

Assistance Systems for Reshoring Firms in the ROK (South Korea) (Summary)

SONG Joonheon

*Professor, School of Business and Commerce, Tokyo International University
Collaborative Researcher, ERINA*

Since the global financial crisis in 2008, the phenomenon of moving manufacturing back to the country of its parent company, so-called ‘reshoring’, has attracted attention worldwide. For the purpose of increasing domestic investment and creating employment, the ROK government considered the introduction of assistance systems for reshoring firms, and it enacted the “Act on Assistance to Korean Off-shore Enterprises in Repatriation” in 2013, which contains legal provisions for providing various incentives for participating firms. However, the supporting system underperformed badly and its institutional effectiveness was seriously doubted. Therefore, the ROK government was left no option but to revise its law and regulations in 2019 and improve both the support programs and incentives. In this paper, we examine the assistance systems for reshoring firms based on the revised law and regulations.

Keywords: Offshore firms, Reshoring, Act on Assistance to Korean Off-shore Enterprises in Repatriation, South Korea
JEL classification: F29, K29