A data center love story:

Hyperscalers that fell in love with Latin America

Tech giants like Google, AWS, and Microsoft realized that Latin America was the perfect place to set up their hyperscale data centers.

Love at first sight

Established hyperscalers looking for a long-term relationship with a country that has:

- Lots of renewable energy
- A highly qualified workforce
- Increased generation and consumption of data in the region
- High connectivity capacity

The **biggest attraction** is Brazil, which is the leading country in data center construction, with over 50% of the investments in the market.[1] Due to its legislation and tax incentives available for new companies, this city attracts interested parties.[2]

The **most popular** town is Vinhedo, São Paulo, where the largest data center in Latin America, owned by Ascenty, is located. This plant opened in October 2019 with an investment of US$88 million and has an area of 21,000 square meters and 40MW of power, a number that triples the capacity usually used by hyperscale data centers.

Hyperscalers also love Mexico, Chile and Colombia.

Falling in love

The chemistry was real and led to these hyperscale data center projects in Latin America.[3][4][5]

Google:

Built its first data center in Chile in 2011, and since then it has expanded its presence in the region, building data centers in Brazil, Mexico, and Argentina. Here, there's data and information from networks or sites such as Google Maps, YouTube, and Gmail.

Amazon Web Services (AWS):

in 2022, AWS announced that it would install cloud infrastructure zones in Argentina, Chile, and Colombia. Before, AWS only had one zone in Latin America, located in Brazil.

This will allow users to access applications such as: Real-time remote gaming, virtual and augmented reality, entertainment and media creation, live video streaming, and engineering simulation.

Microsoft:

In 2022 Microsoft announced that it was planning a new data center in the state of Querétaro, Mexico, which would provide services to companies around the world. The investment will be of 1,100 million dollars over five years.

Odata:

Proposed 271 million dollars for investments in Brazil, Chile, and Mexico.

In 2022 they inaugurated the largest data center campus in Mexico (Querétaro) and store 4,000 racks. The projected capacity is of 32 MW.

Ascenty:

Planned investment of 750 million dollars in Brazil, Chile, and Mexico.

The company began in 2020 with the construction of a data center designed to accommodate 3,400 racks. Now, it is promoting a second phase that has a capacity of 21MW and 2,700 racks.

Equinix:

Reportedly will invest 420 million dollars in Brazil and Mexico.

The company is building two hyperscale data centers in São Paulo and Mexico City. The Mexican project will have a capacity of 14MW, while the three Brazilian data centers will add 53MW of power.

The relationship goals that drive service providers to develop data centers in the region include:

- The growth of strong fiber connectivity.
- Reliability in power supply.
- High demand for data center services from industries such as BFSI, IT, and healthcare.
- Growth of advanced technologies such as software-defined data centers and the IoT.
- Penetration of technologies in the region, such as the 5G network, edge computing.
- Rapid adoption of the cloud in Latin American countries.[6]

A committed and trusted relationship

Mutual trust has been built over the years, and recently the Latin American data center market has been attracting more and greater investments, in countries such as Brazil, Chile, Colombia, Mexico, Bolivia and Argentina.[6]

According to Arizton's latest research report, the Latin American data center construction market is expected **to grow at a CAGR of 7% during 2022-2027.**

Building a modular love

A little change can keep a relationship fresh, so we predict that hyperscalers in LATAM will move towards new trends such as hybrid design in data centers, with prefabricated modular buildings and components.

Vertiv has been a fan of this relationship from the beginning, and is happy to be part of the modular journey, from concept to manufacturing, from testing to final installation. We currently estimate that 70-80% of Vertiv's hyperscale customers use a hybrid design at their facilities.

These modern pre-built modules are:

- Elegant
- Fully integrated
- Efficient building blocks

In addition, we have identified that the hybrid approach can:

- Reduce the carbon footprint by 30% compared to a traditionally built building
- Significantly reduce construction times by up to 50%
- Can increase the energy efficiency of facilities
- Eliminate the need for lengthy building code reviews
- Improve reliability

Don't miss out on your hyperscale love story. Hyperscale is growing fast, and Vertiv has solutions for these projects. For example, prefabricated structures for thermal management, switch room infrastructure, and building information modeling and integration services.

Learn more about the advantages of this hybrid design for hyperscalers in this Whitepaper from Vertiv. These systems can be installed in new construction or in retrofits of existing data centers, have shorter lead times for deployment and can reduce space by up to 30%, to create additional free space.

References:

1 Arizton Report: Data Center Construction Market: Global Outlook and Forecast 2022-2027.

2 Ascenty Information about the Vinhedo Campus.

3 Data Center Dynamics Report: Investing in Hyperscale Data Centers in Latin America.

4 BNAmericas Report: The largest data centers to be installed in Latin America.

5 Vertiv.

6 BNAmericas news about the data center construction market.