

South Africa moves up one spot in 2019 Brand Finance Nation Brands ranking

South Africa has recorded a 5%, or \$218bn, growth in brand value - going up on spot in the 2019 Brand Finance Nation Brands ranking.

The latest Brand Finance Nation Brands report found that the South African economy managed to defy the odds – facing increased political and economic instability – revealing a slight uplift in GDP in the second quarter of 2019, largely attributable to the boost in the mining, manufacturing and electricity sectors.

South Africa's Brand Strength Index (BSI) score is also improving, now at 64.9 out of 100 with a corresponding AA-brand strength rating. As the 'gateway to Africa', South Africa can rely on its relative sophistication and ease of doing business, in comparison to its neighbours, which helps bolster the nation's BSI.

Jeremy Sampson, managing director of Brand Finance Africa, commented: "We are currently facing turbulent times in South Africa with high levels of political uncertainty, against a backdrop of a flat economy, and business confidence as low as it was in the mid-1980s. There is a desperate need to kick start the economy if we want to see more than modest growth in our nation's brand value in the future."



Image credit: Jason Leung on Unsplash.



Report shows top SA brands are outpacing GDP

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Developing economies growing faster

Developing economies have seen 30 times faster nation brand value growth over the past year than developed ones.

The average year-on-year nation brand value growth among the developing economies stands at 13.9%, compared to as little as 0.4% for the developed economies included in the annual study into the world's 100 most valuable nation brands. This means that – on average – the nation brands of developing economies have been growing at a pace 31.3 times faster than the developed ones.

Nation brand values of most developed economies have contracted or stagnated year-on-year. Japan is a notable exception with 26% growth, but even so – it is only the 15th fastest-growing nation brand this year, behind many developing African, Middle Eastern, Asian and Latin American nation brands.



Consistent with previous years' trends, 11 out of the 20 fastest-growing nation brands of 2019 come from the Middle East and Africa, with Ghana (up 67%), Uganda (up 56%) and Egypt (up 50%) in the top five.

Although catching up, at \$37.8trn – the combined nation brand value of the 65 developing economies in the study remains far behind that of the 35 developed economies – which sits at \$60.3trn.



African brands are among fastest-growing globally

16 Oct 2018



The top 10

Topping the ranking again this year, the nation brand value of the United States alone stands at \$27.8trn. Claiming the second position, China continues to grow at a very healthy rate, recording an impressive 40% increase in brand value to \$19.5trn.

Building on its solid performance in previous years, China is closing the gap behind long-standing leader the US, which has recorded a brand value growth of just 7% over the past year. The difference in value between the two-nation brands has dropped from \$12trn last year to just over \$8trn in 2019.

BRAND VALUE BY COUNTRY

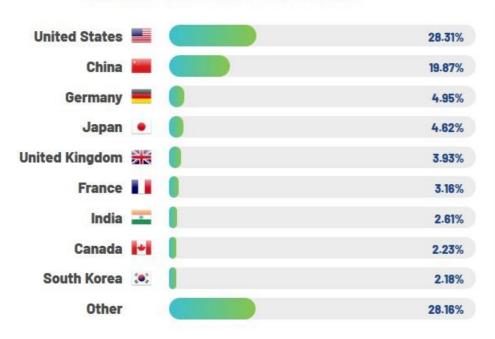


Image credit: Brand Finance.

Behind the US, China and third-placed Germany, Japan's brand value has increased by 26% to \$4.5trn. In spite of predictions that its economy would suffer in the face of a global slowdown, Japan has been able to reap the benefits from its solid consumer spend and high levels of business investment.

Taking the fourth rank, Japan has pushed the UK, which saw little uplift from last year (up 3% to \$3.9trn), into the fifth position. With the final Brexit decision yet to come and therefore not currently accounted for in the nation's brand value, the next few months will be crucial in determining the UK's future outlook. France, meanwhile, remains in the sixth position.

Although there were no new entrants to the club, India (up 19% to \$2.6trn) has made the largest jump within the top 10 – from ninth to the seventh position. The economy was quick to recover after the global financial crisis, with growth now reduced by a recent slowdown in both the manufacturing and construction sectors.

Other movers in the top 10 include: Canada, dropping from seventh to eighth (down 2% to \$2.2trn); Italy falling from eighth to 10th (down 5% to \$2.1trn); and South Korea, which has inched up one place from 10th to ninth (up 7% to \$2.1trn).

Check out the rest of the rankings, <u>here</u>.

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