COMMISIONED BY aws

FTI CONSULTING

Economic Impact of Cloud Adoption in Peru

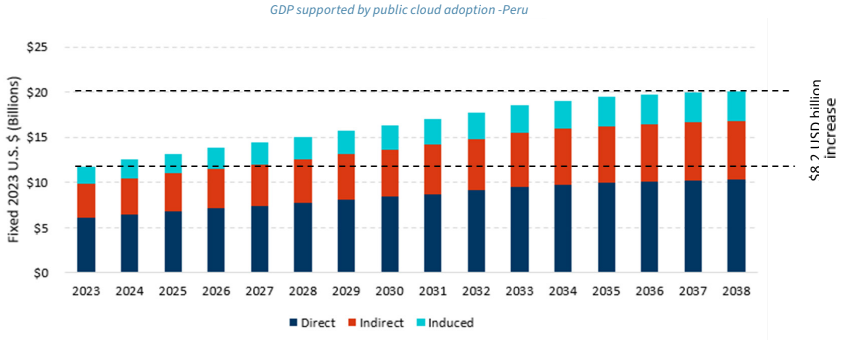
FTI Consulting was commissioned by AWS to estimate the economic impact of public cloud adoption in six Latin American countries, including Peru. Peru's thriving manufacturing industry, with strong production of textiles and chemicals, contributes 15.3% to the nation's GDP. Peru is also a leader in mining, as the second-largest producer of copper in the world. The impact on 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 Peru. We estimate that in 2023 it supports:

995 thousand jobs	$21.1 billion USD in economic output	$1.9 billion USD in fiscal revenue	$11.8 billion USD in GDP	$3.6 billion USD in labor income

FTI found that, from 2023-2038:

Cloud adoption in Peru is estimated to support, on average, **$16.5 billion USD in additional GDP** each year from 2023-2038. For context, total **baseline 2021 GDP in Peru was $203 billion USD.**



- Firm productivity impacts from public cloud adoption will support an average of **$4.9 billion USD in labor income each year.**

- Additional activity throughout the economy, enabled by the cloud, is estimated to support, on average, an additional **$2.7 billion USD in Peruvian fiscal impact annually.**

- On average, **38 thousand metric tons of CO2e emissions will be avoided every year** due to the efficiency of public cloud. This is equivalent to the carbon sequestrated by nearly 620,000 tree seedlings grown over 10 years.

Estimate based on the US EPA Greenhouse Gas Equivalencies Calculator.

An estimated **1.4 million jobs** supported, on average, by public cloud adoption in the period covered by this report.

Jobs supported will rise from 995 thousand in 2023 to 1.7 million in 2038, an increase of 75%.

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. **Peru's Software as a service (SaaS)** subsector's share of GDP ranked highest among the countries covered by the study, and 9th overall. **However,** it lags in **digital adoption** in government and business, ranking 69th overall.

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

- By shifting to the cloud, INAIGEM, a government agency responsible for monitoring glacial events, achieved **savings of 80% on items that are no longer needed.**

- Grupo AJE, a manufacturer, distributer, and seller of beverages, **reduced its analytical model execution time by 10% while lowering its infrastructure costs by 30%,** by utilizing cloud technology.

[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/partners/success/inaigem-itera/