

## CEE: A "Formidable" Competitor to Global Development Hot Spots

Written by Marco Attard  
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Ukraine, Poland, Belarus and Romania might represent a fraction of software development hot spots such as India or China, but together the four CEE countries exported \$13 billion in development services in 2018, the Software Development in Ukraine, Poland, Belarus and Romania report claims.



Published jointly by AVentures Capital, Aventis Capital and Capital Times, the report looks into over 700 companies operating across the four countries. It states the service and software R&D market in the CEE countries is growing 20-25% annually, 4-5x faster compared to the global average of 5%. The US and EU are main markets, while in total the four countries house over 560000 professionals and 200 universities producing over 60000 specialist graduates annually.

CEE also offers lower operating costs compared to other W. European countries, making it a hot spot of merger and acquisition (M&A) activity-- so much so the region saw over 70 M&A transactions between 2015 and 2018.

From the individual countries, 2017 software development exports are worth over \$3.6 billion in Ukraine, with growth attributed to a robust educational foundation bringing about top-notch engineers. Meanwhile Poland is an R&D hub for global countries operating in various industries, with software development account for 35% of the Polish ICT market. Belarus is a dynamic combination of R&D centres, product companies and investors, with 60.5% of IT professionals working in software development outsourcing services, and Romania has a rapidly growing software and services sectors, the result of foreign investment.

The report points out the changing global economic climate will only bring more growth in CEE-- increasing economic interdependence, the readiness of development countries to move jobs offshore, an ever-growing need for digital transformation and top class talent makes the region

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fertile ground for further investment from all over the world.

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