

FRANCE MARKET INSIGHTS — REPORT 2026

Build High-Quality Nearshore Engineering Teams in Portugal

A practical guide for French mid-market companies seeking specialised talent, stronger delivery capacity and better cost control.

🌐 nearshoreportugal.com



Executive Summary

ADD TECHNOLOGY CAPACITY WITHOUT GIVING UP CONTROL

A practical guide for French mid-market companies considering integrated technology teams in Portugal.

Nearshore Portugal, part of DevelopX, is an embedded engineering team partner that helps European companies overcome talent shortages by building and integrating high-performing teams in Portugal. It sources and screens senior professionals, manages employment, payroll and local HR and supports long-term retention while each client selects the people and directs their work within its own tools, processes and culture.

1.4m

ICT specialists in
France
Eurostat, 2025 [2]

59%

reported recruitment
difficulty
Insee, 2024 [3]

54%

difficulty among 50–249
staff firms
Insee, 2024 [3]

1 hour

working-day difference,
France & mainland
Portugal

“Nearshore Portugal” is referred to as NP in this document.



Inside This Paper

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Which model fits?	Team models · How integration works · High-value team needs
How will the relationship operate?	French environment · Mobilisation · Employment, HR and retention
How do we build the business case?	Business case beyond daily rates · Buyer checklist
What can we learn from practice?	Engagement patterns · FAQs · Sources

PART 01

Why Consider Nearshoring?

France's capacity challenge, what the nearshore team model actually means, whether it fits your organisation, and why Portugal specifically.

France's capacity challenge	005
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005

➤ A large workforce does not guarantee capacity in the right place or at the right time

The evidence supports a selective capability problem, not a claim that France has run out of technology professionals.

France employed about 1.4 million ICT specialists in 2025, the second-largest national total in the EU. France also has strong fibre coverage, a digitally skilled population and a vibrant AI ecosystem. Yet the European Commission reports that growth in ICT specialist numbers is sluggish and business adoption of advanced digital technologies remains below average. [1][2]

Insee found that 59% of companies which recruited or tried to recruit ICT specialists in 2024 experienced difficulty. The rate was 54% for companies with 50 to 249 employees and 65% for companies with 250 or more. A lack of applicants was the most frequently reported cause, followed by salary expectations and insufficient experience. [3]

Signal	What it means for a mid-market buyer
Large national talent base	Nearshoring must complement a realistic French hiring plan rather than replace it by default
59% recruitment difficulty	Role scarcity can remain material even when the wider labour market is cooler
Salary and experience pressure	Compare seniority and technical depth, not only the number of available CVs
Below-average digital adoption	Capacity must be connected to adoption, operating change and measurable business use
Strong AI ecosystem	Specialist demand can increase around data foundations, platforms, security and production AI

France Travail recorded 22.670 planned recruitments for senior IT and telecom study, research and development roles in 2025. Employers expected 61.6% to be difficult. Financial services expected 1.120 recruitments in this category, with 60.7% considered difficult. [4]

OUR JUDGEMENT

France does not need generic low-cost staffing. The credible case is targeted access to people who can join an accountable client team and support a roadmap that local recruitment alone may not cover in time.

The client gains employed professionals

The distinction protects product ownership and makes responsibilities easier to evaluate.

In Nearshore Portugal’s model, professionals based in Portugal join the client’s organisation. They use the client’s tools and processes, take direction from the client’s leaders and contribute to work owned by the client. The model can begin with one specialist or expand into a dedicated team, hub or future client-owned operation. [16][17]

Client retains	Nearshore Portugal manages	Shared activity
Product and business priorities	Recruitment and candidate sourcing	Role definition and team design
Daily work allocation	Portuguese employment contracts	Onboarding plan and team integration
Technical direction and standards	Payroll and local people administration	People feedback and continuity planning
Delivery commitments and outcomes	HR support and retention	Capacity changes and succession needs
Security and risk acceptance	Local employment compliance	Access readiness and role-specific controls

How this differs from common alternatives

Local recruitment: the client hires directly and assumes every employment and people responsibility.

ESN or consulting engagement: the provider may supply expertise for a project or period under a consulting structure.

Independent contractor: the buyer contracts an individual and carries more continuity and classification exposure.

Project outsourcing: the provider accepts responsibility for a defined output, delivery method or service result.

Nearshore team model: the people are employed and supported in Portugal while the client directs the work.

➤ Fit depends on the work, the time horizon and the client’s readiness to lead

A lower location cost does not compensate for unclear ownership or an unstable mission.

Nearshoring is strongest where the talent need will last, the work can be integrated into an existing operating rhythm and the client is ready to interview, onboard and manage the professionals. It is weaker where the request is only a list of technologies or where every decision remains trapped with one local expert.

Strong-fit signal	Why it helps
Durable capacity need	The team has time to acquire context and improve continuity
Clear client manager	Daily decisions and feedback do not depend on the provider
Defined role outcomes	Candidate quality can be assessed against real work
Shared tools and access	Professionals operate inside the client’s delivery system
Need for specific seniority	A second talent market can widen the search
Multi-year cost pressure	Location economics can compound across a stable team

➤ Portugal combines proximity, a broad education pipeline and a second EU technology labour market

The country is a credible base, but team quality still depends on assessment and client approval.

Mainland Portugal is one hour behind mainland France. EU clock changes are coordinated, which preserves a long shared working day. Both countries are EU Member States and use the euro. This reduces time-zone, currency and cross-border legal friction without removing the need for clear contracts and controls.

[14]

Portugal's higher-education base is central to the case. OECD data shows that 24% of bachelor's graduates complete a STEM field. The national admissions system lists computer engineering and related programmes across universities and polytechnics in Lisbon, Porto, Minho, Aveiro, Coimbra, the Algarve and other regions. [7][8]



Figure 1. Quality is established through education, role-specific assessment and client approval.

The EF English Proficiency Index 2025 placed Portugal sixth globally and in its very-high proficiency band. When French is needed for a specific team or stakeholder group, Nearshore Portugal can run a targeted search for French-speaking technology professionals. [9]

Portugal advantage	Buyer value
One-hour difference	Normal working-day collaboration
Higher-education pipeline	Access to engineering and computing graduates
EU context	A common regulatory baseline
English proficiency	A practical international working language
French-speaking search	Support for roles where French is material
Cost structure	Potential for lower fully loaded team cost

PART 02

Which Model Fits?

Team models compared, how an integrated nearshore team works day to day, and the high-value technology needs Nearshore Portugal can resource.

Team models	014
How integration works	017
High-value team needs	027

➤ Start with the degree of control and permanence you need

Team size matters, but ownership and the intended end state matter more.

Nearshore Portugal supports models from one specialist to a dedicated operation. In each model, the client should understand who employs the people, who directs the work, which costs are included and what may change later. [17]

Model	Use it when	Client retains	NP manages
Staff Augmentation	An existing team needs one or several specific profiles	Work allocation, technical direction and delivery	Sourcing, employment, payroll, HR and retention
Dedicated Team	A roadmap needs stable capacity across several roles	Priorities, daily management and delivery	Team design, recruitment and people operations
Direct Hire	The client is ready to employ people in Portugal	Employment and every long-term people responsibility	Market mapping, search and recruitment support
Build-Operate-Transfer	A client-owned Portugal operation is the intended end state	Strategy, investment, daily work and transfer decision	Build, employment operations and agreed transfer support
Nearshore Hub	Several teams need a scalable Portugal base	Portfolio, standards, governance and roadmap	Local recruitment engine, employment and people operations

How to select the model

One specialist need: use Staff Augmentation when the receiving team and manager already exist.

Several interdependent roles: use a Dedicated Team where continuity across a roadmap matters.

Permanent Portuguese presence: evaluate Direct Hire, Build-Operate-Transfer or a Nearshore Hub.

Uncertain first step: begin with a bounded team hypothesis and a clear route to expand the structure.

Build-Operate-Transfer in three phases

01 Build

Nearshore Portugal: Maps the market, recruits and employs the approved people. **Client:** Defines roles, interviews candidates and prepares leadership.

02 Operate

Nearshore Portugal: Runs payroll, HR and retention under the agreed model. **Client:** Directs the work, standards and organisation.

03 Transfer

Nearshore Portugal: Supports the agreed transfer of people and local operations. **Client:** Accepts employment ownership and the future operating model.

➤ Integration begins before the first candidate is presented

The strongest process connects role definition, technical assessment and people operations to the client's real environment.

The process starts with the work and the receiving organisation. A role title alone is not enough. Nearshore Portugal needs the technical context, seniority, management setup, employment assumptions and access constraints required to search and assess candidates well.

Stage	Nearshore Portugal	Client	Output
1. Discover	Tests the need and talent-market fit	Defines the business need and manager	Role or team brief
2. Search	Sources profiles across the Portuguese market	Protects interview time	Curated candidate group
3. Assess	Screens technical depth, seniority and communication	Runs role-specific interviews	Approved candidate decision
4. Employ	Manages contract, payroll and local HR setup	Confirms start, equipment and policies	Employment-ready professional
5. Integrate	Supports onboarding and people follow-up	Provides access, priorities and technical direction	Professional inside the client team
6. Retain	Manages HR, engagement and continuity	Provides work feedback and future capacity needs	Stable team and scaling plan

QUALITY HAS THREE GATES

Market gate: the role, seniority and compensation expectations must be realistic in Portugal.

Assessment gate: technical evidence must match the actual work rather than a generic technology checklist.

Client gate: the client interviews and approves every professional before the employment process is completed.

WHAT REMAINS TRUE AFTER LAUNCH

Client leadership: the client assigns work, sets standards and remains accountable for outcomes.

NP people operations: Nearshore Portugal manages employment contracts, payroll, HR and retention.

Shared continuity: both sides surface role changes, performance issues and succession needs early.

THE RESULT

An employed professional or team in Portugal working inside the client's organisation with a visible responsibility split.

PART 03

How Will The Relationship Operate?

Designing for the French operating environment, the mobilisation sequence from first conversation to stable team, and how employment, HR and retention are shared.

French environment	021
Mobilisation	032
Employment, HR and retention	018

➤ Good collaboration is designed through access, decisions and written working agreements

National stereotypes are a weak operating model. Explicit expectations are stronger.

French mid-market companies vary widely in hierarchy, documentation, engineering maturity and procurement practice. A distributed team should therefore work from the client's actual norms rather than a simplified idea of French business culture.

Portugal ranked sixth globally in the 2025 EF English Proficiency Index. When French communication is material to a role, Nearshore Portugal can search specifically for French-speaking professionals. The selected working pattern should then be reflected in interviews, onboarding and stakeholder access. [9]

Operating requirement	Practical design
Clear decision rights	Name who recommends, who must be consulted and who makes the final decision
Access to context	Connect professionals directly to product, architecture, security and business experts
Written traceability	Record material decisions, assumptions and open risks in the client's work system
Management availability	Protect time for feedback, prioritisation and dependency removal
Procurement alignment	Translate commercial commitments into realistic operational responsibilities
In-person connection	Plan purposeful workshops around onboarding, planning and relationship development

A lightweight operating cadence

Cadence	Purpose	Owner
Daily	Surface blockers, dependencies and immediate help	Client team lead
Weekly	Review work, quality, priorities and people signals	Client manager with NP support
Monthly	Review team health, continuity and capacity needs	Client sponsor and NP people lead
Quarterly	Review total cost, model fit and future scaling	Business sponsor, procurement and NP

Common integration mistakes

Translation through one manager: it slows decisions and prevents direct context transfer.

Separate backlogs: they create different priorities and weaker accountability.

Invisible team changes: they damage trust and create continuity risk.

Meeting-heavy collaboration: it can hide poor documentation and unresolved ownership.

WORKING PRINCIPLE

Treat the Portugal-based professionals as part of the client team while keeping employment and people responsibilities explicit.

➤ The cost-saving case is real only when the comparison includes the full capability

A lower daily or hourly rate can be useful, but it is not the same as a lower total cost.

Eurostat estimated average hourly labour cost across the whole economy at EUR 44.3 in France and EUR 19.4 in Portugal in 2025. France also had the EU's highest non-wage share of total labour cost at 32.3%. These values show a structural location gap. They are not technology salaries, Nearshore Portugal fees or a guaranteed saving. [10]



A structural location baseline, not a technology rate card or a guaranteed saving.

Figure 2. Economy-wide hourly labour cost in 2025. Source: Eurostat [10].

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Nearshoring can reduce cost through lower location-based employment expense, a shorter vacancy period, reduced local recruitment effort and consolidated HR administration. The value increases when a stable team avoids repeated hiring and preserves knowledge. The actual result depends on role seniority, scarcity, equipment, benefits, service fee, travel and the management effort retained by the client.

**Total capability cost = team fee or direct employment cost
+ recruitment + onboarding + internal leadership + tools + travel
+ transition and rework – vacancy delay avoided – repeated hiring avoided**

PART 04

How Do We Build The Business Case?

The cost-saving case beyond daily rates, the high-value roles worth resourcing first, and a buyer's checklist for evaluating a partner.

Business case beyond daily rates	024
Buyer checklist	037

➤ Manufacturing, scale-ups and fintech present different reasons to build capacity

Sector relevance should shape the role brief and controls, not become a generic sales claim.

France is not one technology market. Industrial companies, growth businesses and regulated financial firms face different constraints even when they seek similar technology profiles. Nearshore Portugal can search for any technology profile required by the client, but the brief must reflect the real operating environment.

Sector	Potential fit
Manufacturing	Industrial data and AI, enterprise integration, cloud platforms, infrastructure, cybersecurity, quality and support
Scale-ups	Product, platform, data, cloud, SRE, quality and security capacity where roadmap demand is growing quickly
Fintech	Platform, data, cloud, infrastructure, security, quality and support within the client's regulated operating model

PATTERN, NOT BOUNDARY

Manufacturing, scale-ups and fintech are recurring buyer patterns. They do not limit the sectors or technology profiles Nearshore Portugal can search.

What the French evidence changes in the role brief

MANUFACTURING JUDGEMENT

AI adoption among French manufacturing companies increased from 7% in 2024 to 17% in 2025. Across the surveyed economy, 53% of companies already using AI reported that a lack of expertise limited its use.

This supports a selective case for adding industrial data, integration, cloud, cybersecurity and quality capacity. It does not justify transferring plant safety, OT authority, equipment decisions or site-critical support to a remote team.

The strongest briefs separate remote-capable technology work from responsibilities that depend on physical presence, plant knowledge or operational authority. [19]

SCALE-UP JUDGEMENT

The 2026 French Tech Next40/120 cohort reported €11.3 billion in revenue for 2025, 31% average annual growth excluding DeepTech companies and 33.500 jobs in France.

Rapid growth can create genuine pressure across product, platform, data, cloud, SRE, security and quality functions. Nearshoring can widen the available talent search and help companies build capacity without relying exclusively on local recruitment.

FINTECH JUDGEMENT

The ACPR received nearly 200 major ICT incident notifications in 2025. Around 60% involved an IT service provider and 15% had a malicious origin.

DORA makes third-party oversight, change governance, incident evidence and resilience testing essential design inputs. A Portugal-based team can add platform, data, cloud, security and quality capacity, but the French regulated entity retains risk ownership, approval authority and supervisory accountability.

The common decision pattern

Start with the constraint. Identify the delayed roadmap, overloaded team, unavailable expertise or resilience need that the additional capacity must address.

Separate remote-capable work from local authority. Identify plant, customer, regulatory and security dependencies before beginning the talent search.

Test evidence, not sector labels. Assess candidates against the actual technical environment and confirm that a client manager has the capacity to lead them.

Keep responsibilities explicit. Nearshore Portugal recruits and employs the selected professionals in Portugal and manages contracts, payroll, HR and retention. The client owns product direction, technical decisions, day-to-day management and sector accountability.

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Nearshore Portugal can search across the technology organisation

The right first role is defined by the receiving team and the business need, not by a fixed catalogue.

Nearshore Portugal can search for any technology profile required by the client. The practical constraint is not a service catalogue. It is whether the Portuguese and international talent market can provide the required seniority, technical depth, communication and availability at an acceptable cost.

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Capability area	Illustrative profiles	Client leadership required
Software and product	Front-end, back-end, full-stack, mobile and architecture	Product priorities, architecture and release ownership
Cloud and platform	Cloud, DevOps, SRE and platform engineers	Platform roadmap, access and operational standards
Data and AI	Data engineering, analytics, machine learning and governance	Data ownership, use cases, quality and risk decisions
Cybersecurity	Application, cloud, identity and security operations	Risk priorities, policy and final acceptance
Infrastructure and support	Systems, network, workplace and support engineering	Service model, tools and escalation rules
Quality	QA, automation, performance and reliability	Quality standards, environments and release gates
Experience and product	UX, UI, research, product and project roles	Customer access, roadmap and outcome measures
Leadership and specialist	Engineering leads, architects and niche experts	Authority, organisational fit and scope

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➤ Mobilisation should create a stable employment and working relationship

Scale follows when the right people are selected, integrated and supported inside the client's organisation.

The journey begins with a role or team hypothesis. Nearshore Portugal tests the market, sources and assesses candidates and supports client interviews. After approval, we complete the employment, payroll and HR setup while the client prepares access, equipment, work and management attention.

DAYS 0–15

01**ALIGN**

Mission, roles and hiring brief

DAYS 16–30

02**SELECT**

Assessment, interviews and client approval

DAYS 31–60

03**INTEGRATE**

Employment, access and first work

DAYS 61–90

04**STABILISE**

Continuity, feedback and scaling plan

Figure 3. Recommended sequence. Actual timing depends on role scarcity, interviews, notice periods and client access readiness.

Phase	Nearshore Portugal	Client evidence
Days 0–15 · Align	Tests role, market, seniority and employment assumptions	Named manager, role outcomes, budget logic and interview plan
Days 16–30 · Select	Sources and assesses the first candidate group	Timely interviews, documented feedback and approval decision
Days 31–60 · Integrate	Completes employment setup and people onboarding	Equipment, access, priorities and first reviewed work
Days 61–90 · Stabilise	Runs HR follow-up, retention support and capacity review	Working cadence, quality feedback and scaling plan

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Scale and evolve

As role fit and integration strengthen, Nearshore Portugal helps the client expand capacity through structured sourcing, workforce planning and continuity support. The team can evolve by adding new skills, adjusting seniority or refining responsibilities as business needs change. With local recruitment expertise and flexible engagement models, Nearshore Portugal supports sustainable growth while the client retains control of priorities, engineering direction and team outcomes.

PART 05

What Can We Learn From Practice?

Engagement patterns from long-running client partnerships, answers to frequently asked questions, and the sources behind this paper.

Engagement patterns	036
FAQs	038
Sources	041

➤ Long-term teams show the value of continuity

These examples use our internal engagement records, reviewed in July 2026. The strongest evidence in a nearshore relationship is team continuity as business needs change. We can provide fuller context and reference availability during the sales process.

11 FTE

Global Blue

Infrastructure and support · BOT · 5+ years

5 FTE

Infinitas Learning

.NET and React · Dedicated Team · 6+ years

12 FTE

EnBW

.NET Core, Vue, React and Azure · 4+ years

10 FTE

müller x net

Multi-stack · Nearshore Hub · 6+ years

5 FTE

RB2

Microsoft Stack · B.O.T · 4 years

4 FTE

OTRS

Perl, Linux, Vue.JS · Dedicated Teams · 7+ years

Partnership	What the engagement demonstrates	What to explore with us
Global Blue	A multi-year infrastructure and support team using a BOT model	Team evolution, service scope, governance and transfer path
Infinitas Learning	A focused engineering team retained across a long roadmap	Team boundary, continuity and integration
EnBW	A larger multi-profile engineering team in the energy sector	Capability mix, technical leadership and security boundaries
müller x Net	A nearshore hub supporting several technologies	Hub structure, scaling model and knowledge retention
rb2	A build-operate-transfer model applied to e-commerce delivery at smaller team scale	Digital Agency & E-Commerce Development
OTRS	A long-tenured, compact team sustaining a specialized software product	Software Development

037

➤ A credible partner makes assumptions easy to inspect

Use the checklist before price becomes the only visible difference.

FIVE RED FLAGS

CV volume without role understanding: a large shortlist can hide weak assessment.

Unclear employer responsibilities: the proposal should state who manages contracts, payroll, HR and support.

Delivery claims from a talent partner: do not confuse employment support with client-owned technology delivery.

A saving promised before team design: cost depends on actual roles, fee and retained client effort.

Certifications as the main quality proof: quality still depends on candidate evidence and client controls.

THREE FINAL CHECKS

Check	Pass condition
Need	The business reason and required capability are clear
Ownership	Product, technical, employment and risk decisions have named owners
Evidence	Candidate quality and the operating model can be tested before scale

038

➤ Short answers to the questions French technology and procurement leaders ask most often

The final answer always depends on the role, market conditions and the client's operating environment.

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Is Nearshore Portugal a software development company?

No. We recruit and employ technology professionals and manage payroll, HR and retention. The client directs the work and owns delivery.

Is nearshoring the same as project outsourcing?

No. In this model the professionals join the client's organisation rather than accepting a provider-owned project outcome.

Can we begin with one specialist?

Yes. Staff Augmentation can address one defined need. The receiving client team and manager must already exist.

Which profiles can NP search for?

Any technology profile required by the client, subject to an honest market test for seniority, depth, availability and cost.

Do we choose the candidates?

Yes. Nearshore Portugal screens and interviews candidates and the client runs the final step to approve every professional.

Who employs the professionals?

Nearshore Portugal employs them in Portugal under the selected model and manages payroll and local HR.

040

Can NP find French-speaking engineers?

Yes. We can run a targeted search when French proficiency is material to the role.

How does Portugal support quality?

Portugal has a broad engineering and computing education pipeline. NP assessment and client approval remain essential.

Does nearshoring save money?

It can lower total employment and capacity cost. The actual saving depends on the team, fee, vacancy time and client-retained management.

Can the team become ours later?

Yes, through delivery models such as Direct Hire and Build-Operate-Transfer.

How do we begin?

Start with the capability need, role outcomes, client manager and budget logic.



Sources

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