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TRANSFORMATION OF SUPPLY CHAINS THROUGH FRIEND-SHORING AND NEAR-SHORING AS AN OPPORTUNITY FOR UKRAINIAN ENTERPRISES

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The impact of friend-shoring and near-shoring on the transformation of global supply chains and their potential to enhance business resilience is analyzed. Key opportunities for Ukrainian enterprises and the country's competitive advantages are identified. The main features of these models and directions for preparing businesses to integrate into modern supply chains are briefly outlined.

Global supply chains have undergone significant structural changes over the past decade. The COVID-19 pandemic, trade conflicts among major economies, energy challenges, and the full-scale war in Ukraine have highlighted the need to restructure international production and logistics networks. In this context, interest in friend-shoring and near-shoring has grown as mechanisms to strengthen resilience and reduce risks in supply chains [2].

Ukraine, due to its strategic geographic location, proximity to the European market, and potential for high value-added production, can become an important element of such transformations. Therefore, studying the possibilities of friend-shoring and near-shoring for Ukrainian enterprises is both relevant and promising.

Friend-shoring refers to relocating production processes to countries considered politically and economically reliable partners. This approach minimizes risks associated with potential sanctions, trade barriers, or political instability in traditional manufacturing centers.

Near-shoring involves relocating production or logistics operations to countries geographically close to key markets. This approach reduces delivery times, logistics costs, and environmental impact.

These two approaches often complement each other, as a partner country can be both politically reliable and geographically close to the target market.

The main factors driving the shift from traditional globalization to the regionalization of production networks include growing geopolitical

uncertainty and increasing risks for international business. Enterprises seek to reduce dependence on certain Asian manufacturing hubs while responding to rising transportation and logistics costs. Additionally, global economic and environmental trends, including the need to decarbonize production and reduce carbon footprints, encourage companies to explore new regional production locations. Inflationary risks and fluctuations in energy prices on international markets also influence transformation processes, while the strategic strengthening of importing countries' economic security serves as an important incentive for restructuring supply chains (Table 1).

Table 1. Comparative analysis of friend-shoring and near-shoring for Ukrainian enterprises

Criterion	Friend-shoring	Near-shoring
Core logic	Relocating production to a partner country with a high level of trust	Relocating production closer to the target market
Key benefit	Political and economic stability of the partnership	Reduction of logistics costs and delivery time
Potential for Ukraine	Deepening cooperation with EU and US countries	Establishing production clusters oriented towards European markets
Main sectors	IT services, mechanical engineering, electronics, defense cooperation	Food industry, light industry, automotive components
Limitations	Need to ensure long-term stability and standardization	Requirement to modernize logistics infrastructure

These factors create conditions for identifying new production locations capable of ensuring resilience, predictability, and technological compatibility within supply chains. Ukrainian enterprises can gain significant benefits from integration into new production and logistics networks. The country's main advantages include geographical proximity to the EU, a strong human capital base in engineering, IT, and industry, a well-developed transport and logistics infrastructure, an economic policy oriented toward European integration and standardization, as well as the potential for establishing new industrial and service hubs [1].

European manufacturers increasingly consider Ukraine as a prospective hub for producing components for mechanical engineering, electronics, agro-processing, and logistics services.

For effective integration into new supply chain configurations, Ukrainian companies should:

- Develop production and logistics clusters oriented toward cooperation with the EU;
- Invest in supply chain digitalization, including RFID, IoT, and AI-based data analysis;
- Implement international quality standards (ISO, HACCP, IATF), which are critical for partnership;
- Establish long-term cooperative projects with manufacturers from Poland, Germany, and the Baltic countries;
- Modernize logistics hubs in accordance with multimodal transport requirements;
- Focus on transparency, environmental sustainability, and ESG approaches.

Conclusions

Friend-shoring and near-shoring are becoming key models for transforming global supply chains amid increasing geopolitical turbulence. For Ukraine, this opens unique opportunities for integration into regional production networks, deepening cooperation with EU countries, and establishing new resource, production, and logistics platforms. Ukrainian enterprises that focus on modernizing technological processes, enhancing quality standards, and developing infrastructure can become significant participants in updated supply chains, gaining sustainable competitive advantages in the medium term.

References

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