NOVEMBER 2021 – ZAMBIA
2022 BUDGET SPEECH
*It is important that employers note the following:*

Budget speech and tax changes
On Friday, 29 October 2021 Honourable Dr Situmbeko Musokotwane, MP, Minister of Finance and National Planning, delivered the 2022 Budget.

Budget highlights
- Spending of 173 billion kwacha ($10 billion) or 37.1% of GDP, and revenue and grants of 100.7 billion kwacha or 21.6% of GDP.
- Expenditure in 2021 is now forecast at 139 billion kwacha, vs 119.6 billion kwacha budget for this year.
- Economic growth is seen at 3.5% in 2022 and 3.3% this year, vs 1.8% target in the 2021 budget.
- The fiscal deficit is forecast at 6.7% of GDP in 2022 and 10.4% in 2021, compared with this year’s target of 9.3%.
- External debt servicing is seen at 51.3 billion kwacha.
- Domestic borrowing will be limited to 5.2% of GDP.

Tax changes
- The PAYE income exemption threshold is proposed to be increased as follows:

<table>
<thead>
<tr>
<th>Chargeable Income Per Month Currently</th>
<th>Chargeable Income Per Month Proposed</th>
<th>Tax rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>First ZMK 4,000</td>
<td>First ZMK 4,500</td>
<td>0%</td>
</tr>
<tr>
<td>ZMK 4,001 – ZMK 4,800</td>
<td>ZMK 4,501 – ZMK 4,800</td>
<td>25%</td>
</tr>
<tr>
<td>ZMK 4,801 – ZMK 6,900</td>
<td>ZMK 4,801 – ZMK 6,900</td>
<td>30%</td>
</tr>
<tr>
<td>Above ZMK 6,900</td>
<td>Above ZMK 6,900</td>
<td>37.5%</td>
</tr>
</tbody>
</table>

To read the Budget speech, follow the [link](#).

*Contact our legislation team at info@crs.co.za if you require any additional information.*

© 2021 CRS Technologies (Pty)Ltd. All rights reserved.