

2024 VIETNAM'S
IT OUTSOURCING EDGE

COMPETITIVE RATES AND FUTURE PROSPECTS

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About This White Paper

As global economic fluctuations challenge businesses to adapt, Vietnam is rapidly emerging as a leading IT outsourcing destination. With a robust tech sector, strong government support, and cultural alignment with major markets, the country offers a compelling alternative to traditional outsourcing hubs.

In 2024, the global economy faces headwinds from geopolitical tensions, inflation, and market volatility. KPMG (2024) forecasts a slowdown in growth from 3.1% in 2023 to 2.9% in 2024. Companies are under pressure to innovate, restructure, and explore new strategies to navigate this uncertain landscape.

"Businesses must adapt by embracing change, restructuring, and seeking new pathways," emphasizes Van Dang, CEO of Savvycom. Amid these challenges, Vietnam's Tech firms have distinguished themselves by offering flexible and competitive developer rates, making them a smart and cost-effective choice for organizations striving to stay ahead.



To gain deeper insights into the IT landscape and developer rates in Vietnam, we conducted in-depth interviews with C-suite executives from leading Tech firms in the country and gathered data from other third parties. Based on these insights, this white paper explores key highlights of the 2024 Vietnam IT outsourcing landscape, reveals developer rates, and provides advice to businesses seeking partners in their digital transformation journey. This document is intended for reference only, and we do not assume responsibility for any actions taken based on its content.

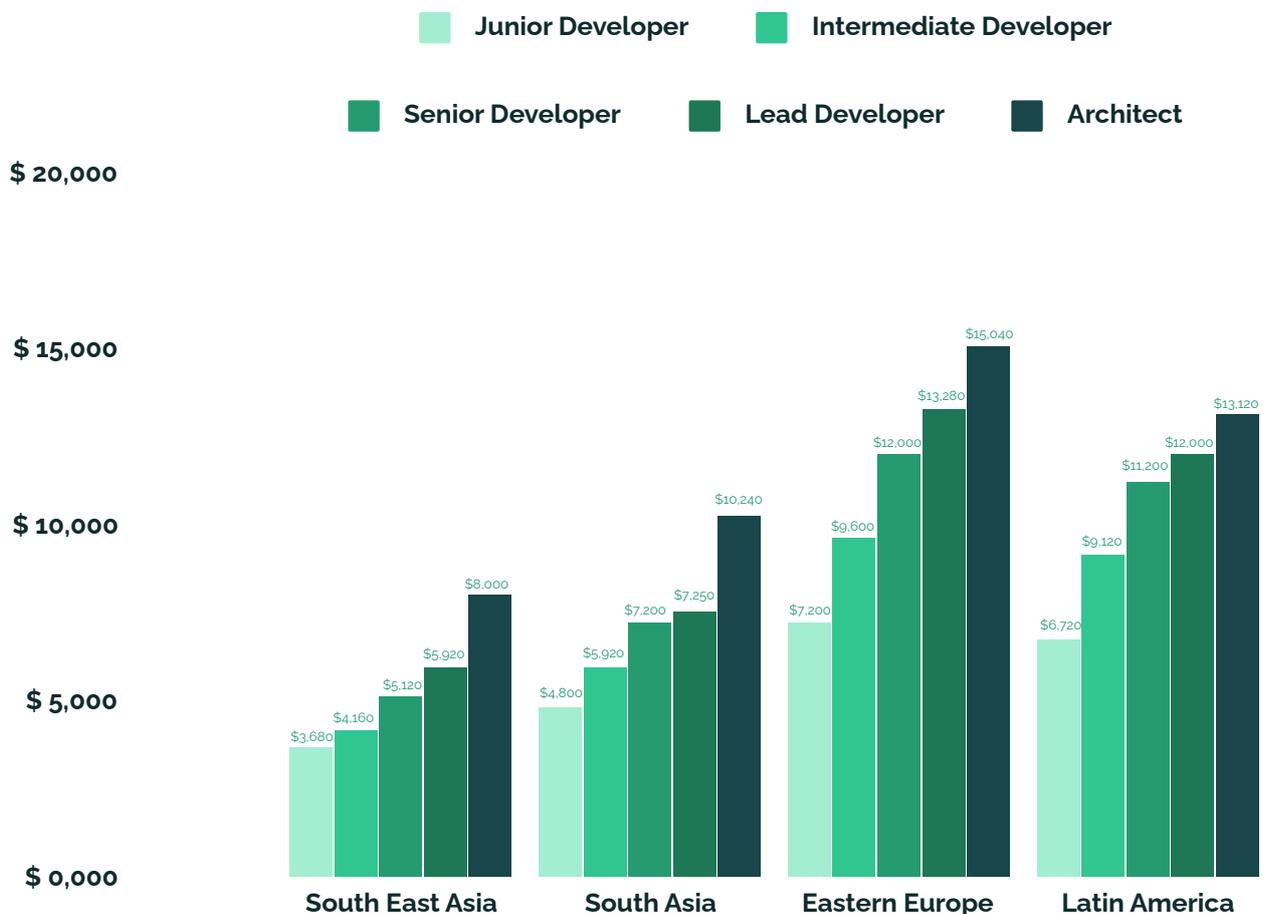
Where to Find the Most Attractive Developer Rates Globally

Global Software Outsourcing Monthly Median Rates by Region (2024)

There is a consistent trend in developer rates across different regions, with Latin America commanding the highest prices, followed by Eastern Europe, South Asia, and Southeast Asia, which includes Vietnam with the most attractive rates.

The difference in rates between these regions typically ranges from approximately 10% to 30%, depending on the developer's level of experience.

2024 Global Software Outsourcing Monthly Median Rates by Region



Source: Accelerance 2024 Global Software Outsourcing Rates and Trends Guide

The data was recalculated from the Accelerance report to convert hourly rates to monthly rates. The monthly rate assumes 20 working days per month and 8 hours per day.

Where to Find the Most Attractive Developer Rates Globally

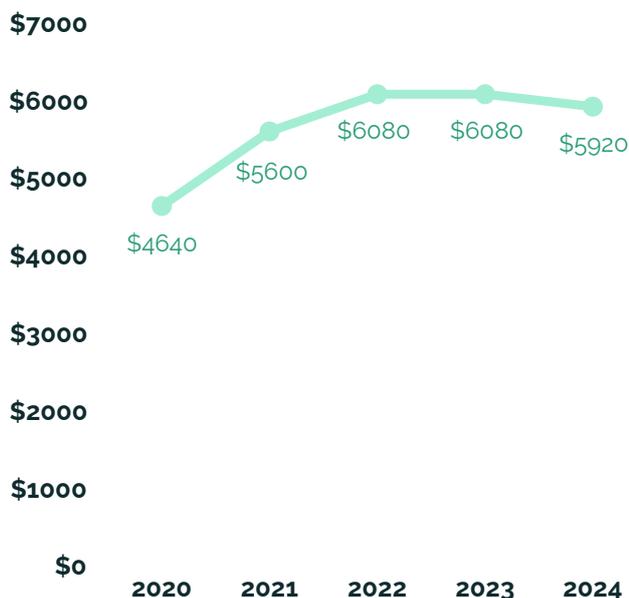
Average Monthly Developer Rate Comparison Across Countries (2024)

In 2024, Vietnam stands out with the lowest average monthly developer rate compared to other major Asian countries. Vietnam's rate is approximately 20% lower than India's and the Philippines', and about 33% lower than China's. This favorable pricing underscores Vietnam's competitive advantage in the tech outsourcing market, offering significant savings compared to its regional counterparts. As reported by Kearney (2023) in 'The 2023 Kearney Global Services Location Index: Regenerative Talent Pools' report, Vietnam secured 7th place in the "Best Countries to Outsource to in the World in 2023," positioning itself as the "Next Silicon Valley in Southeast Asia."

2024 Average Monthly Developer Rate Comparison Across Countries



Median Vietnam Monthly Senior Developer Rate Comparison Over Years



Source: Accelerance 2024 Global Software Outsourcing Rates and Trends Guide

Median Vietnam Monthly Senior Developer Rate Comparison Over the Years

According to Accelerance (2024), companies in Southeast Asia, including Vietnam and the Philippines, have seen rates that are generally lower than the peak levels of 2022. Asia is the only region experiencing this trend, indicating that discounting strategies were employed to attract business, and these strategies appear to have been effective.

Why Vietnam Stands Out for Its Attractive Developer Rates

Potential Growth of IT Outsourcing in Vietnam

The export revenue from software and IT services by Vietnamese enterprises (excluding FDI enterprises) reached approximately US\$9 billion in 2023 (Vietnam News, 2024), a significant increase from US\$2.2 billion in 2022 (Government News, 2023). This underscores the sector's potential for growth.

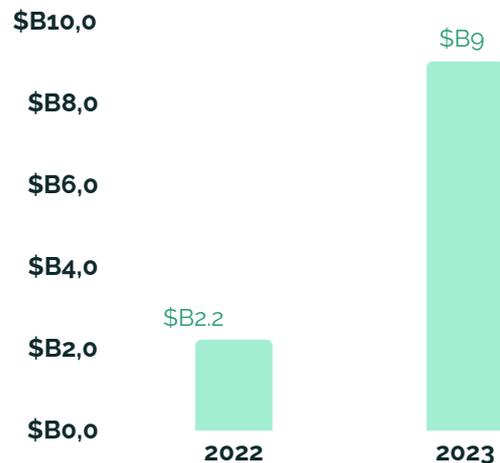
Vietnamese Stable IT Workforce

Additionally, the technology industry in Vietnam is thriving, supported by a robust workforce of 530,000 professionals and an annual enrollment of 50,000 to 57,000 new talents (TopDev, 2024). With over 45,000 businesses in 2023, including 11,200 software service providers (VnEconomy, 2024), the industry is poised for a promising future with a strong & steady labor market.

Education Sector Investment

As reported in the Vietnam Innovation & Tech Investment Report 2024 by Do Ventures (2024), Vietnam's education sector attracted a record \$67 million in capital in 2023, representing 12.6% of the total investment in technology projects and marking a 107% increase from 2022. This highlights Vietnam's strong focus on advancing its technology sector.

Export revenue from software and IT services by Vietnamese enterprises (excluding FDI enterprises)



Source: Insights from interviews with industry professionals, conducted by Savvycom.

Number of businesses

45,000

IT businesses

11,200

Software businesses

Competency ranking

2nd

in APAC

22nd

in global

Vietnamese Developers' Competency

Moreover, Vietnamese developers have demonstrated high levels of competency (VnExpress, 2020), offering exceptional expertise at competitive rates. This combination of talent and cost-effectiveness positions Vietnam as an attractive destination for global tech solutions.

Vietnam Developer Rates by Roles and Tech Stacks

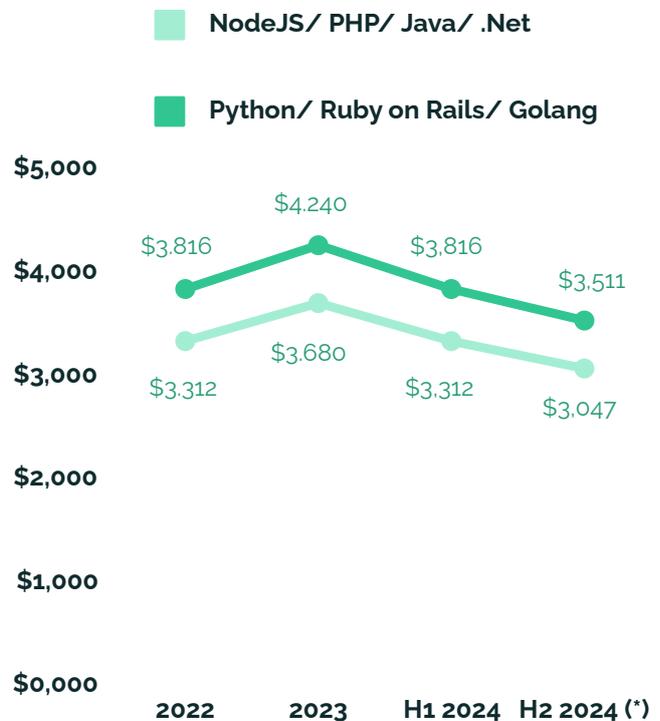
Back-End Developer Rates

The rate differences among tech stacks are becoming more pronounced, with NodeJS, PHP, Java, and .Net being about 15% lower than Python, Ruby on Rails, and Golang.

Python, Ruby on Rails, and Golang are often associated with more specialized or emerging applications, such as data science, high-performance web applications, and modern microservices architecture.

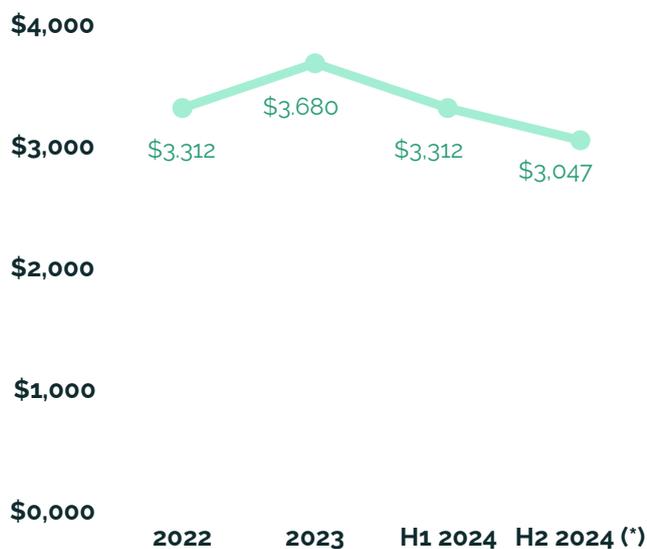
Since the beginning of 2024, back-end development rates have been declining, and this trend is likely to continue as the supply of skilled professionals remains high while market demand is impacted by economic conditions.

Back-end Developer Monthly Rate



Source: Insights from interviews with industry professionals, conducted by Savvycom.
(*) Projected

Front-end & Mobile Developer Monthly Rate



Source: Insights from interviews with industry professionals, conducted by Savvycom.
(*) Projected

Front-End & Mobile Developer Rates

Rates for front-end developers specializing in VueJS, Angular, and ReactJS have remained steady, starting at approximately \$3,312 in 2022, increasing slightly to \$3,680 in 2023 & returning to \$3,312 in early 2024.

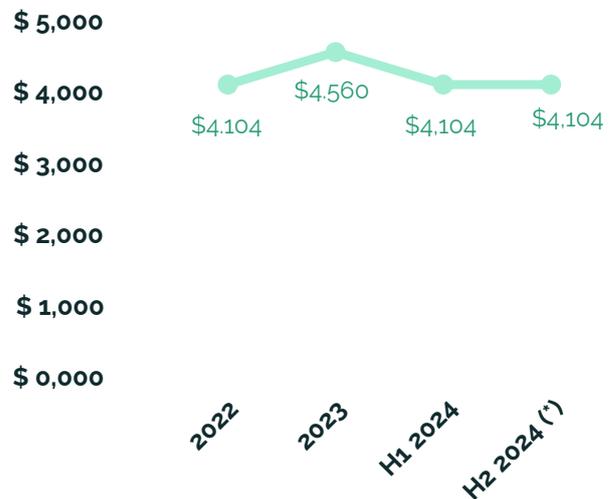
As businesses have tightened their budgets or shifted focus to technologies such as AI and cybersecurity, there is potential for pricing to continue decreasing to stimulate demand. Now is an ideal time to implement front-end and mobile technologies at a more affordable rate.

Vietnam Developer Rates by Roles and Tech Stacks

Full-Stack and DevOps Developer Rates

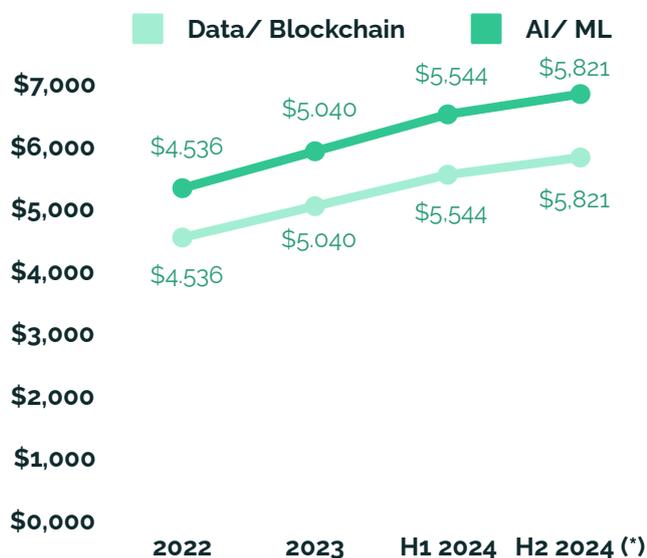
Rates for full-stack developers, who handle front-end, back-end, and database tasks, are comparable to those of DevOps specialists (Cloud/ Configuring) and are higher than rates for front-end, back-end, and mobile developers. Rates increased slightly in recent years, reaching \$4,104 in 2022 and \$4,560 in 2023, but have reverted to \$4,104 in the first half of 2024. They are expected to remain steady through the remainder of 2024.

Full-Stack & DevOps Developer Monthly Rate



Source: Insights from interviews with industry professionals, conducted by Savvycom.
(*) Projected

Data, Blockchain, and AI Developer Monthly Rates



Source: Insights from interviews with industry professionals, conducted by Savvycom.
(*) Projected

Data, Blockchain, and AI Developer Rates

Rates for AI/ML Engineers consistently surpass those for Data Engineers/Scientists and Blockchain Engineers, with AI/ML Engineers commanding rates from \$5,328 in 2022 to a projected \$6,838 in the second half of 2024. These roles also have higher rates compared to frontend, backend, and mobile developers, reflecting the specialized and advanced nature of their work.

The disparity in rates is due to the higher demand and expertise required for AI/ML roles, which are critical for advancing cutting-edge technologies. This year, the IT outsourcing trends are focusing on data analysis, greater personalization, user interaction, automation powered by AI, and security.

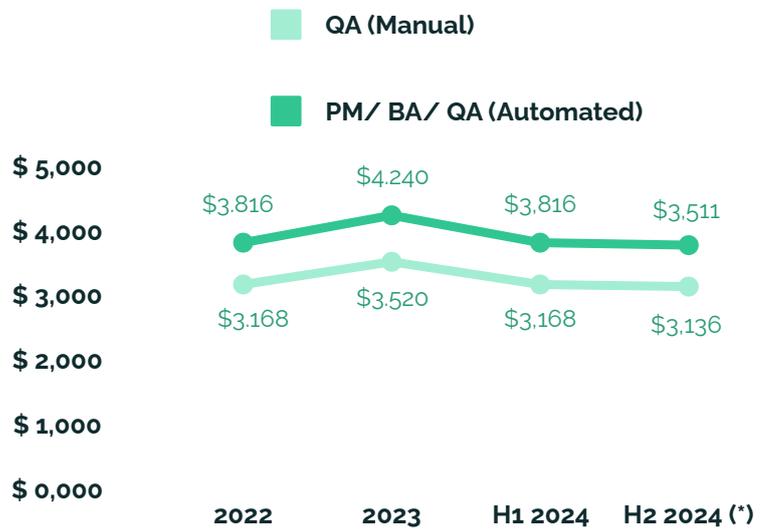
Additionally, the emergence of new generative AI tools has led to a significant increase in job postings seeking AI expertise.

Vietnam Developer Rates by Roles and Tech Stacks

PM, BA, QA Rates

Between 2022 and 2023, the monthly rates for Project Managers, Quality Assurance Specialists (Manual/Automated), and Business Analysts increased. Since then, rates have slightly decreased, with projections indicating they will remain stable moving forward.

PM, BA, QA Monthly Rates



Source: Insights from interviews with industry professionals, conducted by Savvycom.
(*) Projected



Summary of Historical & Projected Mid to Senior-Level Developer Rates in Vietnam Over Years (Monthly)

| Role | 2022 | 2023 | Q1-2/2024 | Q3-4/2024 (Projected) | |
|-------------------------|----------------|-------|-----------|--------------------------|-------|
| Back-End | NodeJS | 3,312 | 3,680 | 3,312 | 3,047 |
| | PHP | 3,312 | 3,680 | 3,312 | 3,047 |
| | Java | 3,312 | 3,680 | 3,312 | 3,047 |
| | .Net | 3,312 | 3,680 | 3,312 | 3,047 |
| | Python | 3,816 | 4,240 | 3,816 | 3,511 |
| | Ruby on Rails | 3,816 | 4,240 | 3,816 | 3,511 |
| | Golang | 3,816 | 4,240 | 3,816 | 3,511 |
| Front-End | VueJS | 3,312 | 3,680 | 3,312 | 3,047 |
| | Angular | 3,312 | 3,680 | 3,312 | 3,047 |
| | ReactJS | 3,312 | 3,680 | 3,312 | 3,047 |
| Full-Stack | 4,104 | 4,560 | 4,104 | 4,104 | |
| Mobile | IOS Native | 3,312 | 3,680 | 3,312 | 3,047 |
| | Android Native | 3,312 | 3,680 | 3,312 | 3,047 |
| | Flutter | 3,312 | 3,680 | 3,312 | 3,047 |
| | React Native | 3,312 | 3,680 | 3,312 | 3,047 |
| DevOps | 4,104 | 4,560 | 4,104 | 4,104 | |
| Data Engineer/Scientist | 4,536 | 5,040 | 5,544 | 5,821 | |
| AI/ML Engineer | 5,328 | 5,920 | 6,512 | 6,838 | |
| Blockchain Engineer | 4,536 | 5,040 | 5,544 | 5,821 | |

Source: Insights from interviews with industry professionals, conducted by Savvycom.

Vietnam's outsourcing industry continues to excel despite global economic challenges. This white paper highlights the country's capacity to provide top-tier technology talent at highly competitive rates, making it an attractive option for businesses seeking cost-effective tech partners.

As companies in 2024 strive to innovate and reduce costs, Vietnam offers a skilled workforce and favorable pricing across various technology roles, including advanced fields like AI. The country's growing tech sector presents a significant opportunity for securing affordable digital solutions.

These insights underscore the strategic advantages of partnering with Vietnam's technology professionals, empowering businesses to thrive in an increasingly digital world.

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