



Will VW contaminate? 'Made in Germany'

It is too early to understand the consequences of VW's stupidity, but here – as everywhere – there is much speculation. Some of it is pessimistic: Dieselgate, following the Siemens scandal in 2006, shows that 'Made in Germany' is not trustworthy. That popular English word Schadenfreude describes many of these comments. Others are more optimistic, predicting a long and painful rehabilitation for VW, but limited contagion.

Although too early to reflect the VW scandal, some interesting brand studies appeared in October. Brand Finance and Interbrand, both consultancies, confirmed Germany's strength as a national brand in its own right,

it does help to explain why so few know where Hugo Boss comes from.

National origins are promoted when they're useful, and quietly dropped when harmful. During the First World War the English royal family changed its name to Windsor from Saxe-Coburg & Gotha, because it wanted to make its loyalties absolutely clear. Germany's car firms see themselves as supra-national: their beginnings are local but their ambitions global. The story of BP is relevant here. A series of mergers and a changing energy strategy led to a new name in 2000: BP now meant Beyond Petroleum. Ten years later disaster struck and millions of litres of oil polluted the Gulf of Mexico.

pany, not the country. Some will argue that VW is a bigger problem for Germany: in 2013 oil was just 15% of what the UK sold to Americans; 28% of Germany's exports to the US were cars and car parts (source: Observatory of Economic Complexity).

If Americans and the rest of the world took a dislike to German cars, the consequences for Germany would be serious. But this is a fanciful idea for at least 3 reasons. First, the world has not suddenly forgotten decades of German quality and service. Secondly, they may generalise at first, but angry people prefer the specific. Consumers will struggle to see how punishing BMW or Mercedes will fix anything at VW. After the fall of Leh-



**JAMIE
PRIESTLEY,**
correspondent
London.

