

Economic Impact of Cloud Adoption in Six Latin American Countries

Economic Impact of Cloud Adoption in Mexico



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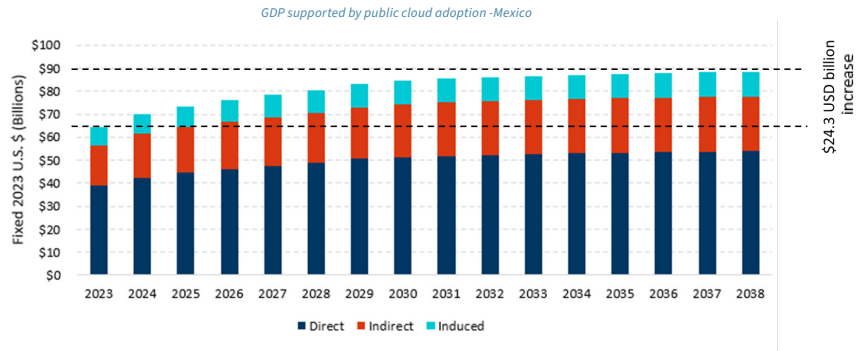
FTI Consulting was commissioned by AWS to estimate the economic impact of public cloud adoption in six Latin American countries, including Mexico. Mexico is the second largest economy in Latin America, with broad a manufacturing base and services sector. The productivity of cloud adoption has the potential to benefit these core sectors, while also driving growth in other areas.

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



FTI found that, from 2023-2038:

Cloud adoption in Mexico is estimated to support, on average, **\$81.7 billion USD in additional GDP** each year, from 2023-2038. For context, total **baseline 2021 GDP in Mexico was \$1,153 billion USD.**



- Firm productivity impacts from public cloud adoption will support an average of \$20.9 billion USD in labor income each year.
- Additional activity throughout the economy, enabled by the cloud, is estimated to support, on average, an additional \$13.6 billion USD in Mexican fiscal impact annually.
- On average, 158 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 2.6 million tree seedlings grown over 10 years.

An estimated 3 million jobs will be supported, on average, during the period analyzed.

Jobs supported will rise from 2.27 million in 2023 to 3.24 million in 2038, an increase of 42%.

Estimate based on the US EPA Greenhouse Gas Equivalencies Calculator.

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. The Index reveals that, while **Mexico scored the highest** among the countries in this report in **commitments made in cybersecurity and data protection**, its **overall regulatory quality ranked only 49th overall**. Also significant is that its **data server colocation relative to total population ranked 60th overall**.

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

- Rotoplas is a leading Mexican producer of drinking water tanks. After moving to the cloud, the company realized a **reduction of 4.5 metric tons of CO2e** over the course of one year by shutting down their data center.
- Cloud services implemented at virtual new-hire evaluation program for the National Autonomous University of Mexico (UNAM) allowed the university to **serve 150,000 applicants simultaneously**.

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/rotoplas/>

⁶ <https://aws.amazon.com/es/solutions/case-studies/unam/>