

anti-dumping law is allegedly designed to discipline.⁸ In the May 1995 OECD ministerial meeting, the decision was also taken to launch negotiations to move beyond the modest Uruguay Round harvest on investment by establishing a comprehensive Multilateral Agreement on Investment (MAI). While initially envisaged as an exercise among OECD members, the door is left open for the MAI's extension to non OECD countries once negotiations conclude, perhaps as early as June 1997. In addition, negotiations are underway that should lead to the accession of several more countries to the WTO, most importantly China and, over the longer term, Russia.

Evidently, further creative trade policy activity is underway multilaterally. Much of the dynamism driving economic integration has originated, however, at a regional or sub-regional level. This phenomenon is entirely natural. Much of the growth in world merchandise trade over the past generation has occurred on a regional basis. In 1993, over 65 percent of OECD European imports came from other OECD European countries, in comparison to 1960 when this ratio was 52 percent. With regard to North America, the share of intra-regional imports to total imports fell from its peak of 43 percent in 1969 to a trough of 32 percent in 1987. Since then, however, the intra-regional import ratio has climbed slowly but steadily. With regard to Asia, the share of intra-regional imports also increased, almost doubling from 18 percent in 1960 to over 30 percent in 1992. In recent years, growth in intra-regional trade in Latin America (followed by growth of its trade with North America) has also been considerably more robust than its trade with the rest of the world.⁹

Regional trade creates the conditions for and is further fuelled by formal, treaty-based commitments. From a results-based vantage point, regionalism is neither better than, nor dangerous for multilateralism. It is neither a predestined building block nor an inevitable stumbling block to more globalized liberalization. Despite sometimes well-founded fears about the trade-diverting impact of regional trading blocs, in

⁸ Since 1992, Policy Staff of Foreign Affairs and International Trade has undertaken research on several of the "frontier" issues, both to highlight the nature of the policy questions raised by prospective negotiations in these areas and to make a start on collecting the information needed to negotiate. The results of this work are available in the form of Policy Staff Papers and Commentaries on issues such as trade and competition policy. A collection of Papers on trade and environmental and labour standards and their enforcement recently appeared in Keith H. Christie, ed., *New Directions: Environment, Labour and the International Trade Agenda* (Ottawa: Carleton University Press, 1995).

⁹ Julie K. Fujimura, "Towards Regional Economic Blocs: Are We There Yet?", *Foreign Affairs and International Trade Canada, Policy Staff Paper No.95/01* (February 1995), pp.33-9. See also GATT, *International Trade: Trends and Statistics* (Geneva, 1994), pp.6, 15-6, 24, 32, 35, 52.