Brand Finance® Nation Brands 100

The Brand Finance report on the 100 most valuable Nation Brands

November 2011

BRAND·FINANCE®

"In a world of ever increasing competition brand reputation has become a crucial differentiator. Economic wealth hangs on fine distinctions between commercial offers. Branding can be found at the company, product and endorsement level. One of the national brand endorsements is country of origin. There is no doubt that strong country branding can add billions to national wealth by supporting commercial brands in a hyper competitive world. All countries should be actively managing their nation brands to gain value."

David Haigh, CEO, Brand Finance plc

Foreword

The BrandFinance® Nation Brands 100 provides a comprehensive report on the world's leading nation brands and presents an analysis of the impact that a country's reputation and image have on foreign consumers and investors. The report combines a wide range of economic, demographic, and political factors, and is based on in-depth research by Brand Finance's global network of offices. Each nation brand has been accorded a brand rating: a benchmarking study of the strength, risk and future potential of the brand as well as a brand value: a summary measure of the financial strength of the brand.

The value of the world's top 100 nation brands was almost stagnant in 2011, gaining only .4% to finish the year at $38.6 trillion. This small overall change hides important shifts in the distribution of the world's nation brand value. There are several important trends to draw out of this.

Growth in nation brand value was strongest in rapidly expanding emerging markets. The five BRICS (Brazil, Russia, India, China, and South Africa) countries saw their collective nation brand values expand by over $1.432 trillion. Strong economic performance and growing brand equity in the emerging markets has fuelled this growth in brand value. China saw the fastest expansion, growing the value of its nation brand by 40.1%.

The situation was very different in the developed world. Though America retained its title as the world's most valuable nation brand, Washington's credit downgrade – combined with Japan's tragic earthquake and Europe's ongoing debt crisis - caused most of the rich world to lose brand value. The G7 developed countries lost a total of $1.436 trillion in brand value, a figure approximately equal to the BRICS' gain over the year.

A few Western countries stood out for their positive performance. Canada dramatically outperformed its Southern neighbour, and tiny Estonia was the third fastest growing nation brand of the 100 surveyed.

The BrandFinance® Nation Brands 100 shows how rapidly nation brands can change, and the sheer size of the numbers involved highlights the value that strong nation brands have to governments, exporters, and business leaders. It is based on the rigorous analysis that Brand Finance plc brings to investigating the drivers of lasting brand value.

David Haigh, CEO, Brand Finance plc

"Against an uncertain economic backdrop, nation brand values are reflecting a growing polarisation between the fortunes of 'developed' and 'developing' markets."

Ollie Schmitz, Managing Director, Brand Finance South Africa

Executive Summary

Big Losses for Major Brands

- The world's most valuable nation brand performed very badly in 2011. US lost over half a trillion dollars in value. The world's largest economy was also downgraded from AA to AA- on the back of a slow recovery and political deadlock, and now has a brand rating lower than neighbouring Canada.

- Seven of the ten worst performing brands were European, with Greece and Ireland each shedding over 40% of their brand value. The EU's total brand value fell by 4% as confidence in the Union's endless bailouts ebbed away.

- The tragic earthquake and nuclear disaster in Japan cut that country's brand value by 25.9%, representing $679 billion; the largest dollar-figure drop. Japan also saw the largest drop in brand rating as lower infrastructure and brand equity numbers pushed its brand rating from AA- to A.

Strong Growth in the BRICS

- China's national brand saw the year's fastest growth; gaining 40.4% since 2010. The country is now ranked A+, higher than France or Italy. This growth took China to number three on this year's league table; surpassing Japan and just behind Germany.

- India was the year's second fastest growing brand, with 31.6% growth. India's Brand strength is now higher than China's, partially a result of substantially higher brand equity from a positive reputation abroad.

- Brazil's national brand gained 21.5% to jump ahead of Holland on the league table, and become the third emerging market to crack the top 10.

- Russia remained the lowest rated of the BRIC economies, its BB ranking tied with Egypt and Venezuela.

- The total increase in brand value in the BRICS was $1.432 trillion; roughly comparable to the $1.436 lost by the G7 economies.

Success in Surprising Places

- Despite grim news from most of Europe, the third fastest growing brand was Estonia, which saw its brand value shoot up by 24.6%.

- Turkey and Croatia joined Estonia in the top ten fastest growing brands and Eastern Europe had average growth that exceeded any developed market.

- Small countries jumped ahead as Singapore and Qatar made the top ten fastest growing brands with 23.4% and 22.7% growth respectively.

- Indonesia, Mexico, and other "New emerging" economies saw their brand value increase on the back of sound economic growth and increasing investor faith.

- There were both strong performances and steep losses in every region, underlining the need for detailed market knowledge.

Ollie Schmitz, Managing Director, Brand Finance South Africa

Contents

Top 20 Nation Brands

01 USA
2010 RANK: 1
$11,370B -4.8%
RATING: AA-

02 GERMANY
2010 RANK: 2
$3,146B +1.5%
RATING: AA

03 CHINA
2010 RANK: 4
$3,001B +40.4%
RATING: A+

04 JAPAN
2010 RANK: 3
$1,940B -25.9%
RATING: A

05 UK
2010 RANK: 5
$1,859B -4.9%
RATING: AA-

06 FRANCE
2010 RANK: 7
$1,673B +2.4%
RATING: A

07 ITALY
2010 RANK: 6
$1,515B -12.4%
RATING: A-

08 CANADA
2010 RANK: 8
$1,309B +2.8%
RATING: AA

09 INDIA
2010 RANK: 9
$1,266B +31.6%
RATING: A+

10 BRAZIL
2010 RANK: 12
$959B +31.6%
RATING: A

11 NETHERLANDS
2010 RANK: 10
$829B -8.3%
RATING: AA

12 RUSSIA
2010 RANK: 14
$752B +11.7%
RATING: BB

13 SPAIN
2010 RANK: 11
$729B -15.8%
RATING: A

14 AUSTRALIA
2010 RANK: 13
$702B -7.3%
RATING: AA

15 MEXICO
2010 RANK: 15
$672B +18.5%
RATING: A-

16 SOUTH KOREA
2010 RANK: 16
$605B +19.6%
RATING: AA-

17 SWITZERLAND
2010 RANK: 17
$551B +17.7%
RATING: AA

18 SWEDEN
2010 RANK: 18
$471B +5.4%
RATING: AA+

19 TURKEY
2010 RANK: 21
$373B +19.8%
RATING: A

20 BELGIUM
2010 RANK: 19
$369B -7.1%
RATING: AA-

Top 10 Winners

01 CHINA

2011 RANK: 3
2010 RANK: 4
$3,001B +40.4%
RATING: A+

02 INDIA

2011 RANK: 9
2010 RANK: 9
$1,266B +31.6%
RATING: A+

03 ESTONIA

2011 RANK: 91
2010 RANK: 56
$12B +24.6%
RATING: A

04 SINGAPORE

2011 RANK: 29
2010 RANK: 31
$123B +23.4%
RATING: AA

05 QATAR

2011 RANK: 47
2010 RANK: 46
$100B +22.7%
RATING: AA-

06 INDONESIA

2011 RANK: 32
2010 RANK: 33
$187B +22.6%
RATING: A

07 ARGENTINA

2011 RANK: 39
2010 RANK: 41
$125B +22.1%
RATING: BBB

08 BRAZIL

2011 RANK: 10
2010 RANK: 12
$959B +21.5%
RATING: A

09 CROATIA

2011 RANK: 69
2010 RANK: 53
$30B +21.2%
RATING: BB

10 TURKEY

2011 RANK: 19
2010 RANK: 21
$373B +19.8%
RATING: A

1. The People's Republic of China

中华人民共和国

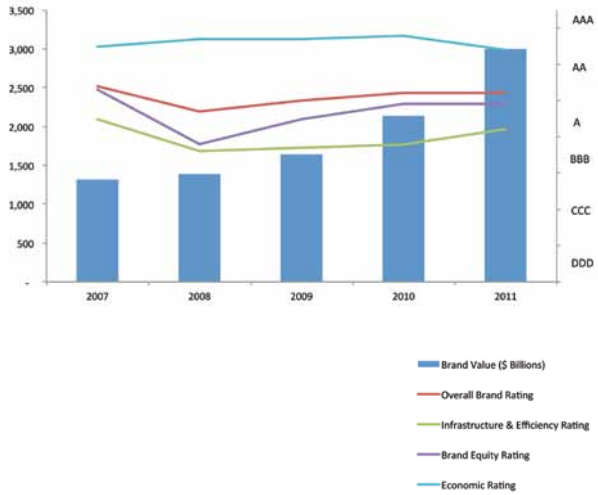
	2011	2010
Brand Value ($ Billions)	*$3,001*	*$2,137*
Change in Brand Value	*+40.4%*	*+29.9%*
Infrastructure & Efficiency Rating	*A-*	*BBB*
Brand Equity Rating	*A*	*A*
Economics Rating	*AA*	*AA+*
Overall Brand Rating	*A+*	*A+*
Position on the League Table	*3rd*	*4th*

China, which became the world's second largest economy this year, saw a dramatic increase of 40.4% in the value of its national brand. The growth, which represented an increase of $864 billion, was greater than the total brand value of Russia. In 2007 Brand China was worth only a fifth as much as Japan's national brand, but it surpassed its Asian rival in 2011 and is now closing in on Germany's position as the world's second most valuable brand.

Rapid economic growth means that China's national brand ranks much higher on economic metrics than on those that measure infrastructure or brand equity. China's infrastructure and efficiency score improved on the back of massive government investment in education, transport, and green technology as well a workforce that is rapidly increasing its skills. China is let down by its stagnant brand equity, a measure of foreign perceptions of the country as a place to live, work, or invest. China's high levels of official corruption and weak implementation of intellectual property laws do not endear the country to foreign investors. Human rights concerns, especially in Tibet, have tarnished China's image for many in the West and series of health scandals caused by faulty Chinese products mean that "made in China" is usually associated with low-quality goods. Foreign businesses are being drawn to China's dynamic economy, but they have concerns about the nation's government and society.

The country's growth has precipitated social, environmental, and economic challenges on a similarly massive scale. Inflation is now running at a six-year high and export demand is slowing due to the economic crisis in Europe. Construction companies that have profited from a massive building-boom are now struggling in a cooling market, with some fearing that over-supply could cause a Japanese-style asset bubble collapse.

Despite these worries, the Chinese economy seems set to steam ahead in the upcoming years. Even suffering from the slow-down in the Western world, China's 2012 GDP growth is projected to exceed 9%. China's massive economy have established its brand as one of the world's most valuable, but further growth will require improving the country's political reputation abroad.



Top 10 Winners

2. India

भारत गणराज्य

	2011	2010
Brand Value ($ Billions)	*$1,266*	*$961*
Change in Brand Value	*+31.6%*	*+51.8%*
Infrastructure & Efficiency Rating	*A*	*A*
Brand Equity Rating	*AA-*	*AA-*
Economics Rating	*AA-*	*A+*
Overall Brand Rating	*A+*	*A+*
Position on the League Table	*9th*	*9th*

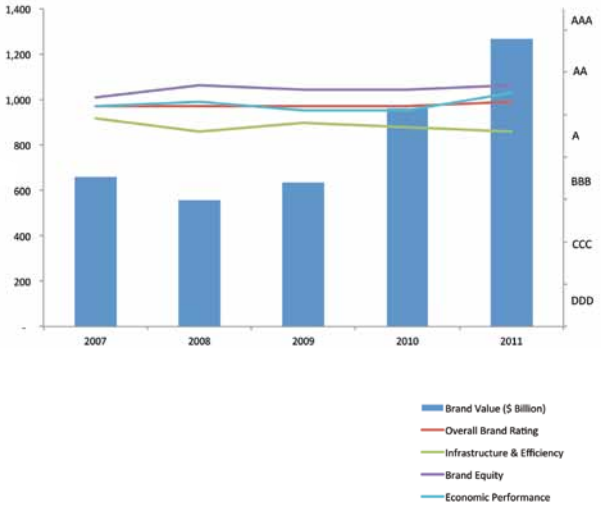
In 2011 Brand India became the ninth nation brand to receive a valuation in excess of one trillion USD. India's national brand has almost doubled in value since 2007 as the world's largest democracy has established itself as a major economic power. Among the top ten most valuable brands, India's A+ rating is tied with China and above Japan and France.

The underlying drivers of India's brand rating, however, are very different from those of China. While both have strong ratings for economic growth, India has a substantially higher rating for brand equity. Though India is not as rich or powerful than China, its national brand is substantially more attractive to foreigners. A ballooning middle-class of English-speaking software engineers is rapidly rebranding the image of Indians abroad. It is notable that there is no discussion in the West of the rise of India as a threat; the world's largest democracy is broadly seen as a peaceful and friendly country. Corruption, highlighted this year by the Anna Hazare protests, remains a serious problem for India; but foreign businesses have more trust in the Indian government and courts than those of China.

India is a massive nation of incredible contradictions. With as many official languages as the European Union and a kaleidoscope of religious and ethnic divisions, India has a larger population than any continent besides Asia. While hundreds of millions still live in poverty, the country is now one of the world's fastest-growing economies. By some measures the Indian economy expanded faster than that of China in 2011. Average income in dollars has tripled since economic reforms in 1991.

In recent years India has made a global impact in a number of sectors, notably in information technology and business services. India's salience in the outsourcing debate in the United States is testament to the importance of India to this economic shift. Indian companies have become global players in the fields of technologies services, pharmaceuticals, and automotives. India has made a dramatic move up the value chain, with engineering and petrochemicals making up 42% of exports, up from 14% in 2001. Strong domestic consumption and increased economic ties to growing Asian markets have insulated India from the slowdown in the West.

India's brand is rapidly increasing in value as the self-proclaimed "world's fastest growing democracy" establishes its place among the world's top tier economies. India's strong rating for brand equity represents that, for all of its faults, the country's brand has succeeded in communicating a more appealing message to the world than China's brand of authoritarian capitalism.



3. Republic of Estonia
Eesti Vabariik

	2011	2010
Brand Value ($ Billions)	*$12*	*$10*
Change in Brand Value	*+24.6%*	*-.8%*
Infrastructure & Efficiency Rating	*A*	*A+*
Brand Equity Rating	*A*	*A+*
Economic Rating	*A+*	*A*
Overall Brand Rating	*A*	*A*
Position on the League Table	*91st*	*56th**

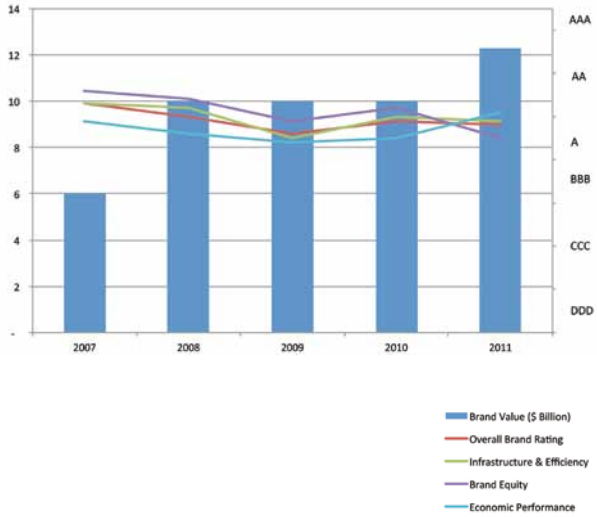
Tiny Estonia provides some rare positive news from inside the Eurozone. Brand Estonia increased in value by 24.6% in the 2011 BrandFinance® Nation Brands 100, outperforming every other nation brand in the European Union. Estonia's small size means that it places far below the Western European heavy-weights on the league table, but the nation brand of this "Baltic Tiger" is showing strong growth. The main risks to Estonia's future performance come from economic instability in Greece and Italy.

Estonia's economic score returned to A+ in 2011, reflecting the economy returning to growth after a deep recession in 2010. The country's infrastructure and brand equity ratings just dipped out of the A+ range, but remain much stronger than the country's regional rivals. Estonia's image as a technologically developed, law-abiding, and low-tax society has allowed the country to maintain a strong image abroad. Andrups Ansip, the country's prime minister, has worked to rebrand his country as "Nordic" rather than "Baltic"; an innovative society associated with the likes of Denmark rather than Belarus.

While Estonia is still much poorer than the traditional Nordic countries, this description is not without merit. Estonia has the highest income per head of any post-Soviet state, and in January 2010 was the first Eastern European state to join the Euro. While some Estonians may now be regretting their involvement in the single currency, it shows the success the country has had integrating itself into the West. Only 4.5% of Estonian exports went to Russia in 2010, down from almost 100% at independence in 1992.

Estonia is also a technologically cutting-edge society. Both the file-sharing network Kazaa and the VoIP giant Skype were developed by Estonian programmers, and Skype has offices in Tallinn and Tartu. The country was the first to allow citizens to vote online in national elections in 2007. This technological dynamism, combined with an image as the least corrupt nation in its region have given Estonia a strong nation brand, though worries of a European slow-down pose a threat to future performance.

*The 2011 BrandFinance® Nation Brands 100 is more comprehensive than previous reports, and the inclusion of more countries creates the illusion that Estonia has dropped several places on the league table.



4. The Republic of Singapore
新加坡共和国

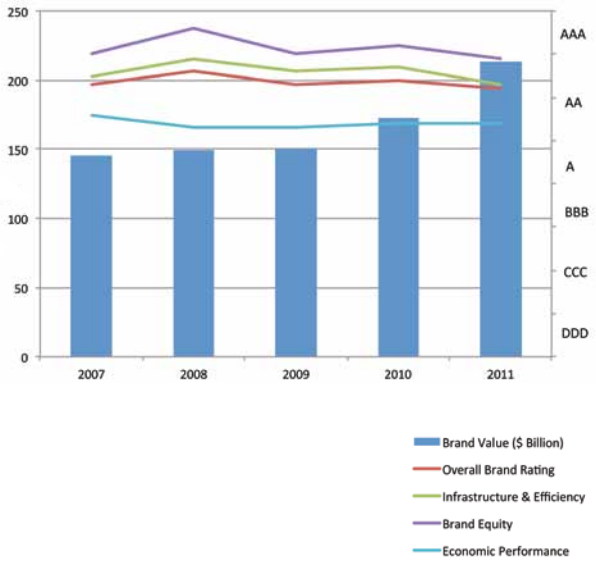
	2011	2010
Brand Value ($ Billions)	*$213*	*$173*
Change in Brand Value	*+23.4%*	*+14.8%*
Infrastructure & Efficiency Rating	*AA*	*AA+*
Brand Equity Rating	*AA+*	*AAA-*
Economics Rating	*A+*	*A+*
Overall Brand Rating	*AA*	*AA*
Position on the League Table	*29th*	*31st*

Singapore saw its brand value increase by $40 billion on the 2011 BrandFinance® Nation Brands 100. Brand Singapore is worth more than either of its larger neighbours Malaysia and Indonesia and the tiny island of 5 million people is within striking distance of taking Thailand's place as South East Asia's most valuable nation brand.

Singapore has incredibly strong ratings on all three measures of brand strength. Despite a small dip in 2011 its brand equity score is the third highest in the world. This reflects the success the city state has had in establishing itself as a beacon of clean government and efficient infrastructure; according to Transparency International Singapore is tied with Denmark as the least corrupt nation in the world. This hospitable business environment, combined with Singapore's well-educated and English-speaking workforce has led to massive foreign investment in the country. Singapore has a strong brand that clearly communicates pro-business values abroad. The undisputed business hub of a rapidly developing part of Asia, Singapore is expected to maintain its high brand rating for the foreseeable future.

The Singaporean government predicts that 2011 GDP growth will be only 5% in 2011 as demand falls in Japan, Europe, and America. The country had experienced growth of 14.5% in 2010, by far the fastest growth for a developed economy. Since 2010 Singapore has benefited from CAFTA, the China-South East Asia Free Trade Agreement, which has increased the island's trade with the world's second largest economy and reduced its dependence on Western markets.

The "Singapore Model" which has allowed the country to develop so quickly is based on sound economic governance by a meritocratic but sometimes heavy-handed state, and has been described using the term "soft authoritarianism". Elections in 2011 saw the People's Action Party - which has ruled Singapore since 1959 - returned with another majority government, but with a sharply reduced share of the popular vote. It is not clear if this means that the government will face a more sustained opposition in future, but most Singaporeans seem willing to accept the system that has made their island one of the richest societies in the world.



5. Qatar

رطق ةلود

	2011	2010
Brand Value ($ Billions)	*100*	*81*
Change in Brand Value	*+22.7%*	*n/a*
Infrastructure & Efficiency Rating	*AA-*	*A+*
Brand Equity Rating	*AA*	*AA-*
Economics Rating	*A+*	*AA-*
Overall Brand Rating	*AA-*	*AA-*
Position on the League Table	*47th*	*46th*

Often overshadowed by neighbouring Dubai, Qatar is the world's largest exporter of liquefied natural gas and was the world's fastest-growing economy from 2006 to 2010. This year the tiny Arab emirate saw its brand value increase by 22.7% on the BrandFinance® Nation Brands 100. At $100 billion it is now more valuable than regional giant Egypt.

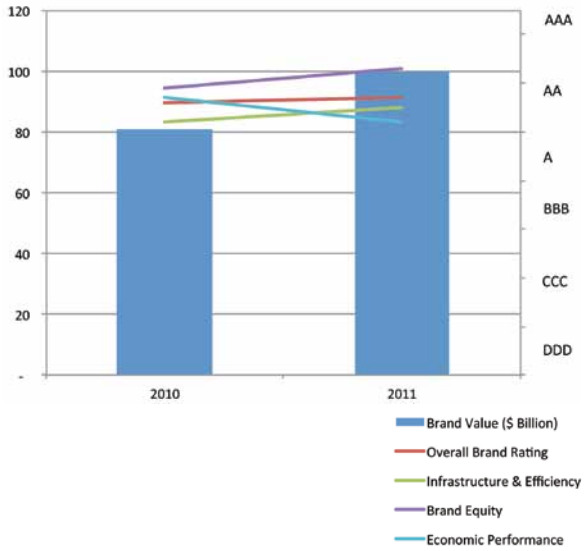
Qatar's nation brand received strong ratings on all of measures of brand strength. The country's brand equity rating was tied with Germany, and much higher than Britain or America. This strong brand has been the result of work by the Qatari government to position itself as a major business hub for the Middle East. Legal reforms mean that Qatar is ranked as the third easiest market in which to do business in the Middle East, and has the second most competitive tax system. This is largely because there are almost no taxes in Qatar. Transparency International's Corruption Perception Index ranks Qatar as the least corrupt state in the Middle East, and marginally less corrupt than Britain. The country has also worked to increase tourism, hosting the 2006 Asian Games and now preparing for the 2022 World Cup. The World Cup will require a massive investment in infrastructure, including public transport and a series of air conditioned stadia.

Qatar occupies a small peninsula between the United Arab Emirates and Bahrain, but its 1.7m people live above 14% of the world's natural gas, a resource which has made them the richest people per capita in the world. While energy exports make up more than 50% of the country's GDP, Qatar is working to create an increasingly diversified economy. Money has also been poured into cultural institutions such as Education City, a project that has attracted eight foreign universities to establish campuses in the country.

Qatar's sovereign wealth fund, the Qatar Investment Authority (QIA), is one of the world's largest and has been involved in a series of high-profile projects abroad. The QIA has invested over £10B in projects in London, including a major investment in the Shard London Bridge, Europe's tallest building.

The 2011 "Arab Spring" did not pose a threat to Qatar's ruling Al-Thani family, and the Emir gave crucial support to the NATO mission in support of the rebels in Libya. Qatar was the only Arab state to provide aircraft for the mission, which gained the country support in the West. Qatar-based broadcaster Al Jazeera was also noted for its support for democratic protest movements elsewhere in the Arab world.

Qatar's high-profile role in regional business and politics, and its increasingly diversified economy have solidified its position as an important regional hub. Like Singapore, Qatar has built a strong brand out of presenting itself as an honest and efficient business centre in an often difficult region.



6. Republic of Indonesia
Republik Indonesia

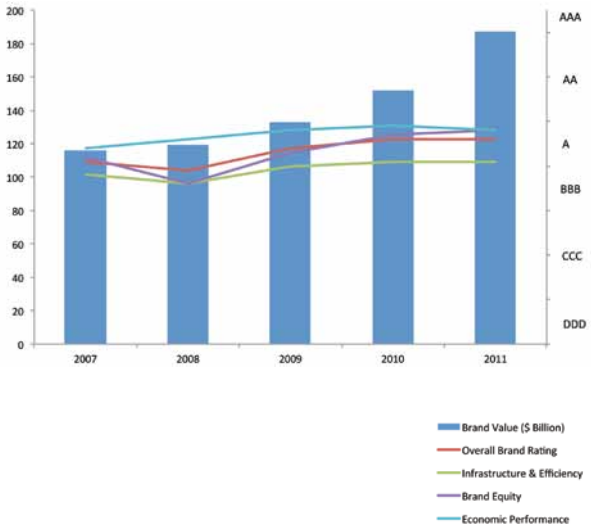
	2011	2010
Brand Value ($ Billions)	*$187*	*$152*
Change in Brand Value	*+22.6%*	*+14.9%*
Infrastructure & Efficiency Rating	*A-*	*A-*
Brand Equity Rating	*A*	*A*
Economics Rating	*A*	*A*
Overall Brand Rating	*A*	*A*
Position on the League Table	*32nd*	*33rd*

Indonesia's nation brand increased in value in 2011 by $35 billion to a total of $187 billion on the 2011 BrandFinance® Nation Brands 100. The South East Asian nation has seen its national brand value steadily increase since the first Brand Finance survey of nation brands was published in 2007, whilst Indonesia's rapidly growing economy adds to its economic profile.

Brand Indonesia's strong performance represents the country's rapid economic growth and stable government. The country's economy will grow 6% in 2011, and expanded at a 4.9% clip even during the financial crisis in 2009. Indonesian President Susilo Bambang Yudhoyono has worked hard to encourage increased foreign direct investment in his effort to raise GDP growth to 7%. He has stressed that his country has a huge workforce, abundant natural resources, and occupies a key location in South East Asia. The country's brand equity rating of A is an improvement on the 2009 score of A-, and indicates that this message is beginning to resonate with foreign business leaders. Indonesia's lowest score came in the rating for infrastructure and efficiency. Though the country became a multi-party democracy in 1997, corruption continues to be a problem. Low infrastructure investment poses a threat to long term economic development; Jakarta alone may lose $1.5B because of traffic congestion. Often overlooked by international investors, Indonesia is the world's fourth most populous country, and largest Muslim nation. The nation is spread over 17,508 islands, and while the country has faced sustained separatist violence in Aceh it is currently enjoying a period of lasting stability.

The Economist Intelligence Unit forecast that real growth will accelerate to 6.3% until 2015, and the country will be one of the top 20 consumer markets in 2020. Indonesia is already one of the largest markets for BlackBerry-maker Research in Motion (RIM) and is home to the second largest number of Facebook members in the world, and the third-largest number of Twitter users. Indonesia's economy is estimated to be larger than Britain's in 2050, and Nomura estimates that an astounding 150m people will join the middle class in the next 4 years.

Indonesia's brand does not rank among the most valuable in the world, but it is clearly one of the best performing. If current growth can be sustained then the nation's brand, like Indonesia itself, looks to have a prosperous future ahead.



7. The Republic of Argentina
República Argentina

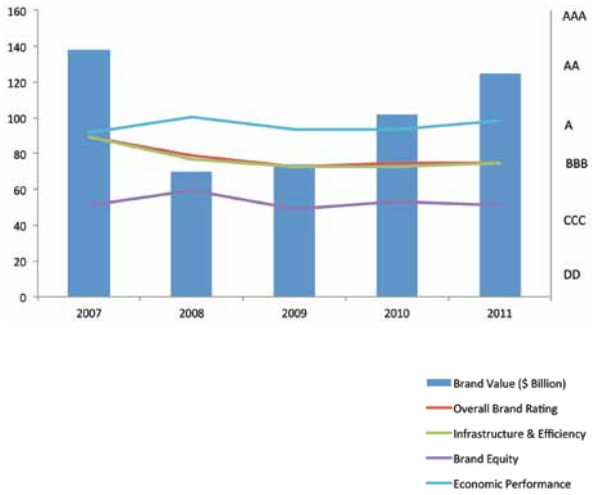
	2011	2010
Brand Value ($ Billions)	*$125*	*$102*
Change in Brand Value	*+22.1%*	*+38.1%*
Infrastructure & Efficiency Rating	*BBB*	*BB*
Brand Equity Rating	*B-*	*B*
Economics Rating	*A*	*A-*
Overall Brand Rating	*BBB*	*BBB*
Position on the League Table	*39th*	*41st*

Brand Argentina grew in value by 22.1% in 2011, an increase of $23 billion. Once one of the world's richest countries, Argentina is now an upper-middle income country still working to recover from its 2002 debt crisis. The country's strong performance on the BrandFinance® Nation Brands 100 represents another step in the country's difficult recovery from its 2002 debt crisis.

While Argentina's overall brand rating was BBB this hides a huge disparity among the underlying numbers. Argentina's lowest rating is its brand equity, which is in the same range as Ukraine or Nigeria. This represents the fact that Argentina's nation brand is still stained by its history of default. Even almost a decade later, the country's reputation with investors has yet to totally recover. This lingering suspicion of Argentina's trustworthiness is, however, somewhat balanced by a rating of A for economic growth. Surging commodity exports and increased trade with China have buoyed strong economic growth; Argentina's economy is expected to grow by 9% in 2011. This strong growth has pulled Argentina's economic rating to an A.

Argentina's return to economic growth has been held up as an example of how a post-default Greece or Italy could recover after a debt crisis. Argentina's solution, however, was far from painless; domestic consumption fell by 60% in 2003 as peso-denominated savings became worthless. Furthermore, Argentina's subsequent growth relied upon a boom in the price of soy and other agricultural exports; an export-led option not available to Greece. Whether any of the Eurozone countries could recreate the 'Kirchnerismo' miracle remains to be seen; but it is a surprise in itself that EU states are looking at Argentina as a best case scenario.

Argentina is an established democracy; though it is perceived as notably more corrupt than most of its neighbours. Cristina Fernández de Kirchner, the country's charismatic president, was easily re-elected in 2011, promising to continue her late husband's economic policies of mild state intervention and increased economic integration with South America. Argentina's past, however, continues to haunt it, as investors are hesitant to trust a brand that has been tarnished by financial instability. Continued economic growth, however, seems to indicate that a brighter future is ahead. The country is an excellent example of the difficulty of rehabilitating a brand with a difficult past.



8.The Federative Republic of Brazil

República Federativa do Brasil

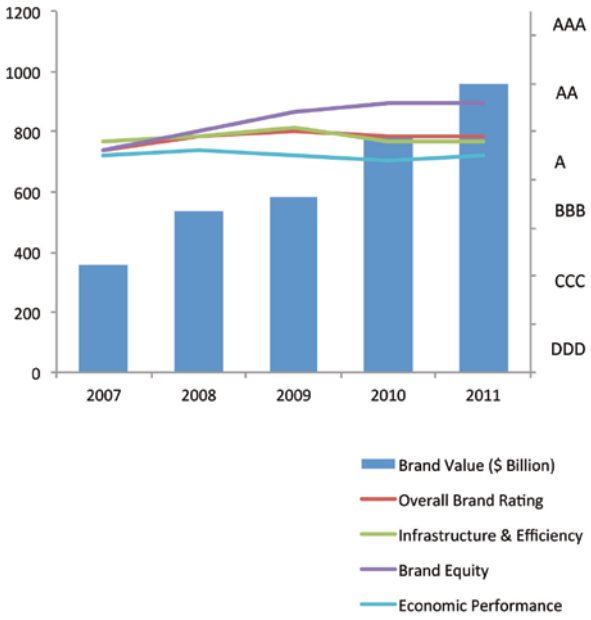
	2011	2010
Brand Value ($ Billions)	*$959*	*$789*
Change in Brand Value	*+21.5%*	*+35.5%*
Infrastructure & Efficiency Rating	*A*	*A*
Brand Equity Rating	*AA-*	*AA-*
Economic Rating	*A*	*A-*
Overall Brand Rating	*A*	*A*
Position on the League Table	*10th*	*12th*

Brazil's national brand increased in value by $170 billion on the BrandFinance® Nation Brands 100. The 21.5% increase in value allowed Brazil to replace the Netherlands as the tenth most valuable nation brand in the world. Brazil is the third emerging market to rank among the top 10 most valuable nation brands and has been the most valuable brand in Latin America since surpassing Mexico in 2008.

Brand Brazil's value is supported by an especially strong brand equity score. Brazil's image abroad is almost entirely positive; though it sometimes struggles to commercialize its reputation as a sexy, youthful, and athletic society. Brazil is one of the world's largest economies, and has worked hard to establish itself as a serious power. This transition was made easier in 2001 when Goldman Sachs named Brazil one of the BRICs; the four emerging economies that will shape the 21st century's economy. Brazil's economic score represents a rapidly growing economy which now ranks among the world's 10 largest markets. Brazil's economic transformation is turning the country from a glamorous beach into an established centre of the world economy.

PricewaterhouseCoopers estimates that Brazil's economy could surpass Britain, Germany, and Japan to become the world's 4th largest economy in 2050. Brazil's development has been fed by a commodities boom in oil, soy, and lumber, but also by a growing industrial base and rapidly diversifying service sector. An estimated 35 million people joined the middle class between 2003 and 2009, with as many as 20 million more expected to be included by 2014. Despite this success, Brazilian cities remain sharply unequal, with incredible levels of poverty and violence afflicting the massive slums of Rio de Janeiro and Sao Paolo.

Brazil inaugurated its first female president in 2011 as Dilma Rousseff was elected to succeed Luiz Inácio Lula da Silva. President Rousseff served as da Silva's chief of staff, and little change is expected in the progressive Workers' Party (PT) policy. As a member of the new BRICS summit (with Russia, India, China, and South Africa) as well as the G20, Brazil seems set to increase its economic and political weight in the world. While Brazilians have often joked that theirs is "the country of the future – and always will be", the South American giant seems to be coming into its own.



9. Republic of Croatia
Republika Hrvatska

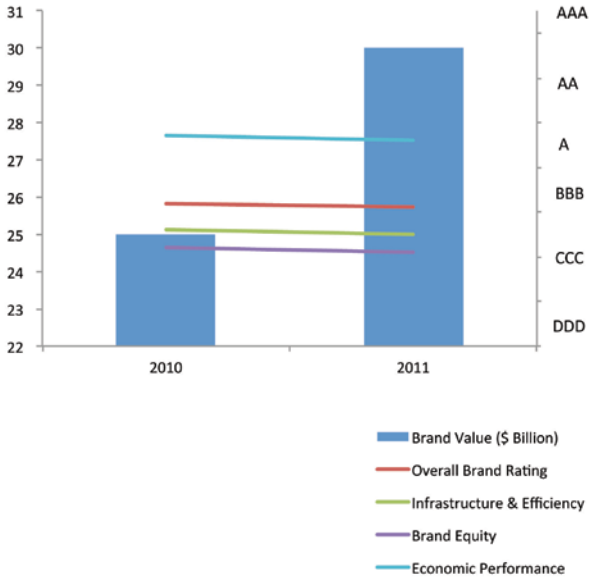
	2011	2010
Brand Value ($ Billions)	*$30*	*$25*
Change in Brand Value	*+ 21.2%*	*n/a*
Infrastructure & Efficiency Rating	*B*	*B*
Brand Equity Rating	*B-*	*B-*
Economics Rating	*A*	*A*
Overall Brand Rating	*BB*	*BB*
Position on the League Table	*69th*	*53rd*

Like much of emerging Europe, Croatia saw its brand value increase impressively on the 2011 BrandFinance® Nation Brands 100. While the total value of Croatia's national brand remains quite small – only a fiftieth of near-by Italy – the brand has seen rapid growth of 21.2%. The brand is steadily increasing in value as Croatia builds its reputation as a business-friendly European nation. Croatia's fall in the 2011 Brand Finance Nation Brand league table only reflects the addition of more countries to this year's more comprehensive study.

Croatia received very different ratings on the various scores that go into the nation brand ranking. While the country's brand equity and infrastructure rankings remain low, strong economic growth and the prospect of EU membership raised the country's economic rating. Croatia's brand equity is hurt by the lingering associations of the country with the brutal Yugoslav wars in the 1990s, and the unwillingness of post-war governments to cooperate in the prosecution of war crimes suspects. Croatia has worked hard, however, to distance itself from its troubled Balkan neighbours. The country hopes to be seen as an Adriatic, rather than a Balkan state. Always the richest part of Yugoslavia, the Croatians have succeeded in integrating itself much closer with Central and Western Europe than their former countrymen. Croatia joined NATO in 2009, and is set to become the European Union's 28th member state on July 1st 2013.

The Croatian economy was growing at 4.8% before the financial crisis. This growth was buoyed by a housing boom and a burgeoning tourist sector; which made up almost 20% of GDP. Both of these industries were hit hard by the recession in Europe; tourist arrivals fell by almost 5%. This has been a major drag on growth and has exacerbated persistently high unemployment.

Despite this, Croatia shows great potential as a tourism destination for Europe's large market. Perched on the Adriatic directly across from Italy, but with much lower costs, the country looks well positioned to profit when Europe begins to recover. The June 30th 2011 announcement that Croatia's EU accession is now set for 2013 has solidified faith in Croatia's European future.



10.The Republic of Turkey
Türkiye Cumhuriyeti

	2011	2010
Brand Value ($ Billions)	*$373*	*$312*
Change in Brand Value	*+19.8%*	*+10.2%*
Infrastructure & Efficiency Rating	*A*	*A*
Brand Equity Rating	*A+*	*A-*
Economics Rating	*A*	*A-*
Overall Brand Rating	*A*	*A-*
Position on the League Table	*19th*	*21st*

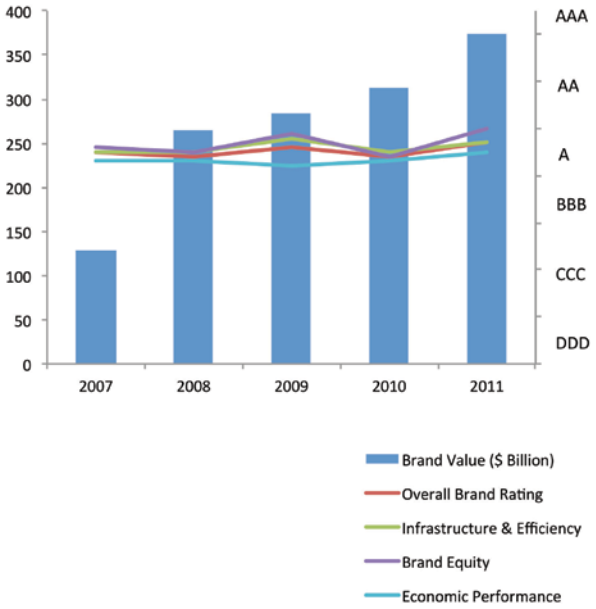
Brand Turkey continued from strength to strength, gaining in value by 19.8% in this year's BrandFinance® Nation Brands 100. This growth values Turkey's national brand at $373 billion and puts the country into the top 20 most valuable brands for the first time. Turkey's brand is the 10th most valuable in Europe. Turkey's return to its pre-recession 'A' ranking, indicates the strength of Turkey's recovery and Brand Finance's confidence in the country's underlying fundamentals.

Turkey's brand increased on every measure of brand strength in 2011. The country's brand equity saw the fastest growth as the country establishes itself as a stable and business-friendly government in an often unstable region. Turkey's brand is - like that of other emerging markets - evolving as the country rapidly transforms into a developed economy. The Turkish government is actively supporting this change through its "Turquality" programme to promote Turkish brands as global players.

A truly Eurasian country, fortunate geography puts Turkey in a central position between Europe and the Middle East. Its commercial capital Istanbul is a rapidly developing international business centre, while Turkey also profits from growing ties to the Middle East and its role as a gas corridor to Europe.

The Turkish economy has recovered quickly from its 4.7% fall during the recession with growth expected to remain in the 5.9% - 6.4% range in the near to medium term. A growing middle class and stable economic fundamentals are attracting increasing foreign investment and allowing Turkey to move up the value chain. The country is currently the 16th largest economy in the world and 6th largest in Europe.

Turkey's pro-business AK Party was re-elected with a majority in June, thus cementing Recep Tayyip Erdogan's position as Prime Minister for a third term. The moderately Islamist party had been criticised by some for being authoritarian, but has proved to be an efficient steward of the economy. Erdogan's plans to renegotiate the constitution in 2012 are likely to prove controversial and aggravate tensions between the more pious middle class and the secular elite. Despite strong support from the current government, Turkey's decades-long accession talks with the EU are currently stalled. Looking at the current situation in the Eurozone, many Turks might see this as a blessing in disguise.



Top 10 Losers

01 GREECE
2011 RANK: 35
2010 RANK: 24
$135B -41%
RATING: BBB

02 IRELAND
2011 RANK: 38
2010 RANK: 26
$130B -40.1%
RATING: AA-

03 JAPAN
2011 RANK: 4
2010 RANK: 3
$1,940B -25.9%
RATING: A

04 SPAIN
2011 RANK: 13
2010 RANK: 11
$729B -15.8%
RATING: A

05 AUSTRIA
2011 RANK: 23
2010 RANK: 20
$309B -14.1%
RATING: AA-

06 ITALY
2011 RANK: 7
2010 RANK: 6
$1,515B -12.4%
RATING: A-

07 PERU
2011 RANK: 49
2010 RANK: 40
$90B -12.4%
RATING: A-

08 HUNGARY
2011 RANK: 55
2010 RANK: 47
$63B -11.2%
RATING: BBB

09 PORTUGAL
2011 RANK: 40
2010 RANK: 31
$120B -9.7%
RATING: A-

10 USA
2011 RANK: 1
2010 RANK: 1
$11,370B -4.8%
RATING: AA-

1. Greece
Ελληνική Δημοκρατία

	2011	2010
Brand Value ($ Billions)	*$135*	*$230*
Change in Brand Value	*-41%*	*-5%*
Infrastructure & Efficiency Rating	*BBB*	*A-*
Brand Equity Rating	*BB*	*BBB*
Economics Rating	*A-*	*A*
Overall Brand Rating	*BBB*	*A-*
Position on the League Table	*35th*	*24th*

Greece's nation brand value saw the greatest percentage fall of any nation on the 2011 BrandFinance® Nation Brands 100. The country's brand strength fell to BBB, the same brand rating as Egypt, Ecuador, and Argentina. This review does not take into account events after November 2011, which means that Greece's current brand value could be even lower.

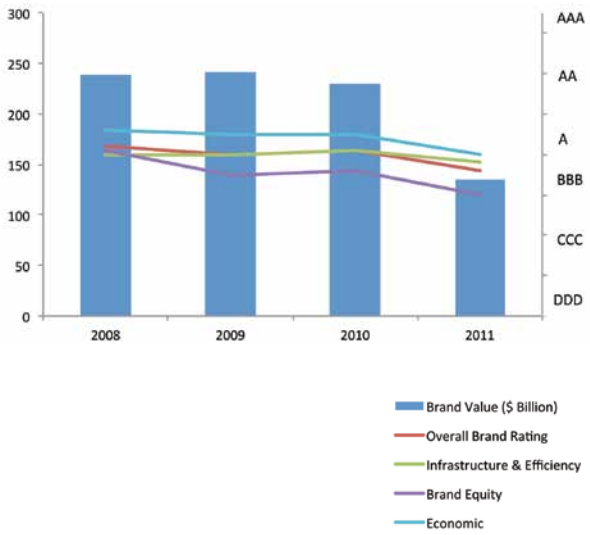
Greece's nation brand was downgraded on all three of the measures included in the BrandFinance® Nation Brands 100. The country's lowest rating is its brand equity, which represents the incredibly low opinion foreigners have of the country. The Greek debt crisis has spread –rightly or wrongly – the image of Greece as a nation of inefficient, tax-avoiding, debtors governed by a government totally unable to get a handle on the situation. Brand "Greece" has fallen to junk status. The country's economic rating has also fallen, and is likely to fall further if the government is unable to present a credible plan to deal with the country's massive debts. Greece's infrastructure and efficiency rating has also dropped to BBB as a result of debilitating protests that have made it almost impossible to conduct business in the country.

After adopting the euro in 2002, Greece was one of the fastest growing economies in the EU. Tourism, shipping, and a construction boom contributed to a rapid economic expansion. In 2007, however, the credit crunch and subsequent recession in the developed economies choked off foreign investment and slashed demands for Greek exports.

This rapid contraction also exposed the degree to which Greek economic growth had been based on unsustainable levels of borrowing. The subsequent discovery that the Greek government had been substantially underreporting its government deficit collapsed faith in the ability of the Greek state to meet its financial commitments. This necessitated an EU and IMF bailout in May 2010 and harsh austerity measures to get Greece's massive debts under control.

The series of bailouts, "haircuts", and "comprehensive solutions" that followed have done nothing but increase anxiety over the ability of Athens – and Brussels – to come up with a real solution to the Greek situation. Lucas Papademos, the former central banker appointed as prime minister November 10th, has a difficult task set out for him.

If the Argentine example is illustrative, nation brands suffer for years after debt crises. Even after a decade of strong economic growth Argentina has been unable to move its brand equity above BBB. This is a sobering example for Greece, which lacks Argentina's abundant natural resources.



Top 10 Losers

2.The Republic of Ireland
Poblacht na hÉireann

	2011	2010
Brand Value ($ Billions)	*$130*	*$217*
Change in Brand Value	*-40.1%*	*-13.6%*
Infrastructure & Efficiency Rating	*AA*	*AA+*
Brand Equity Rating	*AA-*	*AA*
Economics rating	*A+*	*A+*
Overall Brand Rating	*AA-*	*AA-*
Position on the League Table	*38th*	*26th*

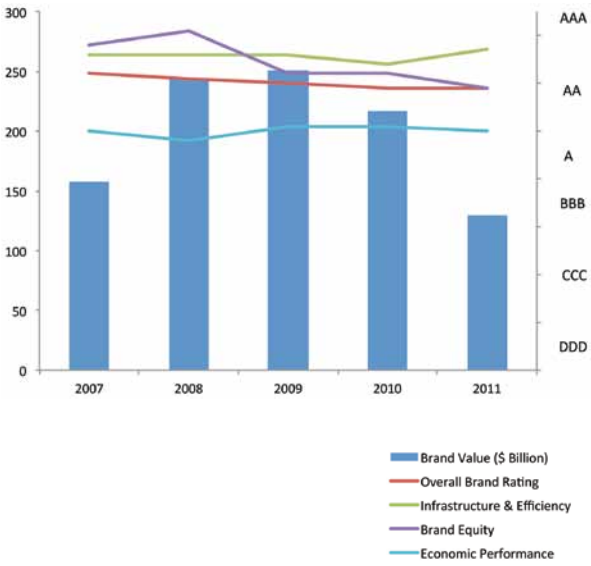
Ireland is another former European success story that has seen its fortunes take a dramatic turn for the worse. Ireland's brand value dropped by an amazing 40% on the 2011 BrandFinance® Nation Brands 100 as the country experienced massive economic contraction and financial crisis. Ireland's EU bailout, however, has not had the same crushing impact as Greece's.

Ireland's nation brand fell on the brand equity and infrastructure ratings as the country was forced to ask for a bailout from the IMF and EU. Despite this, however, Ireland's brand remains much stronger than fellow bailout-recipients Portugal and Greece. Ireland's brand equity fell to AA- as the country's reputation as a good place to do business remained largely intact. The financial crisis in Ireland has tarnished the image of the Irish banks that precipitated the bailout, but not of the country as a whole in the way that has been the case in Greece. Ireland's underlying economic advantages, including an English-speaking workforce, a high level of education, and the country's location as an offshore base for companies doing business in London remain intact. The Irish economy actually grew in the second quarter of 2011, and the country is likely to recover much faster than Greece.

Ireland was described as the "Celtic Tiger" during the boom years, with some of the fastest economic growth in Europe. A centre for off-shore business services and banking, Ireland's trade-dependent economy was hit hard by the recession. Bailing out the country's large banks pushed the country's government deficit to 32% of GDP and pushed the country of 4.5 million onto the list of the top 10 most indebted countries in the world.

The bailout of the banks required a €90 bailout of Ireland by the European Union, and harsh government spending cuts. The IMF believes that the austerity cuts are working, and Ireland's deficit fell to 10.5% in 2011, with 8.6% being projected for 2012.

Ireland's economic fortunes rely on the health of the future of the Eurozone. Further instability in the euro could end its recovery. In the event of a Greek default, Ireland is one of the countries most likely to face a run on the banks or a second bond crisis.



3. Japan
日本国

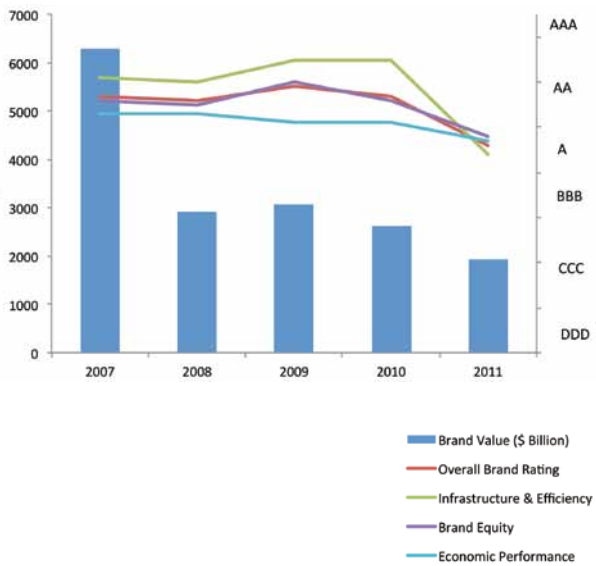
	2011	2010
Brand Value ($ Billions)	*$1940*	*$2619*
Change in Brand Value	*-25.9%*	*-14.4%*
Infrastructure & Efficiency Rating	*A-*	*AA+*
Brand Equity Rating	*A*	*AA-*
Economics Rating	*A*	*A+*
Overall Brand Rating	*A*	*AA-*
Position on the League Table	*4th*	*3rd*

Japan saw the largest dollar figure drop in brand value, with its national brand losing an astonishing $679 billion in value on the 2011 BrandFinance® Nation Brands 100. This fall is largely due to the tragic Tohoku earthquake and tsunami on March 11th. The disaster killed over 15,000 people, destroyed whole prefectures in the Northeast, and saddled Japan with an estimated $288 billion reconstruction cost. The resilience of the Japanese people in the face of this tragedy has been heroic, but this could not prevent a huge fall in their nation's brand ranking.

The component of Japan's nation brand hit hardest by the March 11th disaster was the country's infrastructure rating. Traditionally Japan's infrastructure score has been among the world's highest. Beyond the devastation in and around Miyagi prefecture, the tsunami briefly forced a closure of ports all across Japan, disrupting supply chains and shutting down global businesses. Worse, the Fukushima nuclear disaster caused the country to re-evaluate its dependence on nuclear power. All of Japan's 54 nuclear reactors are being shut down for testing, which has caused a massive power shortage across the country. The earthquake damaged Japan's image as a safe and stable country to invest, harming the country's brand equity. The crisis also highlighted the dysfunction at the heart of Japanese politics and the huge debts built up by successive governments. Japan's economy was fragile before the disaster, and the crisis has pushed it back into recession.

Even before the Earthquake Japan was suffering from slow growth and a dire demographic situation, with 22% of the population over 65. Slow growth since the collapse of the property bubble in 1988 has been referred to as Japan's lost decades. Total government debt is twice annual GDP, the highest in the developed world, and Japan's credit rating was cut by Moody's in August. Economic worries are compounded by political instability; Yoshihiko Noda took power in August as Japan's 6th prime minister in 5 years.

Japan is a famously resilient country. Millions of Japanese went to great lengths to conserve energy during the nuclear crisis, and economists note that Japan's industries recovered quickly form the - admittedly much smaller - 1995 Kobe Earthquake. Japan may be heavily indebted, but its debt is held by domestic savers, and so is not vulnerable to speculative attack. Many economists predict that Japan faces a slow decline, but if 1980s predictions of Japan's economic dominance were misplaced, perhaps reports of the country's demise have also been greatly exaggerated.



Top 10 Losers

4. Spain
Reino de España

	2011	2010
Brand Value ($ Billions)	*$729*	*$865*
Change in Brand Value	*-15.75%*	*-22.6%*
Infrastructure & Efficiency Rating	*A*	*BBB*
Brand Equity Rating	*A*	*BBB*
Economic Rating	*A*	*A+*
Overall Brand Rating	*A*	*A-*
Position on the League Table	*13th*	*11th*

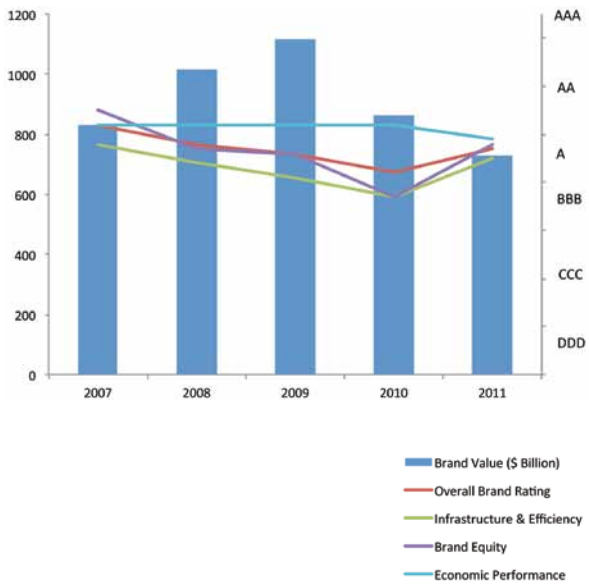
Spain in 2011 is one of the most troubled economies in the Eurozone. The economic disaster that has occurred in Spain is reflected in its huge loss of brand value; the only countries that lost more on the 2011 BrandFinance® Nation Brands 100 were bailout recipients Greece and Ireland and disaster-struck Japan. Like Ireland, however, Spain has survived its economic crisis with its brand at least partially intact.

Spain's nation brand hit bottom in 2010 as the country looked as though it, too, might require an EU/IMF bailout to remain solvent. Harsh government cost-cutting, however, has averted any external intervention. In 2011, however, fears of contagion from the Greek crisis were focused squarely on unreformed Italy. This returned Spain's infrastructure and brand equity ratings to the 'A' Spain enjoyed in 2008. This reflects the underlying strength of Spain as a brand which communicates desirable values and which investors trust as having future beyond the crisis. Spain's economic rating, however, fell on dispiriting news, especially regarding unemployment. Spain's brand is weaker than two years ago, but is recovering from last year's brush with Greek-style collapse.

The global recession hit Spain hard, drying up tourism revenues and preventing Spanish banks from accessing cheap credit. Spanish banks lost the ability and willingness to fuel the country's growing construction industry, and the economy fell into deep recession. The construction industry had provided millions of jobs, and its implosion has helped push Spain's unemployment rate over 20%, by far the highest of any developed country. The rate for young people is over 40%. With over 4.2 million Spaniards out of work and social assistance benefits ballooning, the economy is slowing, with Spain almost certain to miss its 1.3% GDP growth target for 2011.

The dire economic situation for young people in Spain has given birth to "los indignados", a protest movement translated as "the outraged" which has brought as many as 100,000 people to the streets. The movement is cited as an inspiration by the international "occupy" movement centred on Wall Street in New York.

Spain is experiencing difficult times economically and its situation could easily become much worse if there is further instability in the Eurozone. Despite this, the country's underlying brand score has remained remarkably resilient, recovering from its low point in 2010.



5. Austria
Österreich

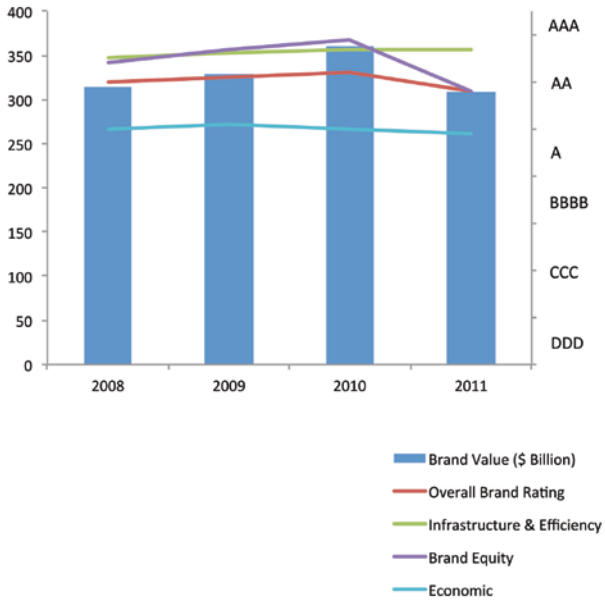
	2011	2010
Brand Value ($ Billions)	*$309*	*$360*
Change in Brand Value	*-14.1%*	*+9.4%*
Infrastructure & Efficiency Rating	*AA+*	*AA+*
Brand Equity Rating	*AA-*	*AA+*
Economics Rating	*A*	*A+*
Overall Brand Rating	*AA-*	*AA*
Position on the League Table	*23rd*	*20th*

Austria is not facing the sort of acute crisis affecting other European states, but it is widely exposed to economic instability in both the Eurozone and Eastern Europe. The country's central location and close economic ties with both Central and Western Europe means that Austria has imported the problems of its more troubled neighbours. A prolonged banking crisis has also chipped away at Austria's reputation as a stable investment haven.

Austria's nation brand maintained its top-notch infrastructure score, but the Alpine republic lost points on both its brand equity and economics ratings. During the financial crisis Austria's largest banks faced massive shortfalls due to their substantial exposure to debts in Eastern and South-eastern Europe. The government was forced to provide support – including in some instances nationalisation- in order to prevent a collapse of the banking system. In July Austria's Oesterreichische Volksbank AG was the only EU bank outside of Spain or Greece to fail the banking "stress test" administered by the EU Banking Authority. The failure forced the bank to sell off its international arm to Russia Sterbank in order to raise capital, and was another hit to the reputation of a country that has built its image of Swiss-style stability and fiscal probity. Austria's economy is slowing on fears of a Europe-wide recession, which has brought down the country's economic rating.

Despite this year's slump, Austria's brand is still very strong. Its AA- overall rating is above all but two of the most world's top 10 most valuable brands. Any fears about the country's banking system, however, have a large impact on a country whose brand is so based on being a safe and stable investment.

As one of the six Eurozone states with a top-level credit rating, Austria is rightly seen as being 'on the hook' for a portion of the costs of any further EU bailouts. Concerns about the financial health of the Southern EU states raises the potential that Austria, like Germany, could be forced into a series of increasingly expensive rescue efforts.



Top 10 Losers

6. The Republic of Italy
Repubblica Italiana

	2011	2010
Brand Value ($ Billions)	*$1515*	*$1730*
Change in Brand Value	*-12.4%*	*+37.5%*
Infrastructure & Efficiency Rating	*BBB*	*A-*
Brand Equity Rating	*BB*	*BBB*
Economic Rating	*A*	*A+*
Overall Brand Rating	*A-*	*A-*
Position on the League Table	*7th*	*6th*

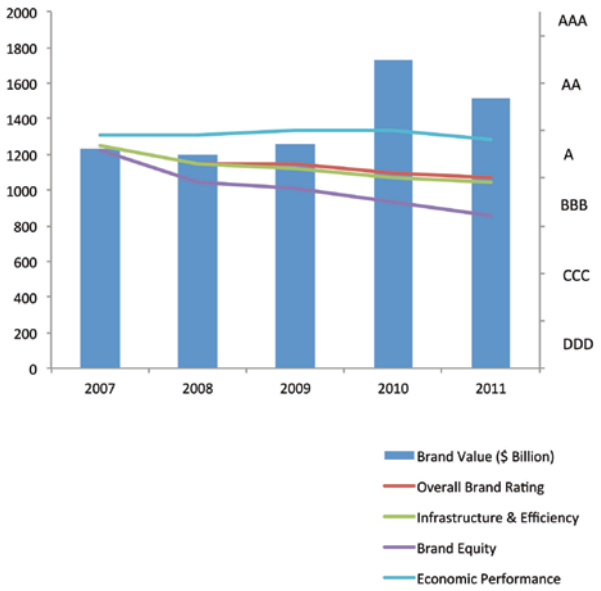
Italy's national brand fell in value by over $200 billion in 2011 as the country took centre stage in Europe's ever-worsening debt crisis. The inability of the Italian government to address systemic economic problems – including massive indebtedness – has taken a massive toll on Italy's reputation abroad. The country managed to hold onto its A- ranking, and remains in the top ten most valuable brands, but its brand rating declined on all of the categories measured, and is now the lowest among the G7 economies.

Italy's infrastructure and efficiency rating fell to BBB, the lowest in Western Europe and in the same category as Mexico. The country's creaky legal system, inflexible legal system, and chronic corruption have actively repelled investment, especially in the South of the country. Italy's lowest score, however, was in brand equity. On this measure of national reputation Italy receives the same rank as Greece. Unlike temporarily troubled Spain, or bailed-out Ireland, Italy has a core brand that is associated with economic dysfunction. Economic mismanagement and political instability have come to define Italy in the eyes of foreigners in a way that Ireland and Spain have avoided. The country's economic rating fell from A+ to A as instability in the Eurozone and lower growth projections for Italy dimmed confidence in an Italian recovery.

Italy's problems, however, are not just a result of the financial crisis. Only Zimbabwe and Haiti experienced less economic growth from 2000-2010 and 25% of young Italians are unemployed. The country has the world's third largest public debts, and in 2011 faced credit downgrades by both Moody's and Standard & Poor's in 2011. Rising concerns about the stability of Italy's public finances finally pushed Silvio Berlusconi from office in November as Italian bond yields skyrocketed.

Italy's high levels of indebtedness are a critical threat to the Eurozone. Rome currently guarantees 20% of the EFSF, Europe's rescue fund. If Italy itself were to need support to make its repayments, the Eurozone does not have the capacity to bail it out. Rome's ability to sort out its domestic economic problems is now at the core of Europe's economic crisis.These are just some of the challenges facing Mario Monti, the ex-EU commissioner chosen as Berlusconi's replacement.

Resurrecting brand Italy's reputation with foreign investors will be a long and painful process, even after Italy deals with its current crisis. Italy's problems, unlike those of Spain's, are both chronic and acute.



7. Peru
República del Perú

	2011	2010
Brand Value ($ Billions)	*$90*	*103*
Change in Brand Value	*-12.4%*	*n/a*
Infrastructure & Efficiency Rating	*BB*	*B*
Brand Equity Rating	*A*	*A*
Economics Rating	*A*	*A*
Overall Brand Rating	*A-*	*BBB*
Position on the League Table	*49th*	*40th*

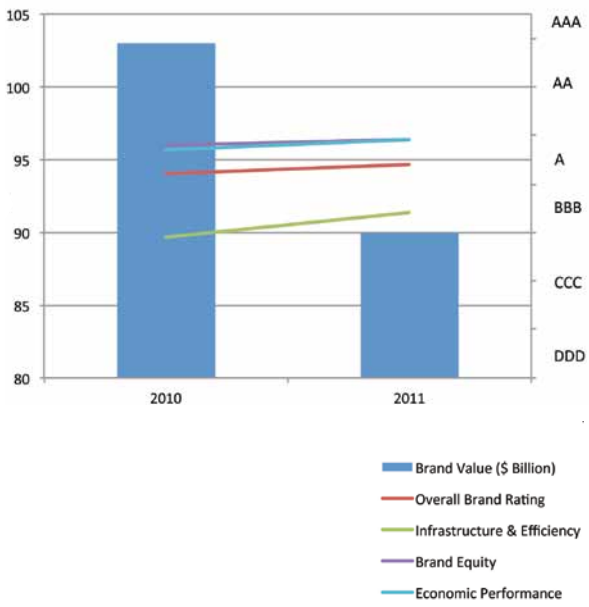
Peru stood out as the only Latin American country to see a decline in its nation brand value on the 2011 BrandFinance® Nation Brands 100. The country's uncertain political situation and vulnerability to fluctuations in the price of its key metal exports make Peru vulnerable to external shocks.

Peru's overall brand rating inched into A- territory in 2011. This reflects the country's recovery from a sudden downgrade in 2010 caused by an earthquake and devastating flooding. The January 2010 flooding wiped out roads and necessitated a large-scale evacuation of the valleys surrounding Cusco and Machu Picchu. The incredible damage done to the infrastructure supporting Peru's valuable tourist industry caused the 2010 score to be so low. The country's brand equity score stayed constant at an A, despite some worries about the economic intentions of newly elected president Ollanta Humala, who once led an abortive military revolt against former president Alberto Fujimori. Peru's economic situation has also improved, as growth returns to a high level after a sharp fall in 2009 after the financial crisis.

Peru's economy remains highly dependent on mining and metal exports, which has left the country open to highly volatile price swings. The country profited from high prices in the years before the 2009 financial crisis; with GDP growth between 6-9% from 2002-2008. Peru has maintained its reputation as a strong proponent of free trade in 2011, signing free trade deals with Mexico, Panama, Costa Rica, Japan, and the European Union.

President Humala, who defeated right wing Keiko Fujimori – daughter of former president Alberto Fujimori – in the 2011 election, has confounded expectations that he would forsake the pro-market reforms undertaken by his predecessor. Humala has cited former Brazillian president Luiz Inacio Lula da Silva as the inspiration for his moderately leftwing policy platform.

While Peru is performing much worse than its fast-growing neighbours, the country still has strong potential in the future. Additionally, as a major exporter of undifferentiated commodities, a strong nation brand is less important to Peru than it is to other countries.



Top 10 Losers

8. Republic of Hungary
Magyar Köztársaság

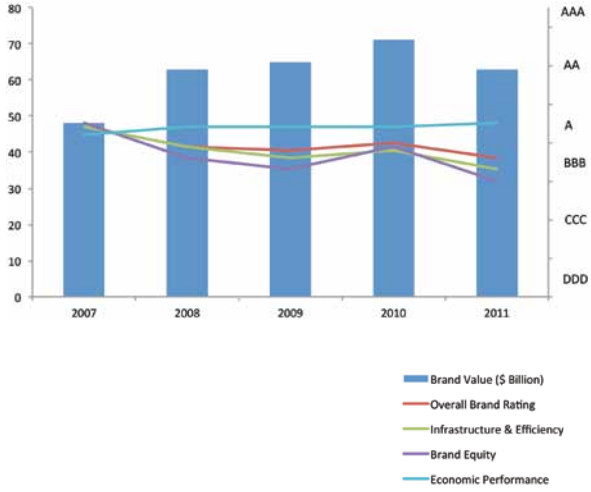
	2011	2010
Brand Value ($ Billions)	*$63*	*$71*
Change in Brand Value	*-11.1%*	*+10.1%*
Infrastructure & Efficiency Rating	*BB*	*BBB*
Brand Equity Rating	*BB*	*BBB*
Economic Rating	*A*	*A-*
Overall Brand Rating	*BBB*	*A-*
Position on the League Table	*55th*	*47th*

Hungary stands out from its region as the only Eastern European country to lose brand value on the 2011 BrandFinance® Nation Brands 100. Despite solid growth in the value of its neighbours, Hungary ended the year having lost $8 billion worth of brand value. Having long outperformed its region, and worked hard to present itself as Central rather than Eastern European, Hungary is now the regional laggard.

Hungary's brand rating is tied with Greece as the worst in Europe. The country's infrastructure and brand equity ratings fell to BB, while the economic rating moved up one place to A. The fall in brand equity represents further downgrade of the reputation of Hungary among foreign investors and business people. This is due to the prolonged effect of the financial crisis on the country and the perceived cronyism and heavy-handedness of Victor Orban's Fidesz Party government. Hungary's economic rating improved on the back of better GDP figures, led by increased exports to Germany.

Hungary was harshly impacted by the 2008 financial crisis, requiring a €20 billion IMF bailout to make its payments that year. The country's economic system has recently been dealt another blow in the form of the rapid appreciation of the Swiss Franc against the Hungarian Forint. Two thirds of Hungarian mortgages are denominated in Swiss Francs because Swiss interest rates were low and the currency was considered stable. With the Franc rapidly appreciating against the forint, more and more Hungarians are finding themselves unable to service their home debts. The government has tried to step in by allowing debtors to convert Forints to Francs at a set rate, but the situation is deteriorating and it would take at least €2 billion to cover the currency gap; a huge sum for a small country with a weak economy.

Hungary's economic future is heavily dependent on solving the economic crisis in the Eurozone. Ever since the fall of the Berlin Wall, Hungary has worked to integrate itself with the major economies of Western Europe. Its 2004 accession to the European Union tied Hungary closer to its Western neighbours, and brought the country one step closer to its dream of disassociating its brand with the East. With slow growth at home and serious economic instability rocking the Eurozone, however, Hungary is facing challenges on all fronts.



9. The Portuguese Republic
República Portuguesa

	2011	2010
Brand Value ($ Billions)	*$120*	*$133*
Change in Brand Value	*-9.7%*	*-7.3%*
Infrastructure & Efficiency Rating	*A-*	*BBB*
Brand Equity Rating	*A*	*BBB*
Economics Rating	*A-*	*BBB*
Overall Brand Rating	*A-*	*A-*
Position on the League Table	*40th*	*35th*

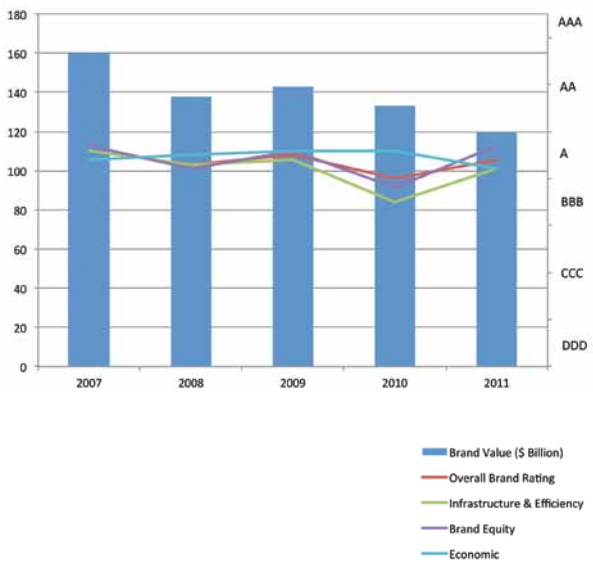
Portugal is another of the Eurozone states with the misfortune to be part of the acronym "PIIGS" and the country is facing severe debt levels and a shrinking economy. The country's brand ranking fell five places on the 2011 BrandFinance® Nation Brands 100 Report, and is now ranked between Argentina and Chile in terms of its value. Portugal's brand rating remained steady at an A-, the same level as last year.

Portugal saw very modest increases on all of the underlying metrics of national brand, just enough to push them to A-. This positive movement reflected confidence that the €78 billion bailout given to Portugal in May will be enough to turn around the country's dire financial situation. Unlike Greece and Italy, Portugal has shown great political resolve in the face of its crisis. The government has launched a concerted effort to cut the country's deficit – which was 9.8% in 2010 – to 4.5% in 2012. Although Portugal's brand has returned from its 2010 brush with disaster, it remains weak in the face of continued Eurozone instability.

The steep government cutbacks that have stabilized Portugal's budget have hit the weak economy hard, with output expected to shrink by 1.9% in 2011 and 2.8% in 2012. In another sign that the worst is yet to come, unemployment - currently at 12% - is expected to rise to 13.5% next year. It isn't surprising that 96% of Portuguese polled say that their country's economy is 'on the wrong track'.

One response has been emigration, with 40,000 citizens per year now leaving the country. The numbers are growing and most Portuguese are searching for opportunities in their country's former colonial empire with queues forming outside of the Lisbon embassies of Angola and Brazil. The number of Portuguese citizens resident in Angola has climbed by 64% in the past two years, and is now almost a hundred thousand.

There are positive signs that Portugal is addressing its domestic economic problems, and this has had a positive effect on the country's brand rating. This process has been painful, but the country does not face a Greek-style crisis of confidence. A further crisis in the Eurozone, however, could easily overwhelm Portugal's modest recovery.



Top 10 Losers

10. The United States of America

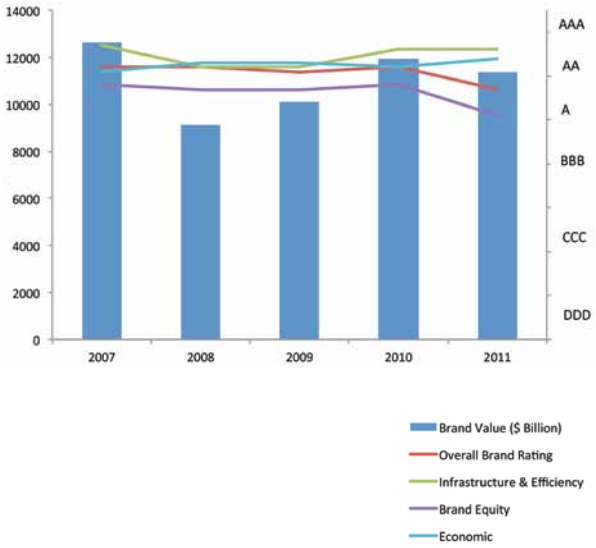
	2011	2010
Brand Value ($ Billions)	*$11,370*	*$11,939*
Change in Brand Value	*-4.8%*	*+18.1%*
Infrastructure & Efficiency Rating	*AA+*	*AA+*
Brand Equity Rating	*A+*	*AA*
Economics Rating	*A+*	*AA*
Overall Brand Ranking	*AA-*	*AA*
Position on the League Table	*1st*	*1st*

'Brand America', by far the world's most valuable nation brand, had a very bad year in 2011. While the size of America's economy means that its brand remains more valuable than that of any other nation, declines were apparent across all measures of brand strength. The various crises affecting the United States caused the country's brand to fall by over half a trillion dollars on the 2011 BrandFinance® Nation Brands 100.

America's infrastructure score dipped slightly, but kept its AA+ rating. On the other measures of brand strength, however, the world's largest economy saw steep drops in its scores. America's brand equity fell by two places to an A+. This represents a loss of faith in the core values communicated by America's brand. Before the recession, 'Brand USA' communicated strong and desirable values in everything from popular culture and retailing to democracy and sound economic management. The current economic situation in America has caused the country's brand strength to plunge to its lowest score since tracking began in 2000. America's prolonged economic slump, and the inability of the government to adequately respond, has reduced the degree to which foreigners are likely to see America as an attractive model to emulate.

America's economy recovery has been fragile since the financial crisis in 2007, with unemployment still over 9%. America's GDP only exceeded its pre-crisis peak in October 2011, after a recovery of 15 months and McKinsey Global estimates that it will take 5 years for the US to regain its 2007 employment levels. Corporate profits, however, are at record levels and the disparity between healthy corporate balance sheets and a clearly sick economy is feeding anger at the inequality of the American economy. A lack of political leadership on America's economic problems, including its massive debt, led Standard and Poor's to downgrade America's debt in August 2011. The lack of any real political progress on the deficit reduction means that downgrades from other agencies are possible in 2012.

America's reputation as a strong economy has been degraded since the 2008 financial crisis caused by America's sub-prime mortgage crisis. Weak growth, high unemployment, and prolonged political deadlock have dimmed hopes of a quick recovery. This period of economic uncertainty is aggravated by a notable decline in America's political prestige abroad as emerging economies play an increasingly central role in one scholar has called "a post American world".



Brand Stories

Britain: Broken or Great?

Britain may be the country in which discussions about national branding have found the widest audience. A national debate on the term "Broken Britain" has been taken up by academics, commentators, and the population at large as more and more people lament what they call the 'moral decay' of British society. In a poll taken shortly after the August 2011 riots, a full 75% of Britons agreed that the term "Broken Britain" was a true description of their country. Their Prime Minister, once a proud proponent of "Broken Britain", has just launched a £500,000 campaign to raise the profile of "GREAT Britain". Which of Mr Cameron's narratives best describes the modern United Kingdom?

Fortunately for the British, their country bears little resemblance to the "Broken Britain" of the popular imagination. Despite increasingly graphic news coverage, violent crime has actually seen a massive decline since the 1970s. Child homicides, despite breathless coverage of a 'lost generation', have fallen dramatically, and teenage pregnancy is now significantly less common than two generations ago. For all of their violence and damage, August's riots were not the beginning of a brave new world of youth violence; more police officers were injured in the 1981 riots in the borough of Brixton than in the 2011 riots across Britain.

Britain's brand value did fall in 2011, by a modest 4.9% to $1.859 trillion. While this is hardly a strong performance it is better than the European average or America's dismal result. Brand UK is the 5th most valuable in the world and the second most valuable in Europe after Germany. Britain's loss of brand value came from the slowdown of the British economy and fears about Britain's trade dependence on the embattled Eurozone, but nevertheless Britain retained its AA- rating. This puts the country a point behind Germany, but ahead any other large European country - and five points above BBB-rated Greece. The UK's brand equity score has remained remarkably stable over the past four years, indicating that positive perceptions of Britain are stable. Britain's rating on image abroad and national culture are strong, it is seen as an honest and stable country in which to do business. The country's score for infrastructure and effeciency – a measure of how easy it is to do business – was A+, much higher than most of its European rivals. Britain's credit rating is stable, its population is well-educated, and its position outside the Eurozone puts it in a much stronger position than most of its European peers.

Although Britain isn't broken, is not exactly pushing forward at full speed. New information suggests that the economic contraction during the recession was 7.1% - not the 6.4% earlier thought – and the recovery will likely be the slowest on record; pre-recession output may not be matched until 2015. The IMF estimates a one in six chance of a second recession caused by the slow-down in Europe, an external shock which is hitting Britain just as the economy is still fragile from the fall in domestic demand caused by the government's spending cuts.

A slow recovery and an uncertain future are not exactly themes that the government wants to underline. David Cameron's GREAT Britain campaign is designed to draw attention to Britain's strengths; emphasizing the country's innovation, entrepreneurship, and quality higher education. Whilst the campaign has been criticized for its 'un-British' brashness, it has highlighted some important points. As a trade-dependent economy and a major exporter of services, Britain's brand is hugely important in selling the country as a place to invest and do business.

Despite slow growth in 2011, the UK was ranked by the World Bank as the fourth best place to do business, and first in both the EU and G8. The country was rated most attractive to foreign direct investment in Europe by Ernst & Young, and London hosts more European headquarters than all of the other major EU business centres combined. The British capital is also ranked as the world's top international financial centre, and is seeing an upsurge in investment into the new "Tech City" development in the East End near the 2012 Olympic site. Britain's brand was hit by the recession, but there are strong fundamentals that are keeping Brand UK near the top of the league table. The country's strong image and reputation abroad as a place to do business are likely to remain resilient in the face of the current downturn.

Euro Blues

When it was launched in 2002 the Euro was discussed as a future replacement for the US dollar as a global reserve currency, discussions in 2011 centred on whether or not the single currency could survive. The 17-member Eurozone stumbled from crisis to crisis in 2011, as Greece, Ireland, and Portugal all required bailouts and international markets lost faith in Italy. Repeated attempts to get the situation under control have only chipped away at confidence in the ability of European leaders to unite to save their currency.

Europe's immediate problems are relatively simple to understand, but have proved incredibly difficult to fix. Unsustainable debt in a few countries (notably Greece and Ireland, but possibly Italy or Spain) is causing markets to fear the solvency of EU governments. Since defaults in Greece or elsewhere would also bankrupt their North European creditors, the EU as a whole cannot afford the collapse of even its weaker members. Europe is four bailouts and one "comprehensive solution" into the crisis, and is not any closer to a solution. This process has now led to the replacement of two European governments; with both Italy and Greece forced to change prime ministers in an attempt to regain the markets' confidence.

It would be a mistake, however, to date the beginning of Europe's economic woes to Greece's first bailout in 2010. Europe's unemployment has only been below Britain's current rate for 7 fiscal quarters in the past 10 years, with a shocking 20% of 15-24 year olds not in jobs or education. The currency zone's economic growth will be 1.6% in 2011, and this may fall to.5% in 2012. Fully two thirds of Europeans believe their economy is going in the wrong direction.

The on-going Euro crisis caused the national brands of Eurozone countries to lose $600 billion in brand value. European nations represented 7 of the 10 worst performing nation brands. European nations that were once known for efficiency and quality design are becoming bywords for economic incompetence and political confusion. Germany is the one major outlier, its position as lender of last resort has solidified its role as the stable and respectable leader of Europe. Even the stronger brands of Europe, though, risk being contaminated if the debt crisis continues, if "Europe" as a brand loses value then the entire continent will suffer. Perceptions that Europe as a whole is unstable or – worse – that the EU itself is the cause of the crisis in its member states could harm brands all across Europe. Italy, the largest country to face the possibility of a debt crisis, has seen its brand equity fall from an A to a BB over the last four years as successive governments have failed to deal with the country's structural weaknesses. Even France, which has one of the most valuable brands in the world, has seen sharp falls in its brand strength. Damage to Europe's collective "union brand" challenges European nations which are less affected by the crisis to work harder to differentiate themselves from their troubled neighbours. The Nordic and Eastern EU states, especially, will have to make an effort to present themselves as European outliers rather than "good Europeans.

The Economist Intelligence Unit estimate a 35% chance that one or more countries will leave the Euro, and outcome that Swiss investment bank UBS reports could lead to corporate default, recapitalization of the banking system, a collapse of international trade, and – probably – civil disorder and political crisis. As the crisis continues to unfold, the question is how lasting the damage from this year's economic and political turmoil will be on Europe's nation brands.

Eastern Europe

Eastern Europeans have every right to be angry about talk of problems "in Europe". While the impact of a disorderly default would strike all European countries – to say nothing of the world economy at large – the economic situation is much brighter in the East than the West. Economic growth, unemployment, and government debt numbers are all substantially more positive in the 10 Eastern countries that have joined the EU since 2004 than in the 15 members once dismissively called "Old Europe".

While their economies are much smaller than those of the Western giants, Estonia, Poland, and Lithuania look likely to have the fastest economic growth in the EU in 2011 and 2012. Poland was the only EU state not to experience a recession in 2009, while Lithuania's pre-crisis economic growth rate of 9.85% was on par with China's.

This division in performance is accurately captured in the 2011 BrandFinance® Nation Brands 100. While the total value of EU brands dropped by 4%, this number hides huge discrepancies between individual European countries. While Western European brands fell in value by 5.6% - and the Eurozone lost 6% - there was better news from the East of the continent. Estonia was the third fastest growing nation brand (behind only China and India) and Croatia (an Eastern European, but not EU nation) was the 9th, at 21.2%. Poland, by far the most valuable brand in the region, grew by 17.1%. The 10 formerly Communist EU states saw growth in their collective brand value of 9.7% and only Hungary seeing a decrease in the value of its national brand.

As a whole, Eastern Europe's growth was faster than that of any region in the world, including East Asia. The average brand rating in the Eastern EU members was lower than the average for the union as a whole (A- compared to A) but this reflects the fact that Eastern European states are emerging markets that are still establishing their brands; they do not have the strong reputations of major economies like Germany or Britain.

This upsurge in brand value underlines the strength of Eastern European emerging markets. While the term emerging markets is more commonly used for China and India, the countries of Central and Eastern Europe (CEE) have experienced strong economic growth, and – before the financial crisis – were attracting increasing amounts of foreign investment. Access to the European market, well educated populations, and the outsourcing of manufacturing jobs from Western Europe –especially automobile production – have all contributed to rapid development in the region.

This growth has slowed as exports to Western Europe slump and fears about the Euro threaten the entire continental economy. The new European members are all obliged to join the single currency eventually, but their trade dependence on the West means that they are already affected by troubles in the Eurozone.

The surprising growth in the brand values of emerging European economies should not be overshadowed by grimmer news from the West. The Eastern European countries are building up strong brands as the rapidly develop their economies.

Decline in the West: Growth in the Rest

The clearest pattern emerging from the 2011 BrandFinance® Nation Brands 100 will not be a surprise to informed observers of the world economy. All of the 25 national brands that increased in value by more than 10% were from emerging markets, as were the eight counties whose brand ratings were upgraded. The gapping chasm between the performance of national brands in the developed and emerging markets mirrors the huge divergence in the economic fortunes of the Western and non-Western worlds. While the economy of the developed world has yet to recover to its 2007 peak, emerging markets have gained 20% over the same period. Emerging markets already represent 54% of the world economy measure by purchasing power and will surpass the developed economies at market rates late in the present decade.

The 2011 Nation Brand Index provides yet more evidence of what a noted Singaporean academic has referred to as the "irresistible shift of global power to the East". Germany and France, the newly anointed saviours of Europe, were the only major developed countries to see their brand value increase with America, Japan, Britain, and Italy all suffering massive falls. Among wealthy countries, only the newly industrialized Asian economies, like Singapore, and the Eastern European countries saw high brand value increases.

The picture couldn't be more different in the developed world, where national brands saw impressive growth. By far the fastest growth in the value of national brands occurred among the BRICS countries (Brazil, Russia, India, China, and South Africa). The most dramatic increase was in China, with Beijing's national brand expanding a world-beating 40% to rank third most valuable in the world, behind only America and Germany. At 32% growth, India saw the world's second fastest increase in national brand value.

While the collective value of the BRICS countries' national brands was less than half the value for either Europe or America's totals, its rapid growth

was a stark contrast with stagnation or decline among the developed economies. The G7 grouping of the world's largest developed countries (America, Britain, Canada, France, Germany, Italy, and Japan) saw their collective brand value decline by 6%; a loss of $1.436 trillion dollars. Over the same time period the BRIC countries saw an increase of almost a third, with their total brand value expanding by $1.432 trillion. This three trillion dollar convergence between the brand value of the world's established and emerging powers is yet another indication of the importance of emerging markets to global growth. India and China both have brands rated A+, which is higher than half of the G7. Brand India now has substantially higher brand equity than developed economies including Britain and Italy. The days when global consumers naturally trusted European brands and were sceptical of developing countries are coming to an end.

The rise of the BRICS nations' brands matches their rising global economic impact, which some estimates show will account for 70% of global growth in the coming years. India and China alone may make up 40% of global growth. Emerging markets already represent over half of global demand for oil and steel, and approximately 50% of all exports. By 2050 the BRIC countries could have a collective economy that is 50% bigger than the G7. This is a shift of economic power of unprecedented proportions. Europe, America, and Japan look set for a slow, painful recovery, while vigorous emerging markets bound ahead.

While business leaders should obviously look for opportunities in the emerging markets, reports of the West's decline should be taken with a grain of salt. Oft repeated predictions of Japanese economic dominance in the 1980s ended with the implosion of that country's real estate market in 1989, a fate that no doubt concerns policymakers in Beijing. China's one child policy makes its demographic future bleak, while India is mired in corruption and locked in nuclear confrontation with Pakistan. The future is never predictable, but the emerging markets seem set for ever-greater success.

America & Canada

2011 was not a good year for the United States. Persistently high unemployment, high personal indebtedness, and falling incomes lead 80% of Americans to falsely believe that their country is still in recession and only 37% to think that the economy will improve in 2012. In the face of these economic and social challenges, America's political system is becoming more and more dysfunctional. This troubled state of affairs in the US contrasted with relatively positive economic news from North of the border in Canada. The BrandFinance® Nation Brands 100 clearly captures the very different fortunes of the Western hemisphere's two richest countries.

Canada and the United States are close allies and important economic partners. The value of Canada-America trade crossing the Ambassador Bridge between Detroit, Michigan and Windsor, Ontario exceeds the value of all American imports from Japan. The two economies are closely integrated through NAFTA, and are each the other's largest trading partners. Despite this, however, the two countries' economies have recently been moving in very different directions.

This change of fortune has been reflected in nation brands of the two countries. While America saw a 9.6% drop in brand value between May and September this year – the largest dollar figure drop in the world – Canada's brand value improved by a 2.8%, the highest in the G7. Both countries' nation brands were ranked as AA at the beginning of 2011, but brand USA was reassessed as AA- in September in response to the country's credit downgrade and grim employment statistics. Canada and the United States both ranked AA+ for their excellent infrastructure and A+ for their strong economies. The difference came in the measure of brand equity; Canada received an AAA- (tied with Sweden for top in the world) where the United States was graded an A+. Where America was once perceived as providing a dependable model of political and economic development; its financial crisis and political bickering have eroded this reputation. Canada, on the other hand, is increasingly held up as a model of sound economic policy. The recent appointment of Canada's central bank governor as the head of the Financial Stability Board is another boost for the reputation of a country once referred to by the Wall Street Journal as "an honorary member of the third world". There is also a political dimension to two countries' reputations; views of super-power America are often clouded by criticism of Washington's foreign policy. A middling force on the world stage, Canadian policies seldom evoke protests on the streets of the Middle East.

America's economy recovery has been fragile since the financial crisis in 2007, with growth for 2011 estimated at 1.7%. Unemployment is still over 9%. America's GDP only exceeded its pre-crisis peak in October 2011, after a recovery of 15 months – three times longer than the post-war average for post-recession recoveries. McKinsey Global estimates that it will take 5 years for the US to regain its 2007 employment levels. Canada, on the other hand, had the shortest recession of any G7 country and will see 2011 GDP growth of over 2% with unemployment around 7%. Despite its trade dependence on the United States, Canada has been economically outperforming the United States for years. A major exporter of commodities, Canada has been helped by surging demand for oil, gas, and minerals in Asian emerging markets.

Another key factor in this divergence is the different performance of the Canadian and American financial sectors in the years leading up to the financial crisis. Long criticized as hesitant and over-regulated, Canadian banks did not engage in the sort of risky and profitable activities that led to the American financial crisis.

Since the United States is ten times the size of Canada, America's brand is much more valuable than its Canadian counterpart. This will never change. What is changing, however, is the strength of the two brands. Canada is now seen as a more dependable and reputable nation brand.

Japan: Land of the Setting Sun?

In the late 1980s Japan was a rapidly expanding economy that cast a long shadow across the Pacific. Japan's booming stock market and rising exports were hitting new highs as investors from Tokyo travelled the world buying up foreign assets, including the Rockefeller Centre in New York. The future, it seemed, was going to speak Japanese. By 2011, however, the situation in Japan had changed dramatically. Japan has experienced two "lost decades", as it failed to come to terms with its economic malaise, chronic indebtedness, and lack of political leadership. The March 2011 tsunami and accompanying nuclear leak turned this slow decline into a dramatic crisis.

Even before the financial crisis Japan was struggling with slow growth, high levels of indebtedness, and a shrinking work-force. The fastest aging population in the world is shrinking Japan's labour force even as it balloons the country's budget social services budget. The March 11th earthquake and tsunami - which killed 15,000 people - has exacerbated Japan's economic problems while exposing the country's weak leadership and inability to respond growing challenges.The tsunami and accompanying nuclear disaster caused all ports in the country to be closed, massively disrupting economic supply-chains. The reconstruction cost is estimated to be $288 billion, an amount that represents over 60% of Japan's $461B annual tax revenues. Moody's rating service downgraded Japan's debt in August based on the fact that the country had no plan to deal with its debt (which is currently worth 233% of GDP).

This disaster has had a massive impact on Japan's nation brand, which lost $679 billion in value. The country lost on all three measures of brand strength, especially infrastructure and efficiency. Supply chain shut-downs, a power, crisis and transport disruptions mean that Japan fell from AA+ to A-, and is now tied with India on this measure of the ease of doing business. Japan's brand equity also fell from AA- to A as perceptions of Japan as a safe and stable country fell massively. On September 2nd Yoshihiko Noda became Japan's 6th prime minister in 5 years when his predecessor stepped down, and this only further underlined the weakness and instablity of Japan's political system.

The high-profile failure of the Fukushima nuclear reactor harmed the reputation of the Japanese engineering and technology which is at the heart of the Japanese economic model.

For all of the pessimism surrounding Japan, there are reasons for hope. Japan's anaemic GDP growth obscures the fact that the country's GDP per capita has been as high as America's. Japan still receives more US patents than any other foreign country, and despite political problems it is constantly expanding its trade with China. The Japanese are widely seen as a resilient people, and optimists have pointed out that Japan's industrial production recovered quickly from the 1995 Kobe earthquake. Resilience and determination, however, will not be enough to overcome the serious political, economic, and demographic challenges that face Japan. Many economists predict that Japan faces a slow decline, but if 1980s predictions of Japan's economic dominance were misplaced, perhaps reports the country's demise have also been greatly exaggerated.

Beyond the BRICS: The New Emerging Markets

Emerging markets easily outperformed the developed economies on the 2011 BrandFinance® Nation Brands 100. While the two best performing emerging markets were, as might be expected, China and India, this should not obscure impressive growth in the brand value of other emerging markets. Clearly there are opportunities beyond the 'big two'. The BrandFinance® Nation Brand 100 captures the rapid growth of the smaller emerging markets which are beginning to make their mark. Countries such as Mexico, Indonesia, and Korea are rapidly developing international brands with globally powerful reputations.

Constant talk about China becoming the world's largest economy should not blind business leaders to the fact that Mexico and Indonesia are projected to have significantly larger economies than Britain in 40 years. Jim O'Neill, the Goldman Sachs partner who first described the "BRIC" countries in 2001, has now coined the term "Next 11" to refer to Bangladesh, Egypt, Indonesia, Iran, Korea, Mexico, Nigeria, Pakistan, the Philippines, Turkey and Vietnam as increasingly important growing markets. This year's BrandFinance® Nation Brands 100 captures the dynamism of these 'emerging emerging markets', and should remind business leaders to look beyond China when they search for high-growth prospects in the developing world.

All of the South East Asian brands covered by this year's survey increased in value, with the smallest gain – Malaysia's 8.9% - far outpacing the best-performing Western European brands. Strong scores on infrastructure and brand equity are seeing countries like Singapore and Indonesia gain in brand strength. Indonesia, especially, has potential for growth. As the world's fourth largest country – and the world's largest Muslim nation – as well as a thriving democracy, Indonesia is in a position to benefit from an increasingly strong global brand.

Meanwhile in North Asia, South Korea is often over-shadowed by its giant neighbours, Japan and Korea or stories about its nuclear-armed Northern neighbour. Forty years ago GDP per capita was comparable with the poorest African countries; now Korea is one of the richest countries in the world. The rise of Samsung – founded as a small noodle company in 1938 – as the world's largest technology company mirrors the trajectory of a hyper-technological nation that promised in 2006 to put "a robot in every home". South Korea's brand increased in value by 19.6% in 2011, as its technological prowess and addictive popular culture spreads across East Asia.

While Mexico more often makes the international news for its simmering drug war (a death toll of 36,000 over four years makes it bloodier than Afghanistan), the country is working to rebrand itself as a rising economic giant. With a population just smaller than Japan's, Mexico exports more than Brazil or India, and has a per capita GDP that is twice China's. Mexico was hit hard by the recession in America (it sends 85% of its exports there) but has recovered well. The country's brand is the 15th most valuable in the world, and gained in value by 18.5% and was upgraded from BBB to A-. This upgrade was most powered up an increase in Mexico's brand equity score from B to BBB.

This year's Nation Brand 100 illustrates the spectacular rise of India and China, but also sheds light on impressive growth in the smaller emerging markets. International business leaders should understand that, while Korea or Mexico might not be aspiring superpowers, they will be major markets in the future.

Explanation of the Methodology

Brand Finance's Nation Brand 100 measures the strength and value of the nation brands of 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 nation brand with a measure of its brand strength and a valuation of its brand value.

Each nation brand is assigned a rating between AAA (very strong) to DDD (failing) in a format similar to a credit rating. This letter grade is the result of Brand Finance's Brand Strength Index (BSI); a measure based on scores in the fields of infrastructure & efficiency, brand equity, and economic performance. These categories are each worth 33% of the overall BSI. The BSI is based on factors such as the quality of a country's workforce and ability to attract foreign talent, perceptions of its quality of life, and its projected GDP growth. Brand Finance uses a combination of government statistics, consensus forecasts, and analyst projections to quantify these variables and create an overall brand rating.

Nation Brands are also quantified by total value using a royalty relief method that quantifies the royalty that would be payable for a brand's use if it were controlled by a third party. The royalty rate is precisely calculated based on different sectors of the economy, and then applied to projected GDP over the next five years. A discount rate is then applied to this total to account for the time value of money and associated risk. This result quantifies the value that the brand brings to the economy.

About 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.

Brand Finance's services support a variety of business needs:

- Technical valuations for accounting, tax and legal purposes
- Valuations in support of commercial transactions (acquisitions, divestitures, licensing and joint ventures) involving different forms of intellectual property
- Valuations as part of a wider mandate to deliver value-based marketing strategy and tracking, thereby bridging the gap between marketing and finance.

Our clients include international brand owners, tax authorities, IP lawyers and investment banks. Our work is frequently peer-reviewed by the big four audit practices and our reports have also been accepted by various regulatory bodies, including the UK Takeover Panel.

Brand Finance is headquartered in London and has a network of international offices in Amsterdam, Bangalore, Barcelona, Cape Town, Colombo, Dubai, Geneva, Helsinki, Hong Kong, Istanbul, Lisbon, Madrid, Moscow, New York, Paris, Sao Paulo, Sydney, Singapore, Toronto and Zagreb.

www.brandfinance.com

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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.

At Brand Finance, we are entirely focussed on quantifying and leveraging intangible asset value. Our services compliment and support each other, resulting in robust valuation methodologies, which are underpinned by an in-depth understanding of revenue drivers and licensing practice.

Valuation	Analytics	Strategy	Transactions
We perform valuations for financial reporting, tax planning, M&A activities, joint ventures, IPOs and other transactions. We work closely with auditors, tax authorities and lawyers.	Our analytical services help clients to better understand the drivers of business and brand value. Understanding how value is created, where it is created and the relationship between brand value and business value is a vital input to strategic decision making.	We give marketers the framework to make effective economic decisions. Our value-based marketing service enables companies to focus on the best opportunities, allocate budgets to activities that have the most impact, measure the results and articulate the return on brand investment.	We help private equity companies, venture capitalists and branded businesses to identify and assess the value opportunities through brand and market due diligence and brand licensing.
Financial reporting Tax and transfer pricing Litigation Investor relations	Brand equity drivers Brand strength analysis Brand risk analysis (ßrandßeta®) Brand scorecards Marketing mix modelling Marketing ROI	Brand strategy Brand architecture Brand extension Budget setting and allocation Brand value added (BVA®)	Brand due diligence Brand licensing Fundraising

Valuation

We conduct valuation and analytics assignments for branded enterprises and branded businesses. We value brands, intangible assets and intellectual property in many jurisdictions for accounting, tax, corporate finance and marketing purposes. We act on behalf of intellectual property owners, tax authorities and work closely with lawyers, private equity firms, and investment banks.

Our work is frequently peer-reviewed by independent audit practices and our approach has been accepted by regulatory bodies worldwide.

Reasons for Brand Valuation Financial Reporting:

Accounting standards in most developed markets allow for capitalisation of purchased intangible assets. The initial valuations and subsequent impairment reviews generally require the opinion of an independent valuation expert.

Tax Planning: The growing importance of intangible assets has significant tax planning implications. Brand Finance works for both fiscal authorities and brand owners on transfer pricing and capital gains tax issues.

Dispute Resolution: We have helped clients protect the commercial value of their brands through a range of licensing and trademark disputes that have been settled both in and out of court. We also provide litigation support work for various legal firms and IP companies.

Marketing & Brand Management: There is an increasing demand from investors and analysts for information on brand value and brand performance. Brand Finance advises clients on both the external disclosures and required brand metrics. Our valuation services have assisted many companies to understand and improve the value of their intangible assets.

Commercial Transactions: We help clients to determine the value of their intangible assets and enterprise value for mergers and acquisitions, negotiations, franchise and licensing and deal structuring to ensure that they make informed decisions.

Analytics

Our analytical services help clients to better understand the drivers of business and brand value. Understanding how value is created, where it is created and the relationship between brand value and business value is a vital input to strategic decision making. By furthering knowledge of this relationship, Brand Finance is able to help clients' leverage brand value and ultimately maximise shareholder value.

Some of our key analytical services include:

Brand Dashboards and Scorecards: We help companies improve brand performance management and reporting by integrating market research, investment, market and financial metrics into a single insightful model to track performance over time and against competitors and to uncover the most important drivers of overall brand and business value.

Competitor Benchmarking: We conduct a benchmarking study of the strength, risk and future potential of a clients brand relative to its competitor set. This helps understanding the strengths and weaknesses of the client brand compared with key competitor brands.

Value Drivers Analysis: We help businesses understand the relationship between brand attributes and key value drivers in the business model. This is achieved by creating a framework for measuring brand equity and connecting it to value driving behaviour in each stakeholder group. Resources can then be allocated and prioritised based on the overall impact on financial value.

Demand Forecasting: We provide clients with a market demand forecasting framework for long term strategic planning.

Marketing Mix Modelling: We help improve the efficiency of brand campaign planning and targeting by isolating and quantifying the impact of different marketing activities. The model guides the mix and combination of future marketing activities

Marketing ROI: We help clients improve decision-making by providing insights which assist with budget optimisation, resource allocation, brand performance and evaluation of marketing activities.

Our Services

Combined with brand valuation results, our analytical service creates the framework for better corporate reporting and brand performance management.

Strategy

We conduct market studies, market sizing, feasibility studies, brand audits and brand portfolio evaluation. Combining market intelligence, brand analytics, market research and financial assessment, we provide greater depth and insights into our clients' strategies.

Some of our key Brand Strategy Advisory Services include:

Brand Strategy Evaluation: We help clients make disciplined choices about how to maximise economic value, by providing a framework for optimal resource allocation and strategy selection. This helps identify the value optimising allocation of marketing investment, provides a strategic overview of the risks and returns associated with each market segment

Strategic Optimisation: We help branded businesses increase their value. Using brand valuation techniques, we help clients determine the financial impact of different strategic brand options such as licensing, joint ventures, investment, divestment, brand architecture changes, entering or exiting new segments or markets and other transactions.

Brand Architecture and Portfolio review: We help companies evaluate different branding architecture scenarios. Using sensitivity analysis, this identifies potential addition or loss of economic value under alternative brand architecture options and enables informed decision making.

Market Entry and New Product Development: We work together with companies to develop successful market entry and new product strategies.

Naming and Visual Identity Management: We work together with clients to help develop research-based naming strategies that are aligned with the overall business objectives of the company. In addition, we help manage the entire visual identity process to help ensure that new and refreshed brand identities are implemented efficiently and effectively.

Budget Determination: We help clients identify which products or services and brands create or destroy the most value. Clients can use this to allocate resources and budgets across their marketing activities to yield the best returns.

Communications Strategy: We help companies develop effective results-oriented communication strategies. All communication strategies are driven by market research with the aim of meeting clients key objectives including building goodwill across customer base; generating sales; creating and reinforcing brand and professional corporate image; informing and creating positive perceptions and assisting in the introduction of new products to market.

Transactions

Our transaction support services help companies evaluate and mitigate risks, extract maximum value in mergers and acquisitions as well as private equity investments. We also assist private equity companies, venture capitalists, brand owners and businesses identify and assess the value of opportunities through brand due diligence and brand strategy option, including licensing.

Some of our key Transaction Support Services include:

Brand and Market Due Diligence: We help clients by valuing branded businesses, brands and other intangible assets for purchase or sale providing reassurance to the investment and management teams. In addition, we assist in securing finance against brands by using a mixture of financial, legal, marketing and commercial due diligence.

Brand Licensing and Franchising: We help maximise earnings and provide greater brand presence and knowledge by identifying the best opportunities for licensing and franchising, both internally and externally. We also provide advice on best practice in licensing agreements.

Purchasing & Sales: We provide clients with an understanding of the financial potential of their intellectual property to help inform negotiation of rates and terms to strike the best deals. Our role also includes the identification of potential purchasers and execution of the sales process.

"Understanding the role of the brand in the generation of profit is vital to all businesses. The Brand Finance Forum helped to create a breakthrough for my company."

Ex-Chairman,
Shell Brands International, Switzerland

Brand Finance® Forums

Brand Finance is committed to the development of theoretical and practical issues surrounding brands.

As part of this process, we organise a series of events and forums around the world where leading practitioners in the area of brand strategy, brand building and brand valuation come together to share their experiences and to better understand the process by which valuable brands are created.

The Brand Finance Forum has progressively become one of the definitive events in the area of brand valuation and should not be missed by anyone who is serious about maximising the value of their brands and intangible assets.

To find out more visit
www.brandfinanceforum.com

BRANDIRECTORY

Brandirectory is an online encyclopedia of brands where financial results, visual identities, trademark histories and the latest marketing news are compiled and shared.

- Brand league tables
- Brand valuation reports
- Brand profiles
- Brand comparison tool

It is an invaluable resource for brand managers, offering detailed brand profiles and comparative analysis across all major commercial sectors. Our league tables are the most comprehensive table of published brand values in the world.

To find out more visit www.brandirectory.com

Glossary of Terms

Brand
A brand is a trademark and associated Intellectual Property

Brand Equity
A measure of a brand's ability to influence economic decisions by affecting consumers' perceptions of a product or service. The brand equity of a nation brand is based on a nation's image abroad, its culture, and its quality of life

Brand rating
A summary opinion, similar to a credit rating, on a brand based on its strength as measured by Brand Finance's ßrandßeta® analysis

Brand Strength Index
A measure of the strenghth of a brand, which is based on Brand Finance's measures of the nation brands infrastructure and efficiency, brand equity, and economic performance

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

Economic Performance
A measure of a nation's current economic strength. It is based on the size of a country's market, its GDP growth, and other metrics of its underlying health of its economy

Infrastructure and Efficiency
A measure of a nation's preparedness to compete in the global economy. This measure takes into account both physical infrastructure (like internet connections) and the efficiency of a country's labour force (like worker motivation, and corporate culture)

Nation Brand
A Nation Brand is the bundle of intangible assets connected to a nation's image abroad. A strong nation brand encourages foreign consumers to invest and do business with a country; a weak one reflects a nation whose reputation deters foreign business

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
Please see methodology section

Disclaimer

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

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.

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Appendix

2011	2010	NATION	2011 BRAND VALUE	2011 % CHANGE IN BRAND VALUE	2011 BRAND RATING	2010 BRAND VALUE	2010 % CHANGE IN BRAND VALUE	2010 BRAND RATING
1	1	USA	11,370	-4.8%	AA-	11,939	18.1%	AA
2	2	Germany	3,146	1.5%	AA	3,100	20.7%	AA
3	4	China	3,001	40.4%	A+	2,137	29.9%	A+
4	3	Japan	1,940	-25.9%	A	2,619	-14.4%	AA-
5	5	United Kingdom	1,849	-4.9%	AA-	1,944	-15.5%	AA-
6	7	France	1,673	2.4%	A	1,634	4.7%	A+
7	6	Italy	1,515	-12.4%	A-	1,730	37.4%	A-
8	8	Canada	1,309	2.8%	AA	1,273	20.1%	AA
9	9	India	1,266	31.6%	A+	961	51.8%	A+
10	12	Brazil	959	21.5%	A	789	35.5%	A
11	10	Netherlands	829	-8.3%	AA	904	28.0%	AA
12	14	Russia	752	11.7%	BB	673	37.1%	B
13	11	Spain	729	-15.8%	A	865	-22.6%	A-
14	13	Australia	702	-7.3%	AA	757	17.5%	AA+
15	15	Mexico	672	18.5%	A-	567	28.4%	BBB
16	16	South Korea	605	19.6%	AA-	506	-38.9%	AA-
17	17	Switzerland	551	17.7%	AA	468	1.8%	AA
18	18	Sweden	471	5.4%	AA+	446	3.6%	AA+
19	21	Turkey	373	19.8%	A	312	10.2%	A-
20	19	Belgium	369	-7.1%	AA-	397	25.8%	A+
21	22	Taiwan	319	10.1%	AA	290	-	AA
22	-	Saudi Arabia	311	-	A-	-	-	-
23	20	Austria	309	-14.1%	AA-	360	9.4%	AA
24	25	Poland	269	17.1%	A-	229	14.2%	A
25	23	Denmark	248	-7.4%	AA	268	17.9%	AA

All values in USD $ Millions

Top 100 Most Valuable Nations

2011	2010	NATION	2011 BRAND VALUE	2011 % CHANGE IN BRAND VALUE	2011 BRAND RATING	2010 BRAND VALUE	2010 % CHANGE IN BRAND VALUE	2010 BRAND RATING
26	28	Hong Kong	222	8.8%	AA	204	-	AA
27	27	Finland	222	2.3%	AA-	217	-	AA-
28	29	Thailand	218	15.5%	AA-	189	-	AA-
29	31	Singapore	213	23.4%	AA	173	14.8%	AA
30	30	Norway	206	10.2%	AA	187	-3.3%	AA
31	-	Iran, Islamic Rep.	188	-	B	-	-	-
32	33	Indonesia	187	22.6%	A	152	14.9%	A
33	32	Malaysia	175	8.9%	AA	161	2.8%	AA-
34	34	South Africa	150	11.5%	A-	134	8.9%	A
35	24	Greece	135	-41.0%	BBB	230	-5.0%	A-
36	-	United Arab Emirates	133	-	A	-	-	-
37	36	Venezuela	132	1.0%	BB	130	-	B
38	26	Ireland	130	-40.1%	AA-	217	-13.6%	AA-
39	41	Argentina	125	22.1%	BBB	102	38.2%	BBB
40	35	Portugal	120	-9.7%	A-	133	-7.3%	A-
41	39	Chile	116	9.0%	AA-	106	-	A+
42	37	Israel	114	5.4%	BBB	108	15.1%	BB
43	38	Romania	112	4.3%	A-	107	-	A-
44	43	Colombia	108	12.9%	A-	96	-	A-
45	42	Czech Republic	108	12.8%	A	96	8.8%	A
46	44	Philippines	105	15.2%	A	91	-	A-
47	46	Qatar	100	22.7%	AA-	81	-	AA-
48	45	New Zealand	93	7.3%	AA-	87	-8.5%	AA-
49	40	Peru	90	-12.4%	A-	103	-	BBB
50	-	Kuwait	87	-	BB	-	-	-

All values in USD $ Millions

2011	2010	NATION	2011 BRAND VALUE	2011 % CHANGE IN BRAND VALUE	2011 BRAND RATING	2010 BRAND VALUE	2010 % CHANGE IN BRAND VALUE	2010 BRAND RATING
51	-	Egypt	79	-	BBB	-	-	-
52		Slovak Republic	76	-	A-	-		-
53	-	Vietnam	74	-	A-	-	-	-
54	48	Ukraine	68	5.1%	BB	65	-	BB
55	47	Hungary	63	-11.2%	BBB	71	10.1%	A-
56	49	Kazakhstan	60	6.9%	A	56	-	A
57	-	Nigeria	56	-	B	-	-	-
58	-	Pakistan	54	-	B	-	-	-
59	-	Dominican Republic	48	-	A-	-	-	-
60	-	Bangladesh	47	-	B	-	-	-
61	50	Luxembourg	46	6.2%	AA-	43	-	AA
62	-	Oman	44	-	A	-	-	-
63	-	Syria	43	-	BBB	-	-	-
64	-	Morocco	40	-	A	-	-	-
65	-	Algeria	39	-	BB	-	-	-
66	-	Serbia	38	-	A-	-	-	-
67	51	Bulgaria	35	4.4%	BB	33	-	BB
68	52	Slovenia	33	12.8%	BBB	29	-	BBB
69	53	Croatia	30	21.2%	BB	25	-	BB
70	-	Costa Rica	28	-	A+	-	-	-
71	-	Panama	28	-	A	-	-	-
72	-	Ecuador	27	-	BBB	-	-	-
73	54	Lithuania	26	10.3%	BBB	24	-	A
74	-	latvia	24	-	A+	-	-	-
75	-	Angola	24	-	CC	-	-	-

All values in USD $ Millions

Top 100 Most Valuable Nations

2011	2010	NATION	2011 BRAND VALUE	2011 % CHANGE IN BRAND VALUE	2011 BRAND RATING	2010 BRAND VALUE	2010 % CHANGE IN BRAND VALUE	2010 BRAND RATING
76	-	Sri Lanka	23	-	A-	-	-	-
77	-	Guatemala	23	-	BBB	-	-	-
78	-	Uruguay	23	-	A+	-	-	-
79	-	Bahrain	23	-	A-	-	-	-
80	-	Azerbaijan	21	-	A-	-	-	-
81	55	Jordan	20	18.5%	A-	17	-	A-
82	-	Cyprus	19	-	A+	-	-	-
83	-	Tunisia	19	-	A-	-	-	-
84	-	El Salvador	17	-	A-	-	-	-
85	-	Lebanon	17	-	A-	-	-	-
86	-	Bosnia and	14	-	BBB	-	-	-
87	-	Ghana	13	-	A-	-	-	-
88	-	Kenya	13	-	BBB	-	-	-
89	-	Libya	13	-	B	-	-	-
90	-	Ethiopia	13	-	B	-	-	-
91	56	Estonia	12	24.6%	A	10	-0.8%	A
92	-	Honduras	12	-	A-	-	-	-
93	-	Trinidad and Tobago	11	-	BBB	-	-	-
94	-	Albania	11	-	A	-	-	-
95	-	Paraguay	10	-	BB	-	-	-
96	-	Bolivia	9	-	B	-	-	-
97	57	Iceland	9	-6.2%	AA-	-	-	-
98	-	Georgia	9	-	A	-	-	-
99	-	Tanzania	8	-	BB	-	-	-
100	-	Macedonia, FYR	8	-	A	-	-	-

All values in USD $ Millions

The world's leading independent brand valuation consultancy

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