

The Strength and Weakness of America

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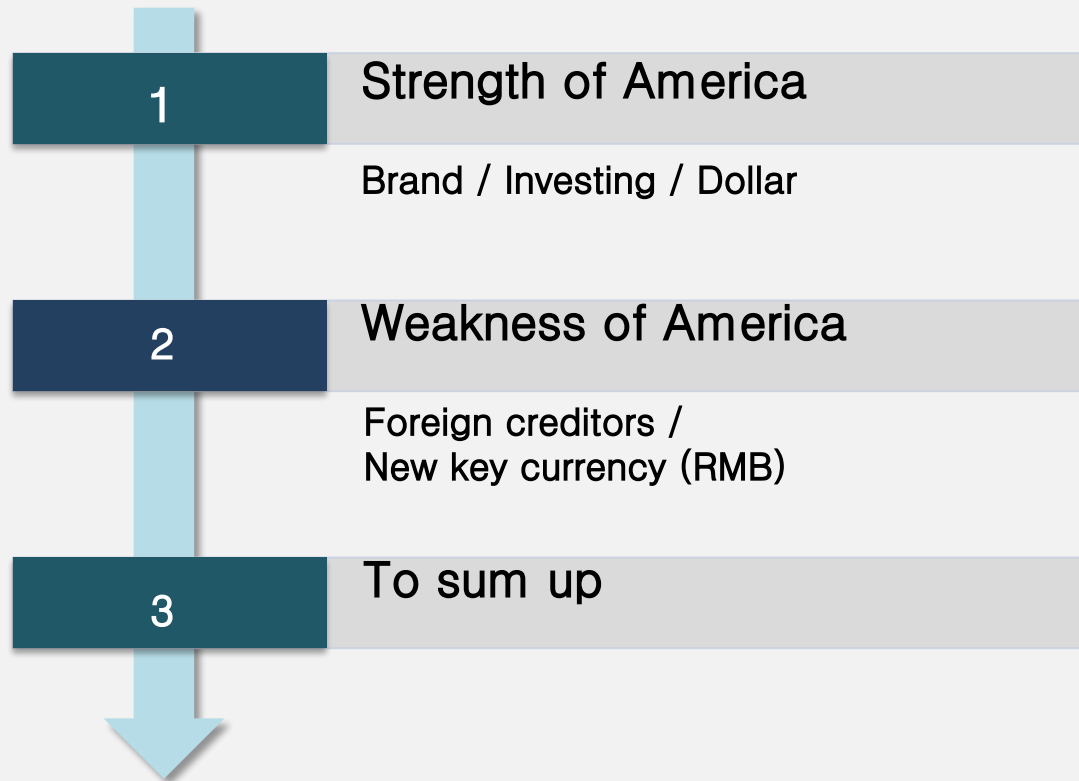
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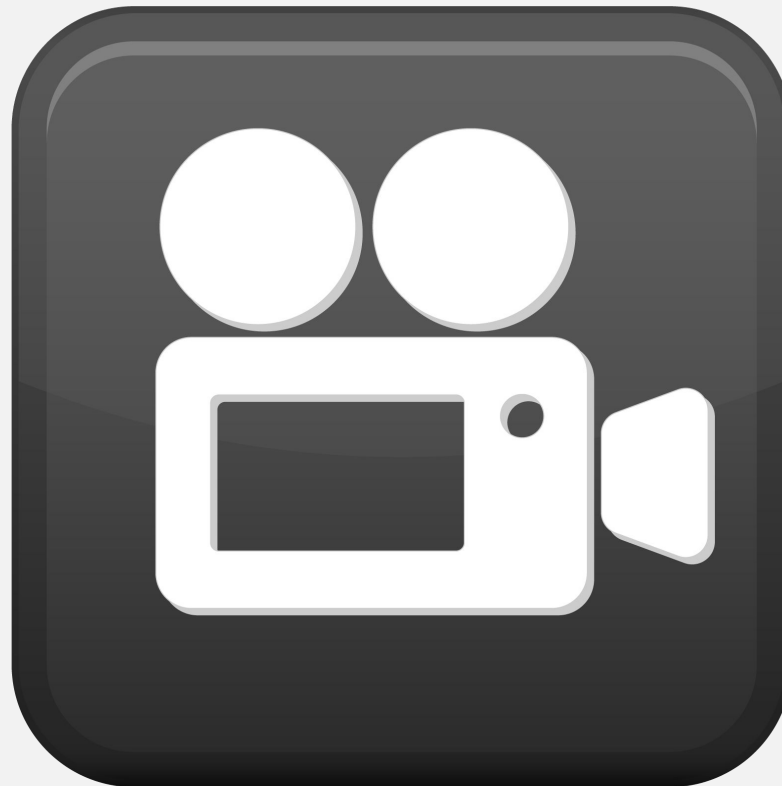
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Alibek Makhambetovc 201560555

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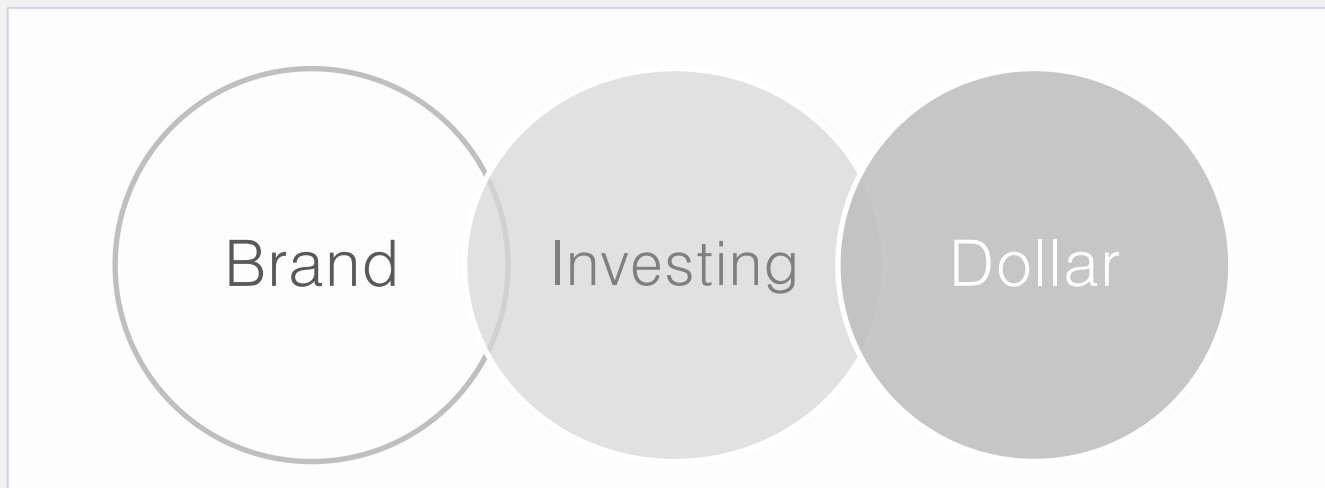
Prior to the beginning..



Strength



Strength



Almost country
brand is one of
the most
important
assets

Foreign
investments

Global and
powerful currency
in world

Strength – Brand

Most valuable Nation Brands USD 1-50

Rank 2015	Rank 2014	Nation	National Brand Value 2015 (USDbn)	Change (%)	National Brand Value 2014 (USDbn)	Brand Strength 2015 (Rating)	Brand Strength 2014 (Rating) (Rebased)
1	1	United States	19,703	2%	19,261	AAA-	AAA-
2	2	China	6,314	-1%	6,352	AA-	A+
3	3	Germany	4,166	-4%	4,357	AAA-	AAA-
4	4	United Kingdom	3,010	6%	2,833	AAA-	AAA-
5	5	Japan	2,541	3%	2,458	AAA-	AA+
6	7	France	2,158	4%	2,076	AA	AA
7	8	India	2,137	32%	1,621	A+	A+
8	6	Canada	2,040	-8%	2,212	AAA-	AAA-
9	11	Italy	1,445	12%	1,289	A	A
10	9	Australia	1,404	-10%	1,555	AA+	AA+
11	10	Brazil	1,171	-17%	1,403	A-	A
12	15	South Korea	1,092	10%	997	AA-	AA-
13	13	Mexico	1,091	6%	1,027	A	A
14	16	Switzerland	1,024	6%	970*	AAA	AAA
15	14	Netherlands	1,000	-3%	1,026	AA-	AAA-
16	18	Spain	872	9%	801	AA-	AA-
17	17	Sweden	814	2%	812	AAA-	AAA-
18	12	Russia	810	-31%	1,167	A	A-
19	19	Turkey	668	-11%	751	A+	A+

Buy American!

Strength – Investing



“Why are countries with low levels of investment willing to send this relatively scarce resource to a capital-abundant economy instead of investing in their own countries?”

“United States is attractive place for investment.”



Strength – Investing

Table 1: Total Return on Investment Positions (in percent)

	Includes Effect of Exchange Rate Movements		Excludes Effect of Exchange Rate Movements	
	U.S. Assets Abroad	Foreign Assets in the United States	U.S. Assets Abroad	Foreign Assets in the United States
2001	-7.9	-2.6	-5.8	-2.4
2002	-4.9	-5.5	-8.7	-5.9
2003	21.2	10.5	14.2	9.8
2004	12.6	5.8	9.1	5.4
2005	9.9	2.6	14.2	3.0
<i>Average annual return</i>				
2001-05	6.2	2.2	4.6	2.0

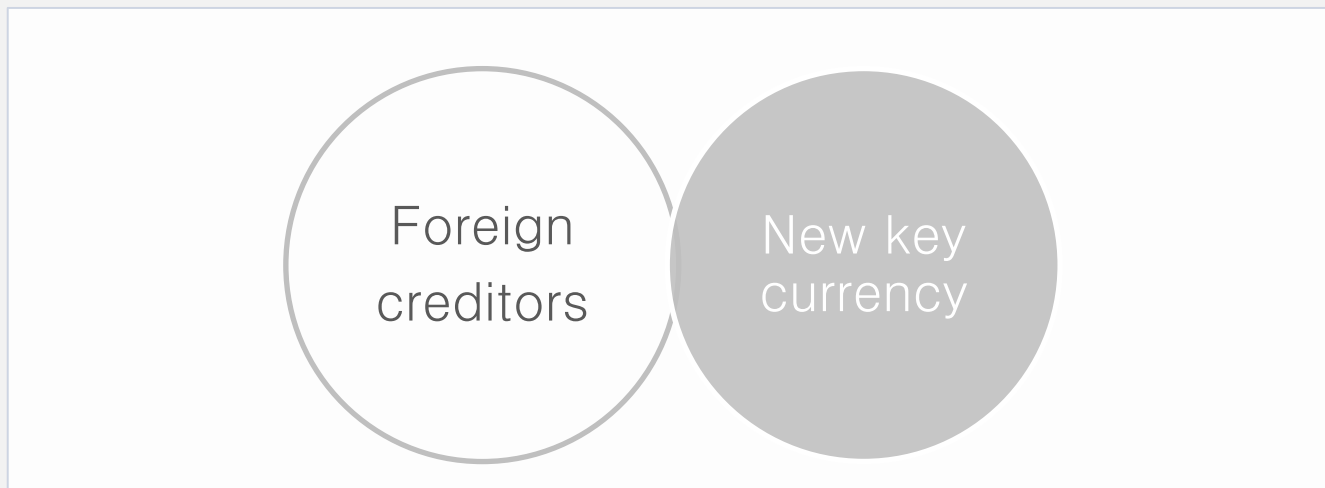
Strength – Dollar



Weakness



Weakness



Foreign creditors have played a key role in financing America's debt.

The Government of China promotes the internationalization of their currency .

Weakness – Foreign creditors

The largest overseas creditor of US dollar is China

that have about \$1.3 trillion of US government debt.

It is too large volume, so the US is vulnerable to China's choice about how to dealing with US dollar



Weakness – RMB

China is aiming for its currency to become part of the Special Drawing Right (SDR), the International Monetary Fund's composite currency unit.



Weakness – RMB

The strategy of China is to centralize in gradualism. An initial stage of the diplomatic policies were concentrated in the Asia Pacific region.

However, in a second stage, **it became necessary to gain the support of the Western society.**

For these reason, the President Xi Jinping visited London in last October.



To sum up



Thank you

