Software Development

Market Research 2025

Now, for tomorrow

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Feed summary
Software Development

This studio covers **Software Development** sector and has been made by Baker Tilly. The goal od this study is to provide a general overview of the market.

All the data about companies, acquisitions and founding rounds was extracted **in May 2025**. Deals, rounds and companies founded after this date have not been included.

Scope and definition
General Overview

Software development refers to the process of:

- DESIGNING
- CODING
- TESTING
- DEPLOYING

applications and systems that support digital operations across industries. It is a foundational pillar of digital transformation, enabling organizations to automate workflows, enhance user experiences, and unlock new revenue models.

TOP COMPANIES

Gigster
Founded in 2013

Phoenix Technologies
Founded in 1979

Unicorn
Founded in 1990

Main subsegments:

Custom Software Development: This subsegment focuses on building tailored solutions that meet specific operational, regulatory, or strategic needs.

Low-Code/No-Code Platforms: These platforms allow technical and non-technical users to create applications using drag-and-drop interfaces and prebuilt logic.

Generative AI in software development refers to artificial intelligence systems-especially large language models and deep learning algorithms-that can automatically create code, documentation, tests, or even software designs in response to natural language prompts or requirements.

Size and growth
Present and future of Software Development

- Mordor Intelligence projects a compound annual **growth rate (CAGR) of 10.12%**, with a market value of **532.33 billion USD in 2025** and a forecast of **862.01 billion USD by 2030**.

- Business Research Insight estimates a **CAGR of 14.51%, with a market value of 435.99** billion USD in 2024 and a forecast of **1,475.9 billion USD by 2032**.

- Global Growth Insights reports a **CAGR of 11.74%**, with a market value of **258.57 billion USD** in 2024 and a forecast of **702.19 billion USD by 2033**.

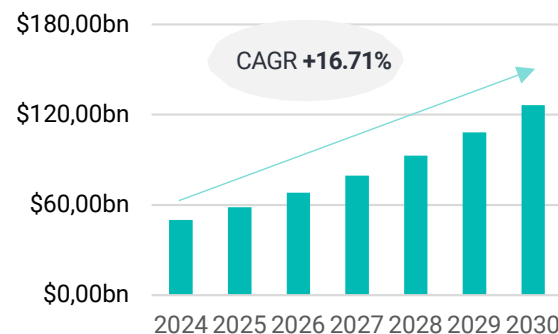| MARKET FORECAST			
Reports	CAGR	Market Value	Forecast
Mordor Intelligence	10.12%	532.33 billion USD (2025)	862.01 billion USD (2030)
Business Research Insight	14.51%	435.99 billion USD (2024)	1475.9 billion USD (2032)
Global Growth Insight	11.74%	258.57 billion USD (2024)	702.19 billion USD (2033)

Size and growth
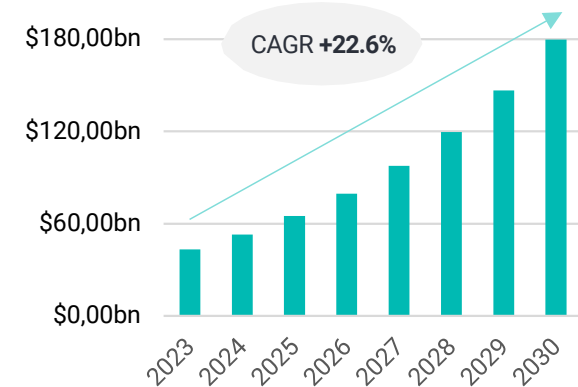# Present and future of Software Development

The main sub-segments are experiencing considerable growth due to the accelerated digital transformation in all sectors.

- Companies need to automate business processes and demand for technology solutions tailored to the specific needs of each company.

- Businesses are looking for software that integrates seamlessly with their systems, is scalable and allows them to respond quickly to market or regulatory changes.

- The adoption of technologies such as artificial intelligence, machine learning, cloud computing and advanced data analytics is driving the creation of more efficient and personalized tools.

Generative AI in Software Development Market Forecast

CAGR **+16.71%**

$180,00bn
$120,00bn
$60,00bn
$0,00bn

2024 2025 2026 2027 2028 2029 2030

Custom Software Development Market Forecast

CAGR **+22.6%**

$180,00bn
$120,00bn
$60,00bn
$0,00bn

2023 2024 2025 2026 2027 2028 2029 2030

Geography
Regional Analysis

SOFTWARE DEVELOPMENT REGIONAL MARKET FORECAST

Europe

The European software market is expanding, led by digital transformation, cloud adoption, and strong demand for secure, high-quality solutions.

North America

This remains the world's largest software development market, led by the United States. Major tech companies and early adoption of AI, cloud, and automation drive growth. Software and IT services spending dominates, with double-digit annual growth rates.

Middle East and Africa

Growth here is accelerating, driven by digital transformation in banking, government, and telecommunications, as well as investments in tech infrastructure and cybersecurity.

Asia

This is the fastest-growing region, thanks to rapid digital transformation, a thriving startup ecosystem, outsourcing, and investments in cloud and AI. Countries like India, China, and Japan are leading the expansion and driving demand for tech talent.

Latin America

While it represents a smaller share of the global market, Latin America shows steady growth due to business modernization, digitalization, and adoption of cloud and mobile solutions. Brazil and Mexico are the main regional drivers.

Geography
Software Development in Spain

The Spain Software Development Market size is forecasted to reach USD **16.31 billion by 2030, after growing at a CAGR of 9.8% during 2023-2030.**

According to Digital Economy and Society Index 2021, Spain ranks third in the EU in connectivity and seventh in digital public services, with levels well above the European average.

- Spanish start-ups secured **€1.9 bn in VC investment, according to data from Dealroom.** That is nearly **four times more than the first half of 2020 when €500 million was raised.**

- There are more than **26,909 apps from Spanish publishers out of the 2,937,948 apps on Google Play.**

- As the region receives a wave of venture funding and interest from tech companies, there is growing momentum to address the region's tech community's labor shortage by empowering workers to operate in Spanish.

Geography
Software Development in Spain

Government Initiatives

Spain is therefore the country that would receive most funds from the Recovery, Transformation and Resilience Plan (Next Generation EU).

Spain will receive up to €140 billion from the Recovery, Transformation, and Resilience Plan (Next Generation EU) between 2021 and 2026.

23.1% of the funds will be allocated to the digitalization of industry, SMEs, and tourism.

The goal is to increase e-commerce for SMEs to 25%, with current levels under 10%.

The Digital Toolkit Program will invest €3 billion between 2021 and 2023 to support basic digitalizarion for SMEs.