

## SEA Games and the Economy: More Than Just a Regional Event?



**The win that matters is Thailand's long-term development.**

Imagine the SEA Games as Southeast Asia's most dynamic economic parade, a rotating carnival of pride, culture, and opportunity. Every few years, cities across ASEAN transform into regional stages. Athletes become ambassadors. Nations compete not only for medals but for visibility, partnerships, and economic momentum.

Yet beneath the celebrations and ceremonies lies a central question:

### **Do the SEA Games really make economic sense?**

And how do they compare with the world's biggest sporting phenomenon, the Olympic Games?

### **From Regional Festival to a Platform for National Development**

Thailand has a long history with the SEA Games, having hosted the event seven times. While not global in scale, the SEA Games function as a mini-Olympics for ASEAN, strengthening regional ties and stimulating local economies.

In 2007, Thailand invested about 3.2 billion baht (90 million USD) to host the Games in Nakhon Ratchasima. The spending led to upgraded sports facilities, improved roads, short-term employment, and greater national attention to the Northeast. These impacts did not create major GDP jumps,

but the infrastructure and visibility continued to benefit the region long after the event ended.

In later editions, including the 2025 Games, Thailand continued to see gains in domestic tourism, local spending, and national branding. Sporting events at the regional level act as catalysts for infrastructure improvement, urban renewal, and business activity. For Thailand, especially beyond Bangkok, the SEA Games shine a spotlight on provinces that often receive less attention.

### **SEA Games Economics: Moderate Costs, Meaningful Returns**

The SEA Games can be viewed as a mid-size investment with measured risk. Costs are manageable, and returns are spread across several sectors.

Countries benefit through:

- Infrastructure improvements
- Local business stimulation
- Tourism promotion
- Increased visibility for provincial areas
- National pride and youth participation

While the financial impact is smaller than global events, the SEA Games still deliver significant economic and social benefits. They help distribute development beyond major cities, build regional identity, and encourage sports engagement as part of public health and education.

For Thailand, the SEA Games are a practical development tool: less risky, more controllable, and closely aligned with local needs compared with the Olympics.

### **From Regional to Global: The Olympic Comparison**

To understand the broader economic context, the Olympics offer an important counterpoint. If the SEA Games represent a well-planned corporate project, the Olympics are akin to a global IPO.

### **A Brief History: From Ancient Greece to a Mega Project**

The Olympics trace back more than 2,700 years to ancient Greek ceremonies blending religion, athleticism, and culture. When revived in 1896 in Athens, the Games became a global stage for unity and competition.

Today, the Olympics involve:

- Over 200 nations
- Billions of viewers
- Multi-billion-dollar investments
- Large-scale construction of stadiums, athlete villages, media centers, and transport links

Hosting the Olympics is like building an entire city within an existing one. And, as with any massive investment, outcomes vary widely.

### **Olympic Economics: High Risk, High (Potential) Reward**

Some cities have used the Olympics to achieve lasting gains:

- **Los Angeles (1984):** A rare financial success, with a surplus of about 250 million USD.
- **Barcelona (1992):** A transformational moment that redefined the city and sparked a tourism boom.

- **Beijing (2008):** Part of a broader urban development push worth around 40 billion USD, elevating China's global standing.

Others faced long-term challenges:

- **Montreal (1976):** Took three decades to repay Olympic debt.
- **Rio de Janeiro (2016):** Struggled with idle venues and economic downturn.

Studies by Baade & Matheson (2004) and later World Bank research consistently show that unless tied to long-term development strategies, Olympic economic gains are limited.

### **The Trade-Off: What Do Nations Sacrifice?**

The key issue for events on this scale is opportunity cost: What alternative investments must be postponed?

Olympic funding often competes with:

- Education investment
- Healthcare reforms
- Digital transformation
- Rural development
- Climate adaptation
- Broader competitiveness initiatives

By contrast, the SEA Games require far fewer sacrifices. Their scale is manageable, and their benefits are more easily integrated into local development plans.

### **Does Thailand Need the Olympics?**

Thailand has never hosted the Olympics, but its SEA Games experience yields a clear insight:

Hosting sports events is not just about international prestige. It is about using the event as a platform to strengthen cities, expand sports ecosystems, support local businesses, and build social unity.

Olympic-level hosting demands vast investment and long-term planning. The SEA Games, however, allow Thailand to achieve balanced social and economic benefits without overwhelming financial risk.

## Conclusion

Hosting the Olympics is like entering a world-class competition where preparation alone costs a fortune.

Hosting the SEA Games is like executing a well-designed regional project that delivers broad, sustainable benefits.

For Thailand, the essential question may not be:

“When will we host the Olympics?”

but rather:

“How can we use the SEA Games and other regional events to build a stronger, more resilient, and more inclusive Thailand?”

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