



Offshore development rates guide

by Fulcrum

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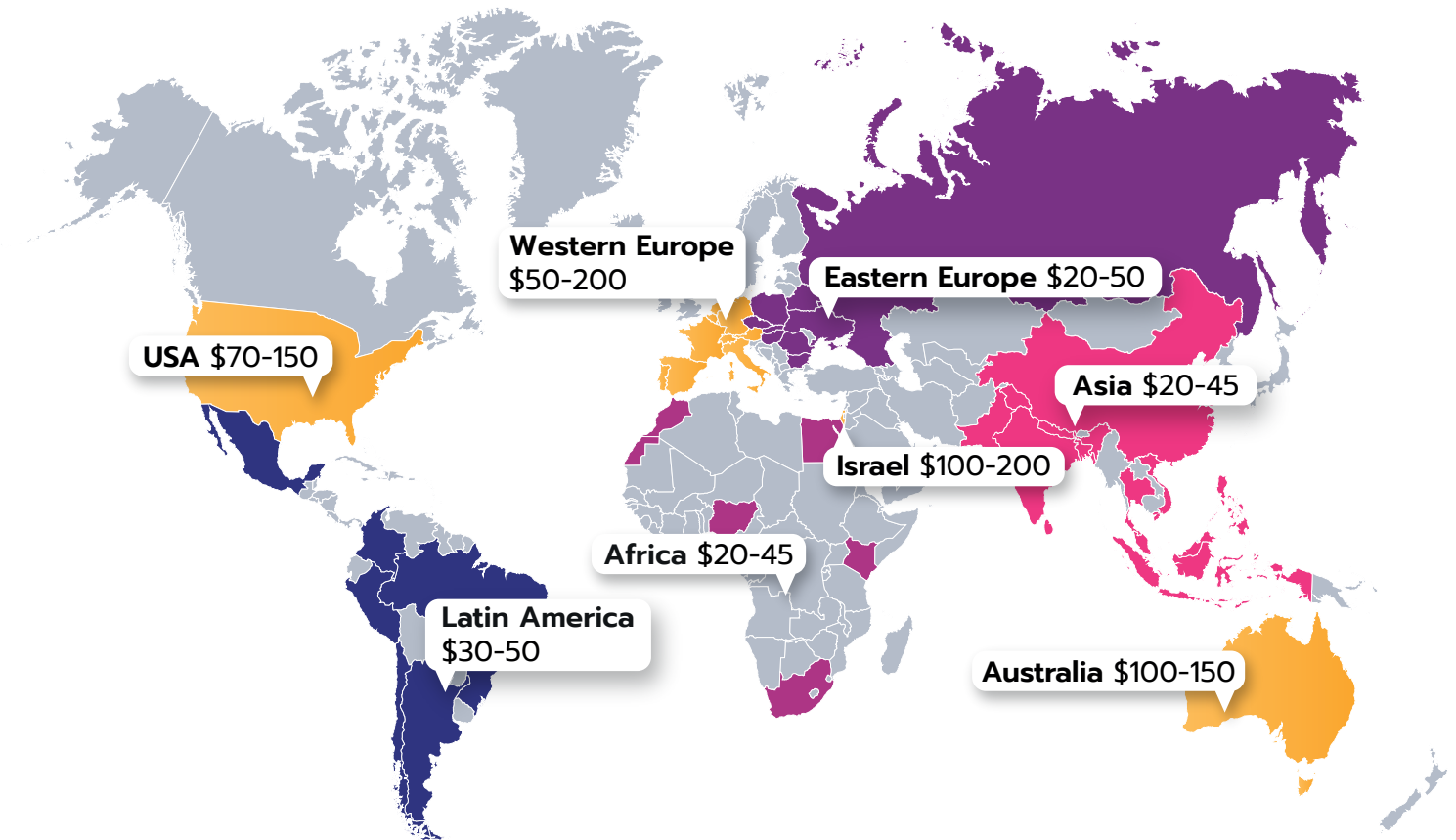
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Offshore development rates by role



Offshore software development rates by region



There are hundreds of IT outsourcing hubs all over the world. They all differ. By their rates, development quality, culture, expertise, time differences and much more. So, to hire a remote development team, you should keep in mind all the scope of these characteristics, analyze them, and choose the best option for you.

Talking about rates, we can identify two big pools of outsourcing destinations:

- **Countries/regions with high-quality life standards and a stable economy.**
Among them are the **US, Australia, Western Europe, Israel, UAE** etc. IT outsourcing rates are higher there generally varying from \$50 to \$100.
- **Regions with less developed local markets** such as **Latin America, Africa, Asia and Eastern Europe**. These are often characterized by lower development rates and high quantity of specialists.

Eastern Europe	Junior developer: \$25-42 Mid-level developer: \$35-56 Senior developer: \$45-70	Latin America	Junior developer: \$35-44 Mid-level developer: \$40-52 Senior developer: \$45-55
Asia	Junior developer: \$18-24 Mid-level developer: \$24-35 Senior developer: \$30-42	Africa	Junior developer: \$15-22 Mid-level developer: \$22-30 Senior developer: \$30-45
USA	Junior developer: \$105-111 Mid-level developer: \$132-140 Senior developer: \$154-163		

These regions with less developed economies have become real players on the arena of global IT outsourcing. They have turned into reliable and productive IT hubs which produce a significant part of mobile and web solutions. So, let's start our overview of them.

Key IT outsourcing hubs in Eastern Europe

Developer cost
per hour: \$20-50



In the past years, Eastern Europe has turned to one of the biggest IT outsourcing centers hosting about 1 million well-qualified developers. Its main outsourcing hubs include Ukraine, Poland, Romania, Belarus with average development rates ranging from \$20 to \$50.

While the development costs are quite acceptable in the Eastern part of Europe, its quality is also well-promising. Being rich in technical educational institutions, this region offers a solid and proven by years expertise in IT. Another positive factor is pretty high language proficiency – most vendors here English-speaking. Let's get more detailed.

Ukraine

- **Rates:** \$25-45
- **Popular tech stack:** Python, Java, Ruby
- **IT hubs:** Kyiv, Lviv, Odesa, Kharkiv, Dnipro

Ukraine gained a leading position among IT outsourcing destinations not only in Eastern Europe but also worldwide. How is it? If summarize in one sentence: high-quality development for a good price. Which is on average \$25-45 (while some junior developer can be as low as \$18).

Kyiv, Odesa, Lviv, Kharkiv. These are only a few of Ukrainian IT hubs which play an important role in the global IT arena – 21 of Ukrainian companies are ranked among the best 100 IT outsourcing firms worldwide. It's IT potential is really impressive. Thus, last year the Ukrainian IT industry set a new record – it received an astounding \$510 million of investments.

Its talent pool is also out of the discussion. Ukraine is a home for 192,000 developers. Most of whom are well-educated, skilled and in high demand. And these are only data for 2019. What can we expect of 2020?

Strong expertise and solid tech education are what makes this destination so attractive. The country has around 50,000 tech graduates yearly. Being proficient at most of the programming languages, Ukrainian developers are in high demand far outside its borders.

Poland

- **Rates:** \$35-55
- **Popular tech stack:** Java, SQL, Python, C++
- **IT hubs:** Warsaw, Krakow, Wroclaw, Lodz

In Poland, developer cost per hour is little higher than in neighbouring Ukraine – somewhere around \$35-55. Yet, such high rates can be explained by the good tech education in the country and higher living standards.

Being one of the most developed IT industries, Polish outsourcing is also reach in both freelance specialists and established companies.

Belarus

- **Rates:** \$35-50
- **Popular tech stack:** JavaScript, Java, .NET
- **IT hubs:** Minsk, Gomel, Vitebsk, Mogilev

Recently, Belarus has recommended itself as a young & rapidly growing IT market. It's has all the advantages of its neighbours such as solid educational foundation, language proficiency, relevant expertise. Offshore development rates vary there from \$35 to \$50.

Romania

- **Rates:** \$25-45
- **Tech stack:** PHP, Java, JavaScript
- **IT hubs:** Bucharest, Cluj-Napoca, Iasi

Don't neglect this destination to outsource your development. The rates here are still pretty affordable ranging on average from \$25 to \$45 per hour. Yet, the expertise is one of the best: Romanian developers are proficient in the most complex databases, languages and algorithms.

Offshore software development countries in Eastern Europe

Country	Rates	Tech talent pool	Tech stack	IT hubs	Successful Startups
Ukraine	\$25-45	≈200K	Python, Java, Ruby, SQL, JavaScript	Kyiv, Lviv, Odesa, Kharkiv, Dnipro	Grammarly, Petcube
Poland	\$35-55	≈250K	Java, SQL, Python, C++	Warsaw, Krakow, Wroclaw, Lodz	DocPlanner
Belarus	\$35-50	≈ 50K	JavaScript, Java, NET	Minsk, Gomel, Vitebsk, Mogilev	Masquerade
Romania	\$25-45	≈110K	PHP, Java, JavaScript	Bucharest, Cluj-Napoca, Iasi	UiPath
Czech Republic	\$35-55	≈ 100K	JavaScript, Python, SQL	Prague, Brno	Kiwi
Croatia	\$25-50	≈30K	JavaScript, Python, Java	Zagreb, Split	ExRey
Hungary	\$40-50	≈80K	JavaScript, Python, Java	Budapest, Debrecen, Miskolc	Ustream
Bulgaria	\$35-50	≈50K	JavaScript, Python, SQL	Sofia, Varna, Plodiv	Connecto.ai, EnhanCV

Offshore development rates in Latin America

IT outsourcing market in Latin America should also be considered and reviewed while choosing a destination to hire a remote development team. For, it offers competitive talents, relatively good rates, and a convenient outsourcing location.

If you decide to outsource your development to South America, be ready to pay \$30 for a junior specialist, while a senior developer's hour could cost around \$50. Seems like a fair price.

Latin America as an offshore development hub has been recognized only recently. Much due to the efforts of the local government. With all the economic instability and political insecurity, such countries as Argentina, Colombia, Brazil needed new ways of financing. Thus, national governments started to make big investments in tech education and IT infrastructure to develop the industry.

The results are pretty good: right now these countries have lots of highly skilled talents who cooperate mostly with US companies. The prime reasons behind such US – Latin America outsourcing relations is a close location and insignificant time difference.

Main IT outsourcing destinations in Latin America

Hourly rates for software outsourcing: \$30-50

Argentina

- **Rates:** \$35-55
- **Tech stack:** Java, Python, SQL
- **IT hubs:** Buenos Aires

Argentina is one of the most advanced IT outsourcing markets in Latin America. It offers quite a wide pool of technical-savvy talents and popular within Western Europe. Growing economically and culturally close to European countries, Argentina has marked a strong presence on global IT arena. Offshore development rates here range from \$35 for a junior programmer to \$55 for a senior one.

Peru

- **Rates:** \$35-55
- **Tech stack:** Node.js
- **IT hubs:** Lima

At Peru Service Summit 2019, it was stated that the country gained \$85 millions of global revenue. Expanding presence of IT outsourcing market enables Peru to build and solidify their economy and better life standards. With average software development rates of \$35-55, Peruvian developers are technically educated, fluent in English and well aware of US business processes.

Brazil

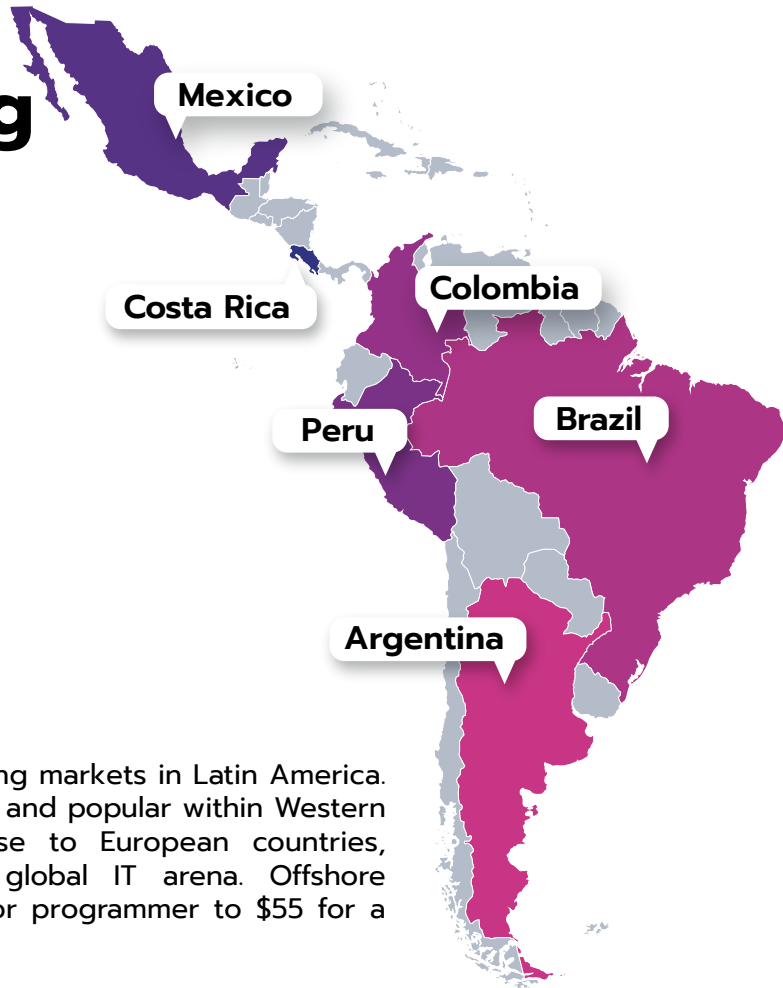
- **Rates:** \$30-50
- **Tech stack:** Java, Python, SQL
- **IT hubs:** Rio de Janeiro, Porto Alegre, Curitiba, Blumenau and Londrina

In Brazil, average developer cost per hour goes around \$30-50. The country is one of the leading IT outsourcing hubs in the world. In 2019, Tholons Services Globalization Index included Brazil in top 50 IT nations. This region is also renowned by a high number of technical engineers: yearly Brazil has around 15,000 tech graduates.

Colombia

- **Rates:** \$30-50
- **Tech stack:** JavaScript, HTML, Python
- **IT hubs:** Medellin, Bogota

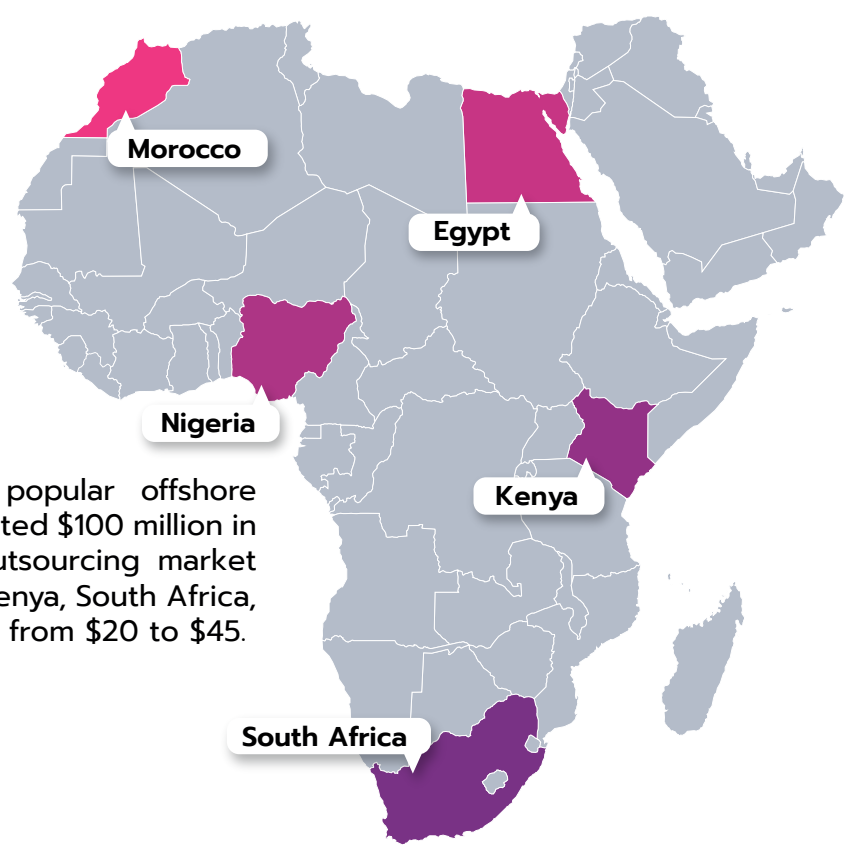
Development rates here are same as for the rest of Latin America countries. While the tech talent pool is not small in Colombia, high criminal situation in the country as well as lack of English proficiency make this country less attractive among other IT outsourcing destinations.



Offshore development hubs in Africa

Developer cost per hour:
\$20-45

Until recently, Africa hasn't been among popular offshore development destinations. After Microsoft invested \$100 million in continent's developers in 2019, African IT outsourcing market started to grow rapidly. Key IT hubs here are Kenya, South Africa, Morocco, Egypt and Nigeria. Rates usually vary from \$20 to \$45.



Southern Africa

- **Rates:** \$20-45
- **Tech stack:** Java, Python
- **IT hubs:** Western Cape, Gauteng, Durban

South Africa leads continent's IT industry. In 2019, the country was included in top 50 digital nations. Its location also contributes to region's growing IT market – South Africa time zones overlay with most of Europe.

East Part of Africa

- **Rates:** \$20-45
- **Tech stack:** Python, Javascript, PHP
- **IT hubs:** Mombasa, Kisumu, Eldoret

The biggest IT outsourcing hub in the eastern part of Africa is Kenya. The one of the advantages for this country is high English proficiency among developers. That's thanks to the country's policies according to which English is an official language in Kenya.

North Africa

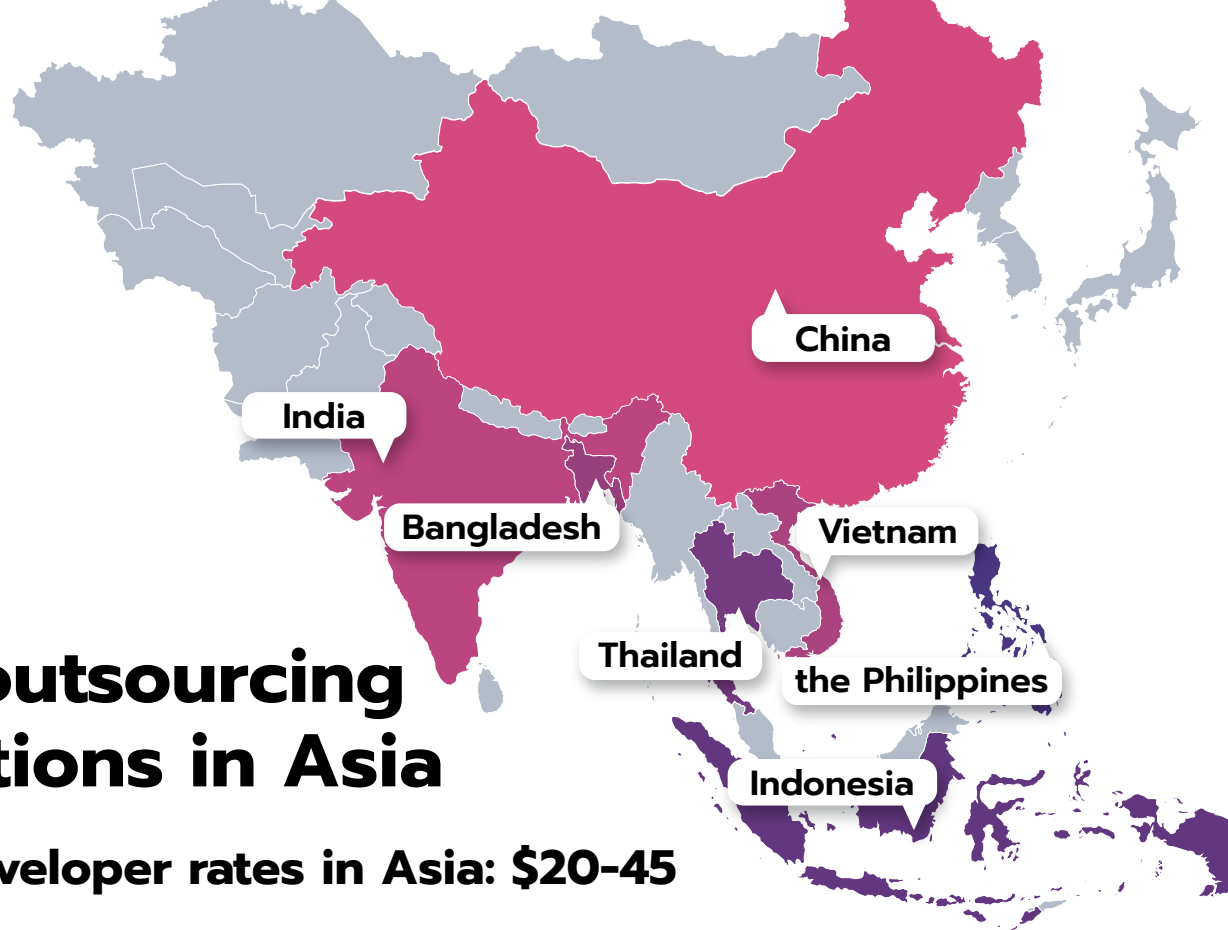
- **Rates:** \$20-45
- **Tech stack:** PHP, Python
- **IT hubs:** Morocco, Egypt

As South Africa, northern part of the continent also shares time zone with most European countries. It makes them a quite convenient outsourcing destination for developed countries. Rates here don't differ from the rest of the continent. Key IT outsourcing countries are Morocco and Egypt. Some of the biggest global telecommunication providers even placed their R&D centers in Egypt (Vodafone, Intel etc.).

Western Africa

- **Rates:** \$20-45
- **Tech stack:** SQL, Java, Python
- **IT hubs:** Lagos

For West Africa, the top region for offshore development would be Nigeria. Country's IT market is only evolving, but has a great potential and talent pool. Understanding benefits of an advanced IT industry, Nigerian government actively invests in developing the market and educate developers.



Key IT outsourcing destinations in Asia

Offshore developer rates in Asia: \$20-45

Until recently, Africa hasn't been among popular offshore development destinations. After the biggest competitive advantage of this region is its lower development rates which sometime range from \$18 to \$45. With its 10 million tech specialists, Asia has a lot to offer. Yet, affordable development costs and wide talent pool are achieved at the expense of proper product quality, great cultural and time differences. The biggest IT outsourcing hubs in Asia are China, India, Vietnam, Malaysia, Indonesia, the Philippines and Bangladesh.

India

- **Rates:** \$25-\$50
- **Tech stack:** Java, C++, Python
- **IT hubs:** Bangalore, Chennai, Mumbai, Kolkata

India is recognized as one of the biggest and most affordable IT outsourcing markets in the world. Its offshore development rates usually range from \$25 to \$50. English is widely spoken around the country, which is a big advantage while choosing a destination to outsource software development. Yet, the final product quality can be an issue. There are no quality standards in the country, so it totally depends on you're lucky enough to find responsible and reliable developers.

China

- **Rates:** \$30-60
- **Tech stack:** Python, Algorithm and Functional Development
- **IT hubs:** Beijing, Shanghai, Shenzhen

The region boasts with a rich talent pool of skilled developers, obviously. Chinese development rates are little higher than in other Asian countries — \$ 30-60. The price is caused by more advanced local economy and expertised specialists.

Among main concerns for the companies looking for outsourcing destination is language barrier. Recognized poor English proficiency throughout the country, Chinese government invested in numerous initiatives to educate the population.

Philippines

- **Rates:** \$25-50
- **Tech stack:** PHP, ASP.NET, Ruby on Rails, ASP.NET Core
- **IT hubs:** Manila

The country's developers have pretty good level of English, strong tech foundation and an elaborated IT infrastructure. Besides, stable political and economical situation in the country adds to its popularity among IT outsourcing seekers.

Vietnam

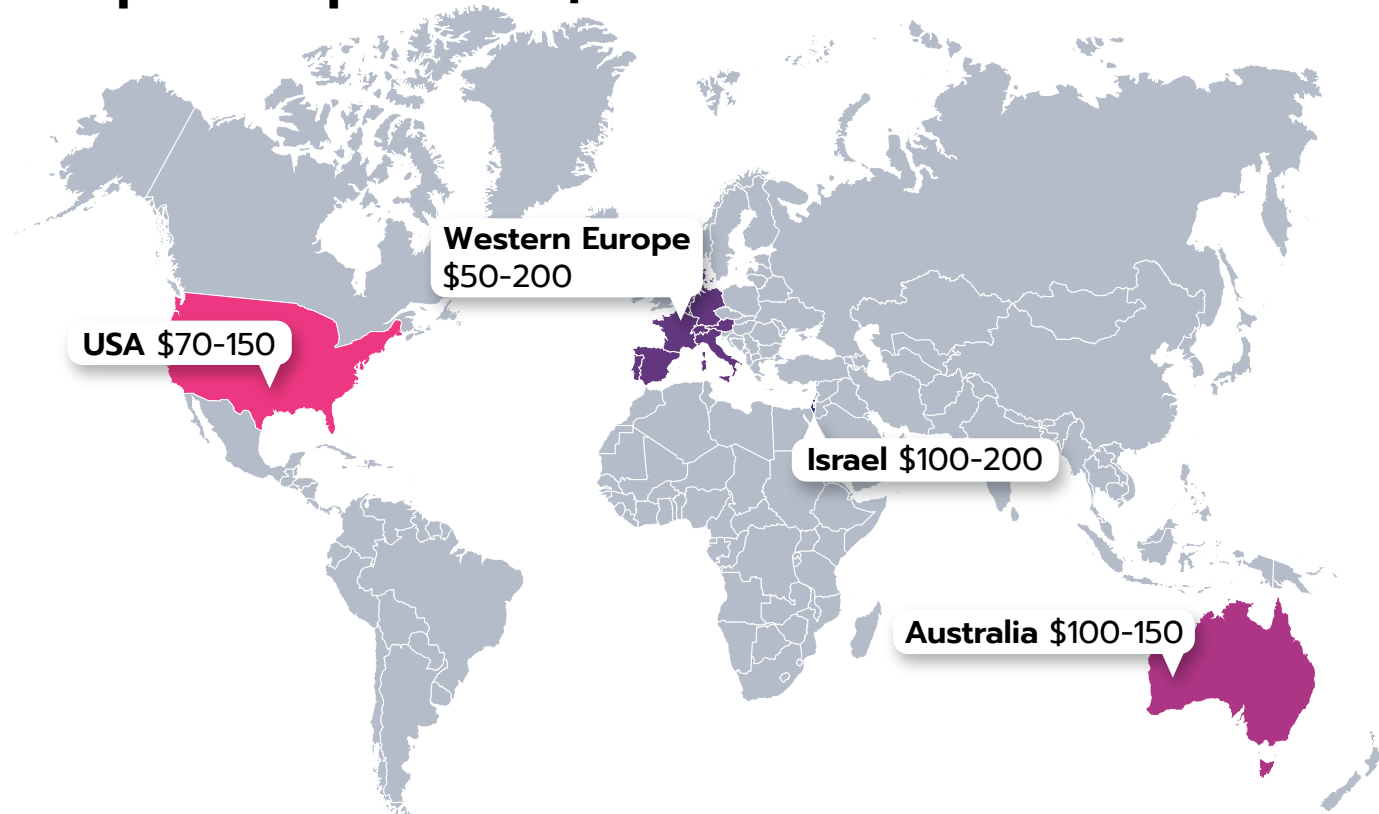
- **Rates:** \$20-40
- **Tech stack:** Java, PHP, and .NET
- **IT hubs:** Hanoi, Ho Chi Minh City

Average offshore development costs are \$20-40. The country has been regularly ranked among top global outsourcing destinations. Vietnam can be characterized by deep expertise, numerous technical specialists and high language proficiency.



Destinations with high offshore development rates

Developer cost per hour: \$50-150



The thing which unites these at first completely different countries are relatively high rates for offshore software development. Average developer costs per hour in these regions reach up to \$50-100. These numbers result from the elaborated economies, high life quality standards and well-developed internal markets in the chosen destinations.

The United States

The US annually ranks among top digitally competitive countries in the world. Yet, the specifics of its national market, economy and taxation system make the region one of the most expensive IT outsourcing destinations. Average rates for software development in the US may range from \$70 to \$150.

Western Europe

This region's rates can be explained by the elaborated economy, high taxation system, high standards of living European countries provide. In Germany, France, Netherlands offshore developer rates may range from \$50 to \$100, while in Switzerland or Scandinavia the same services may cost you \$100-200.

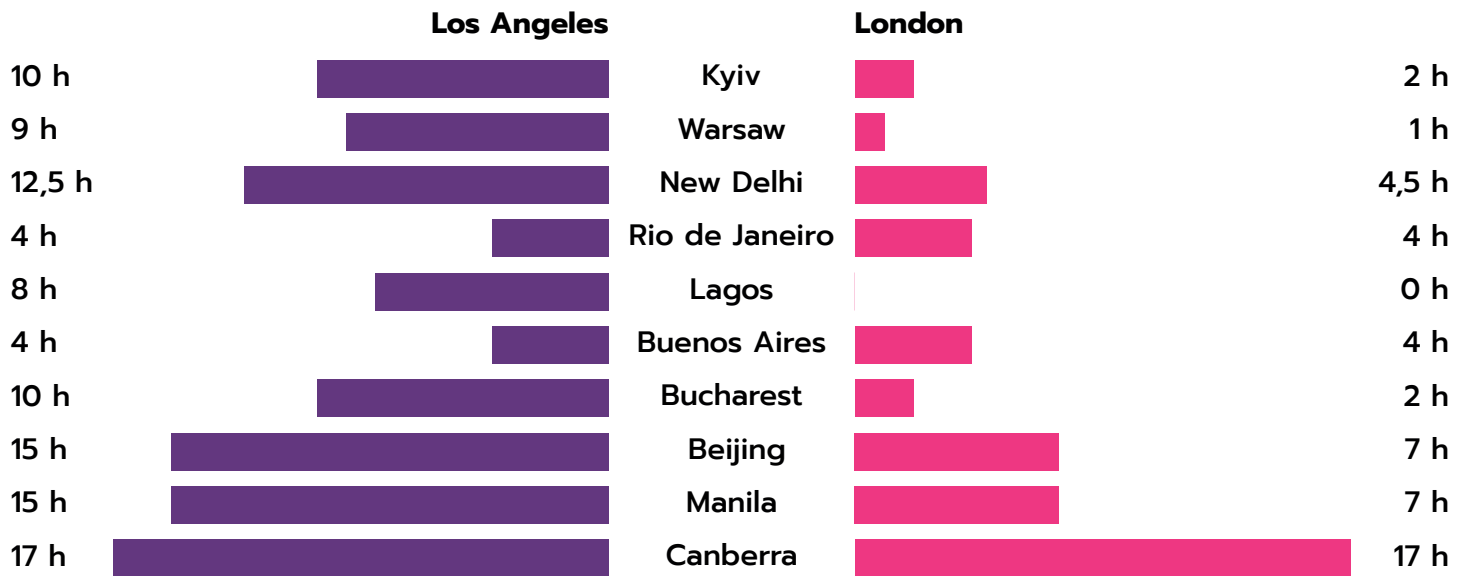
Australia

The Australian IT market is now growing rapidly. Yet, there are some barriers which hold it from becoming one of the top offshore development hubs: high rates, remote location and significant time difference. Average developer's costs per hour account to \$100-150 in Australia.

Israel

Software development rates in Israel are pretty high. Let's just compare: average developer salary in Ukraine is about \$1,500, while in Israel junior will get \$5,500 for the same work. Such striking difference results from the lack of tech expertise in the country and, of course, internal economic situation in Israel.

Where to outsource: time zone difference



Offshore development rates by role

Role	Eastern Europe	Latin America	Asia	USA
Architect	\$50-77	\$60-72	\$35-48	\$198-292
Business Analyst	\$40-63	\$45-55	\$30-42	\$110-205
Project Manager	\$45-70	\$55-66	\$35-48	\$133-233
Graphic Designer	\$35-56	\$40-50	\$25-36	\$79-163
Junior Developer	\$25-42	\$35-44	\$18-24	\$105-111
Middle Developer	\$35-56	\$40-52	\$24-35	\$132-140
Senior Developer	\$45-70	\$45-55	\$30-42	\$154-163
Junior QA	\$25-42	\$30-39	\$15-24	\$77-81
Mid-level QA	\$30-49	\$35-44	\$20-30	\$99-105
Senior QA	\$40-63	\$40-50	\$25-36	\$143-169
DevOps	\$40-61	\$38-65	\$20-40	\$70-90