How Much Cheaper Is Outsourcing to Vietnam? Real Numbers for 2026

Outsourcing to Vietnam typically costs about 50% to 75% less than hiring the same skills in the US or Western Europe. One 2026 guide puts Vietnamese IT outsourcing at 60% to 70% below Western market rates; another puts direct hires at 50% to 70% below US cost. The exact savings depend on the role, seniority, and vendor margin.

The headline rates

Where	Typical software developer rate (US$ per hour)
United States (remote)	60–150
Poland	40–55
Vietnam	20–35

These are vendor-quoted outsourcing rates, which include the company's overhead and margin. Sources vary, and Vietnamese rates run higher for senior or niche skills: one vendor guide gives US$20 to US$40.

A worked example

Say you need a team of five developers for a year of full-time work (about 800 hours a month between them). This is an illustration using mid-range quoted rates, not a quote.

	Hourly rate	Monthly cost	Annual cost
US contractors	US$100	US$80,000	US$960,000
Vietnam vendor	US$25	US$20,000	US$240,000
Saving		**US$60,000 (75%)**	**US$720,000**

In practice, you will spend part of the savings on management, travel, and quality control, so the net savings will be lower than the headline gap. As an illustrative assumption (not a measured figure), budget for a net saving of roughly 40% to 60% and test it in a pilot.

Costs the hourly rate doesn't show.

Cheap hours are only cheap if they produce usable work. Budget for:

- **Management overhead.** Your own product owner or engineering manager will spend more time on specification and review at first.
- **Rework.** A cheap developer needing heavy rework can cost more than a pricier one who gets it right. Pilots help you measure this.
- **Wage inflation.** Regional minimum wages rose by 7.2% on average in January 2026, with a further 7.8% increase proposed for 2027. Skilled tech salaries rise faster.

- **Travel and set-up.** One or two visits a year, plus tooling and security licenses.
- **Time-zone friction.** Excellent for Asia-Pacific, workable for Europe, difficult for the US without a staggered shift.

Where the biggest savings are

- **Software development, QA and support:** the largest savings, with a deep talent pool.
- **BPO and back office:** industry estimates suggest 70% to 80% labor savings against US equivalents, before vendor margin.
- **Manufacturing:** Vietnam's minimum wage is about US$200 per month in the big cities, but the real advantage lies in the total landed cost, which includes materials, logistics, and tariffs.

How to lock in the savings

1. Ask for three quotes using the same brief.
2. Compare total cost of ownership, not the hourly rate.
3. Run a paid pilot to measure quality and rework.
4. Agree on rate review terms in writing so increases are predictable.

To compare vendors, browse **Outsource2Vietnam.com**, where you can contact companies directly and get quotes without a go-between.