Comments on UAE’s Sheikh Mohammed bin Zayed’s visit to India in 24.ae, 19 Jan 2026

Dr. Nasser Saidi’s comments on the UAE’s President Sheikh Mohammed bin Zayed’s visit to India appeared in a 24.ae article published on 19th January 2026.

اقتصاديون: زيارة الشيخ محمد بن زايد إلى الهند تعزز التعاون التجاري والاستثماري

The comments are posted below in English.

In this context, Dr. Nasser Al Saidi, Economic and Financial Advisor, former Chief Economist and Strategic Officer at the Dubai International Financial Centre, said that the visit confirms that India is a key economic partner for the UAE, supported by the Comprehensive Economic Partnership Agreement, pointing out that the UAE has become India’s third largest trading partner and the second largest destination for its exports during 2024-2025, and India is a partner in the BRICS Group.

“The Indian community makes up about a third of the UAE’s population, making remittances a key channel for foreign currency inflows and investments to Indian financial markets, with nearly 20% of India’s total remittances coming from the UAE in 2024, becoming the second largest exporter globally after the United States,” he added.

He explained that the partnership includes investments in education, health care, information technology, clean energy and infrastructure, pointing out that by the end of June 2025, the number of Indian companies operating in the UAE reached 264,687, reflecting the ease of doing business and enhancing economic cooperation regionally and internationally.

:and in Arabic

وفي هذا السياق، قال الدكتور ناصر السعيدي، مستشار اقتصادي ومالي، كبير الاقتصاديين والاستراتيجيين السابق في مركز دبي المالي العالمي، إن الزيارة تؤكد أن الهند شريك اقتصادي أساسي للإمارات، مدعوماً باتفاقية الشراكة الاقتصادية الشاملة، مشيراً إلى أن الإمارات أصبحت ثالث أكبر شريك تجاري للهند وثاني أكبر وجهة لصادراتها خلال عامي 2024-2025، كما تُعد الهند شريكاً في مجموعة «البريكس».

وأضاف "أن الجالية الهندية تشكل نحو ثلث سكان الإمارات، ما يجعل التحويلات المالية قناة رئيسية لتدفقات العملات الأجنبية والاستثمارات إلى الأسواق المالية الهندية، حيث يأتي ما يقرب من 20% من إجمالي التحويلات المالية الهندية من الإمارات خلال عام 2024، لتصبح ثاني أكبر مصدر عالمياً بعد الولايات المتحدة".

وأوضح أن الشراكة تشمل استثمارات في التعليم والرعاية الصحية وتكنولوجيا المعلومات والطاقة النظيفة والبنية التحتية، لافتاً إلى أنه بحلول نهاية يونيو (حزيران) 2025 بلغ عدد الشركات الهندية العاملة في الإمارات 264,687 شركة، ما يعكس سهولة ممارسة الأعمال ويعزز التعاون الاقتصادي إقليمياً ودولياً.

Comments on UAE-India relations in CNN Arabia, 9 Sep 2024

Dr. Nasser Saidi’s comments appeared in a CNN Arabia article titled “زيارة ولي عهد أبوظبي إلى الهند.. ما الاتفاقيات الاقتصادية المتوقعة؟” focusing on the UAE delegation visit to India in Sep 2024, during which discussions are expected to centre around strengthening trade and investment ties. This article was published on 9th September 2024 & can be accessed directly.

Dr. Saidi’s comments are posted below:

وقال ناصر السعيدي، رئيس شركة ناصر السعيدي وشركاه، في تعليقاته الاقتصادية، لـCNN «من المرجح أن تتمحور المناقشات حول مواصلة تعزيز الشراكة الاستراتيجية والتكنولوجيا والخدمات المصرفية والمالية».

وقال ناصر السعيدي، «تتمتع الإمارات بميزة نسبية وخبرة في تطوير البنية التحتية الأساسية، والشبكات والأنظمة التي توفر الخدمات الأساسية، والتي تمكن وتسهل النشاط الاقتصادي، وحركة أو تخزين البضائع، والمياه، والطاقة بما في ذلك الطاقة المتجددة، والبيانات،ومراكز البيانات المستدامة».

(Translated as:

“Discussions will likely revolve around continuing to strengthen strategic partnerships, technology, banking and

financial services," Nasser Al Saidi, chairman of Nasser Al Saidi & Partners, told CNN Business.

"The UAE has a comparative advantage and expertise in developing the core infrastructure, networks and systems that provide essential services, enable and facilitate economic activity, the movement or storage of goods, water, energy including renewable energy, data and sustainable data centers," Nasser Al Saidi said.)

Impact on Trade with Middle East as a New Arena for Asian Competition (?), Panel Discussion at the MEI NUS Annual Conference, 18 May 2022

Dr. Nasser Saidi joined a panel discussion online titled "Impact on Trade" within the wider context of "Middle East: A New Arena for Asian Competition?" which was the theme of the National University of Singapore's Middle East Institute Annual Conference.

The session, held on 18th of May, discussed the background of trade, investment and labour flows, in addition to what the contrasts are for China and India's policies in the Middle East.

Watch the session below

"Accelerating decarbonisation and digitisation can build upon UAE's game-changing reforms", Op-ed in The National, 27 Dec 2020

The op-ed by Dr. Nasser Saidi, titled "*Accelerating decarbonisation and digitisation can build upon UAE's game-changing reforms*", appeared in The National on 27th Dec 2020 and is reposted below.

Accelerating decarbonisation and digitisation can build upon UAE's game-changing reforms

The Emirates' monetary, fiscal and health stimulus packages cushioned the economy from the impact of the Covid-19 pandemic

Adjusting to Covid-19 has defined this year – from partial or full lockdowns to remote working and stalling global trade, investment and tourism, with cleaner air the rare bright spot.

Hopes of a V-shaped recovery diminished with the emergence of new Covid strain and subsequent lockdowns. Yet, despite the "Great Lockdown" resulting in a deep recession, markets are exuberant amid expectations that the production and distribution of several vaccines will create a path to normality in 2021.

Unlike the global financial crisis from 2008 to 2009, which began as a housing bubble and a demand shock, the current health crisis began as a supply shock that disrupted global supply chains and caused a spillover to the demand side, where it hit trade, tourism and consumption.

Given the widespread impact of the pandemic and despite concerted monetary and fiscal stimulus equal to 12 per cent of global gross domestic product, not only will the road to recovery be longer but the cumulative output loss will be much larger than during the 2008 financial crisis, with long-term scarring of labour markets and economies expected.

The UAE’s combined monetary, fiscal and health stimulus package – equal to 18 per cent of its GDP – cushioned the economy after a demand-induced oil price shock and the effects of a global lockdown.

After several weeks of movement restrictions and stringent health measures, the UAE’s public health system proved effective and resilient, allowing the economy to reopen earlier than regional peers.

While maintaining social distancing and applying Covid-19 protocols to keep the community safe, the UAE reopened offices, businesses, allowed tourists to enter and successfully held events and conferences – both online and on site. This bodes well for the delayed Expo 2020 Dubai and the resumption of tourism.

With the reverberations of Covid-19, the UAE’s policy reforms were spot on – from the game-changing 100 per cent foreign ownership of businesses to the remote working initiative to the retirement and 10-year residency visas for skilled professionals – amid the country’s intentions to become a knowledge-based, innovative economy.

Liberalisation and market access reforms are set to attract foreign investment, boost capital flows to the property market, enhance workforce skills and support innovation and productivity growth.

With energy market volatility and lingering coronavirus-induced uncertainty, what activities can drive an economic recovery next year and support medium-term growth prospects?

For GCC oil producers, de-risking fossil fuel assets by following a strategy of part-privatisions and public-private partnerships in energy reserves, upstream and downstream operations and related infrastructure such as pipelines is important. This has started with Adnoc and Aramco.

With the oil price required to balance budgets higher than current prices, deficit financing instruments should be developed by governments. We can expect new government bonds to be issued next year that will encourage more corporate bond issuances and private debt placements.

The UAE is accelerating its decarbonisation efforts, focusing on energy efficiency, transitioning to renewable energy and building on its leadership in renewable energy projects and investment in climate risk mitigation and adaptation.

Greater investment in agriculture technology for food security, which includes sustainable vertical farming and desert agriculture, should take place in tandem with the sustainability and energy efficiency drive.

Decarbonisation and the diversification of the energy mix will support the growth of the UAE’s capital markets through the issuance of green bonds and sukuk, as well as the financing of PPP and privatisation deals for renewable energy and clean technology.

Indeed, the UAE can become a regional, if not a global, centre for renewable energy finance.

Covid-19 has led to a strong impetus to digitise as working and learning from home became more popular. The UAE should build on its strong e-commerce and e-services base by massively investing in 5G to support the Internet of Things and building smart cities and infrastructure.

This is critical for the retail sector to move online from brick-and-mortar shops. Liberalising the telecoms sector and lowering the costs of broadband services will help the country become a fully digitised economy and a regional hub for digital services.

The UAE has world-class core infrastructure in transport and logistics, power and telecoms. These assets can serve

infrastructure-poor countries in the region, East and Central Africa, India, Pakistan and Central Asia. Electricity from solar power can be exported through cross-country, integrated grids.
Finally, the UAE's normalisation of relations with Israel heralds a new regional economic geography: new trade and investment opportunities, as well as the reduction of geopolitical tensions.

Dr Nasser H Saidi is a former Lebanese economy minister and founder of the economic advisory and business consultancy Nasser Saidi & Associates

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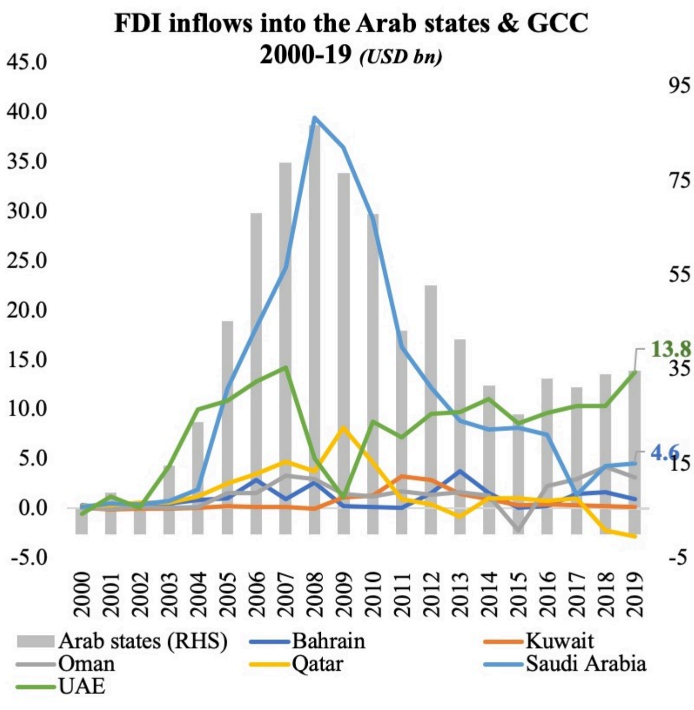
Weekly Insights 26 Nov 2020: UAE needs to attract FDI into viable, sustainable economic diversification sectors & projects

Download a PDF copy of this week's insight piece here.

UAE needs to attract FDI into viable, sustainable economic diversification sectors & projects
The liberalization of foreign ownership laws in the UAE (announced this week) breaks down major barriers to the rights of establishment and will be a game-changer for the country. This reform will help to reduce costs of doing business, lead

to a recapitalization of existing jointly owned companies and encourage entrepreneurs to invest in new businesses and new ventures, supporting innovation and the introduction of new technologies while also promoting inflows of foreign direct investment. Foreign companies within UAE's free zones would also be allowed to link up with the domestic economy, supporting local businesses and thereby boosting overall growth. The barriers between free zones and the domestic economy would become blurred, if not absent leading to greater competition and improved competitiveness.

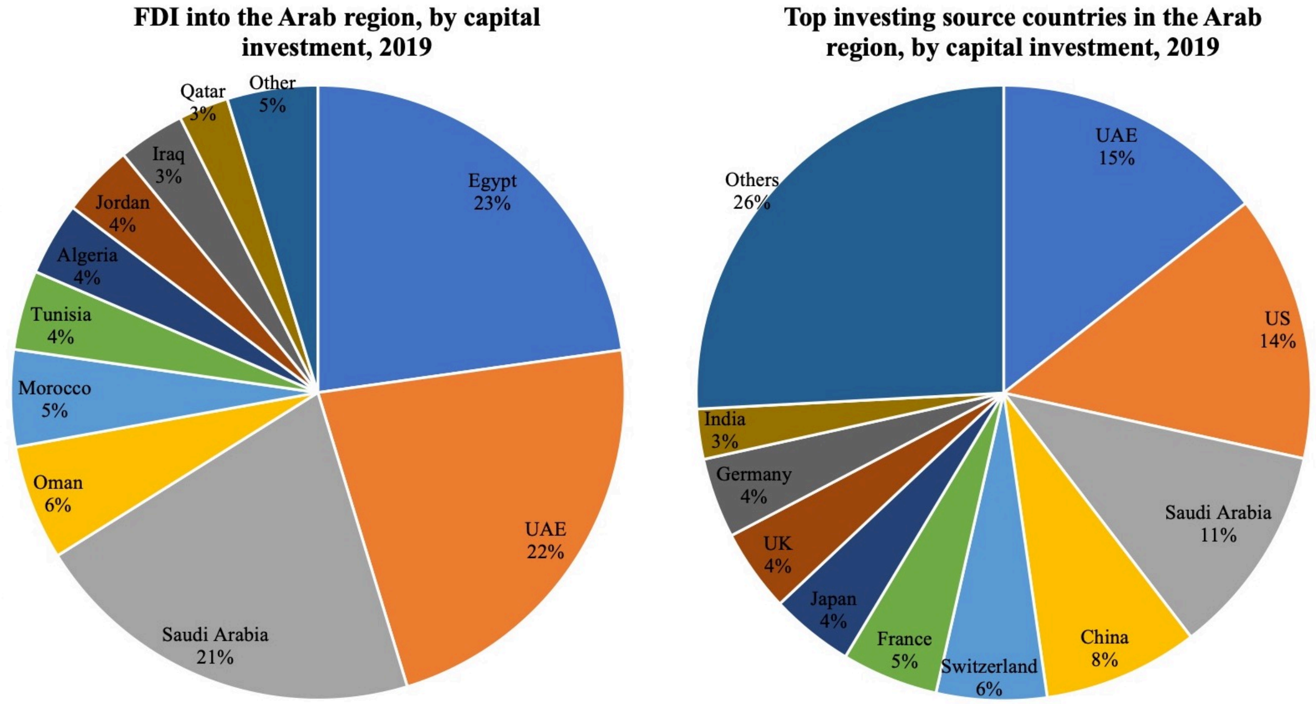
The latest announcement follows a spate of reforms undertaken this year – including labour (long-term residency via a 10-year visa, Dubai's virtual/remote working visa and retirement visa, Abu Dhabi's freelancer permit/ license) and social (removing laws which criminalized alcohol consumption, cohabitation) – aimed to revive the economy attempts from the negative impact of low oil prices, Covid19 and the Global Lockdown. Importantly, these reforms will encourage the retention of savings in the UAE, reduce remittances and capital outflows, thereby structurally improving the balance of payments. Overall, the result will be an improvement in the Doing Business ranking of the UAE.



Source: UNCTAD, Nasser Saidi & Associates.

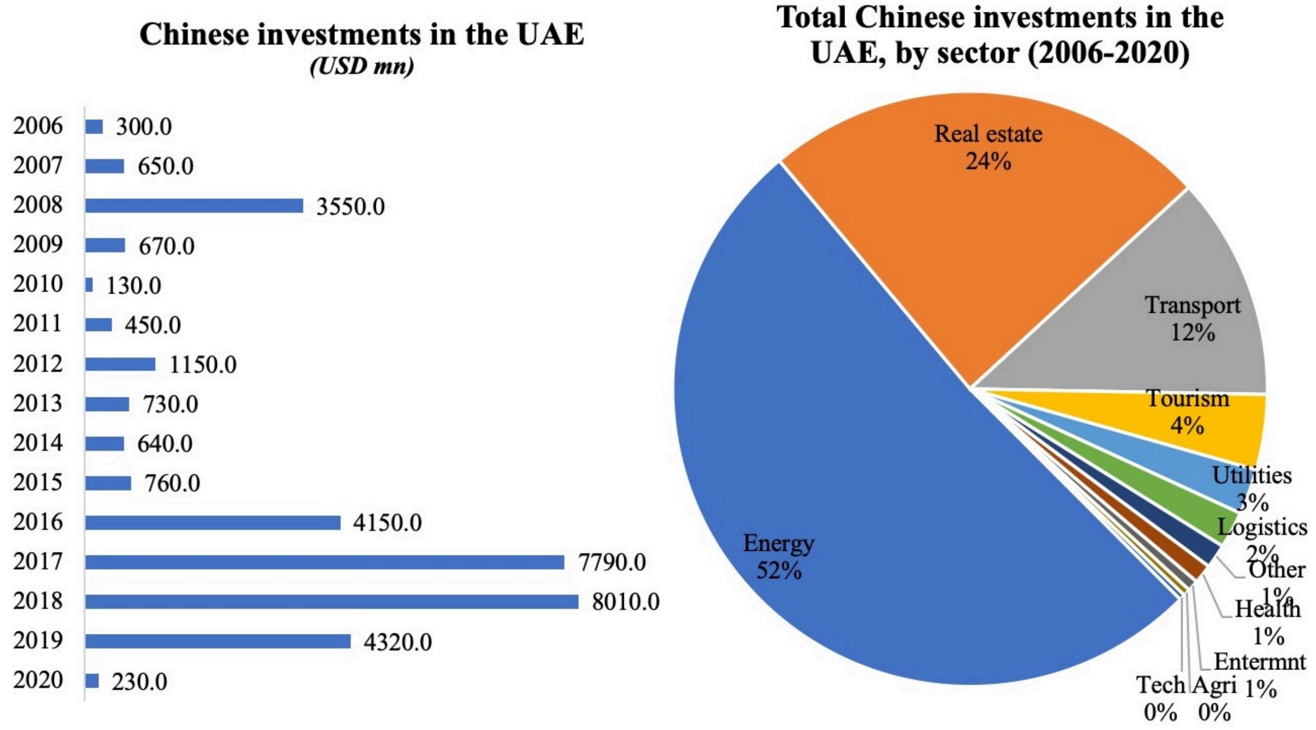
We focus on FDI in this Weekly Insight piece. FDI inflows are essential to the UAE's diversification efforts, as it would not only create jobs, raise productivity and growth, but could also lead to transfer of technology/ technical know-how and promote competition in the market. According to the IMF, closing FDI gaps in the GCC could raise real non-oil GDP per capita growth by as much

as 1 percentage point.
While FDI inflows into the Arab region have been slowing in the past decade, the UAE still remains one of the top FDI destinations in the region. Inflows dipped during the time of the financial crisis (to USD 1.1bn un 2009 from an all-time peak of USD 14.2bn in 2007), but rebounded to USD 13.8bn last year, before the Covid crisis. Reforms to improve the investment climate (including allowing 100% ownership at free zones and protecting minority investors), its ease in doing business, good infrastructure as well as macroeconomic and political stability are factors that have aided the increase in FDI.
In 2019, UAE was the second largest destination for FDI inflow into the Arab region (USD 13.6bn or 3.4% of GDP, accounting for 21% of total), behind Egypt (USD 13.7bn or 2.8% of GDP, 23% of total) while it dominated FDI by number of projects (445). Interestingly, UAE is also a major capital exporter, having invested a total USD 8.7bn into the Arab nations last year (topping the list and accounting for 14.4% of total FDI inflows into the region). In part, this reflects the UAE's hosting of multi-national enterprises investing across the region.



Source: fDI Markets, Arab Investment & Export Credit Guarantee Corporation, Nasser Saidi & Associates.

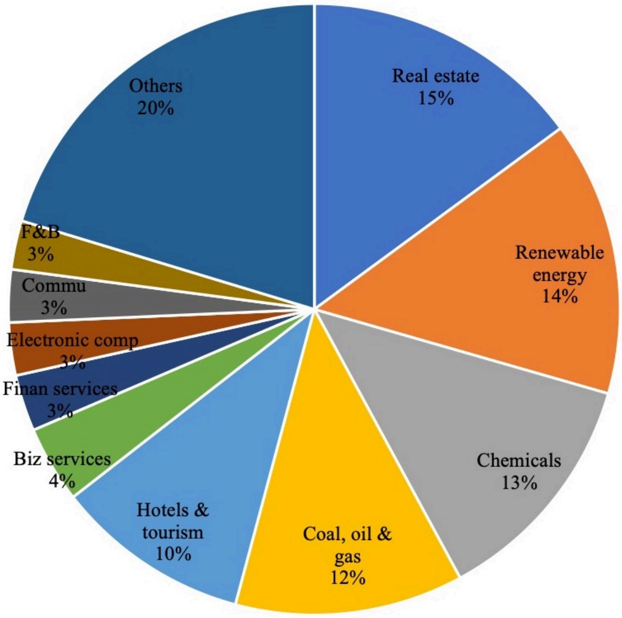
In spite of the Covid19 outbreak negatively affecting FDI inflows[1], Saudi Arabia defied the trend by posting a 12% yoy increase in inflows to USD 2.6bn in H1 2020[2] – in part linked to its mega-projects related to achieving Vision 2030. In Q1 this year, the UAE, along with Saudi Arabia and Egypt accounted for a share of 65.4% of total investment cost of projects in the region, valued at USD 11.2bn. Outflows from the UAE still accounted for 38.2% of GCC's share of foreign investments in Q1 this year[3].



Source: China Global Investment Tracker, AEI, Nasser Saidi & Associates

China's investments in the UAE have been rising, with UAE the top destination country (among Arab nations) accounting for

Top sectors attracting FDI in the Arab region, by capital investment, 2019



Source: fDI Markets, Arab Investment & Export Credit Guarantee Corporation, Nasser Saidi & Associates.

more than one-third of Chinese projects tracked during Jan 2003-Mar 2020 (with the number of projects in double-digits in 2018 and 2019). According to AEI's China Global Investment Tracker, the value of Chinese investments touched a high of USD 8bn in 2018, thanks to a handful of large projects (including with ACWA Power and Abu Dhabi Oil). Sector-wise, investments were concentrated in energy (both oil and gas as well as renewables), real estate and transport – together accounting for 87.8% of total investments during 2016-2020. This is largely in line with FDI inflows into the Arab region as well, with the top 5 sectors (real estate, renewables, chemicals, oil & gas and travel & tourism) accounting for close to two-thirds of total inflows in 2019.

For the oil producing & exporting countries of the GCC and the wider MENA, the broader trade and investment landscape was further disrupted (in addition to Covid19) as a result of the profound changes in the structure and dynamics of the energy sector and market. The deep recession and Covid19 lockdown and induced collapse in transport and travel led to a sharp fall in the demand for oil and cratering of oil prices. Fossil fuel prices are unlikely to recover even in the medium term due to the increasing competitiveness of renewable energy (solar, wind and geothermal), persisting competition from shale oil & gas and new fossil fuel discoveries, while climate change mitigation policies and greater energy efficiency are leading to a downward shift in the demand curve for fossil fuels.

Accordingly, returns on investment in oil and gas (O&G) will decline. The implication is that FDI into the traditional O&G in the UAE and the GCC will be on a downward trend. The challenge will be to attract FDI into viable, sustainable economic diversification sectors and projects.

The new post-Covid19 FDI landscape for the UAE will likely be boosted if the recently announced deep structural reforms are executed well, alongside a review of existing economic strategies. The next obvious step is greater regional integration – a GCC common market (to start with), allowing for free movement of both labour and capital – as well as formalizing trade and investment treaties with major partners including China.

[1] *UNCTAD expects global FDI flows are expected to contract between 30 to 40% during 2020-21.*

[2] *Source: UNCTAD*

[3] *Source: Arab Investment & Export Credit Guarantee Corporation*

Speaker at the Arab Strategy Forum, 12 Dec 2018

Dr. Nasser Saidi participated in the Arab Strategy Forum, held in Dubai on 12th December 2018.

Part of the panel session discussing the State of the Arab World Economy in 2019, Dr. Saidi spoke at length about the volatile prospects for oil market, impact of US-China economic war, and how the risks of a new global financial crisis in 2019-2020 are rising (thanks to global debt, high interest and low growth rates).

Below are some key quotes from the panel session:

“Arab countries should focus on digitization because it is the future of the world, infrastructure, and work to transform our

economies into digital economies”
“The economic war between China and America – the two biggest engines of growth globally – goes beyond just trade & will negatively affect the world”
“Renewable Energy policies should be a priority: need to invest in it and export it abroad”
“The Arab region needs new trade & investment agreements to reflect the shift in trade partners- “pivot East & South”

> 2019 pic.twitter.com/53nNW2CEFG #
>
> — Arab Strategy Forum | (@arab_strategy) December 12, 2018

Trends in trade and investment policies in the MENA region: Policy Brief prepared for the OECD MENA-OECD Working Group on Investment and Trade, Nov

2018

The **MENA-OECD Working Group on Investment and Trade**'s 2018 meeting was held in Dead Sea, Jordan on 27-28 Nov, 2018. *(More: http://www.oecd.org/mena/competitiveness/investment-and-trade.htm)*
A policy brief titled "Trends in trade and investment policies in the MENA region" was prepared by Nasser Saidi & Associates to aid discussions during this meeting.
The executive summary is shared below; the paper can be downloaded here.

Executive summary

The Middle East and North Africa (MENA) region accounted for only 5% of global exports and 4.3% of total imports in 2017. Merchandise exports from the MENA region to the rest of the world stood at 893bn USD in 2017 (up from just under 250bn USD at the start of this century). MENA countries are particularly vulnerable to terms-of-trade shocks because of the volatility of their export earnings, caused by the high concentration of exports in primary commodities and exacerbated by the high concentration of export markets. The region can achieve greater economies of scale if each country can better use its comparative advantage through production sharing networks and integration into global value chains.
There has been a significant shift in the region's trade patterns toward Asia over the past few decades. Asia now accounts for about 55% of the region's total trade compared to around 40% in 1999. **Regional trade remains dismal at under 10%.** MENA oil importers' share of trade within the region remains relatively high: Lebanon (44% of total exports in 2017) Jordan (43%), and Egypt (22%). Maghreb countries export the least within the region (under 10%), with much of their exports going to Europe.
FDI inflows into the region increased between 2000 and 2008,

thanks to efforts to improve the business environment and investment climate and to related structural and institutional reforms. Slowdown appeared after the financial crisis in 2008 followed by regional turbulences, with limited recovery. **In 2017, investment flows into the GCC were 15.5bn USD, almost 3.5 times lower than in 2008 at their peak.** The bulk of FDI inflows into the region have gone into energy, real estate, financial services and consumer products.
Overall, the MENA region remains less regionally integrated in terms of trade and investment flows. **The main barriers to growth in trade and investment (including intra-regional) are multi-fold**:

- Though average tariffs have reduced over time, they remain very high; non-tariff barriers (e.g. burdensome technical regulations, import authorisation procedures, cumbersome customs clearance and border controls) are obstacles to both regional and global integration;
- MENA’s trade facilitation performance – in terms of procedures, harmonisation, transparency, border agency cooperation and so on – leaves much to be desired;
- Though regional trade agreements are in place, their implementation and enforcement are lacking and benefits are not visible;
- Lack of diversification is a serious drawback, given that oil and agricultural products remain by far the most important exports;
- Regional economic integration has seen very little progress due to different factors including weak institutions, the lack of infrastructure and state-owned enterprises;
- Cumbersome licensing processes, complex regulations and opaque bidding procedures create both business and investment barriers;
- Competition legislation is particularly needed in countries where markets are highly concentrated and where barriers to imports are still high;

- Trade has been negatively affected by the wars, sanctions and political barriers in the region; and
- The scarcity of quality data and statistics on both domestic and foreign investment means a lack of evidence-based public policy and increases perceived investment risk.

While the region has undertaken significant reforms to support trade and investment – ranging from lowering tariffs to improving infrastructure to protecting minority investments to institutional investment reforms – it is evident that there is **a long way to go for greater trade integration. In this context, it is recommended that the MENA region**:

- Invest heavily in trade-related infrastructure and logistics;
- Deepen intra-regional trade through trade facilitation;
- Invest in moving towards greater digital trade facilitation;
- Use GCC countries as engines of economic integration;
- Reflect the shift in trade partners in new trade and investment agreements;
- Improve legal and institutional framework to support private sector growth and diversification
- Make a digital transformation in order to support trade and investment: from transport (electric vehicles), to banking and financial services (Fintech), commerce (e-commerce), to health and agriculture (Agrytech), and the government sector ;
- Ensure the availability, harmonisation and dissemination of regular, timely, comparable and quality statistics, which are essential to conduct sound trade and investment policies.

MENA-OECD Working Group on Investment and Trade meeting, 27-28 Nov 2018

Dr. Nasser Saidi participated in the MENA-OECD Working Group on Investment and Trade meeting held over 27-28 Nov 2018 at Dead Sea, Jordan.

Titled "Making trade and investment policies work for all", the meeting's first panel session discussed the state of play of investment and trade trends and reforms in the region in a changing world economy. It also took stock of the global debate on trade and investment, while analysing the impact on regional and national policies of the growing scepticism about the benefits of international economic co-operation, and looking at ways MENA countries and societies can better benefit from trade and investment.

Click here to download Dr. Saidi's presentation which focused on the findings of the policy paper prepared for the OECD titled "Trends in trade and investment policies in the MENA region".

"Markets, Oil & Trade Wars: Choppy Waters Ahead for the GCC", Presentation at the

Institutional Investor Middle East Global Private Markets Forum, 18 Sep 2018

Dr. Nasser Saidi gave a closing keynote presentation titled "Markets, Oil & Trade Wars: Choppy Waters Ahead for the GCC" at the Middle East Global Private Markets Forum organised by Institutional Investor in Dubai on the 18th of September 2018. The presentation covered the global macroeconomic outlook and risks, and looked in depth at the reform and transition in the GCC given the backdrop of the New Oil Normal. The session also discussed the medium-term outlook for Saudi Arabia and GCC, and concluded with a few key takeaways.
Click here to download the presentation.

Does it pay to host the World Cup? Article in The National, 14 July 2018

The article titled "Does it pay to host the World Cup?" appeared in The National's print edition on 15th July, 2018 and is posted below. Click here to access the original article.

Does it pay to host the World Cup?

Holding global mega-events – which often have a limited duration – can involve large capital outlays for the host nation

The 2018 World Cup is steaming to a close, with a global build-up of excitement and anticipation. Over a 1.5 billion people are expected to watch the final. World Cup frenzy takes over homes, businesses (with a consequent drop of productivity) and even trading rooms, where volumes decline and sick leave shoots up. Even conservative economists get excited. But economists can also be spoilsports. Despite the euphoria, they ask: does it make sense to host mega events like the World Cup, Olympics or World Expos? Do host countries benefit and do they recoup the investments made?

The arguments for undertaking mega projects and events focus primarily on the direct economic impact. This is the increase in activity and employment in the engineering, procurement and construction sector related to infrastructure spending, along with increased employment and spending in the tourism sector resulting from the inflow of tourists into the country (though this might displace non-event tourism because of congestion costs), as well as an increase in consumer spending during the event.

Research by Vanquis Bank reveals that England fans travelling to Russia for the World Cup and attending all matches would have spent £5,090 (Dh24,643) or 22 per cent of the average UK annual salary if England had reached the final. FIFA estimates close to 2.6 million fans would have watched the games in Russia by the time it wraps up on Sunday, but this is less than 0.1 per cent of the more than 3.5 billion fans expected to tune in on TV and online streaming.

In addition, there are “intangible benefits”: mega-event hosting nations use the opportunity to demonstrate their ability to undertake complex projects, and build and/or promote their “brand name”. In turn the higher value brand name could attract foreign investment and increased international trade and tourism.

The other immediate benefit in hosting the World Cup is that the host nation automatically qualifies for the tournament (and Russia had a good run reaching the quarter finals), but it also has to include massive tax exemptions for the Fifa association and its corporate partners. Germany, for example, offered Fifa an estimated $272 million in tax exemptions when it hosted the 2006 World Cup.

Indeed, the biggest winner from the World Cup is not the host country or the winning team (which takes home the 18-carat gold trophy whose current market value is about $150,000, and $3m along with prestige and honour), but Fifa. Fifa has become “big business”: broadcasting rights for this year is expected to generate $3bn in revenue – a 25 per cent uptick compared to 2014’s $2.4bn. In addition, corporate sponsorships (mostly from Russia itself, China, and Qatar which is hosting the next World Cup) likely brought in a further $1.6bn in revenue, according to KPMG.

Heavy investment, short duration

Hosting international mega-events like a World Cup or a World Expo, such as the UAE’s Expo 2020, involve large capital outlays: stadiums, sports facilities have to be built, modernised or upgraded along with hotels and lodging for visitors and participants. Investments have to be made in transport and logistics to move millions of people: roads, trains, stations and airports have to be built or expanded to absorb the high intensity of use due to the influx of millions over short periods.

In addition, there are the increasing and non-recapturable security costs. Russia’s World Cup 2018 declared bill of $14.2bn, is one of the highest spend so far (somewhat lower than Brazil’s $15bn) with most of the money invested in infrastructure ($6.1bn), stadium construction ($3.4bn) and transport ($680m) – and compares to a spending of $10bn or more by nations that hosted the previous editions of the event.

The Oxford Olympics Study 2016 found that direct sports-related costs for the summer games since 1960 are on average $5.2bn and for the winter games $3.1bnn. But these costs exclude the wider infrastructure costs like roads, urban rail and airports, which often cost as much or more than the sports-related costs.

The most expensive summer Olympics was Beijing at $40-44bn and the massively expensive winter games of Sochi 2014 at $51bn. As of 2016, costs per participating athlete are on average $599,000 for the summer games and $1.3m for the winter event, which are higher given the smaller number of events and participating athletes. For London 2012, cost per athlete was $1.4m; for Sochi 2014, $7.9m.

Costs and benefits of mega events

The common characteristic of mega international events is that the investments are designed for a specific purpose and for a “limited duration” – running from several weeks for the World Cup or Olympics to six months in the case of World Expos. Historical evidence points towards large budget overruns: over the past 50 plus years, Olympic Games have gone over-budget by 179 per cent on average.

The bottom line is that the short-term benefits from the host country’s share of the event, tourism revenues and increased consumption are far outweighed by the heavy costs of event-related investments. In addition, there is an opportunity cost: mega-project investments are likely to crowd out spending towards health, education, social development, and in some cases, basic infrastructure (India’s embarrassing experience with the 2010 commonwealth Games comes to mind). Unless the economics change and there is revenue sharing from media and related property rights, it typically does not pay to host a mega-event, despite prestige and the higher value brand name.

Some lessons on hosting mega-events

What are the lessons from experience for countries and cities planning to host a World Cup or other mega-event? One, use and upgrade existing facilities. Two, focus on the legacy: what will become of the new facilities post-event? How will they be used to avoid white camels? Three, focus on and build lasting economic linkages between the event and the domestic economy. Four, sport is increasingly digital. Negotiate a share of the global media (TV and online) and IP rights with the organisers.