

factors provides a stouter platform upon which effective policy decision can be made for sustainable development to be achieved.

To summarize, it should be said that the problem of the development gap has always been a burning issue, therefore people need to understand the importance of constantly developing new measures to bridge the gap, which must meet many criteria, one of which is the time in which we live.

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CHINA'S REAL ESTATE MARKET

Real estate refers to real, or physical, property, and can include land, buildings, air rights above the land, and underground rights below the land. As a business term, real estate also refers to producing, buying, and selling property [1].

We deal with real estate every day. The shop that we always go to, the school where we sit and listen to lectures, the place where we live – all of this is real estate. And the real estate market itself has a major impact on the national economy.

The purpose of this article is to analyze the collapse of China's real estate market. Before speaking on China's real estate market let's emphasize some pros and cons of that kind of market.

The first thing to look at is the price. Buying a flat, house, etc. is expensive. Most consumers take out a mortgage. This can lead to high household indebtedness. But the government can take steps to increase mortgage opportunities (preferential mortgages) for certain categories of citizens. This could lead to an increase in real estate prices.

Secondly, jobs. If the real estate market shows a positive trend, some segments of the labour market will be “euphoric”. It is logical to assume that if the national (and partly

global) economy is positive and citizens have no income problems, then households will buy residential property for their own use or as an asset. Consequently, more building power will be needed. But an empty dwelling is not enough. More furniture, decoration, renovation, and moving services are needed. Therefore, not only construction companies, but also companies focused on the above-mentioned needs are at an advantage.

Thirdly, real estate can be seen as an asset. By buying such an asset, one can, conditionally, rent it out and have a continuous cash flow as a result.

Real estate can be the cause of a financial crisis. For example, one of the causes of the financial crisis of 2008 was the bursting of the bubble in the mortgage market. It is therefore very important to keep an eye on this market.

In the 80s, rapid economic growth (around 10% a year) stimulated the housing sector. The rise of the service sector was also accompanied by an increase in the diversity of the real estate market in urban areas, the emergence of demand for housing, premises for restaurants, entertainment venues, hotels, offices, retail premises, warehouses, etc. A fairly integrated real estate market has begun to take shape.

For China, the real estate is an extremely important driver of the economic growth. China's economic rise has relied heavily on an investment-driven growth model, and the ratio of fixed investment to GDP has reached 70-80% in recent years, of which the real estate sector accounts for a large proportion. Through investment, construction, the financial system, real estate is closely linked to various sectors of the economy and accounts for 23% of household expenditure. The real estate and construction sector is also crucial to employment in China, providing around 20% of all private sector jobs in cities. Local governments are also closely linked to real estate. For example, the share of income to local budgets from land sales accounts for around 35% of all income. For the average household, home ownership is not only a necessity for marriage, especially for young men, but also an attractive financial asset, given the significant increase in its value and the lack of alternative investment instruments. As a result, the housing market is several times - up to 8-9 times - more expensive than equity and bond markets. Housing accounts for around 78% of total assets of the population, compared with 35% in the US, and mortgage debt represents more than 70% of total household debt. This makes private consumption in China highly sensitive to falling house prices.

But in 2022 the real estate market in China could be in decline: the profits of the largest property developers fell by 90%, investments in national real estate development decreased by 10% and some construction projects have never been completed. Some mortgage debtors were even about to stop paying their loans, because it is absolutely unclear whether their flats will be completed. Sales of luxury housing fell by 40% [2].

Reason for this crisis was the over-regulation of the market by the authorities. The fact is that just a few years ago China saw a sharp increase in demand for real estate, which provoked an equally rapid rise in prices. As a result, the Chinese government decided to “cool down” the market by adopting a “three red lines” law in 2020, which eventually became unaffordable for most developers. Generally, the Chinese believe, or at least believed, that real estate is the best investment, due not only to the limited choice of assets to invest in, but also for historical reasons. Developers have also become cash-strapped due to a boycott by residents. As a result, more than 30 major construction

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].

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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