

an impetus or example for multilateral agreements. Although Lloyd recognizes that the intra-regional share of total world imports for Europe and Asia is increasing, indicating tri-polarization of trade, he states that the collapse of other, formerly powerful trading centres should put current developments in the context of a constantly evolving trade environment. There is, however, a more serious threat of increasing regionalism in the future, according to Lloyd, since the U.S. in particular has abandoned its historical opposition to new discriminatory arrangements.

● *The Economic Effects of Regional Integration*<sup>24</sup>

In this 1993 study for the OECD, Plessz finds that there is no fundamental inconsistency between globalization and regionalization, and that regionalization is the consequence of geographical closeness, cultural similarities, political affinities, traditional economic links and other factors that are taken into account in the strategies of multinational companies.<sup>25</sup> Regionalization, therefore, can go hand-in-hand with globalization. To support this argument, Plessz quotes the GATT Secretariat (1990) which found that:

If the Middle East and Africa are excluded from the calculation (due to such factors as depressed oil prices and debt), inter-regional trade expanded faster than intra-regional trade in each of the three regions. Strong trade growth in the regions which are home to the three largest traders - the European Communities, the United States and Japan - in combination with important and dynamic inter-regional trade flows among the three, suggest a situation not of evolving trade blocs, with the inward orientation which the term "bloc" connotes, but of evolving trade centres with world wide commercial interests.<sup>26</sup>

It is suggested that world integration has continued at a good pace, along with, and perhaps (but not necessarily) despite, regional integration.

Plessz cites several studies that cast doubts on the strength and pace of regional integration. European regional integration has occurred since the establishment of the EC and the share of intra-EC trade has significantly increased

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<sup>24</sup>This section outlines N. Plessz, *op. cit.*

<sup>25</sup>*Ibid.*, p. 3.

<sup>26</sup>*Ibid.*, pp. 3-4.