The World's Most Reputable Countries

21.
Czech Republic
Czechia is a prosperous market economy that boasts one of the highest GDP growth rates and lowest unemployment levels in the EU, but its dependence on exports makes economic growth vulnerable to contractions in external demand. Czechia's exports comprise some 80% of GDP and largely consist of automobiles, the country's single largest industry. Czechia acceded to the EU in 2004 but has yet to join the euro-zone.
While the flexible koruna helps Czechia weather external shocks, it was one of the world's strongest performing currencies in 2017, appreciating approximately 16% relative to the US dollar after the central bank (Czech National Bank – CNB) ended its cap on the currency's value in early April 2017, which it had maintained since November 2013. The CNB hiked rates in August and November 2017 – the first-rate changes in nine years – to address rising inflationary pressures brought by strong economic growth and a tight labor market.
20
Germany *The German economy – the fifth largest economy in the world in PPP terms and Europe's largest – is a leading exporter of machinery, vehicles, chemicals, and household equipment. Germany benefits from a highly skilled labor force, but, like its Western European neighbors,*

faces significant demographic challenges to sustained long-term growth. Low fertility rates and a large increase in net immigration are increasing pressure on the country’s social welfare system and necessitate structural reforms.

Reforms launched by the government of Chancellor Gerhard SCHROEDER (1998-2005), deemed necessary to address chronically high unemployment and low average growth, contributed to strong economic growth and falling unemployment. These advances, as well as a government, subsidized, reduced working hour scheme, help explain the relatively modest increase in unemployment during the 2008-09 recession – the deepest since World War II.

19

United Kingdom

The UK, leading trading power and financial center, is the third-largest economy in Europe after Germany and France. Agriculture is intensive, highly mechanized, and efficient by European standards, producing about 60% of food needs with less than 2% of the labor force. The UK has large coal, natural gas, and oil resources, but its oil and natural gas reserves are declining; the UK has been a net importer of energy since 2005.

Services, particularly banking, insurance, and business services, are key drivers of British GDP growth. Manufacturing, meanwhile, has declined in importance but still accounts for about 10% of economic output. In 2008, the global financial crisis hit the economy particularly hard, due to the importance of its financial sector.

18

Singapore

Singapore has a highly developed and successful free-market economy. It enjoys an open and corruption-free environment, stable prices, and a per capita GDP higher than that of most developed countries. Unemployment is very low. The economy depends heavily on exports, particularly of electronics, petroleum products, chemicals, medical and optical devices, pharmaceuticals, and on Singapore's vibrant transportation, business, and financial services sectors.

The economy contracted 0.6% in 2009 as a result of the global financial crisis but has continued to grow since 2010. Growth from 2012-2017 was slower than during the previous decade, a result of slowing structural growth – as Singapore reached high-income levels – and soft global demand for exports. Growth recovered to 3.6% in 2017 with a strengthening global economy.

17

Portugal

Portugal has become a diversified and increasingly service-based economy since joining the European Community – the EU's predecessor – in 1986. Over the following two decades, successive governments privatized many state-controlled firms and liberalized key areas of the economy, including the financial and telecommunications sectors. The country joined the Economic and Monetary Union in 1999 and began circulating the euro on 1 January 2002 along with 11 other EU members.

The economy grew by more than the EU average for much of the 1990s, but the rate of growth slowed in 2001-08. After the global financial crisis in 2008, Portugal's economy contracted in 2009 and fell into recession from 2011 to 2013, as the government implemented spending cuts and

tax increases to comply with conditions of an EU-IMF financial rescue package, signed in May 2011.
16
Italy *Italy's economy comprises a developed industrial north, dominated by private companies, and a less-developed, highly subsidized, agricultural south, with a legacy of unemployment and underdevelopment. The Italian economy is driven in large part by the manufacture of high-quality consumer goods produced by small and medium-sized enterprises, many of them family-owned. Italy also has a sizable underground economy, which by some estimates accounts for as much as 17% of GDP.*
These activities are most common within the agriculture, construction, and service sectors. Italy is the third-largest economy in the eurozone, but its exceptionally high public debt and structural impediments to growth have rendered it vulnerable to scrutiny by financial markets. Public debt has increased steadily since 2007, reaching 131% of GDP in 2017.
15
Belgium
Belgium's central geographic location and highly developed transport network have helped develop a well-diversified economy, with a broad mix of transport, services, manufacturing, and high tech. Service and high-tech industries are concentrated in the northern Flanders region while the southern region of Wallonia is home to industries like coal and steel manufacturing. Belgium is completely reliant on foreign sources of fossil fuels, and the planned closure of its seven nuclear plants by 2025 should increase its dependence on foreign energy.

Its role as a regional logistical hub makes it's economy vulnerable to shifts in foreign demand, particularly with EU trading partners. Roughly three-quarters of Belgium's trade is with other EU countries, and the port of Zeebrugge conducts almost half its trade with the United Kingdom alone, leaving Belgium's economy vulnerable to the outcome of negotiations on the UK's exit from the EU.

14

Austria

Austria is a well-developed market economy with a skilled labor force and a high standard of living. It is closely tied to other EU economies, especially Germany's, but also the US, its third-largest trade partner. Its economy features a large service sector, a sound industrial sector, and a small, but highly developed agricultural sector. Austrian economic growth strengthened in 2017, with a 2.9% increase in GDP.

Austrian exports, accounting for around 60% of the GDP, were up 8.2% in 2017. Austria's unemployment rate fell by 0.3% to 5.5%, which is low by European standards, but still at its second-highest rate since the end of World War II, driven by an increased number of refugees and EU migrants entering the labor market. Austria's fiscal position compares favorably with other euro-zone countries.

13

Spain

After a prolonged recession that began in 2008 in the wake of the global financial crisis, Spain marked the fourth full year of positive economic growth in 2017, with economic activity surpassing its pre-crisis peak, largely because of increased private consumption. The financial crisis of

2008 broke 16 consecutive years of economic growth for Spain, leading to an economic contraction that lasted until late 2013. In that year, the government successfully shored up its struggling banking sector – heavily exposed to the collapse of Spain's real estate boom – with the help of an EU-funded restructuring and recapitalization program.

Until 2014, contraction in bank lending, fiscal austerity, and high unemployment constrained domestic consumption and investment. The unemployment rate rose from a low of about 8% in 2007 to more than 26% in 2013, but labor reforms prompted a modest reduction to 16.4% in 2017. High unemployment strained Spain's public finances, as spending on social benefits increased while tax revenues fell.

12

Japan

Over the past 70 years, government-industry cooperation, a strong work ethic, mastery of high technology, and a comparatively small defense allocation (slightly less than 1% of GDP) have helped Japan develop an advanced economy. Two notable characteristics of the post-World War II economy were the close interlocking structures of manufacturers, suppliers, and distributors, known as keiretsu, and the guarantee of lifetime employment for a substantial portion of the urban labor force.

Both features have significantly eroded under the dual pressures of global competition and domestic demographic change. Measured on a purchasing power parity basis that adjusts for price differences, Japan in 2017 stood as the fourth-largest economy in the world after first-place China, which surpassed Japan in 2001, and third-place India, which edged out Japan in 2012.

11

Ireland

Ireland is a small, modern, trade-dependent economy. It was among the initial group of 12 EU nations that began circulating the euro on 1 January 2002. GDP growth averaged 6% in 1995-2007, but economic activity dropped sharply during the world financial crisis and the subsequent collapse of its domestic property market and construction industry during 2008-11. Faced with sharply reduced revenues and a burgeoning budget deficit from efforts to stabilize its fragile banking sector, the Irish Government introduced the first in a series of draconian budgets in 2009.

These measures were not sufficient to stabilize Ireland's public finances. In 2010, the budget deficit reached 32.4% of GDP – the world's largest deficit, as a percentage of GDP. In late 2010, the former COWEN government agreed to a $92 billion loan package from the EU and IMF to help Dublin recapitalize Ireland's banking sector and avoid defaulting on its sovereign debt.

10

Netherlands

The Netherlands, the sixth-largest economy in the European Union, plays an important role as a European transportation hub, with a consistently high trade surplus, stable industrial relations, and low unemployment. Industry focuses on food processing, chemicals, petroleum refining, and electrical machinery. A highly mechanized agricultural sector employs only 2% of the labor force but provides large surpluses for food-processing and underpins the country's status as the world's second-largest agricultural exporter.

The Netherlands is part of the eurozone, and as such, its monetary policy is controlled by the European Central Bank. The Dutch financial sector is highly concentrated, with four commercial banks possessing over 80% of banking assets and is four times the size of Dutch GDP. In

2008, during the financial crisis, the government budget deficit hit 5.3% of GDP.

9

Australia

Australia is an open market with minimal restrictions on imports of goods and services. The process of opening up has increased productivity, stimulated growth, and made the economy more flexible and dynamic. Australia plays an active role in the WTO, APEC, the G20, and other trade forums. Australia's free trade agreement (FTA) with China entered into force in 2015, adding to existing FTAs with the Republic of Korea, Japan, Chile, Malaysia, New Zealand, Singapore, Thailand, and the US, and a regional FTA with ASEAN and New Zealand.

Australia continues to negotiate bilateral agreements with Indonesia, as well as larger agreements with its Pacific neighbors and the Gulf Cooperation Council countries, and an Asia-wide Regional Comprehensive Economic Partnership that includes the 10 ASEAN countries and China, Japan, Korea, New Zealand, and India. Australia is a significant exporter of natural resources, energy, and food.

8

Denmark

This thoroughly modern market economy features advanced industry with world-leading firms in pharmaceuticals, maritime shipping, and renewable energy, and a high-tech agricultural sector. Danes enjoy a high standard of living, and the Danish economy is characterized by extensive government welfare measures and equitable distribution of income. An aging population will be a long-term issue. Denmark's small open economy is highly dependent on foreign trade, and the government strongly supports trade liberalization.

Denmark is a net exporter of food, oil, and gas and enjoys a comfortable balance of payments surplus but depends on imports of raw materials for the manufacturing sector. Denmark is a member of the EU but not the eurozone. Despite previously meeting the criteria to join the European Economic and Monetary Union, Denmark has negotiated an opt-out with the EU and is not required to adopt the euro. Denmark is experiencing a modest economic expansion.

7

Canada

RepTrak Score Change YoY: *No Change*

Canada resembles the US in its market-oriented economic system, the pattern of production, and high living standards. Since World War II, the impressive growth of the manufacturing, mining, and service sectors has transformed the nation from a largely rural economy into one primarily industrial and urban. Canada has a large oil and natural gas sector with the majority of crude oil production derived from oil sands in the western provinces, especially Alberta.

Canada now ranks third in the world in proved oil reserves behind Venezuela and Saudi Arabia and is the world’s seventh-largest oil producer. The 1989 Canada-US Free Trade Agreement and the 1994 North American Free Trade Agreement (which includes Mexico) dramatically increased trade and economic integration between the US and Canada.

6

New Zealand

Over the past 40 years, the government has transformed New Zealand from an agrarian economy, dependent on concessionary British market

access, to a more industrialized, free market economy that can compete globally. This dynamic growth has boosted real incomes but left behind some at the bottom of the ladder and broadened and deepened the technological capabilities of the industrial sector.
Per capita income rose for 10 consecutive years until 2007 in purchasing power parity terms but fell in 2008-09. Debt-driven consumer spending drove robust growth in the first half of the decade, fueling a large balance of payments deficit that posed a challenge for policymakers. Inflationary pressures caused the central bank to raise its key rate steadily from January 2004 until it was among the highest in the OECD in 2007 and 2008.
5
Finland
Finland has a highly industrialized, largely free-market economy with per capita GDP almost as high as that of Austria and the Netherlands and slightly above that of Germany and Belgium. Trade is important, with exports accounting for over one-third of GDP in recent years. The government is open to, and actively takes steps to attract, foreign direct investment. Finland is historically competitive in manufacturing, particularly in the wood, metals, engineering, telecommunications, and electronics industries.
Finland excels in the export of technology as well as the promotion of startups in the information and communications technology, gaming, cleantech, and biotechnology sectors. Except for timber and several minerals, Finland depends on imports of raw materials, energy, and some components for manufactured goods.
4

Norway

Norway has a stable economy with a vibrant private sector, a large state sector, and an extensive social safety net. Norway opted out of the EU during a referendum in November 1994. However, as a member of the European Economic Area, Norway partially participates in the EU's single market and contributes sizably to the EU budget. The country is richly endowed with natural resources such as oil and gas, fish, forests, and minerals.

Norway is a leading producer and the world's second-largest exporter of seafood, after China. The government manages the country's petroleum resources through extensive regulation. The petroleum sector provides about 9% of jobs, 12% of GDP, 13% of the state's revenue, and 37% of exports, according to official national estimates.

3

Switzerland

Switzerland, a country that espouses neutrality, is a prosperous and modern market economy with low unemployment, a highly skilled labor force, and a per capita GDP among the highest in the world. Switzerland's economy benefits from a highly developed service sector, led by financial services, and a manufacturing industry that specializes in high-technology, knowledge-based production.

Its economic and political stability, the transparent legal system, exceptional infrastructure, efficient capital markets, and low corporate tax rates also make Switzerland one of the world's most competitive economies. The Swiss have brought their economic practices largely into conformity with the EU's to gain access to the Union's Single Market *and enhance the country's international competitiveness. Some trade protectionism remains, however, particularly for its small agricultural sector.*

2

Sweden

Sweden's small, open, and competitive economy has been thriving and Sweden has achieved an enviable standard of living with its combination of free-market capitalism and extensive welfare benefits. Sweden remains outside the eurozone largely out of concern that joining the European Economic and Monetary Union would diminish the country's sovereignty over its welfare system.

Timber, hydropower, and iron ore constitute the resource base of a manufacturing economy that relies heavily on foreign trade. Exports, including engines and other machines, motor vehicles, and telecommunications equipment, account for more than 44% of GDP. Sweden enjoys a current account surplus of about 5% of GDP, which is one of the highest margins in Europe. GDP grew an estimated 3.3% in 2016 and 2017 driven largely by investment in the construction sector.

1.***The reputation of the U.S.....***

there's the United States. The reputation of the U.S. has been in steep decline since 2016, dropping two spots to No. 36 on this year's list, below even the Philippines, which ranked a surprising No. 35 in spite of President Rodrigo Duterte's murderous regime.The US has the most technologically powerful economy in the world, with a per capita GDP of $59,500. US firms are at or near the forefront in technological advances, especially in computers, pharmaceuticals, and medical, aerospace, and *military equipment; however, their advantage has narrowed since the end of World War II. Based on a comparison of GDP measured at purchasing power parity conversion rates, the US economy in 2014, having stood as the largest in the world for more than a century, slipped into second place behind China, which has more than tripled the US growth rate for each year of the past four decades.*