India Has Begun Outsourcing Software Programming to Vietnam: What It Means for Buyers

Indian IT services companies, long the world's default offshore partners, have begun delivering work from Vietnam. The clearest case is HCLTech, which opened a delivery center in Hanoi and planned to hire more than 3,000 people there. The trend is real but still early and narrow, and it carries a practical lesson for buyers: you can often go directly to Vietnam.

What the evidence shows

- **HCLTech in Hanoi.** In December 2020, HCLTech said it had set up its first delivery centre in Vietnam and planned to hire more than 3,000 people over three years. It would serve clients in banking, healthcare, infrastructure, engineering and cybersecurity. Vietnamese press reported that HCL hoped to train and employ 10,000 to 20,000 engineers over the longer term.
- **First among peers.** When the move was announced, The Register noted that Infosys, TCS and Wipro had no presence in Vietnam.
- **A two-way street.** Vietnam's FPT Software opened an office in Hyderabad in 2020 and planned to build a global delivery centre there. FPT's own executives say Indian giants are pressuring its pricing by delivering from lower-tier Indian cities.

We did not find recent reporting on comparable Vietnam delivery centers from other large Indian firms, so the honest summary is: one major Indian group has made the move, and the practice is spreading from a small base.

Why Indian firms look at Vietnam

Reporting on the HCL move points to three drivers: access to a young digital workforce, a way to serve Asia-Pacific clients from within the region, and diversification of delivery locations as operating costs and geopolitical risks shift in the offshoring industry. Vietnam also has Japanese-language capacity, with a dense cluster of Japanese-market IT firms around Hoa Lac Hi-Tech Park in Hanoi.

What it means if you are a buyer

1. **Ask where the work happens.** Some vendors subcontract or move work between delivery centres. If part of your project is built in Vietnam through an Indian prime contractor, you may be paying for an extra layer.
2. **Consider going direct.** Vietnamese software companies sell their services to international buyers without an intermediary, often at US$20-US$35 per hour.
3. **Treat it as a vote of confidence.** When a global leader in offshoring sets up in Vietnam, it signals confidence in the talent pool.
4. **Don't assume India is out.** India's pool is far larger, and many buyers use both countries.

How to compare

Request quotes from one Indian and one Vietnamese vendor for the same scope. Ask each who will do the work, where, and with what seniority. Then run a paid pilot.

Finding Vietnamese vendors directly

Outsource2Vietnam.com lists more than 700 Vietnamese companies, including software firms, and links each to its own website, so you can speak to the people who will do the work.

Compare Vietnamese software vendors at **Outsource2Vietnam.com**.