

# 10 REASONS WHY LATIN AMERICA IS A GREAT LOCATION FOR SOFTWARE OUTSOURCING

Latin America has the fastest growing outsourcing industry with Argentina, Brazil, Colombia, and Chile leading the way. The global IT outsourcing industry is forecast to grow at a CAGR of 7.7% over the period 2020-2027.

There's a growing need for skilled IT talent that the United States just can't meet. The Bureau of Labor Statistics indicates that by 2026, the shortage of engineers in the US will exceed 1.2M. As a result, the best option to balance out the supply and demand is to outsource to Latin America.

## 1. Cost Effective

Outsourcing development to U.S. contractors can cost anywhere from \$80 to \$150 per hour, while outsourcing to Latin American contractors can cost between \$45 to \$80 per hour.

## 2. Time Difference

Outsourcing hubs like India have a large time change from North America, making it difficult to work on real-time projects. In Latin America, there is just a small 1-3 hours difference (ET), so briefings and Engineering management are much faster.

## 3. High English Proficiency

According to the EF English Proficiency Index 2020, some Latin American countries have overtaken India and China in language proficiency and all of them are climbing in English level, with Argentina at the region's top. Your company can take advantage of bilingual developers and Engineering managers.

## 4. Tech Education

Argentina, Chile, and Brazil are the most highly-educated countries in Latin America. The Inter-American Development Bank estimates over 1.2M software developers in the region by 2025.

## 5. Talent Shortage in the US

By 2021, industry experts have calculated that the US will face a shortage of 1.4 million software developers with only 400,000 software developer graduates.

## 6. IT Industry Growth

According to a study by IDC, there are so many successful companies providing outsourcing services that the IT industry revenues in Latin America will grow by 11.4% between 2020 and 2021.

## 7. Global Proximity

All the products made in Latin America countries can be delivered anywhere in the U.S. in less than 24 hours. The proximity increases the convenience of the outsourcing industry compared to IT hubs in the Middle East or Asia.

## 8. Cultural Similarities

Outsourcing to the far reaches of Singapore or India can result in some misunderstandings that might require corrections, more expenses and more time. English skills and cultural similarities make Latin America a smart choice for outsourcing development.

## 9. Agile Framework

Mayar Brown partner Brad Peterson explains it best: "We see increasing numbers of clients deploying substantial negotiating teams working on an agile basis to close smart deals fast." Latin America is forecast to be the popular choice for Agile outsourcing.

## 10. Big Enterprises Are Loyal Clients

The Latin American region is the preference by numerous big tech companies like HP and IBM. Larger companies are 66% more likely to outsource than small businesses, with 60% of the outsourced work being related to the IT industry.

IS YOUR COMPANY INTERESTED  
IN SOFTWARE OUTSOURCING  
TO LATIN AMERICA?

At BairesDev, we are an experienced group of professionals that provide clients with dedicated teams of skilled developers, from all across Latin America, combining the best in software engineering, innovation, and design. Contact us, [info@bairesdev.com](mailto:info@bairesdev.com).