

THE SIGNIFICANCE OF OFFSHORE ACTIVITIES IN INTERNATIONAL ECONOMIC RELATIONS

Novik I.O.

National Technical University «Kharkiv Polytechnic Institute», Kharkiv

Offshore activities have become an integral part of the modern world economy. In the context of business globalization and growing international competition, companies are increasingly using offshore jurisdictions to optimize their financial flows, reduce the tax burden and protect assets. However, along with significant advantages, offshore activities also have their disadvantages that require careful analysis.

Offshore activities provide companies with the opportunity to reduce tax costs, which, in turn, allows them to save more funds for reinvestment in the business. This can stimulate the development of new technologies, expansion of production and the creation of new jobs. Studies show that companies that actively use offshore mechanisms show higher growth rates compared to their competitors operating in only one jurisdiction.

They can respond more quickly to changes in market conditions, as they can easily move capital and assets between different countries. This allows companies to adapt to new business conditions and reduce the risks associated with political and economic changes.

Despite the numerous advantages, offshore activities also have a number of challenges that require attention.

The use of offshore structures can be accompanied by legal risks, especially if companies violate the laws of their countries or international norms. The growing number of international agreements on the exchange of financial account information leads to greater transparency and control by states. This can make it more difficult to conduct offshore business and lead to fines and sanctions.

Offshore activities often raise ethical questions, as they can be used to evade taxes. This creates inequities in the financing of government programs and services that depend on tax revenues. The public increasingly questions the integrity of companies that actively use offshore jurisdictions.

Given the growing pressure from governments and society, companies are forced to look for new ways of doing business that would comply with ethical standards and legal requirements. This may lead to the development of new financial products and services that combine offshore strategies with high standards of transparency and accountability.

It is expected that regulatory changes may significantly affect offshore activities in the coming years. Increased attention to transparency, anti-money laundering and tax responsibility may lead to changes in the way companies use offshore jurisdictions. This may open up new opportunities for companies that are willing to adapt their strategies to the new conditions.