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Business 7 article – by Suta Kavari

Impact of a Brexit on Namibia

Last week Britain voted to leave the EU. The debate heading into the vote resembled a barren waste land of mud where the line between fact and myth was completely muddled.

The aftermath of the vote wrought havoc on global financial markets. The uncertainty regarding Britain's relationship with the EU has led to panic and heightened volatility. The panic has been palpable.

But before delving into the gallows of rage and outrage, it is important to note that Britain remains a member of the EU. And will remain a member until such time as exit terms are agreed upon.

That process will take anything between two to four years to conclude and in the meantime uncertainty will linger.

While it is difficult to determine the impact of a Brexit on Namibia, it's safe to say that effects will not be significant over the long term. Given Namibia's minimal direct exposure to the UK.

However, Namibia will directly be impacted through currency movements and volatility. The rand was the worst performing currency in the immediate aftermath of the Brexit vote, but has since recovered and firmed. Currency volatility does not bode well for the greater economy.

Only after the full terms of Britain's exit are known, can we confidently assess the impact.

For now, Namibia still maintains its trading relationship with the EU, having concluded the Economic Partnership Agreement with the bloc. Britain remains part of that bloc, and by extension Namibia will have access to the UK market.