.	Collaborate with all stakeholders for the Implementation and Monitoring of the defined strategy.
Explore	**Learn**	**Focus**	**Define**	**Accept**	**Create**	**Deliver**

The following 5 Steps of Stage 2 are undertaken on a sector by sector basis.

Step 1: Engage sector stakeholders for a 'deep dive' understanding of the nation brands role in industry.

Brand Finance would coordinate and facilitate a gathering for the client and representatives of key sector stakeholders - government ministers, civil servants and major sector business leaders - to come together for high level discussions, brain storming, debate, and visioning for the brands and sub-brands within the sector and explore a vision of for their development.

Topics covered in this workshop will include:

- Exploring an inspiring vision of the sector brands
- Reputation, perception vs. reality of the sector
- Current issues with maximising the sector brands
- The sector's strengths weakness, opportunities and threats (SWOT)

Key Deliverable:
Clear direction for research and analysis in the sector.

Step 2: Industry sector research and analysis
Brand Finance would research the sector and material sub-sector brands, both generic and individual.

- Conduct a detailed analysis of the sector strengths, weaknesses, opportunities, threats regionally and globally.
- Research and understand the core competencies of the sector and sub-sectors
- Segment and prioritise audiences and motivations for each segment
- Gain insight into audience aspirations and perceptions in each segment
- Use a sector level drill-down of the 'nation attractiveness' tool to collate research to provide sector insights for analysis into issues and ways to maximise the sectors brands for Step 3.

Key Deliverable:
Comprehensive understanding of the brand-and sub-brands in the sector for Step 3 positioning.

Step 3: Competitive & comparative advantage and marketing positioning.
Brand Finance would analyse and examine the core competencies in the relevant sectors to provide insight on potential areas for exploiting opportunities, developing new strengths regionally and globally as well as enhancing current ones.

Key Deliverable:
Priorities and options for the development of sector-specific nation brand strengths.

Step 4: Prioritise, focus and reposition the nation brand by sector
Brand Finance would, in consultation with the client and sector stakeholders, set clear priorities for development for the sector and all material sub-sectors. This revisions will:
Address rebalancing the 4 segments of Nation Brand Impact™ framework - Investment, Tourism, Product, Talent - within the sector

- Examine sector's brand architecture
- Explore investment potentials for sector development
- Address revisions to sector brands
- Potential areas for development of governmental initiatives
- Examine technology and access to technology needs within the sector

Key Deliverable:
Clear layout of the positioning of all sector components along with the specific sector strengths and opportunities.

Brand Finance

Contact details

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Our Offices

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The opinions and financial analysis expressed in the report are not to be construed as providing investment or business advice. Brand Finance does not intend the report to be relied upon for any reason and excludes all liability to any body, government or organisation.

Glossary of Terms

Brand
For technical purposes a brand is usually considered to be a trademark and associated Intellectual Property

Brand rating
A summary opinion, similar to a credit rating, on a brand based on its strength as measured by Brand Finance's Brand Strength Index (BSI) analysis

Brand Strength Index
A measure of the strength of a brand. For this report it is based on Brand Finance's analysis of 195 measures across the four 'pillars'; Goods & Services, Tourism, Talent and Investment.

Brand value
The net present value of the estimated future cash flows attributable to the nation brand (see Methodology for more detail)

Geographical Indication
A sign or name used on certain products to certify that it originates from a specific geographical location. This may be at the sub national, local level such as the EU's well respected Protected Designation of Origin and Protected Geographical Indication scheme or at the national level such as Colombia's new certification mentioned in the executive summary. A strong nation brand reinforces the marketability of a Geographical Indication certification.

Nation Brand
The values quoted in this report for each country include both what might be considered the 'pure' nation brand, ie just the country word mark and trademark iconography, in combination with all of the country's product and corporate brands. This represents the totality of intangible assets connected to a nation's image abroad.

Nation Brand Impact™ Framework
The model used by Brand Finance to segment the underlying factors of brand strength.

Royalty Rate
The rate at which usage-based payments are made by one party (the licensee) to another (the licensor) for ongoing use of the licensor's asset, sometimes an intellectual property right.

Royalty Relief Method
The preferred method for Brand Valuation and the one used by Brand Finance for its corporate brand valuations, adapted for use in this report.

Talent
One of the four 'pillars' that contribute to Nation Brand Strength, otherwise known as 'People & Skills'

The World's Leading Independent Brand Valuation and Strategy Consultancy

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