



---

## Brand South Africa

### Research - Internal Analysis The 2022 Nation Brands Report

08 December 2022

---

#### Contents

- I. What is the Nation Brands Report
- II. Global Trends
- III. South Africa performs Extraordinarily
- IV. Conclusion

#### I. What is the Nation Brands Report

Brand Finance's Nation Brands report, published annually, is an indicator of the strength and value of countries, represented in dollar terms. The 2022 report assessed 100 countries, using three key factors, investments, perceptions and actual performance, providing a holistic measure of real and perceptive valuations. Hard facts such as the UN's Human Development Index, International Monetary Fund and World Bank based assessments, and real GDP statistics are combined with more perception-based indicators such as measurements of a country's influence, reputation and familiarity, with both fact-based and perception-based indicators weighted 50-50, as a means of providing a true value of a country's economy and how the brand is seen. The perceptive-based figures are directly transposed from the annual Global Soft Power Report, which in 2022 saw over a hundred thousand individuals surveyed. Fifty-three languages were used, and individuals were selected from all the countries surveyed.

Significantly questions around perceptions were randomly selected in relation to the country surveyed, countries such as Brazil, China, the USA and UK were provided preference in relation to the responses sort, likely inhibiting the validity. Brand Finance initially obtained the views of experts, including lawyers, journalists, academics and international relations practitioners during the stages of methodology and index conceptualization, and previous

indexes saw these views included with those of the surveyed individuals, a fact which was omitted from the 2022 index. Seven other pillars are directly measured, and together with the three dimensions they include:

- Reputation
- Familiarity
- Influence
- Business and trade- this includes economic performance, laws and regulations and economic potential
- Governance- included are levels of corruption and safety and security
- International relations- included are environmental protections and countries aid
- Culture and heritage
- Education and science
- Media and communications- included are both media access, accuracy and reputation
- People and values
- COVID-19 response- similar to the 2021 survey, covid 19 responses were also measured; these included perceptions around how a country dealt with the virus, the success of its vaccination programme and its assistance to other countries.

## **II. Global Trends**

The 2022 report saw an average increase in brand value of 7%, with the top hundred now being valued at \$97<sup>i</sup>.2 trillion, a small amount away from the 2017 post-COVID peak of 98 trillion. The US remains the highest valued at \$26.5 trillion, an increase of 7% from 2021, with China ranked second, being valued at \$21.5 trillion, 8% higher than in 2021. India's value like-wise increased to \$2.6 trillion, 19% higher than the 2021 figure, largely bolstered by post-COVID investment domestically and globally.

Germany's rank increased to third (\$4.5 trillion), with Japan falling by 3% to fourth at \$4.3 trillion. It is noteworthy that fifty brands increased their value in 2022, with the other fifty experiencing a dip. Further, the combined value of the US and China is equal to that of the other ninety-eight country brands measured. Further, Russia saw a drop in its brand value to \$642 billion from \$786 billion in 2021. Ukraine's value dropped by \$22 billion to 85 billion in 2022, however, its brand strength was enhanced as a result of the soft and moral standing it has gained as a consequence of standing up to the Russian invasion.

Africa saw tremendous growth, with Kenya increasing its value by 23% to \$41 billion, Morocco up 22% to \$80 billion, and Kenya and Egypt both increasing by 19%.

These countries were bolstered by strong manufacturing and agricultural performance, especially in Morocco, which emerged out of a drought which devastated its agricultural sector in 2019 and 2020. Industrial diversity was also noted, with all these economies relaxing COVID regulations, allowing for enhanced performance. It is significant that the index measures potential going forward and is thus as much an indicator of sentiment as it is a snapshot of the current state of the globe.

Selected country performances:

Country	Position	Value
USA	1	\$26.5 Trillion
China	2	\$21.5 Trillion
India	7	\$2.6 Trillion
Brazil	20	\$750 Billion
Russia	24	\$642 Billion
Nigeria	41	\$241 Billion
South Africa	44	\$216 Billion
Egypt	46	\$214 Billion
Morocco	64	\$80 Billion

**III. South Africa performs Extraordinarily**

South Africa’s growth increased by 23.3% in 2022, with the country now being valued at \$216 billion. Its growth was the third highest globally, and its rank increased by six positions to forty from the fiftieth in 2021. The report noted South Africa’s strong infrastructure, good climate and natural resources as key in influencing this growth. Further, South Africa’s health and COVID diplomacy was praised, with President Ramaphosa being named a Covid-19 champion by the African Union<sup>ii</sup>.

Year	Position	Value
2022	44	\$216 Billion
2021	50	\$175 Billion
2020	50	\$162 Billion

South Africa is also seen as possessing the potential to perform much better, ranking fourth on the business and trade sub-index of the soft power component of the measurements. Significantly in this regard, South Africa improved by three places, moving up to 34th in the Global Soft Power Report, which constitutes 50% of the rating<sup>iii</sup>.

The country saw an increase of 3.1 in its score, now obtaining a score of 40.2 out of 100. It saw enhancements in most of the indices measured, including business and trade, wherein it scored 4.0, up from 3.4 in 2021. In addition, it enhanced its familiarity score by 0.6 of a point to 6.4. This was likely a result of the global shift toward bigger, more powerful and influential states, which saw Brazil, China and the US gain, while countries such as New Zealand scored less.

In relation to COVID-19, the country saw an increase from 2.9 to 3.6 in the perceptions of respondents. This is likely in light of South Africa's successes in sequencing the omicron variant and as a result of the country's relatively successful vaccine role out<sup>iv</sup>. In addition, the emerging vaccine manufacturing capacity has also influenced this, with South Africa now able to assemble and distribute Covid-19 vaccines.

These factors also enhanced perceptions about the country's education and science sectors, with South Africa gaining 0.7 of a point to stand at 3.0 from 2.3 the year prior. Significantly Brand South Africa's global reputation research also points this out, with the country increasingly been seen as a good place by students; around 250 thousand searches were seen on this aspect in 2021, with a further 70 thousand related to primary and secondary schooling. South Africa also enhanced its media and communications score by 0.8 to 3.3 from 2.5 the year prior.

Measure	2021	2022
Overall	37.1 (37th Place)	40.2 (34th place)
Reputation	5.7	5.7
Familiarity	5.8	6.4
Influence	3.8	3.9
Business and Trade	3.4	4.0
Governance	2.4	2.5
International Relations	3.0	3.3
Culture and Heritage	3.4	3.2
People and Values	3.1	3.0
Education and Science	2.3	3.0
Covid-19	2.9	3.6
Media and Communications	2.5	3.3

#### IV. Conclusion

In conclusion, the 2022 nation brands report indicates the progress made by South Africa and the country's continued potential. This is being seen in the speed through which the presidency is able to raise investment, securing 1.16 trillion rand of the 1.2 trillion target a year prior then intended. GDP growth for the year thus far stands at around 2%, higher than expected, and unemployment shrunk by around 1% in the latest Statistics South Africa Labour Force Survey, indicating the factuality of the report's conclusions.

Further, this is also being born out in other indexes and finance-based assessments of the country and the value of South African businesses. South Africa ranked third in the Rand Merchant Bank's top ten economies in Africa list. South Africa was noted as offering "a strong manufacturing and retail base that will continue to support southern African regional economies with goods and services". Further, the inaugural Financial Times's Fastest Growing Companies in Africa<sup>y</sup>, compiled with statistics firm Statista, saw South African companies comprise around a third of the 75 countries ranked (24).

This was larger than Nigeria, which had 20 countries in the rankings and Kenya with 9 countries. The index assessed the 5-year growth of these companies between 2017 and 2021, ensuring that the growth was not just cyclical. Significantly the index used financial statements in its assessments and rankings and wasn't a result of surveyed information; it was thus more fact-based rather than rankings rooted in perception.

Moreover, South African companies comprised over 60% of the companies listed and 70% of the value of Brand Finance's 2022 Africa 150 index, which ranked the top 100 company brands on the African continent <sup>vi</sup>.

MTN retained its position as the top African company, with its brand growing by 49% to be valued at around \$4 billion, with Capitec Bank retaining its position as the continent's strongest brand, scoring 92 on the Brand Strength Index, an increase of 3 points since 2021. It is noteworthy that South African companies ranked were jointly valued by Brand Finance at around \$36 billion, more than ten times greater than Nigerian brands, ranked 2nd, which were valued at around \$3 Billion.

## References

---

<sup>i</sup> <https://brandirectory.com/download-report/brand-finance-nation-brands-2022-preview.pdf>

<sup>ii</sup> <https://www.sowetanlive.co.za/news/south-africa/2021-06-24-cyril-ramaphosa-appointed-aus-covid-19-champion/>

<sup>iii</sup> <https://brandirectory.com/softpower/>

<sup>iv</sup> <https://www.nicd.ac.za/south-african-scientists-on-the-inside-story-of-discovering-omicron-and-what-their-experience-offers-the-world-about-future-variants-podcast/>

<sup>v</sup> <https://www.ft.com/africas-fastest-growing-companies>

<sup>vi</sup> <https://brandirectory.com/rankings/africa/>