# UNLOCKING BRAZIL'S AI POTENTIAL 2025

## Introduction

Across Brazil, the AI revolution is taking hold, and AI adoption[1] is accelerating rapidly. In the past year alone, 2 million businesses[2] in Brazil began using AI, equivalent to an average of over three a minute in the last year. This brings the total percentage of AI-adopting firms to **40%**, up from **31%** a year ago, representing a growth rate of **29%**. Today, four-in-ten businesses in Brazil — or more than 9 million businesses — have adopted AI.

Businesses that have adopted AI are realising significant benefits: **95%** of businesses that have adopted AI report increased revenue as a result, with an average increase of **31%**. Meanwhile, **96%** say they have already seen significant productivity improvements.

**These AI gains are enabling businesses to redirect their focus toward enhancing:**

Customer service and relationships (**66%**)

Investing in employee training (**59%**)

Developing new products and services (**56%**)

Looking ahead, businesses are optimistic: **89%** of those who have adopted AI say the technology is likely to increase their growth in the next year, and **85%** also expect cost savings thanks to AI.

Recognising this potential, the Brazilian government has taken important steps to drive momentum behind digitisation, such as the 2018 Digital Transformation Strategy and, more recently, the Brazilian Plan for Artificial Intelligence (PBIA). The PBIA, whose final version was published in June 2025, guides the ethical, safe, and sustainable development of AI in Brazil and outlines investments of up to R$23 billion over four years. The guidelines range from encouraging research and talent training to the application of AI in the public sector, aimed at improving essential services.

In parallel, the Brazilian National Congress is debating an AI Act (bill 2338/2023) that could further define Brazil's digital future. The proposed AI Act will mirror aspects of the EU AI Act and would make Brazil one of the first Latin American nations to introduce comprehensive AI regulation.

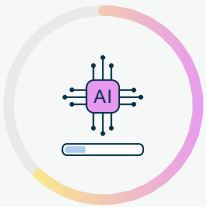
Brazilian businesses must be empowered by a pro-growth and pro-innovation regulatory landscape that gives them the confidence to invest in AI adoption and their digital transition. Through this, Brazil can continue to create a more conducive environment for digital transformation, helping businesses across the country harness the full potential of AI to enhance productivity, innovation, and long-term competitiveness.

## Key findings from this study:

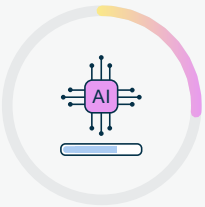
- 9 million businesses in Brazil are now using AI – equivalent to **40%** across the country. These businesses are now consistently using AI; this does not include those who are experimenting with AI once or twice, or running temporary pilot programmes.
- This represents a growth rate of **29%** from an average adoption rate of **31%** in 2024.
- The vast majority (**95%**) of businesses that have adopted AI report increased revenue, with an average increase of **31%**.
- **89%** of those who have adopted AI say the technology is likely to increase their growth in the next year.
- However, many businesses still report barriers to adopting AI or expanding its use, including a digital skills gap. AI literacy is expected to be important for **48%** of jobs in the next three years, yet only **32%** of businesses feel prepared with their current skillset.
- Businesses also estimate that $24 out of every $100 they spend on tech goes towards compliance-related costs, and **81%** expect this figure to increase in the next three years.

## The growing digital divide

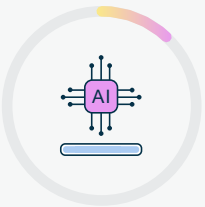
While **40%** of businesses have adopted AI in Brazil, celebrating adoption figures alone masks an underlying trend: looking deeper into how businesses are implementing AI, most Brazilian businesses remain at the most basic levels of AI adoption:




Of Brazilian businesses that have adopted AI, **62%** 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 routinetasks such as scheduling assistants and are purchasing ready-made AI solutions.




**26%** have advanced to the intermediate stage of AI adoption. These companies are moving beyond isolated applications and are integrating AI across various business functions, resulting in efficiency improvements and more innovative approaches to customer experience.

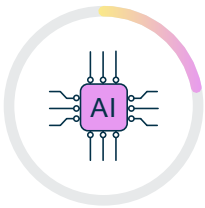



Only **12%** of Brazilian businesses that have adopted AI have reached the most transformative stage of AI integration, where they are using AI for its most advanced purposes. These organisations are combining multiple AI tools or models for complex tasks and creating custom AI systems, which are transforming their operations comprehensively.

This underscores a critical divide in AI adoption. While AI is increasingly being widely used across businesses in Brazil, only a small segment of organisations are harnessing the technology for its most transformative potential. Most companies are still exploring AI's surface-level benefits, missing out on the deeper strategic advantages it can offer. To fully realise AI's promise, more businesses will need to move beyond experimentation and efficiency gains, and toward deeper integration and innovation.

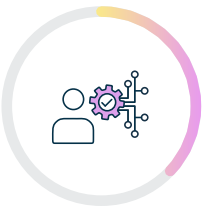
## Brazilian startups: Driving AI innovation

Brazilian startups[3] aren't just using AI – they're beginning to build entirely new products and business models around it that would have been impossible just years ago. **53%** of startups say they are leveraging AI in some way throughout their business.




**22%** of startups say AI is central to their business model or operations. Of AI-adopting startups, **29%** are using AI for its most advanced applications, far exceeding the average of **12%**.


**31%** are developing new AI-driven products or services.



Almost four-in-ten (**37%**) of startups employ AI-specific talent, indicating a growing commitment to building and nurturing in-house AI expertise, ensuring businesses can develop, deploy, and refine AI-driven strategies.

Brazil's startups are supported by a thriving business environment: **70%** of businesses in Brazil believe that the nation is competitive for startups and cite the key reasons for this as a well-established startup ecosystem (**40%**) and proximity and access to multiple global markets (**39%**). Over three-quarters (**78%**) of startups believe AI will transform their industry in the next five years.

These figures point to a powerful movement: a dynamic segment of Brazilian startups is not only embracing AI but redefining what's possible with it. Their success underscores the transformative potential of AI when combined with the agility and innovation typical of startups. With the right support in talent development, infrastructure, and investment, these forward-looking businesses could lead Brazil into a new era of tech-driven growth.

## **Case Study:** Transforming financial services in Latin America: Base39 leaps to efficiency with Amazon Bedrock

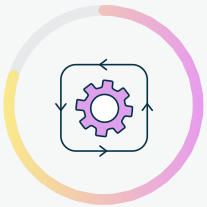
Base39, a financial technology provider, has revolutionised its operations by adopting generative AI solutions offered by AWS to automate the loan evaluation process. Initially, Base39's clients had to perform loan analyses manually, limiting them to a maximum of 50 analyses per day per person. This process led to high personnel costs due to erratic staffing requirements—the volume of proposals varied greatly throughout the month—as well as delays in loan approvals of up to three days.

The fintech reduced analysis costs by **96%** and decision time from three days to less than an hour. It also reduced infrastructure costs by **84%**, development costs by **75%**, and maintenance costs by **100%**. Base39 has significantly improved efficiency, customer satisfaction, and innovation, releasing new models weekly and enhancing financial solutions in Latin America.

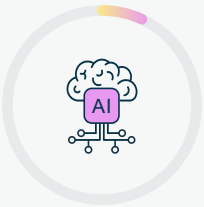
Read more about their work here.

## Large businesses prioritise efficiency ahead of innovation

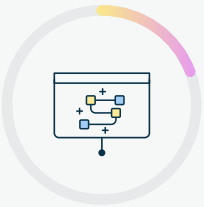
While **60%** of large businesses[4] have adopted AI technologies, significantly higher than the national average of **40%**, their adoption remains shallow. Most are not yet using AI as deeply or for as advanced purposes as startups, creating an emerging 'two-tier' economy, where startups are driving innovation with AI while large businesses focus mainly on basic use cases



For **80%** of large businesses, their AI adoption remains at the most basic levels, where they are focused on incremental gains, such as driving efficiencies and streamlining processes. At the same time, their younger, more agile startup counterparts are surging ahead by implementing AI's most sophisticated and transformational uses.




Only **7%** have reached the most transformative stage of AI adoption, where they are harnessing AI's most advanced uses. This is significantly below the average of **12%** across Brazilian businesses.



Only **19%** of Brazil's large businesses have a comprehensive AI strategy, a roadmap that outlines how an organisation will leverage AI. **13%** are delivering a new AI-driven product or service by harnessing AI's deeper potential – less than a third of the number of startups doing the same (**31%**).

This two-tier dynamic poses a critical challenge. While startups are emerging as pioneers of transformative AI-driven innovation, the majority of larger firms remain at the early stages of adoption, limiting the broader economic and societal impact of AI. Bridging this gap by encouraging deeper, more strategic AI integration across businesses of all sizes is essential to fully unlocking AI's potential in Brazil.

## Case Study: Natura&Co is revolutionising the consultant experience with intelligent search

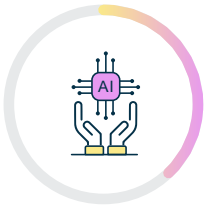
Natura&Co is a global leader in the beauty and cosmetics industry. With renowned brands such as Natura and Avon, the group has around 22,000 employees across more than 50 countries.

Natura created an intelligent search service that assists over 1 million consultants. The previous system only allowed searches for exact terms, which could discourage purchases. The new system added 205,000 product searches, enabled 54,000 searches that wouldn't have been supported by the previous system, and ensured that **99%** of searches returned related products.

Read more about their work with AWS here.

## SMEs remain at the early stages of digital transformation

For SMEs (small- and medium-sized enterprises), the case is one of great untapped potential. SMEs represent the majority of the Brazilian business landscape, meaning that their adoption of AI and their role in driving innovation is critical to national competitiveness. SMEs often lack the technical resources, strategic guidance, or financial capacity to implement AI solutions at scale.




In Brazil, **38%** of SMEs have adopted AI, but the majority (**80%**) use it only for its most basic uses, in line with the national averages. Just **10%** have progressed to the most sophisticated use cases.

Half (**50%**) of SMEs say that access to digital skills remains a key barrier to their AI uptake, and a further **42%** perceive a cost of implementation that acts as a key challenge.

Despite this, AI adoption presents a clear return on investment - **95%** of Brazilian businesses that have adopted AI report an increase in revenue as a result, at an average revenue increase of **20%**.

By empowering SMEs to adopt and scale advanced AI solutions, Brazil can accelerate productivity growth and digital progress across the majority of its business landscape. Progressing toward advanced AI integration for businesses of all sizes is key to unlocking the full benefits of AI for Brazil's economy and society.

## Four key barriers

To ensure all businesses can confidently adopt AI and capitalise on its full potential, Brazil must address key obstacles:

### Skills:

Businesses across Brazil identify the skills gap as a crucial challenge to their AI adoption. A lack of digital skills was the highest reported barrier, with **46%** of businesses saying it prevents them from adopting or expanding their AI use. Businesses expect that AI literacy will be important for **48%** of jobs in the next three years, yet only **32%** feel prepared with their current skillset.

- Citizens also express concern about their digital skills. Their top worries include managing their digital identity and online reputation, understanding basic programming concepts, and using online learning tools for professional development. Strengthening these skills is essential for the effective adoption and integration of AI across society.
- Businesses are making efforts to upskill their employees. Approximately **10%** of employees have participated in digital training or upskilling in the past year.

### Compliance costs:

Brazilian businesses are facing increasing compliance costs, estimating that $24 out of every $100 they spend on tech goes towards compliance.

- While this currently sits at nearly half the average EU compliance spend of $40 out of every $100, it is nonetheless substantial – especially in a market where digital adoption is still scaling. A striking majority (**81%**) of Brazilian businesses expect these compliance costs to increase further in the next 3 years.
- New, unclear, or overly restrictive regulations could further inflate these costs, potentially discouraging AI adoption and innovation at a time when momentum is critical.

## Regulatory uncertainty:

For many business leaders, 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 constantly shifting, it creates a difficult environment for businesses to plan and invest in AI confidently.

- Currently, less than a third (**28%**) of Brazilian businesses say that they are familiar with the ongoing debates related to the AI Act. When considering the potential positive impact of regulation, businesses hope that new AI regulation could provide a stable regulatory framework (**52%**), closely followed by creating increased confidence among customers (**45%**).
- When considering potential concerns around the introduction of new regulations, businesses express worries about an increase in compliance costs (**42%**) and a lack of legal certainty around AI use and deployment (**35%**). This demonstrates the critical importance of taking a pro-innovation approach and providing regulatory certainty to businesses as they consider the adoption of new technologies.

## Perceived costs:

**40%** of Brazilian businesses cite perceived upfront costs as a key barrier to AI adoption. Interestingly, **43%** of businesses say they need a clearer understanding of AI's return on investment. Despite this, **95%** of Brazilian businesses which have adopted AI have seen a significant increase in revenue as a result, with an average revenue growth of **20%**.

## Investment and infrastructure are the foundation

Brazil's federal government has made clear its ambition to position the country as a regional leader in digital innovation and AI adoption. To realise this ambition, the government is formulating the National Data Centers Policy, which indicates the strategic interest in attracting the increased building of data centres for training and AI development in the country, in addition to expanding the national supply of cloud computing.

However, sustaining this momentum requires more than ambition. Rising compliance costs and a lack of clarity in emerging technology regulation present risks that could deter further investment. Innovation capacity is deeply intertwined with infrastructure investment – and investors seek stable, predictable environments where digital development is supported rather than constrained. Regulatory approaches that are overly rigid or ambiguous could slow the buildout of digital infrastructure and discourage experimentation in high-potential sectors like AI.

Amazon is committed to supporting the digital transition in Brazil, and in 2024, announced a planned investment of R$10.1 billion (US$1.8 billion) through 2034 to expand, build, connect, operate, and maintain data centres in Brazil. This investment in cloud and connectivity between 2011 and 2023, Amazon had already invested $19.2 billion (US$3.8 billion) through AWS in its cloud infrastructure in the country.

## Unlocking AI's potential: Three strategic priorities

Brazil has the right tools and the ambition to lead in AI, not only in a more widespread adoption of the technology, but also in development. AWS urges policymakers and industry leaders to take action to unlock AI's full potential across both start-ups and larger enterprises:

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

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 Brazil's progress toward becoming a regional and global AI leader. Additionally, aligning on common international standards and legal definitions with international partners can help drive compliance costs down at a global level, not only in Brazil, and create a stable environment that supports AI adoption. Further to this, businesses in Brazil are facing rising compliance costs related to technology:

Spending **24%** of their tech spend on compliance

Compared with **40%** tech spend on compliance in Europe.

Over eight-in-ten (**81%**) anticipate this figure to rise, acting as a barrier to increased AI adoption, which risks missing out in key opportunities for growth and innovation throughout Brazil. To foster a thriving AI ecosystem, future regulatory approaches must aim to support, not stifle, progress. Clarity and flexibility in regulation will be key to avoiding unintended barriers to investment and growth.

### 2. Accelerate private sector digital adoption through boosting skills efforts

Expanding skills efforts will support businesses with the talent they need to innovate with AI:

**48%** see AI literacy as crucial


Only **32%** feel prepared

This mismatch highlights the need for targeted upskilling initiatives, including partnerships between government, industry, and educational institutions. Closing this gap is key to unlocking Brazil's next wave of innovation, productivity, and growth.

**3. Increase public sector adoption of AI**

Prioritise digital transformation in healthcare and education (top citizen priorities), use public procurement to drive innovation, and create test-beds and cross-border exploratory projects using AI to deliver new services.


**61%** of Brazilian businesses say they are more likely to adopt and expand their AI use when the public sector leads,

**51%** of startups say that public sector adoption is crucial to their ability to scale, attesting that the public sector adoption of new technologies is crucial to increasing trust in these technologies.

## Conclusion

Brazil is at a critical juncture in its AI journey. With 9 million businesses already adopting AI, the country has laid a solid foundation for digital transformation. However, most businesses remain at the early stages of adoption, focused on basic efficiency gains rather than innovation. Startups are leading the way in advanced AI use, while large enterprises and SMEs lag due to barriers such as limited digital skills, high compliance costs, and regulatory uncertainty. This growing divide risks slowing Brazil's overall progress and reducing the impact of AI on national productivity and competitiveness.

To fully unlock AI's potential, Brazil must act strategically. Policymakers should establish a pro-innovation regulatory framework that reduces uncertainty and enables investment, while targeted upskilling efforts are needed to equip the workforce with essential AI capabilities. Public sector adoption can build trust and drive wider AI integration across industries. With the right actions, Brazil can transform from a fast adopter into a global leader in AI, using the technology to power inclusive growth, enhance services, and strengthen its position in the global digital economy.

# Appendix

### Methodology

The fieldwork for this study was undertaken by Strand Partners' research team for AWS. 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 Brazil:

We conducted a survey targeting 1,000 businesses and 1,000 nationally representative members of the public.

- The survey of citizens has ensured representation based on age and gender.
- The survey of businesses is representative by 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:

- 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 towards 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. Calculated based on recent estimations of the total number of active enterprises, which was 23.5 million. Source: https://www.gov.br/empresas-e-negocios/pt-br/mapa-de-empresas
3. 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.
4. A large business is a business with 500 or more employees, founded 10 years ago or more.