

Globalization Partners provides employer of record services for customers that want to hire employees and run payroll without first establishing a branch office or subsidiary in Djibouti. Your candidate is hired via Globalization Partners' Djibouti PEO in accordance with local labor laws and can be onboarded in days instead of the months it typically takes. The individual is assigned to work on your team, working on your company's behalf exactly as if he or she were your employee to fulfill your in-country requirements.

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Our solution enables customers to run payroll in Djibouti while HR services, tax, and compliance management matters are lifted from their shoulders onto ours. As a Global PEO expert, we manage employment contract best practices, statutory and market norm benefits, and employee expenses, as well as severance and termination if required. We also keep you apprised of changes to local employment laws in Djibouti.

Your new employee is productive sooner, has a better hiring experience and is 100% dedicated to your team. You'll have peace of mind knowing you have a team of dedicated employment experts assisting with every hire. Globalization Partners allows you to harness the talent of the brightest people in more than 185 countries around the world, quickly and painlessly.

Djibouti is located on the Horn of Africa, and borders the Red Sea, the Gulf of Aden, Eritrea, Ethiopia, and Somalia. 810,000 people live in Djibouti. The country controls shipping access

to the Red Sea, Ethiopia uses its port for sea-based shipments, and the U.S. has a naval base in the country. Djibouti's GDP is USD 1.58 billion and growing at an annual rate of 6.7%. Its unemployment rate is 54%. Djibouti is a re-exporter of hides, salt, coffee, beans, and cereals.

When negotiating terms of an employment contract and offer letter with an employee in Djibouti, it may be useful to keep the following in mind:

Djibouti Holidays

Djibouti celebrates 9 national holidays:

- New Year's Day
- Labour Day
- Ascension of the Prophet
- Independence Day (2 day holiday)
- Eid ul-Fitr
- Eid al-Adha
- Islamic New Year
- Birth of the Prophet
- Christmas Day

Working Hours in Djibouti

The standard work week is 48 hours.

Vacation in Djibouti

Employees are generally eligible for 30 days of paid annual leave.

Sick Leave in Djibouti

For the first 29 days of temporary disability, employees are generally entitled to receive 50% of their salary. After 29 days, they are entitled to receive 75% of their salary. Employee

disability benefits include medical and surgical care, hospitalization, laboratory services, medicine, dental care, transportation, physical therapy, and rehabilitation. The insured has the right to be hospitalized in a private institution.

Maternity/Paternity Leave in Djibouti

Female employees are entitled to 14 weeks of paid maternity leave. 8 weeks to be taken before the birth and 6 after.

Fathers are entitled to 3 days of paid paternity leave.

Termination/Severance in Djibouti

Probationary periods for indefinite-term contracts are allowed as follows:

- Hourly employees: 15 days
- Monthly wage employees: 1 month
- Supervisors, executives, and equivalents: 3 months.

Probationary periods may be renewed once; the renewal must be in writing.

Indefinite term contracts may be terminated for the following reasons:

- Gross misconduct
- Force majeure
- Economic/financial difficulties
- Court order
- Written agreement of both parties

Taxes in Djibouti

Djibouti's pay personal income taxes ranging from 2% to 30% of income.

Employers and employees both contribute 4% of monthly wages to social security. Employers also contribute 6.2% of monthly wages to disability insurance and 5.5% of monthly wages to family allowances.

Health Insurance in Djibouti

Djibouti has a public/private healthcare system.

Employment Contracts in Djibouti

Fixed-term contracts may not exceed 12 months but may be renewed once.

It is not legally required but is best practice to put a written employment contract in place in Djibouti, in the local language, which spells out the terms of the employee's compensation, benefits, and termination requirements. An offer letter and employment contract in Djibouti should always state the salary and any compensation amounts in Djiboutian francs rather than a foreign currency.

This information is provided as generally accepted information and is not intended as advisory services.

Why Globalization Partners

Establishing a branch office or subsidiary in Djibouti to engage a small team is time-consuming, expensive and complex. Djiboutian labor law has strong worker protections, requiring great attention to detail and an understanding of local best practices. Globalization Partners makes it painless and easy to expand into Djibouti. We can help you hire your candidate of choice, handle HR matters and payroll, and ensure that you're in compliance with local laws, without the burden of setting up a foreign branch office or subsidiary. Our Djibouti PEO and [Employer of Record](#) solution provides you peace of mind so that you can focus on running your company.

If you would like to discuss how Globalization Partners can provide a seamless employee leasing or PEO solution for hiring employees in Djibouti, please [contact us](#).