

companies have defaulted on their international debt. The market was also affected by Covid-19, which halted already frozen construction projects and further reduced the inflow of foreign investment. And in July 2021, heavy rains hit China, causing flooding in parts of the country.

As mentioned earlier, the real estate market is a very important part of the economy. Instability in this sector can lead to disastrous consequences not only for the national economy, but also for the world economy as a whole. Why this situation can have an effect on the world economy? Just because of there are foreign agents, that invested in China's real estate and China is a large open economy whose goods and services are in high demand on the global market. The Chinese government is now taking steps to increase the demand for real estate, thereby increasing consumer confidence in real estate [3].

REFERENCES:

1. The balance [Electronic resource] : financial inf. resource. – Mode of access: <https://www.thebalancemoney.com/real-estate-what-it-is-and-how-it-works-3305882>. – Date of access: 15.03.2023.

2. Realting.com [Electronic resource] : real estate inf. resource. – Mode of access: <https://realting.com/ru/news/crisis-in-the-real-estate-market-in-china>. – Date of access: 10.03.2023.

3. CNBC [Electronic resource] : economic and business news. – Mode of access: <https://www.cnbc.com/2023/02/03/chinas-real-estate-crisis-isnt-over-yet-imf-says.html>. – Date of access: 11.03.2023.

Maria Khripacheva
Science tutor *I. Sidarchuk*
BSEU (Minsk)

RESHORING AS A MODERN TREND OF THE WORLD ECONOMY REGLOBALIZATION

The starting point in the evolution of the theory of reshoring was the fundamental statement of the problem in the UNCTAD World Investment Report–2013 (WIR-13), which, in fact, marked the beginning of a whole series of studies. In WIR-13, for the first time, a system of interrelated categories characterizing the processes of global spatial reconfiguration of business was formulated and introduced into scientific circulation: reshoring, offshoring, divestment, repositioning, relocation, nearshoring.

The purpose of this study is to identify the trend of reglobalization by the example of reshoring, its causes and consequences.

In accordance with WIR-13, reshoring refers to the process of a multinational company returning part or all of its own production, previously moved abroad, back to

the country of origin. The reshoring process has become relevant in the last 15 years, when the cost of labor in developing countries, as well as the cost of transporting goods, has increased significantly. The COVID-19 pandemic has intensified autarkic sentiments around the world, and reshoring has become especially relevant due to the complete collapse of supply chains and the unstable situation of companies with production facilities abroad.

The leader of reshoring is the USA, a country that has been transferring production processes to other countries for several decades. American manufacturers are increasingly returning production to the US to reduce their dependence on global supply chains that have proven vulnerable to disruptions such as the pandemic. According to the Chicago-based Reshoring Initiative, 63% of the returned productions were previously located in Asia, mainly in China [1]. Most likely, this is due to the trade war between America and China: American companies began to revise their supply chains abroad after the trade war with China which led to high tariffs on Chinese imports.

For the third year in a row, reshoring outpaced foreign direct investment (FDI). FDI did set an all-time record in 2022 as a result of large companies making substantial investments in EV batteries. The high rate of reshoring against FDI also indicates that US headquartered companies are starting to understand the same benefit to localized production that many foreign companies have understood over the last decade [1].

The report of the UN Secretary-General "Industry 4.0 for Inclusive Development" mentions the technology of Industry 4.0. Thanks to this technology, labor-intensive work in developing countries can be replaced by technologies such as robotics and artificial intelligence in developed countries, which will reduce the comparative advantages of the former in production within global value chains and lead to the reshoring of production from developing countries to developed countries. Industry 4.0 technologies can increase the comparative advantages of developed countries in skilled and capital-intensive industries, including intangible components that have become predominant thanks to digital technologies. Taken together, such impacts could lead to a loss of developing countries' share of added value global value chains. On the other hand, decisions on foreign direct investment are based not only on the cost of labor, but also on other factors such as market access, a favorable policy environment and incentives. The answer to the question of whether reshoring will take place also depends on the factors associated with the implementation, such as transition costs, inertia and complexity of coordination characteristic of this process. In addition, digital technologies can facilitate the participation of more companies in global value chains by bridging distances and reducing costs associated with trade and assembly [2].

As for the European continent, data on 2,500 companies from 8 European countries show that reshoring is not a common phenomenon; only 5.9% of the surveyed companies returned their assets, and 16.9% took them to other countries, while the main reason for reshoring from developing economies was logistics considerations, not the cost of labor [2].

Examples of large companies that have applied reshoring in their activities are General Motors, which invests above \$9 billion in electric vehicles, EV plants and battery

plants in the US and General Electric, which brings production of energy-efficient water heaters back from China [3], [4].

Thus, it can be concluded that reshoring has been gaining popularity recently due to significant benefits compared to offshoring. The immediate impact of reshoring is to reduce lead time and to simplify supply chains. Flexibility is added to a manufacturer's skill set. Bringing manufacturing closer to the point of delivery involves setting up flexible supply networks that can swiftly set up or shut down, according to fluctuations in demand. A leaner, more agile production process offers unlimited opportunities for product variants and innovation. That enables a brand to maintain a competitive advantage over its rivals, staying at the cutting edge of consumer demand and quickly reducing losses on unpopular lines. The added value and benefits of reshoring manufacturing include improved quality control, better IP protection and reduced packaging and shipping costs [5].

REFERENCES:

1. Reshoring Initiative / IH 2022 Data Report [Electronic resource]. – Mode of access: https://reshorenw.org/content/pdf/2022_1H_data_report-final5.5.pdf. – Date of access: 21.03.2023.
2. Организация Объединенных Наций / Экономический и социальный совет/ Индустрия 4.0 для инклюзивного развития [Электронный ресурс]. – Режим доступа: https://unctad.org/system/files/official-document/ecn162022d2_ru.pdf. – Дата доступа: 21.03.2023.
3. Insideevs / General Motors Reveals EV Investment Map For U.S. [Electronic resource]. – Mode of access: <https://insideevs.com/news/501548/gm-ev-investment-map-us/>. – Date of access: 21.03.2023.
4. Reshoring Initiative / A Reshoring Initiative Case Study [Electronic resource]. – Mode of access: <https://reshorenw.org/case-study/5/ge-brings-production-back-from-china/>. – Date of access: 21.03.2023.
5. Linked in / What Impact will Reshoring have on the Flexibility of your Business? [Electronic resource]. – Mode of access: <https://www.linkedin.com/pulse/what-impact-reshoring-have-flexibility-your-business-john-o-connell>. – Date of access: 21.03.2023.

Eugene Chizh, Zlata Kolyada
Science tutor *L. Vasilevskaya*
BSEU (Minsk)

THE IMPACT OF THE PANDEMIC ON THE LABOUR MARKET

The pandemic has weakened the economic, financial and social sectors in almost every country, regardless of the development status. Thus, the purpose of this paper is to