

Economic Impact of Cloud Adoption in Six Latin American Countries

Economic Impact of Cloud Adoption in Chile



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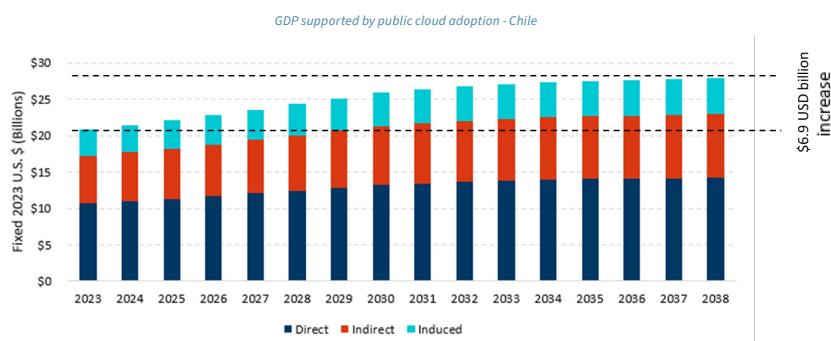
FTI Consulting was commissioned by AWS to estimate the economic impact of public cloud adoption in six Latin American countries, including Chile. Chile has a strong services sector, with “Professional, scientific, and technical activities” constituting 7.0% of national GDP, and its leading mining industry plays a crucial role in its economic growth. The productivity of cloud adoption has the potential to benefit these core sectors, while also driving growth in other areas.

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



FTI found that, from 2023-2038:

Cloud adoption in Chile is estimated to support, on average, **\$25.3 billion USD in additional GDP** each year from 2023-2038. For context, total **baseline 2021 GDP in Chile was \$272 billion USD.**



- Firm productivity impacts from public cloud adoption will support an average of **\$9.3 billion USD in labor income each year.**
 - Additional activity throughout the economy, enabled by the cloud, is estimated to support, on average, an additional **\$5.2 billion USD in Chilean fiscal impact annually.**
 - On average, **95 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 1.5 million tree seedlings grown over 10 years.
- Estimate based on the US EPA Greenhouse Gas Equivalencies Calculator.

An estimated **851,000 jobs** will be supported, on average, by public cloud adoption in the period covered by this report.

Jobs supported will rise from 696 thousand in 2023 to 943 thousand in 2038, an increase of 35%.

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. While **Chile scored the highest** among the countries covered by this report in **regulatory quality, it ranked 26th overall. A main challenge is to enhance the Software as a service (SaaS)** subsector, which as a share of its GDP ranked only 32nd overall.

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

- Fivana, a digital factoring company for micro, small and medium-sized firms, migrated to cloud services and was able to **serve more than 6,000 clients**, reducing time spent on evaluating applications and return financing offers.
- By implementing cloud technology, Chile's Instituto de Previsión Social (IPS) **increased users served by 900%.**

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/fivana/?did=cr_card&trk=cr_card

⁶ <https://aws.amazon.com/solutions/case-studies/ips-chile-case-study/>