

were found to be becoming consistently stronger over time, it would be possible to conclude that trade was becoming more regionalized around these three poles; i.e., trading blocs are forming. A trend of decreasing strength in regional trading relationships or mixed evidence would obviously yield different conclusions. The second measure used in this section examines the "strength" of the three regions in global international trade transactions. It examines the share of world trade that the three regions account for, individually and collectively. This shows how important the regions are in world trade and, more importantly, whether they account for a growing proportion of world trade over time; i.e., is the "power" increasing?

- Data limitations

No data are perfect. Imports, measured in U.S. dollars, are used as a measure of overall trade flows because of their relative reliability and comparability vis-à-vis other indicators. No adjustments are made for price or exchange rate fluctuations that occur during the period studied. Gross domestic product data are also valued in U.S. dollars, which causes some measurement problems related to exchange rate fluctuation. Implications of these complications are noted in the analysis when warranted. Some observations, particularly for smaller Asia countries, were missing from the data set. Where this occurred, the observations were derived using the previous year's data, or dropped if the information gap was too great for any extrapolation to be appropriate. The three regions investigated in this study are North America, Europe and Asia. *North America* consists of Canada, the U.S. and Mexico. *Europe* consists of OECD Europe.⁵³ *Asia* consists of the ASEAN-6, with the exception of Brunei for which no data were available, plus Japan, Korea and Hong Kong.⁵⁴ China was rejected as part of the sample for Asia because of poor data quality. The sample years for Europe and North America are 1960 to 1993, inclusive. For Asia, the sample period extends only to 1992. The source of all trade data is the IMF and the source of GDP data is DRI.

⁵³OECD Europe comprises Austria, Belgium and Luxembourg, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey and the U.K..

⁵⁴The ASEAN-6 consists of Brunei, Indonesia, Malaysia, Philippines, Singapore and Thailand.