UNLOCKING CHILE'S AI POTENTIAL 2025

AI adoption in Chile is growing rapidly

Businesses across Chile are accelerating their use of artificial intelligence (AI) at an unprecedented pace. Around 171,000 businesses in Chile adopted AI[1] last year—or one every five minutes. Now, the number of firms that have adopted AI is **35%**, up from **26%** a year ago, representing a year-on-year growth rate of **35%**. This brings the total number of firms using AI in Chile to over 665,000 businesses.

These businesses are seeing AI's impact: **89%** of businesses that have adopted AI report increased revenue. Of those businesses that reported increased revenue, on average, revenue grew by **12%**, thanks to the adoption of AI. **94%** of those who have adopted AI have already experienced productivity gains, which are enabling businesses to focus more on improving customer service and customer relationships (**70%**), employee training and developing new products or services (**67%**).

Even further, businesses are anticipating growing returns thanks to AI adoption:

88% of those who have adopted AI say that the technology is likely to increase their growth in the next year

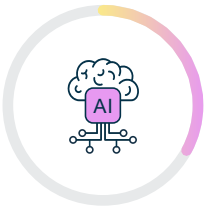
85% also expect cost savings during this period.

The economic potential of AI adoption extends beyond individual businesses, representing a transformative opportunity for Chile and the wider Latin American region. Recent research by the Telecom Advisory Service, on behalf of AWS, found that cloud and AI added over $1.52 billion to Chile's GDP in 2023. The research also found that cloud is set to add $707 billion to Latin America's GDP by 2030, with nearly $19.3 billion alone coming from cloud-enabled AI.

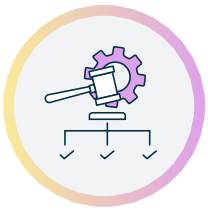
The Chilean government has recognised the significant opportunity of the digital transition, led by AI. The government has boosted efforts in its commitment to a digital future, as outlined in its national digital transformation strategy, Chile Digital 2035, which sets out a roadmap and ambitious targets for digital transformation across citizens and businesses. This strategy prioritises digital connectivity, innovation, the development of digital skills, and the responsible use of emerging technologies. The Chilean government additionally recognised from an early point the opportunity presented by AI, setting out a guiding AI National Policy, outlining a plan to promote sustainable AI development and usage. The plan has instigated the creation of the National Center for Artificial Intelligence (CENIA), the focus on AI of PhD scholarships (ANID), the implementation of 5G networks, the first PhD in AI in Chile and Latin America, and the implementation of the Ethical Algorithms Project, among other measures.

As a result, the nation is emerging as a digital leader. In 2024, the Latin American Artificial Intelligence Index (ILIA), measuring each nation's level of preparation in relation to artificial intelligence, gave Chile the top spot, commending its orientation of national focus around AI adoption.

Now, the Chilean government is on the precipice of an AI Bill that could further define Chile's innovation trajectory. However, the direction and clarity of this legislation are crucial:



Less than a third of businesses (**32%**) say they understand the regulatory discussions underway.



Businesses must be supported with a pro-growth and pro-innovation regulatory landscape that fills them with the confidence to invest in AI adoption and their digital transition.

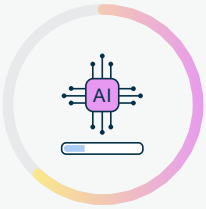
To fully realise the transformative power of AI, Chilean businesses must be enabled to go further, moving beyond entry-level use and building the conditions for deep, strategic integration across industries. That means investing in a skilled workforce, delivering clear, innovation-friendly regulation, and leading through public sector adoption. Chile has the talent, infrastructure, and ambition to lead in the AI era. Now is the time to turn progress into sustained leadership.

Key findings from this study

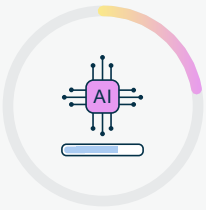
- **35%** of businesses in Chile have adopted AI, up from **26%** a year ago, representing a year-on-year growth rate of **35%.**
- Now, over 665,000 businesses in Chile are using AI.
- **89%** of businesses report increased revenue thanks to AI adoption, and of these, on average, revenue grew by **12%**. A further **88%** expect their growth to increase in the next year due to AI.
- Of businesses in Chile that have adopted AI, only **13%** have progressed to the most advanced uses of the technology.
- It is startups that are leading the way with AI innovation, where **41%** have progressed to advanced AI use, and **35%** are launching new AI driven products.
- However, businesses are facing barriers preventing their AI adoption or expansion. For example, **48%** of Chilean businesses identify the skills gap as a key barrier. Compliance cost is also limiting; **73%** of businesses expect compliance costs to rise in the next three years.

Many Chilean businesses remain focused on basic uses of AI

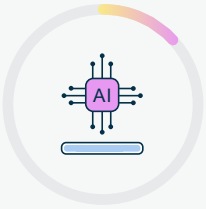
While just over a third of businesses have adopted AI in Chile, celebrating adoption figures alone risks masking an underlying trend. Looking deeper into how businesses are implementing AI—from initial experimentation to full transformation—we see most Chilean organisations remain at basic levels of AI adoption.



62% of Chile businesses remain focused primarily on more basic uses of AI and on incremental gains (e.g., driving efficiencies and streamlining processes), rather than innovation (e.g., developing new products or disrupting industries). These businesses are using publicly available chatbots for routine tasks such as scheduling assistants and purchasing ready-made AI solutions.



22% have advanced to the intermediate stage of AI adoption. These companies are moving beyond isolated applications and integrating AI across various business functions, resulting in efficiency improvements and more innovative approaches to customer experience.



Only **13%** of Chilean businesses have reached the most transformative stage of AI integration, where they are using AI for its most advanced purposes. These organisations are combining multiple AI tools or models for complex tasks, and creating custom AI systems, which is transforming their operations comprehensively.

This breakdown reveals a clear gap between initial AI adoption and transformative uses. While many Chilean businesses have taken the first steps, the majority have yet to unlock AI's full potential. Closing this gap will be essential to driving innovation, boosting competitiveness, and realising the broader benefits of advanced AI integration.

Chilean startups are emerging as leaders in AI innovation

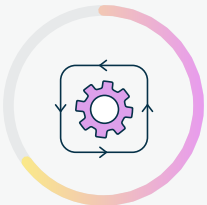
Startups[2] are not just using AI—they're building entirely new products and business models around it that would have been impossible just years ago. **52%** of startups say they are leveraging AI in some way throughout their business.

- **26%** of startups have AI at the core of their business proposition and operations, and **41%** are leveraging AI for its most advanced uses. This is in comparison to the **13%** of all businesses across Chile who have reached AI's most sophisticated uses.
- Furthermore, **35%** of startups are developing new AI-driven products and services.
- **42%** of startups employ AI-specific talent, indicating a strong commitment to building and nurturing in-house AI expertise, ensuring businesses can develop, deploy, and refine AI-driven strategies.
- As a result of their AI use, **95%** of startups are seeing productivity gains.
- Chile's startups report that their ability to scale is enabled through more accessible venture capital and funding options (**45%**), and better access to skilled talent through training programmes (**41%**).

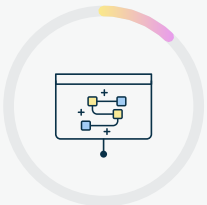
Over two-thirds (**69%**) of businesses and over three-quarters (**76%**) of startups believe AI will transform their industry in the next five years, making Chile's fast-moving startups key to innovation and competitiveness on the continent.

Large enterprises are using AI at the surface level

However, celebrating adoption numbers alone masks a deeper challenge among large businesses[3] who are not yet harnessing the most advanced uses of AI.



While many large businesses have adopted AI technologies, for **65%**, their AI adoption remains at basic levels, where they are focused on incremental gains, such as driving efficiencies and streamlining processes.



Only **12%** have a comprehensive AI strategy, a roadmap that outlines how an organisation will leverage AI. **11%** are delivering a new AI-driven product or service by harnessing AI's deeper potential, less than a third of the proportion of startups (**35%**).

If not addressed, this 'two-tier' AI economy—with tech-driven startups outpacing larger, established enterprises in AI innovation—will shape Chile's economic future for decades.

Case Study: LATAM Airlines: revolutionising air travel in Latin America through AWS-powered AI

LATAM Airlines, Latin America's leading airline group, is leveraging artificial intelligence with AWS as a cornerstone of its recovery strategy across Chile and the broader region. While the airline has utilized AI capabilities for 6-8 years, its strategic adoption of generative AI since 2022 has fundamentally transformed customer interactions, with the ambitious goal of reducing customer service inquiries by an unprecedented **70%.**

The results are already impressive, with AI-powered virtual assistants deployed in Chile, Brazil, Peru, Colombia, Canada, Ecuador, USA, Australia, and New Zealand achieving a **33%** reduction in call center demand. This digital transformation extends far beyond customer service into the operational core of the airline: AI systems optimise fuel consumption to reduce carbon emissions, predict aircraft maintenance needs, enhance fleet utilisation, minimize in-flight food waste, and power employee training programs—all supported by a private large language model that prioritizes data security.

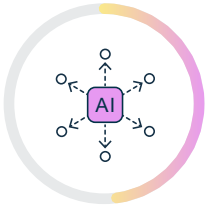
This technological transformation comes at a pivotal moment, as LATAM projects carrying over 80 million passengers this year. By implementing these AI solutions on AWS infrastructure, the airline has positioned itself at the forefront of innovation in the regional aviation industry, balancing operational efficiency with enhanced customer experiences across multiple countries and languages.

Key barriers are preventing Chilean businesses from fully leveraging AI

The research shows that several key barriers continue to hold back Chilean businesses of all sizes and sectors from adopting AI. If left unaddressed, these obstacles risk slowing Chile's progress.

Skills:

Businesses across Chile identify that the skills gap is a crucial challenge to their AI adoption. A lack of digital skills was the highest reported barrier, with:



48% of businesses saying it prevents them from adopting or expanding their AI use.

AI literacy is expected to be important for **45%** of businesses when hiring in the future.

Only **21%** of businesses feel prepared with their current skillset.

Citizens say that they currently lack the most confidence in their understanding of basic concepts of programming or coding, and their ability to use online learning resources for professional development. Citizens currently say that the most important skills for their job are finding and evaluating online information, managing and storing digital files and data, and protecting devices and personal data online. These skills are crucial for the successful implementation and integration of AI. Approximately **21%** of employees have participated in digital training or upskilling in the past year.

Compliance:

Chilean businesses are facing increasing compliance costs, estimating that $19 out of every $100 they spend on tech goes towards compliance-related costs. tech goes towards compliance-related costs.

While this is currently nearly half of the EU average of $40 for every $100, **73%** of Chilean businesses expect these compliance costs to increase further in the next three years due to new regulation coming into force, such as Data Protection and Cybersecurity.

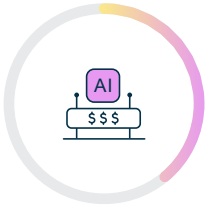
Regulatory uncertainty:

For a startup founder, navigating AI regulations can feel like solving a puzzle where the pieces keep changing. Across the world, businesses are facing growing regulatory uncertainty as new rules are considered for emerging technologies like AI. This research shows a clear trend—when regulation is unclear, incomplete, or shifting, it creates a difficult environment for businesses to plan and invest confidently in AI.

Currently, fewer than a third (**32%**) of Chilean businesses say that they are familiar with the ongoing debates related to the AI Bill. As these debates are ongoing, businesses need certainty to plan and invest in AI. When considering the positive impact regulation might have on their business, businesses' primary hope was that new AI regulation would provide a stable regulatory framework (**34%**).

Similarly, when businesses were asked about their concerns about new AI regulation, they were most worried that the implementation of new regulation may introduce a lack of legal certainty around AI use and deployment (**30%**), followed by an increase in compliance costs (**27%**). This demonstrates the critical importance of regulatory certainty to businesses as they consider how they can leverage AI in their business.

Perceived costs:



39% of Chilean businesses cite perceived upfront costs as a key barrier to AI adoption.

Yet **89%** of Chilean businesses have seen a significant increase in revenue from AI, with an average **12%** revenue growth attributed to AI.

The impact of these barriers can act as a handbrake on the speed of digital transformation and innovation across Chile.

Case Study: CENIA and Data Observatory: Pioneers of the First Truly Latin American AI Model with AWS

In a groundbreaking initiative celebrating the rich diversity of Latin American culture and language, CENIA (National Center for Artificial Intelligence) and Data Observatory have partnered with AWS to create LatamGPT, the region's first large-scale, locally built language model. This revolutionary 70-billion-parameter model marks a historic milestone for Latin American users, placing their perspectives and contexts at the core of its training.

LatamGPT is more than just another language model—it's a digital representation of Latin American identity. Trained on region-specific data, the model recognises local cultural references and processes information from a distinctly Latin American point of view.

From understanding local idioms and slang to framing historical events through a regional lens, LatamGPT represents a major step toward technological self-determination. The project follows a strategic scaling approach centered on AWS infrastructure, ensuring that when LatamGPT launches in December 2025, it will deliver an AI solution that authentically reflects the voices of more than 660 million Latin Americans.

Once released through Hugging Face and the AWS Bedrock Marketplace, this technological milestone will be accessible across the region, empowering businesses, governments, and developers with an AI that truly speaks their language.

Unlock the full potential of AI through four crucial actions

Chile has the right tools and ambition to lead in AI. AWS urges policymakers and industry leaders to take action to unlock AI's full potential across start-ups, larger enterprises, and governments:

1. Establish a pro-innovation and pro-growth regulatory environment:

As Chile moves forward with new AI regulation, it must prioritise clear and stable rules which allow businesses to plan, invest, and innovate with confidence. A regulatory environment that fosters innovation and provides certainty will be key to enabling AI adoption across all sectors. Without it, the current uncertainty risks delaying investment, stalling innovation, and slowing Chile's progress toward becoming a regional and global AI leader.

Businesses in Chile currently spend **19%** of their tech spend on compliance, even before regulation in Chile is introduced.

73% of businesses expected a further rise to these costs with the introduction of new regulation. These compliance costs act as a barrier to increased AI adoption, which risks missing out on key opportunities for growth and innovation throughout Chile. Aligning on common international standards and legal definitions with international partners can help drive compliance costs down at a global level, not only in Chile, and create a stable environment that supports AI adoption.

Therefore, if legislative action moves forward, the government should consider the following amendments to the current bill, in order to maintain momentum around AI adoption and innovation, particularly among smaller businesses that comprise a significant portion of Chile's AI market growth:

- Introduce safe harbor provisions for cloud infrastructure providers
- Implement a risk-based approach that streamlines compliance requirements for lower-risk AI applications
- Expand regulatory sandbox provisions to foster innovation
- Clarify how companies can use data to support model development and drive AI growth
- Include reasonable transition periods for compliance implementation

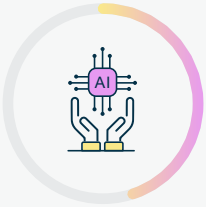
These adjustments will ensure that any new regulation will create a flexible but certain environment, which supports AI investment without creating barriers to training and developing AI models in Chile. Ultimately, this will foster the pro-growth and pro-innovation environment under which Chile's businesses can thrive with AI.

2. Promote and incentivise AI adoption:

To accelerate AI uptake across all sectors, Chile should introduce targeted measures that lower the cost and risk of experimentation. This includes establishing regulatory sandboxes to allow safe and flexible testing of AI applications and creating AI-focused innovation grants for startups to support research, development, and deployment. By encouraging businesses to explore and pilot AI tools, Chile can foster a broader culture of innovation and digital experimentation. These early AI adopters, supported by a predictable regulatory environment, can then transition from short-term experimenters to long-term AI users, embedding the technology into their operations, products, and services. Over time, this strategy will help build a stronger, more resilient AI ecosystem, contribute to productivity, and ensure that the benefits of AI adoption are widely distributed across industries and regions.

3. Accelerate private sector digital adoption through boosted skills efforts:

The digital skills gap is a crucial barrier to widespread, transformative AI adoption, yet can be closed through building and boosting industry-specific digital skills programs.



Overall, **45%** see that AI skills will be crucial.

Yet only **21%** feel prepared with the current level of skills in their workforce. This mismatch highlights the need for targeted upskilling initiatives, including partnerships between government, industry, and educational institutions. Closing this gap is key to unlocking Chile's next wave of innovation, productivity, and growth.

4. Increase public sector adoption of AI:

The public sector can act as a catalyst for AI adoption and should prioritise digital transformation in healthcare and education, use public procurement to drive innovation, and create test-beds and cross-border exploratory projects using AI to deliver new services. **67%** of startups say that increased public sector adoption of new technologies is crucial to their ability to scale.

Conclusion

Chile is experiencing a rapid and promising wave of AI adoption, with tangible benefits already being felt across productivity, revenue growth, and innovation. However, while startups are pushing the boundaries of what's possible with advanced AI, the majority of businesses remain at early stages of adoption, focused more on surface-level uses and efficiency gains rather than operational transformation and AI-driven innovation. To unlock AI's full economic and societal potential, Chile must now address key barriers: bridging the digital skills gap, mitigating increasing compliance costs, and providing regulatory clarity, while supporting innovation and AI adoption across businesses of all sizes. With the right strategic focus, particularly as an AI Bill approaches, Chile can become a global AI leader.

Appendix

Methodology

The fieldwork for this study was undertaken by Strand Partners' research team for Amazon Web Services. This research has followed the guidance set forth by the UK Market Research Society and ESOMAR. For the purposes of this study, business leaders are defined as founders, CEOs, or members of the C-suite in organisations.

'Citizens' are nationally representative members of the public based on the latest available census.

For inquiries regarding our methodology, please direct your questions to: polling@strandpartners.com.

In Chile:

- We surveyed 1,000 members of the Chilean public, ensuring representation based on age and gender.
- Additionally, we surveyed 1,000 businesses, representative by their business size and sector.

Sampling:

Our sampling process used a mix of online panels that are recognised for their validity and reliability. These panels are carefully curated to ensure diverse representation across various demographics. For the business leaders, the panels are selected with a consideration for organisational size, sector, and position within the company. Our objective with the sampling strategy is to achieve an optimal mix that mirrors the actual distribution of our target populations in the respective markets.

Weighting Techniques:

Post-data collection, we applied iterative proportional weight to correct any discrepancies or over-representations in the sample.

Survey:

This study was designed with the objective of delving deep into the digital landscape:

- Usage Patterns: This survey gauges the evolving patterns of digital technology usage. We are particularly interested in examining the adoption and implementation levels of technologies, focusing on cloud computing and artificial intelligence.
- Perceptions and Attitudes: The survey seeks to unearth the prevailing perceptions and attitudes toward digital technologies, understanding the perceived benefits, challenges, and potential ramifications of both present and emerging tech solutions.
- Barriers and Opportunities: The survey scrutinises the predicted challenges and potential avenues that both businesses and individuals anticipate on their digital trajectory. This involves pinpointing challenges, from skill deficits to regulatory complications, and recognising opportunities for growth, innovation, and market development.
- 'Size of the Prize': The survey shed light on the economic repercussions and growth prospects linked with digital transformation. By elucidating the 'size of the prize', we aspire to stress the importance of digital transformation and foster further investments and technology adoption.

References

1. "Adopted AI" or "consistently use AI": a business that consistently uses at least one AI tool. This would not include businesses that experimented with AI once or twice, or ran a temporary pilot programme, for instance.
2. A startup is a business founded in the last 2 years which provides a new product/service or innovation and is aiming for rapid growth in terms of employees and turnover.
3. A large enterprise is a business with 500 or more employees, founded 10 years ago or more.