

integration.³⁰ The reversal of the increase in intra-area trade, which takes place in the second period, underlines the continued importance of international integration; after the initial shock of regional integration and further accession into the Community by other nations is taken into account, the world integration process is seen to have dominated. Throughout both periods, the share of domestic production in apparent consumption decreased. World integration did not cease as a result of membership in the EC, but (presumably inefficient) domestic producers suffered. There was found to be external as well as internal trade creation, consistent with the dynamic effects of regional liberalization.

In a related empirical study, Jacquemin and Sapir examine the trend of intra-European integration for the years 1973 and 1983.³¹ Although they admit that the data available were thin and sometimes inconsistent, they come to the conclusion that "the EC countries are becoming increasingly involved in a process of world-wide division of labour at the expense of European integration...".³² This is consistent with their work cited above on regional trade integration.

● *European Economy: The European Community as a World Trade Partner*³³

A section of the European Commission's yearly publication, *European Economy*, (1993) examines regional integration and trade in the European Community.³⁴ An important conclusion of the work is that the intra-regional trade share of total trade for the EC has increased significantly since 1958. Although the evidence suggested a strong effect of EC integration, other factors, such as competitiveness and the many extensions of EC membership, were found to have played an important part in this integration. For example, the UK's accession in 1973 significantly increased the intra-area import share between 1973 and 1983.³⁵

³⁰Jacquemin and Sapir, *op. cit.*, p. 131.

³¹A. Jacquemin and A. Sapir, "International Trade and Integration of the European Community: An Econometric Analysis", *European Economic Review*, No. 32, (1988), pp. 1439-49.

³²*Ibid.*, p.1448.

³³Examined here is the Commission of the European Communities, *European Economy: The European Community as a World Trade Partner*, No. 52, 1993.

³⁴*Ibid.*, pp. 21-25.

³⁵*Ibid.*, p. 24.