



## 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:

Chargeable Income Per Month Currently	Chargeable Income Per Month Proposed	Tax rate
First ZMK 4,000	First ZMK 4,500	0%
ZMK 4,001 – ZMK 4,800	ZMK 4,501 – ZMK 4,800	25%
ZMK 4,801 – ZMK 6,900	ZMK 4,801 – ZMK 6,900	30%
Above ZMK 6,900	Above ZMK 6,900	37.5%

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

Contact our legislation team at [info@crs.co.za](mailto:info@crs.co.za) if you require any additional information.

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