

Economic Impact of Cloud Adoption in Six Latin American Countries

Economic Impact of Cloud Adoption in Argentina



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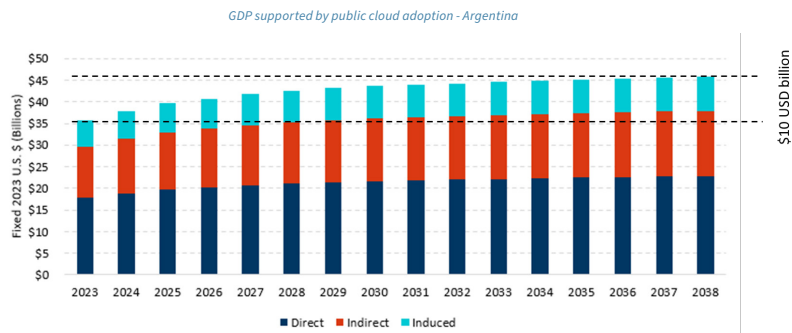
FTI Consulting was commissioned by AWS to estimate the economic impact of public cloud adoption in six Latin American countries, including Argentina. The development of cloud computing in Argentina benefits from the country's strong services sector – which represents 68.5% of its GDP – and from its high human capital attainment.

The adoption of public cloud computing already has economy-wide impacts in Argentina. We estimate that in 2023 it supports:



FTI found that, from 2023-2038:

Cloud adoption in Argentina is estimated to support, on average, **\$42.8 billion USD in additional GDP** each year, from 2023-2038. For context, total **baseline 2021 GDP in Argentina was \$440 billion**.



- Firm productivity impacts from public cloud adoption will support an average of **\$15.5 billion USD in labor income each year**.
- Additional activity throughout the economy, enabled by the cloud, is estimated to support, on average, an **\$12.6 billion USD in Argentine fiscal impact annually**.
- On average, **266 thousand metric tons of CO2e emissions will be avoided every year**, due to the efficiency of public cloud. This is equivalent to the carbon sequestered by nearly 4.4 million tree seedlings grown over 10 years.

Estimate based on the US EPA Greenhouse Gas Equivalencies Calculator.

On average, an estimated **1.2 million jobs** will be supported during the period analyzed. Jobs supported will rise from 966 thousand in 2023 to 1.2 million in 2038, an increase of 29%.

The MIT Technology Review Insights' Global Cloud Ecosystem Index 2022 analyzes 76 nations and territories. It is structured around four sets of variables: infrastructure, ecosystem adoption, security and assurance (which covers the maturity of the regulatory environment), and talent and human affinity. Argentina tied for the **highest score among the countries covered by this report in digital adoption in government and business, ranking 11th overall**. Its main area of opportunity is **in regulatory quality, where it ranks 65th overall**.

Selected case studies show benefits that companies and institutions across Argentina have achieved by implementing cloud services:

- The Municipality of Córdoba **reduced the cost of maintaining their online tax database by 90%** when compared to mainframe architecture.
- Banco Santander used cloud services to coordinate its financial operations, store its databases, and **connect more than 10,000 employees**.

¹ OECD. n.d. 2021 Input-Output Tables. https://stats.oecd.org/Index.aspx?DataSetCode=IOTS_2021

² Compared to a counterfactual scenario without the use of public cloud.

³ <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

⁴ MIT Index <https://www.technologyreview.com/2022/04/25/1051115/global-cloud-ecosystem-index-2022/>

⁵ https://aws.amazon.com/es/solutions/case-studies/cordoba/?did=cr_card

⁶ https://aws.amazon.com/es/solutions/case-studies/santander-argentina/?did=cr_card&trk=cr_card