

**THE RAZAK ROUNDTABLE ON â❖❖CREATING BRAND POWER FOR
COUNTRIES AND COMPANIESâ❖❖**

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THE ROYALE CHULAN, KUALA LUMPUR

Assalamualikum Waramatullahi Wabarakatuh,

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Excellencies, Ladies and Gentlemen;

A very good afternoon,

1. It gives me great pleasure to be present at the closing of this inaugural Razak Roundtable with the theme of "Creating Brand Power for Countries and Companies". It is daunting to be invited to speak on "brand power" for countries. Unlike a company product, country brand has diverse target audience, multiple stakeholders and sometimes conflicting objectives. Furthermore nation branding by definition must be done in an international context and the international context has never been more fluid.

2. What is national branding really? In my humble opinion, it is the power of a nation's reputation. It may not be fair, it may not be justified, it may not even be true, but for better or worse, what a nation is known for is their calling card. For nations with a good reputation, whether by luck, by deeds, by natural endowment, this good reputation opens doors as it brings trust and an expectation for excellence.

3. Places which are associated, however vaguely with being backward, inefficient, corrupt, or simply bland, find it so much harder to find willing investors, travellers, or business executives who are willing to move there. A ballet troupe from Moscow is likely to get more cities interested in a tour than the one from Bucharest. Western business women executives, would probably rather be relocated to Cape Town than Jeddah. The list of associations with places can go on and on.

4. Meanwhile "country of origin" labels have also become a status badge. Country labels have become shorthand for a type of style, process or entire industry standards. For example, Scandinavia conjures associations of modern, minimal and well-crafted furniture made with natural materials. Brands like IKEA, which has helped make Sweden synonymous with affordable design, have defined the collective style and product identity of this region for the world. So much so that the entire region is now treated as a design brand unto itself that is Brand Scandinavia. For those that follow country brands, this trend signals a shift wherein a country brand, in its most literal form, shares equal billing with a product brand. Products and their

provenance don't just speak for themselves anymore; they speak for a country in its entirety. For instance, Switzerland is now associated for banking and watches, Japan is associated for cars and electronic goods and Costa Rica is associated for coffee and beaches.

KEY DRIVERS OF NATIONAL BRANDING

Ladies and Gentlemen,

5. A country's brand is closely tied to the full spectrum of factors or dimensions that impact an individual decision to choose one country over another. The potential factors varies from values and quality of life to economy and culture. The world's strongest country brands are multifaceted and perform well across several dimensions, while the world's weakest country brands do not have recognizable profiles in any dimension.

6. Today there are many global rankings such as FutureBrand's Country Brand Index ("CBI") and Anholt GfK Roper's Nations Brands Index ("NBI") which evaluate a country's perceived brand value. Nonetheless the key recurring factors to improve a country's brand in these various indexes are namely Value System, Quality of Life, Business Friendliness, Heritage /Culture and Tourism.

7. I would like to take the opportunity to share that in November 2012, Malaysia has moved up an impressive seven places in FutureBrand's Country Brand Index (CBI) rankings to no. 36 out of 118 countries and top 3 in the projected 15 powerhouse country brands of the future. According to FutureBrand, Malaysia's 3rd placement in the "Future 15" list was attributed to its strengths in economic reforms, governance, human capital, growth, sustainability and influence, amongst others.

8. The same Report summarized that a nation's Value System are the fundamental component of a brand's strength; whereby a country is recognized as a place where people are free to live openly, where the rule of law is respected and upheld, where businesses can thrive and institutions are trusted. FutureBrand also stressed that, "Progressive and consistent government policies are the only way to move forward".

9. The Report also reiterated that the Quality of Life dimension represents a country's capacity to offer gainful employment, affordable and comfortable housing, an accessible and competitive education, sufficient healthcare and security to its citizens. This dimension is vital in cultivating an environment that attracts and maintains talent, said the branding advisers. It reported that "Malaysia is another emerging market benefitting from continued investment in education and low-cost housing, and is making important gains in improving quality of life for its citizens". Clearly our Economic and Government Transformation Programmes are beginning to show results and bringing us to the right direction. Nonetheless there is more to be done.

10. The experiences of some South East Asian peers clearly showed that the reputational outcomes are unparalleled if brand building are focused and well-managed. For instance State-led efforts make up the bulk of Singapore's arguably successful "Live, Work and Play" campaign. The nation's branding exercise to attract a targeted business audience extends beyond

just foreign and trade policy. Instead, the country is creating a sanctuary for business executives and expatriates alike by investing in initiatives relating to various Index's measures of Quality of Life. After years of planning, Singapore's paradigm shift offers up an array of initiatives that goes beyond tourism and trade campaigns. Its' branding re-invention stretched to the hosting of major international events such as the only second F1 Grand Prix street race and the recent opening of two high-end integrated casino and entertainment resorts. Furthermore subtle brand positioning like the "Garden City" identity were successfully painted as a metaphor for a spotless reputation and highly regulated economic environment to help entice multi-national investors and high performing talents.

THE PUBLIC SECTOR ROLE

Ladies and Gentlemen,

11. A critical challenge in nation branding for any state is its citizens themselves and how they served their role as internal brand ambassadors. In order for global perception of a country's image to change, reality first has to change. Therefore, the words and actions of the government have to correspond and form the basis of a successful nation branding campaign. Branding can help focus and project the essence of a nation, its values, its culture and the unique qualities it brings to the world. However it can't neither serve as a substitute for sound policy nor camouflage obvious weaknesses.

12. It is important for all of us to realise that a country brand is a proclamation of our existing strengths, not a statement of desire. It has to be rooted in reality and connected to the people, encompassing not just products, but governance, social and human capital as well as sustainable growth. In today's world, globalisation means that countries compete with each other for attention, respect and trust of potential consumers, investors, tourists and talents. A positive and strong nation brand will ultimately provide a leading competitive advantage.

13. While companies measure their performance by looking at their bottom line; the measurement of country's performances may require more than its Gross National Income. More importantly is the quality of governance they provide to their citizens. Good governance that across the dimensions aforementioned would be critical for not only investment, exports and tourism but more importantly in the battle for talent.

14. To ensure that this transformation journey is successful and that the nation brand rings true, the public sector plays as vital a role as the private sector. The public sector has to evolve with flow of time and the demands of today. In order for our public sector to strive towards excellence and execute its plans effectively, it has to be based on the foundations of knowledge and wisdom.

15. This is where I wish to draw particular attention to the role of the Razak School of Government ("RSOG"). By providing advanced leadership and public policy development for the public service, RSOG should be creating the intellectual rigour to ensure that our public service broadened their horizons and has a strong background in relevant fields. This is critical in shaping the future leaders of the public service that will be the most visible ambassadors of the nation's brand.

16. It is very reassuring to see RSOG providing a platform for dialogue and knowledge-sharing between the public and private sectors and between thought leaders and practitioners on the field of branding. This will not only enhance communication among all stakeholders but also contribute to create a sustainable country brand.

17. Gatherings such as this have proven to be useful conduits for us to meet and take stock of where we are and how we should progress to become better leaders and better organisations. To conclude, I wish to reiterate that it is the government's desire for this conversation to continue long after this Roundtable. I congratulate the organisers for this first steps that will steer Malaysia towards gaining a distinctive and unmatched "brand power" in the global marketplace. I wish you all much success in the future.

Thank you.

Wabillahittaufikwalhidayah
Wassalamualaikum warahmatullahi wabarakatuh.