

Amazon's AWS to pump R30.4bn into South Africa's cloud future

Amazon Web Services (AWS), an Amazon company, has released a new economic impact study (EIS) announcing a plan to invest R30.4bn in its cloud infrastructure in South Africa by 2029.



Amrote Abdella, GM, AWS Sub Saharan Africa | image supplied

The EIS report outlines AWS's investment in its AWS Africa Region in Cape Town since 2018, and the projected forecast of investment to construct, operate, and maintain its cloud infrastructure in South Africa.

In total, AWS estimates it will invest R46bn between 2018-2029. The report indicates AWS's investment from 2018-2029 will contribute an estimated R80bn to the gross domestic product (GDP) of South Africa, and support an estimated average of more than 5,700 full-time equivalent (FTE) jobs at local South African businesses on an annual basis. To read the full EIS, please visit [AWS EIS Report](#).

"AWS had long been committed to South Africa and this infrastructure investment adds to our ongoing local story, where one of our foundational capabilities – Amazon Elastic Compute Cloud (Amazon EC2) – was developed by engineers in Cape Town back in 2006," said Amrote Abdella, general manager, AWS Sub Saharan Africa.

“This report illustrates our ongoing commitment to invest in South Africa and support demand for our world-class technology from customers here and around the world. The investment already has a ripple effect on numerous local businesses, and has helped establish training and skilling programs for the local workforce, supported community engagement through various initiatives, and created sustainability initiatives across the country.”

From 2018 through 2022, AWS invested R15.6bn, which includes all cash expenses directly attributable to the AWS Africa (Cape Town) Region, such as imports of highly specialized and proprietary equipment and software, and in-country spending. This has resulted in an estimated R12bn in local GDP contributed by this AWS Region.

Local spending includes capital expenditures on construction labour, materials, and services, as well as recurring operating expenditures on employee and contractor compensation, utility fees, and facilities costs. AWS investment supports an estimated annual average of more than 5,700 FTE jobs at local vendors in the South African data centre supply chain, including telecommunications, nonresidential construction, electricity generation, facilities maintenance, and data centre operations.

AWS in South Africa

The AWS Africa Region in Cape Town adds to the company’s ongoing investment in South Africa. In 2015, AWS opened an office in Johannesburg, South Africa. In 2022, AWS opened a larger office in Johannesburg to support growing customer demand.

In 2017, the Amazon global network expanded into Africa through AWS Direct Connect. This cloud service helps customers improve application performance by connecting directly to AWS and bypassing the internet. In 2018, AWS established its first cloud infrastructure on the African continent, launching Amazon CloudFront locations in Johannesburg and Cape Town, to help organizations securely deliver content with low latency at high transfer speeds.

In 2020, the AWS Africa Region in Cape Town was launched with three Availability Zones. An AWS Region is a physical location comprising multiple, isolated, and physically separate Availability Zones, which in turn form clusters of logically connected data centre infrastructure. Availability Zones may be located up to 100kms apart to protect against natural and human-made disasters that could affect the data centres. The AWS Cape Town Region enables even more developers, startups, and enterprises as well as government, education, and nonprofit organisations to run their applications and serve end users from data centres located in South Africa.

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