

international communications have changed significantly.⁴ Funds move electronically throughout the world with a speed and volume unimaginable by most even 15 years ago. With respect to transportation, bulk carriers, container ships and larger scale aircraft for cargo have helped to sustain the growth in trade in goods, although the impact has likely been less than that of telecommunications.⁵

Countries are trading a greater proportion of goods and services across borders. As discussed above, much of this growth is on a regional basis. But how have increasing trade flows affected key individual economies? Have all become more internationalized? If judged on the basis of exports of goods and services as a proportion of gross domestic product (GDP), there is not a simple answer (see Table 3A).

In six of the G-7 countries, exports represented a higher proportion of GDP if we compare the late 1980s with the early 1970s (only Japan ends up unchanged at the end of this period). But a reversal of sorts took place in the second half of the 1980s which witnessed a decline in the relative importance of exports for G-7 countries such as Canada, Italy, the UK and Japan, with the U.S. and France registering little change. Only Germany continued to score a major proportional gain for exports vis-à-vis GDP after 1985, and even here over 70% of German exports was shipped to other European destinations by 1990. Increasing export globalization has not been a recent hallmark of G-7 trade. Increased internationalization of exports has, however, been very much the trend for a number of dynamic developing economies and smaller European traders, as can be seen in Table 3A.

On the other side of the ledger, Canada's overall imports of goods and services as a proportion of GDP has not increased appreciably over the past 15 years (although the import penetration of many manufactures has increased). Imports have become relatively less important for Japan in recent years. In France, Italy and Germany, the import share increased in the early 1980s, and subsequently showed some tendency

⁴ OECD, *Globalisation of Industrial Activities - Four Case Studies: Auto Parts, Chemicals, Construction and Semiconductors* (Paris, 1992), pp. 136, 148, 158; OECD, *Universal Service and Rate Restructuring in Telecommunications* (Paris, 1991), pp. 146-67.

⁵ Although comprehensive time series are not readily available, the real cost of transportation of wheat (in US \$ per tonne) has clearly fallen - see International Wheat Council, *World Wheat Statistics* (1983 and 1987), p. 79 and p. 73 respectively. International air cargo rates (individual shipments under 45 kilograms) fell in real US dollar terms between 1980 and 1989, although not significantly when expressed in the currencies in which sellers sold the goods transported - see International Civil Aviation Organization, *Annual Report of the Council*, various (Montreal).