

Offshore software development: Comparing rates around the world





Introduction

Hiring a local software development team is costly and time-consuming, with **US companies charging up to €200 per hour**. As a tech leader, you might be looking for a more budget-conscious and versatile approach, and offshoring can fit the bill.

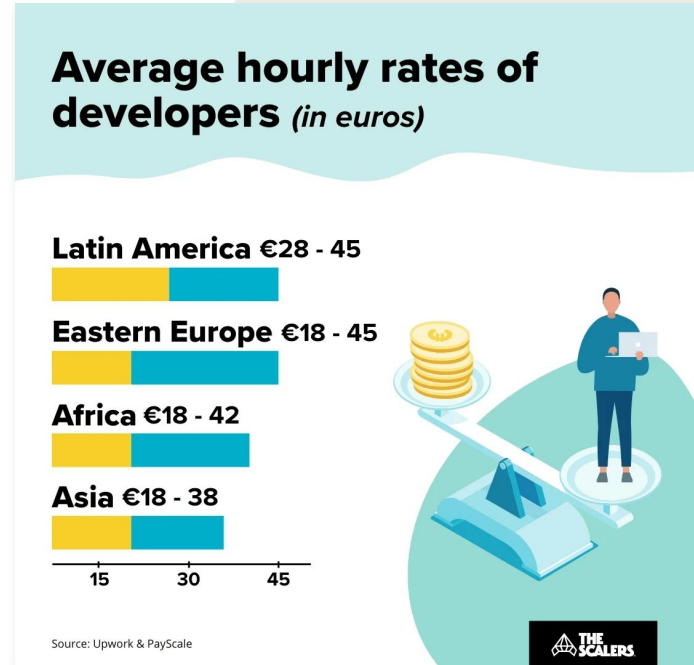
In this presentation, we'll analyse and **compare offshore software development rates worldwide** and the factors impacting these prices. By the end, you'll have insights into the **best offshore software development countries**, ready to start your offshoring journey.



Offshore software development rates comparison

When hiring offshore developers, there are no right or wrong choices. Your decision should be based on quantitative factors like your **organisation's budget and qualitative aspects such as cultural fit and English proficiency.**

Offshore development costs primarily revolve around the location of your engineering talent. To simplify your decision-making process, we've compiled a **table of hourly rates from offshore development companies** in various regions sourced from Upwork and PayScale.





Offshore software development hourly rates

Region	Popular tech hubs	Junior developer	Senior developer	Average rate
Latin America	Colombia and Mexico	€28/h	€45/h	€37/h
Eastern Europe	Poland and Ukraine	€18/h	€45/h	€32/h
Africa	Egypt and South Africa	€18/h	€43/h	€30/h
Asia	India and Philippines	€18/h	€38/h	€28/h





Latin America

Colombia and Mexico:

- Medellin, Colombia, is gaining tech investor attention, offering tax and administrative advantages.
- Monterrey, Mexico, has a talent pool of over 100,000 high-skilled engineers.
- Rates for top developers range from **€25 to €65 per hour, with an average of €37.**

Other Latin American locations:

- Portuguese-speaking firms favour Brazil.
- Argentina and Chile produce numerous engineering graduates.
- Average offshore software development rates are around **€35 per hour.**





Eastern Europe

Poland and Ukraine:

- Engineers from these countries are known for their strong work ethic and project dedication.
- According to Clutch, over **3,200 custom software development companies** offer premium services in Eastern Europe.
- Hourly rates for software development vary from as low as €13 to €60, with an average offshore rate of €32 per hour.

Other Eastern European locations:

- Neighbouring countries like Czechia, Romania, and Hungary are also striving to establish themselves in the offshore development landscape.
- **Hourly rates range from €13 to €30.**





Africa

Egypt and South Africa:

- Egypt and South Africa are leading tech hubs in Africa.
- European companies chose Egypt for its favourable time zone and proximity to the continent.
- South Africa's abundant English-speaking developers attract US, UK, and Australian firms.
- Software development rates range from **€20 to €45 per hour, with an average of €30.**

Other African locations:

- Nigeria, Africa's most populous country, and Morocco, with a growing engineering talent pool, are emerging software development hubs.
- Rates for software development **range from €15 to €42 per hour.**





Asia

India and The Philippines:

- India is a leading offshore software development destination with a **strong IT industry and a massive influx of new engineers yearly**.
- Bengaluru, the Silicon Valley of Asia, hosts R&D centres for tech giants like Google and Amazon.
- The Philippines offers competitive rates but faces a talent shortage, affecting quality.
- Rates in India and The Philippines range from €10 to €50 per hour, averaging €28.

Other Asian locations:

- Pakistan and China are emerging offshore development destinations in Asia. However, China's language barrier and higher hourly rates (**up to €40 for senior developers**) have led tech leaders to consider other options.





Additional factors affecting offshore software development rates

While the country's location remains the primary factor **influencing offshore software development rates**, other considerations should be considered when hiring developers or offshore partners.

City

Offshore development rates vary within countries and cities. For instance, **hiring engineers in Mumbai may be pricier than in Bengaluru** due to differences in the cost of living and talent pool.

Tech expertise

Offshore developer rates vary based on **their tech expertise, programming languages**, and specialised frameworks. For example, developers with expertise in machine learning and artificial intelligence typically cost more than front-end developers.

Quality

A **company's track record and portfolio** influence offshore software development rates. Companies with a broad international client base may charge higher rates than newer entrants in the tech industry.



Why India is the best offshore software development country?

India is a thriving hub of technical brilliance and innovation. The country produces approximately **1.5 million English-speaking engineers annually**, with this number continually growing. These engineers undergo extensive education and possess skills comparable to developers from the UK, France, or anywhere else.





Benefits of offshoring to India

As a tech leader considering India for offshore development, you'll experience:

- **A collaborative and vibrant tech community**
- **Access to world-class software developers**
- **Cost-effective services with an average rate of €28/h**
- **Unparalleled scalability**
- **Vast talent pools in tech hubs like Bengaluru and Hyderabad**





Conclusion

Thinking of offshore software development? You've got a variety of choices and price points to explore. **Asia and Eastern Europe offer offshore development rates from €10-50/hr.** India's a top pick for affordable engineering teams. However, expertise, reputation, and location impact rates across countries.

Do your research to find the best technical skills and culture fit based on project needs.

If you're looking for a **cost-effective offshore development solution**, reach out to discuss your specific needs and tech requirements.



Thank you



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