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Introduction

It is our great pleasure to deliver another volume of Research Papers on Asia-Pacific economic issues. Each year we present you multiple points of view on that topic, trying to show how much the processes in Asia & Pacific affect the world economy. After nine years of hosting international scientific conference dealing with that region's affairs, we are still confident that these issues are important not only for the countries of the region, but also for economies worldwide.

This year we have chosen for you 15 articles. All of them were submitted for this year's conference entitled "Asian Economies in the Context of Globalization". Seeing that some authors describe the issues of countrywide importance and others of those having regional or global meaning, we have decided to group them according to the criterion of impact range.

The first chapter – Asian Economies in the Global Context – is a collection of papers on general regionalization or globalization issues. T. Sporek is trying to refresh the view of the globalization processes occurring at the crossroads of economy and politics. M. Bartosik-Purgat is analyzing sources of information about products and services in the light of cross-cultural research. E. Majchrowska is using Regional Comprehensive Economic Partnership case to show the importance of mega-regional blocks in global trade. In addition, we decided to add to this part the articles the subject of which is not so general, but it applies to trade relationships of a global nature. This will be the EU-India trade and investment agreement (G. Mazur), Poland-ASEAN agri-food products trade (K. Kita) or anti-dumping procedures against China under WTO rules (J. Skrzypczyńska).

Articles in the second chapter are – as the title implies – embedded in a regional context. P. Pasierbiak deals with trade regionalization in East Asia. S. Bobowski offers an insight into ASEAN-Japan Economic Partnership. A. Kuropka and A.H. Jankowiak analyse the impact of natural disasters on production networks in the region. As the last in this section we have placed the article about Singaporean Competitiveness Model applied in European economies (M. Żmuda). It may be not strictly connected with Asia & Pacific, but its concept is to transfer Asian experience to Europe at the regional level.

The last chapter – Asian Economies in the Local Context – is mostly about domestic matters of Asian countries. You will find there three articles about China (J. Bogołębska writing about Chinese monetary policy, A. Klimek describing cross-border mergers and acquisitions by Chinese state-controlled enterprises, S. Stępień and A. Sapa showing Chinese pork sector), one about Indonesia (*Development of Islamic banking in Indonesia* by I. Sobol) and one about North Korea (M. Kightley applying game theory in prediction of political changes in that state).

We think it is an interesting set of papers you will find valuable in your studies. We also hope that your scientific interests will continue to be associated with Asia and that is why we invite you to the 10th anniversary conference which will be held at the Wrocław University of Economics in November 2017.

We appreciate your time and consideration, as also time and effort of our peer reviewers. We look forward to the further submissions of interesting papers on Asia & Pacific. Thank you!

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TRADE REGIONALIZATION IN CONTEMPORARY EAST ASIA

REGIONALIZACJA HANDLOWA WE WSPÓŁCZESNEJ AZJI WSCHODNIEJ

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Summary: The paper concerns the process of regional economic integration, taking place in contemporary East Asia. The main objective of the study is to investigate the changes in an intensity of merchandise trade regionalization in East Asia in the years 1995–2014. The hypothesis, claiming that intraregional trade development in East Asia depends on the interest of the major East Asian economies and on changes of the region's position in the world trade, will be verified. In order to achieve the goal of the study, the method of analysis and interpretation of statistical data was utilized. It was based mainly on the intraregional export and import share but also on intraregional trade intensity index. The main conclusion of the analysis confirms that the process of a trade regionalization in East Asia progresses, but its growth is relatively low. The most important economies in the region, especially China, play a key role in these processes.

Keywords: East Asia, ASEAN Plus Three, regional economic integration, intraregional trade, intraregional trade intensity index.

Streszczenie: Artykuł dotyczy procesu regionalnej integracji gospodarczej, dokonującej się współcześnie w Azji Wschodniej. Głównym celem jest zbadanie zmian intensywności regionalizacji handlowej w zakresie obrotów towarowych w Azji Wschodniej w latach 1995–2014. Weryfikowana jest hipoteza mówiąca o tym, że rozwój handlu wewnątrzregionalnego w Azji Wschodniej uzależniony jest od zainteresowania najważniejszych gospodarek wschodnio-azjatyckich oraz od zmiany pozycji regionu w handlu światowym. Do osiągnięcia celu wykorzystano metodę analizy i interpretacji danych statystycznych, opartych na wskaźnikach udziału w eksporcie i imporcie wewnątrzregionalnym oraz indeks intensywności handlu wewnątrzregionalnego. Główny wniosek mówi o tym, iż procesy regionalizacji handlowej w Azji Wschodniej postępują, niemniej jednak ich dynamika jest stosunkowo mała. Kluczową rolę w tych procesach odgrywa zachowanie najważniejszych gospodarek regionu, w tym szczególnie Chin.

Słowa kluczowe: Azja Wschodnia, ASEAN Plus Three, regionalna integracja gospodarcza, handel wewnątrzregionalny, wskaźnik intensywności handlu wewnątrzregionalnego.

1. Introduction

Regional economic integration is one of the leading tendencies in the contemporary world economy. The process itself is not new, as in the 19th century, with the increase in trade intensity, agreements on trade preferences emerged. However, it was not until the second half of the 20th century, and especially since the mid-1980s, when integration activities intensified in many geographical areas, mainly in Europe and North America [WTO 2011].

Regional integration processes were taking place in also in Asia, but they were mainly based on the development of bottom-up (not institutionalized) economic ties between economies. Interconnected four types of relations: trade, investment, financial and production constitute East Asian regionalization processes. The first one, historically the most important, will be presented in this study.

The main aim of this article is to examine changes in the intensity of a trade regionalization in East Asia¹ in the years 1995–2014. The hypothesis, saying that intraregional trade development in East Asia depends on the interest of the major East Asian economies and on changes of the region's position in world trade, will be verified. The study uses descriptive method, but above all a method of statistical data analysis and interpretation, based on calculated intraregional shares of exports and imports and intraregional trade intensity index.

2. Theoretical approach to regional economic integration

In the literature there are many definitions of the term of “regional economic integration” and their content is the result of individual approach of an author. According to B. Mucha-Leszko this individual approach manifests itself in the way of presenting the essence of integration, elements that are considered the most important (in terms of motives, purpose, scope of integration, mechanisms of its functioning, model, effects or creation of the institutions and of the new international order), and whether the definitions contain all or only some of these elements [Bieńkowski et al. (eds.) 2012].

In the 1950s of the 20th century J. Tinbergen defined the concept of international economic integration. According to him, this term means a “creation the most desirable structure of the international economy by removing artificial barriers for optimal performance and deliberate introduction of all desired elements of coordination or unification” [Kamecki 1967]. This definition was met with some criticism, concerning the introduction of too many evaluative terms that may be unclear or ambiguous.

¹ East Asia in this study includes thirteen countries: ten ASEAN member states (Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Viet Nam) but also China, Japan and South Korea. The acronym APT (ASEAN Plus Three) will be in use for tables and figures.

In the 60s of the 20th century another, nowadays regarded as classic, definition of regional integration was created by B. Balassa [1961]. The author proposed to define the term as a process and as a state of affairs. As a process it is the abolition of discrimination within an area (between economic units belonging to different national states). On the other hand, a regional economic integration as a state of affairs can be represented by the absence of various forms of discrimination between national economies. Unlike its predecessors, B. Balassa took into account not only custom duties or quantitative restrictions as forms of discrimination. According to him, the integration takes many forms, ranging from a free trade zone, through a customs union, a common market, an economic union to full economic integration.

Another and somewhat more extensive definition of international integration was formulated by Z. Kamecki. According to him, the regional integration should be understood as a creation of independent subject basing on a single economic structure which involves a group of countries, as a result of high internal economic interconnections and economic cohesion. This subject can be distinguished clearly from the world economy [Kamecki 1967; Ładyka 2001]. The definition is broad, but covers all the major aspects of the process of economic integration. A newer definition of integration was created by P. Robson. According to him, international economic integration should be defined as the institutional combination of separate national economies into larger economic blocs or communities [Robson 1998].

Not analyzing deeply benefits from integration it is worth pointing out that in the traditional approach the Vinerian theory of customs union prevails, which essential elements are effects of trade creation and trade diversion.² According to J. Viner, countries are willing to integrate if integration is likely to produce more static gains than losses, what will be the result of trade creation effect advantage over trade diversion.

The second group of theories bases on the assumption that the static analysis resulting from trade creation and diversion effects is insufficient to fully capture wealth growth as a consequence of an economic integration. Critics of the old concepts argue that nowadays there are other driving forces of integration than in the past. The new concepts emphasize the role of the private sector, competition, flows of foreign direct investments and a growing role of services. It is claimed that small national markets increase costs, reduce the degree of specialization and competition, as well as weaken the motivation for the introduction of technological progress. Consequently, the regional integration proceeds, in order to avoid such limitations.

In more recent concepts of regional economic integration the role of market forces in shaping the integration processes is highlighted. This is an issue relevant to this study. Regional economic integration can be interpreted as an institutional and instrumental process as well as bottom-up economic ties development between the

² A detailed review of the literature on the theory of economic integration can be found in, among others [Hosny 2013].

countries [Munakata 2004]. The first case manifests itself in a growing number of economic agreements and this is *regionalism (de iure)* regional economic integration). In the second case, when regional economic interdependence grows, we are talking about *regionalization (de facto)* integration [Misala 2005]. This division is important from the point of view of this article as it focuses on selected aspects of *de facto* integration undertaken in East Asia.

3. Trade development in East Asia

Until recently, in East Asia, there were no large-scale institutionalized forms of international cooperation (*de iure* integration).³ The processes of regional integration in Asia are based mainly on the development of bottom-up, market links between the countries. Enterprises, sometimes supported by state policies, pursue strategies of internationalization and, naturally, heavily invest in neighbouring countries. Initially, the economic ties in East Asia took a form of traditional trade links, complemented by capital flows in the form of foreign direct investment. Since the second half of the 1990s financial integration intensified, which was a response to the problems resulting from the Asian financial crisis (1997). At the same time, as a result of transnational corporations' activities, production ties have developed in Asia, and these links are nowadays one of the most important economic relationships linking the analysed countries. These interweaving four types of ties: trade, investment, financial and production, constitute the East Asian regionalization processes.⁴

3.1. Growth of East Asia in international trade

The region of East Asia is one of the fastest growing areas of the world. The consequence of this is the increasing importance of East Asia in the world economy. The high rate of economic growth and the intensification of foreign trade mean that the region increases its share in world trade. In the period 1995–2015, the value of world exports increased more than threefold (3.2), whereas for East Asia the increase achieved 4.4. The dynamics of growth exceeded the dynamics observed for the European Union (EU) and the United States. This meant an increase of the East Asian share in global exports from 20.1% (1995) to 27.8% (2015) [WTO 2016a]. In the same period, the US share fell from 11.3% to 9.1%. Downward trends were also visible in the case of the EU, whose share fell from 41.3% (1999) to 32.7% (2015).

In the group of East Asian countries itself changes have been uneven. The largest increase in the share of world trade was recorded in the case of China (from 2.9 to 13.8%), while the largest decline in Japan (from 8.6 to 3.8%). ASEAN countries and

³ On the development of East Asian institutional regionalism see among others: [Skulska 2011; Molendowski (ed.) 2012; Wojtas 2013].

⁴ The first of them, historically the most important, will be examined in this study. Other dimensions of economic regionalization in East Asia will be the subject of author's future interest.

Korea have shown stability, with a slight growth from 6.2 to 7.1% (ASEAN) and from 2.4 to 3.2% (Korea).

East Asian countries are also increasingly important global importers, but their share in world's total value of the flow is lower than in exports. In 2015 East Asian countries accounted for 23% of world imports of goods, an increase of 4.9 percentage points compared to 1995 (18.1%) [WTO 2016a]. The share of East Asia has not exceeded yet the share of the European Union (31.7% in 2015), but if the trend is maintained, it seems that in a relatively short time, the EU will become less significant world importer. In the case of the US, its share in imports is still high, although one may notice a slight decrease in significance (13.8% in 2015 compared to 14.6% in 1995) [WTO 2016a]. In the case of importation, intraregional differences can also be seen. China increased its share (from 2.5 to 10%), the share of Japan fell (from 6.4 to 3.9%), while ASEAN and Korea have shown even greater stability than for exports.

The increasing value of East Asian global trade and the growing importance of this region in international trade were accompanied by a parallel process of development of intraregional trade ties. This issue will be examined in further parts of the study.

3.2. Intraregional trade in East Asia

A trade regionalization in East Asia is progressing as a result of bottom-up activities of economic entities. A geographical proximity, the presence of production chains in the region, as well as the relatively high similarity of cultures (especially in some countries) mean that in East Asia a fairly high level of intensity of intraregional trade can be observed [Fukusaku et al. (eds.) 1998]. Figure 1 illustrates the changes in that field in the years 1995–2014, showing changes in East Asia in the background of UE 28 and North American Free Trade Agreement (NAFTA).

The share of intraregional trade on the export side was lower in East Asia than in the European Union and NAFTA. In the years 1995–2014 it ranged from 28.2 to 36.5%. The highest share occurred in 1996, while in the subsequent two years, the decline to the lowest level could be observed. The economic collapse (Asian financial crisis) resulted in greater interest in external markets than in weakened Asian export markets. Since 1999 the situation was improving and the rate of intraregional trade rose to 35.2% in 2014.

The analysis of data on intraregional flows indicates that on the import side the situation was quite different. Countries of East Asia to a greater extent rely on themselves, as supply markets. Figure 1 clearly demonstrates the increase in intraregional imports, whose share exceeded the share of NAFTA grouping since 1999. In 2005 the share of intraregional imports in East Asia reached 46.9%, which was the highest level in the whole period under scrutiny. If the trends observed in the European Union and East Asia are maintained, there is a chance that in the

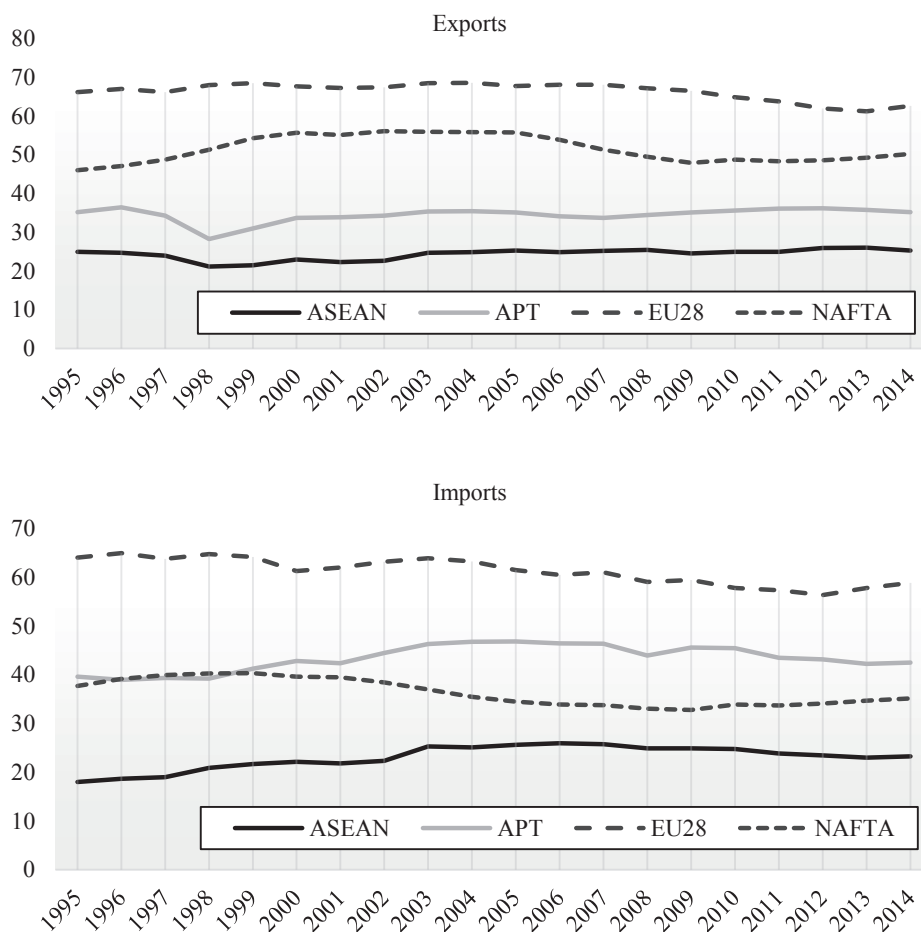


Figure 1. Intraregional exports and imports of ASEAN, APT, EU and NAFTA, in %

Source: own preparation based on [UNCTAD 2015].

foreseeable time horizon these two regions converge, as far as intraregional imports share is concerned.

One reason of the intraregional imports' rise in East Asia is the growing role of China as a source of supply for other East Asian economies. As a fragmentation of the production chains grows, China is often seen as the hub of such production networks [ADB 2008]. In 2014, for all analysed countries (excluding Brunei), China was the first export market [WTO 2016b].⁵ If to add that for nine Eastern Asian countries China was among the top five export markets, it confirms that the country

⁵ No data for Lao People's Democratic Republic.

is already the most important trading centre of the region. More and more developed internal Chinese market, but above all the position of the most significant source of supply, makes China a key player within the trade regionalization in East Asia.

The overall rate of intraregional trade is a result of individual economies' involvement in this type of trading. Table 1 collects data illustrating the importance of intraregional exports and imports for the analysed countries of East Asia.

Table 1. Intraregional exports and imports for East Asian countries, %

Specification	Exports				Imports			
	1995	1998	2005	2014	1995	1998	2005	2014
Brunei Darussalam	92.1	75.8	78.7	70.3	61.0	57.0	79.3	71.7
Cambodia	67.1	26.3	11.4	24.9	87.4	64.0	66.1	82.5
Indonesia	51.5	46.8	55.6	51.7	47.6	48.1	63.5	64.7
Lao PDR	44.9	42.9	61.4	88.3	83.3	91.3	90.2	92.9
Malaysia	45.8	39.9	45.4	54.4	51.4	51.7	56.5	55.3
Myanmar	62.8	39.6	59.7	88.8	86.4	89.6	88.6	90.1
Philippines	33.1	30.2	48.1	54.5	41.3	46.7	47.1	55.0
Singapore	43.2	36.6	48.9	51.9	51.0	47.9	50.2	44.1
Thailand	42.8	36.9	45.8	48.7	50.3	47.1	54.2	55.3
Viet Nam	49.4	27.5	43.1	39.9	56.1	25.9	62.3	71.0
ASEAN	45.0	38.3	48.3	50.8	50.3	48.1	54.7	56.1
China	30.7	25.6	22.9	22.3	37.2	39.9	46.6	36.0
Japan	29.6	21.2	34.0	40.9	30.3	31.7	39.8	40.5
Korea, Republic of	35.3	27.7	39.9	45.8	37.1	33.5	43.3	37.5
APT	35.2	28.2	35.1	35.2	39.6	39.2	46.9	42.5

Source: own calculations based on [UNCTAD 2015].

Intraregional trade was the most important for less developed countries (Myanmar, Lao People's Democratic Republic, Cambodia and Brunei Darussalam). In the case of Myanmar, the share of intra-exports increased from 62.8 in 1995 to 88.8% in 2014. On the import side, the share increased from 86.4 to 90.1%. Nevertheless, it should be remembered that less developed countries have much lower share in total trade flows, which means that their importance in shaping the internal turnover is limited. On the other hand, more important is how the situation looks like in more developed countries. In the case of Singapore for instance, the intra-export share increased from 43.2% to 51.9%, but the intra- imports share fell from 51 to 44.1%. As far as Japan and Korea are concerned, one can observe a growing importance of intraregional transactions. Japan's intra-export share increased from 29.6 to 40.9%, and imports from 30.3 to 40.5%, while for Korea increases were, respectively: from 35.3 to 45.8% for exports and from 37.1 to 37.5% for imports. Quite opposite trends

were seen for China – the strongest trading East Asian economy. In the case of exports and imports the importance of the country's intra-trade fell, but to the greater extent on the export side. From 1995 to 2014 a share of intra-exports declined from a relatively low level of 30.7 to 22.3%. On the import side, initially the importance of intraregional flows grew from 37.2% (1995) to 46.6% (2005), but later the share fell to 36% (2014). Thus, China negatively influenced the intensity of intraregional East Asian trade flows.

An important indicator to assess the degree of intensity of internal trade links within a specific geographical region is intraregional trade intensity index.⁶ As a result of taking into account the relative size of a country or region, the indicator better reflects the trade interdependence in the region. The higher the ratio, the greater is the intensity of intraregional trade. Data for individual countries and entire East Asia are collected in Table 2.

Table 2. Intra-East Asian export and import intensity index, 1995–2014

Specification	Export					Import				
	1995	1998	2000	2010	2014	1995	1998	2000	2010	2014
Brunei Darussalam	5.15	5.49	4.95	3.73	3.12	2.76	2.69	2.63	2.71	2.53
Cambodia	3.76	1.91	0.81	0.81	1.11	3.96	3.02	2.68	2.83	2.91
Indonesia	2.88	3.39	3.07	2.58	2.29	2.16	2.27	2.21	2.27	2.28
Lao PDR	2.51	3.10	3.26	3.85	3.92	3.77	4.31	3.77	3.28	3.28
Malaysia	2.56	2.89	2.71	2.43	2.41	2.33	2.44	2.26	2.04	1.95
Myanmar	3.51	2.87	2.19	2.45	3.94	3.92	4.23	3.67	2.66	3.18
Philippines	1.85	2.19	2.08	2.48	2.42	1.87	2.20	1.88	1.98	1.94
Singapore	2.42	2.65	2.50	2.30	2.30	2.31	2.26	2.13	1.71	1.56
Thailand	2.40	2.67	2.36	2.15	2.16	2.28	2.22	2.16	1.99	1.95
Viet Nam	2.77	1.99	2.88	1.87	1.77	2.54	1.22	2.65	2.30	2.51
ASEAN	2.52	2.77	2.60	2.33	2.25	2.28	2.27	2.18	1.99	1.98
China	1.72	1.85	1.66	0.97	0.99	1.69	1.88	1.75	1.46	1.27
Japan	1.66	1.53	1.59	1.97	1.81	1.37	1.50	1.49	1.44	1.43
Korea, Republic of	1.98	2.01	2.02	1.98	2.03	1.68	1.58	1.64	1.49	1.33
APT	1.97	2.04	1.98	1.66	1.56	1.79	1.85	1.79	1.60	1.50

Source: own calculations based on [UNCTAD 2015].

The data presented in Table 2 show that the intraregional trade intensity index for the whole region of East Asia fell. This took place in both exports and imports. In the case of exports, the decline was the result of an increasing share of the region in

⁶ Intraregional Trade (export/import) Intensity Index is the ratio of intraregional exports/imports share to world's export/import to/from the region.

world's exports and of stabilization of intraregional exports share. In turn, on import side, an increasing share of this flow being realized in this geographical area was accompanied by a more dynamic growth of East Asia as a source of world imports. Thus, the intraregional import intensity index fell from 1.79 to 1.50.

The overall decline in the intraregional trade intensity resulted from changes taking place in different countries. In five out of thirteen analysed countries, the index for export increased (Laos, Myanmar, Philippines, Japan and Korea), while in the remaining eight there were a decrease of the indicator. The most significant drop was observed for Brunei Darussalam and Cambodia, but with relatively little commercial importance of these countries, a greater influence must be attributed to the decline in the index for China (down by 0.73). In the case of intraregional imports intensity index, in only three countries rates increased (Indonesia, Philippines and Japan). In all other a decrease was observed.

The above analysis of the individual countries' performance can be complemented by the analysis of the intraregional trade intensity by commodity groups (see table 3).

Table 3. Intra-East Asian trade intensity for disaggregated products, 1995–2014

Specification	Exports					Imports				
	1995	2000	2005	2010	2014	1995	2000	2005	2010	2014
Food and live animals (SITC 0)	2.99	3.01	3.39	2.89	2.66	2.64	2.62	2.98	2.71	2.52
Beverages and tobacco (SITC 1)	3.66	3.84	5.23	4.30	3.90	2.16	2.82	3.43	3.17	3.26
Crude materials, inedible, except fuels (SITC 2)	2.00	2.06	1.74	1.35	1.38	1.89	1.86	1.54	1.27	1.27
Mineral fuels, lubricants and related materials (SITC 3)	2.82	2.75	2.68	2.40	2.25	2.73	2.62	2.67	2.30	2.04
Animal and vegetable oils, fats and waxes (SITC 4)	1.68	1.98	1.90	1.58	1.67	1.59	1.85	1.76	1.57	1.62
Chemicals and related products n.e.s. SITC 5	2.64	2.75	2.91	2.55	2.49	2.55	2.67	2.80	2.40	2.32
Manufactured goods (SITC 6)	2.50	2.60	2.48	2.12	2.04	2.45	2.50	2.39	2.07	1.92
Machinery and transport equipment (SITC 7)	1.66	1.74	1.67	1.41	1.38	1.53	1.61	1.62	1.46	1.40
Miscellaneous manufactured articles (SITC 8)	1.87	1.86	1.78	1.54	1.47	1.52	1.50	1.50	1.38	1.37
Commodities and transactions, n.e.s. (SITC 9)	2.34	2.54	2.72	2.38	1.28	2.74	3.12	3.47	2.76	1.28
Total (SITC 0-9)	1.97	1.98	1.93	1.66	1.56	1.79	1.79	1.82	1.60	1.50

Source: own calculations based on [UNCTAD 2015].

The data from Table 3 indicate a decline in the intensity of intraregional trade in almost all commodity groups. Only in few of them a rate increased in the period under scrutiny. This concerned a group of “beverages and tobacco” (for exports and imports) and “animal and vegetable oils, fats and waxes” (only for imports). Among all commodity groups the highest intensity of intraregional trade can be observed in “beverages and tobacco” group as well as in “food and live animals”. This takes place both in exports and imports. In turn, the lowest indexes were observed in such commodity groups as “machinery and transport equipment” and “miscellaneous manufactured articles”. This phenomenon can be explained by large shares of East Asian countries in world’s exports and imports. Asia, as a factory of the world, exports processed goods mainly to other regions of the world, and to a lesser extent placing them on internal East Asian markets.

4. Conclusions

The analysis presented in this paper confirms that the process of regional economic integration also occurs in the area of East Asia. However, in the case of this geographical area it can be concluded that a real component prevails over the institutional and instrumental one, which means that a regional economic integration is stimulated mainly by economic factors (economically driven integration).

The research on intraregional trade, based on such indicators as: the share of intraregional exports and imports and intraregional trade intensity index allowed the author to indicate a number of more specific findings.

1. Indicators of intraregional trade shares in East Asia confirm the development of this phenomenon, and to a greater extent this applies to the import than exports. The share of intra-imports for East Asia exceeded analogous indicator for NAFTA, reducing also the distance to UE 28.

2. The importance and ability to influence an increase in intraregional trade for individual countries is unequal. While the share of intra-trade was the highest for less developed countries (Myanmar, Laos, Cambodia or Brunei Darussalam), their impact on intraregional trade was limited. Tendencies taking place in countries with more trade importance (China, Japan, Korea, Singapore) influenced much more strongly.

3. An important role in the development of intraregional merchandise flows is played by China. On the one hand, the country has become the first export market for all analysed countries (except Brunei), which contributed to the intensification of internal links on the import side. On the other hand, the growing interest of China in outside the region exportation had a negative impact on its engagement in intra-exports. China seems to implement a strategy of global expansion, and the East Asian region is only one of many and not necessarily the most important destination of Chinese producers.

4. Intraregional trade in East Asia, as measured by the intraregional trade intensity index shows a downward tendency. To a large extent this is due to the construction of the index and when the importance of the region in world's export and import is rapidly growing, the value of the indicator is falling. In the case of East Asia, intraregional exports intensity index decreases more slowly than the corresponding rate for imports.

5. The intensity of intraregional trade has lowered with respect to almost all commodity groups, which resulted from the growing importance of East Asia in the world trade and a relative stagnation of intraregional trade. The only groups for which the index has increased in the analysed period were: "beverages and tobacco" (for exports and imports) and "animal and vegetable oils, fats and waxes" (only for imports). This phenomenon can be partly explained by a large share of East Asian countries in world's exports and imports.

The above findings lead to the conclusion that the process of trade regionalization in East Asia is on the way, but its dynamics is relatively small. Main factors behind this statement are: 1) a changing interest of major economies of the region (e.g. China imports from the region but exports mainly outside the region) and 2) a shift of trade power toward the East Asian region (growing importance in international trade negatively influences intraregional trade intensity).

Economic globalization causes that some countries, especially the large and economically powerful, are trying to place their production and export in all possible destinations. East Asia is only one of them. This can mean that if there would be an increase of institutional links in the region (*de iure* regional integration) this could help to increase the degree of trade integration within the region. This problem seems to be an interesting area for further research.

Additionally, the increasing internationalization of business but also growing processes of globalization and internationalization cause that it is the world market (not necessarily regional ones) that is perceived by companies as an area of their operation. From that point of view, a future development of intraregional trade may be limited not only in East Asia but also in other regions (Europe, America). This issue also provides an interesting research problem that requires further research.

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