

## Opportunities and challenges of trading Iranian food products to the Oman market

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Article Info	Abstract
<p>Original Article</p> <p>Main Object: Economics                      Scope: Iran &amp; Oman</p> <p>Received: 22 December 2024                      Revised: 19 January 2025                      Accepted: 27 January 2025                      Published online: 15 February 2025</p> <p><b>Keywords:</b>                      challenges,                      export capacity,                      food products trade,                      Iran,                      Oman market,                      opportunities.</p>	<p>Since the development of Iran's trade is facing many internal and external bottlenecks, including limited access to export markets, this article seeks to answer these questions: how much of the export capacity of Iranian food products to the Oman market has not been used? What measures should be taken to develop the export to this market? In response to these questions, this article evaluated the export performance of Iran's food products and the prospect of import demand for food products in the Oman market in a 10-year period. The study results of the export performance of Iranian food products to the Oman market showed that there is a big gap between what is and what should be. Currently, in the value chain of food production, Iran is generally at the beginning of the chain, without having a higher added-value and often relies on food products that have a higher internal content, and is far from product diversity and differentiation, economies of scale, structural changes and endogenous competitive advantages in desirable food products. The study of the performance and pathology of the export of Iranian food products to the Oman market at the levels of the government, organizations and enterprises from the aspects of economic diplomacy, trade policy, institutional factors and infrastructures showed that the platforms, infrastructures and requirements for the development of the production and export of food products at the three levels of international-regional, government and Institutions are not suitable and the beneficiaries of production and trade still face high transaction costs in comparison with global and even regional competitors. Estimating Iran's export potential and analyzing the import demand outlook in the Oman market, the results showed that there is a high export capacity to the Oman market- in terms of number, variety, value and unused export capacity.</p>

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### **Extended Abstract**

#### **Background**

This article has discussed and examined the opportunities and challenges of trading Iranian food products in the Oman market have been discussed and analyzed. For this purpose, the export performance of Iran's food products to the Oman market (in term of trends, composition, product diversity and dynamics, as well as product differentiation) and the 6-digit HS tariff line ((in term of trend changes, composition, product diversity and comparative advantages) are discussed, investigated and evaluated.

#### **Aims**

In this article, an attempt has been made to identify and specify the export capacity of Iran's food industry products to the Oman market. These basic questions should be answered: How much is the import capacity of Oman's market for Iran's export food products? And in the studied decade, what changes have been witnessed? At the same time, it should be determined how much of the export capacity of Iran's food products to the Oman market has not been used? And what are the measures and arrangements necessary for the development of the export market of Iranian food products to the Oman market?

#### **Methods**

The combined-composite study method includes the set of revealed comparative advantage criteria, normal commercial capacity criteria, the set of macroeconomic and specific criteria of industrial economy and import demand and analysis of Strength and Weakness, and Opportunities, Threats and Challenges (SWOT) and solutions for the development of Iran's food products trade to the Oman market are to be discussed and evaluated.

#### **Results**

According to the assessment of the export performance of Iran's food products to Oman in the last decade - on the one hand, the Oman market in terms of trends, composition, diversity and dynamics of Iran's food products exports, and on the other hand, the food product classification separately (HS 6-digit tariff line) in terms of trends, composition, product diversity and comparative advantages - concludes that there is a big gap between what is and what should be. In the value chain of food production, Iran is still at the beginning of the chain, without more added value and often relies on food products with more internal content, and is far from product diversity and differentiation, economies of scale, structural changes and endogenous competitive advantages in desirable food products.

From the study of the performance and pathology of Iran's food export to the Oman market at the levels of the government,

organizations and enterprises in terms of economic diplomacy, trade policy, institutional factors and infrastructure, it is concluded that the platforms, infrastructures and requirements for the development of production and export at international, government and institutions levels, are not suitable and the beneficiaries of production and trade, especially the export of food products, are faced with a high transaction cost compared to the competing countries, and even the region.

Based on the estimation of the export capacity and import demand of the Oman market from the aspect of 1) Iran's complementary trade in the export of food products to the Oman market (products with an advantage and products facing growth in the advantage; and 2) the perspective of the import demand market for food products of the Oman market, using a set of indicators, it is concluded that there is high export capacity to the Oman market in terms of number, variety, value and unused export capacity in these products.

The results of the study of the challenges of facing the import demand of food products in the Oman market in terms of competitor analysis and changes in market share in food products, analysis of policy changes in the Oman market in the field of imports from Iran, restrictions and obstacles to Iran's presence and challenges faced at the international-regional governmental and organizational levels, showed that there are no appropriate conditions for exporting and penetrating to the Oman market and inefficiencies occur at different levels.

### **Conclusion**

The most important restrictive tools in the framework of commercial policy in the target market are: tariffs and non-tariff barriers, anti-dumping laws, export subsidies, special export zones, international marketing and the like. At the horizontal level (national trade and technology macro policy), internal (trade policy) and vertical level (regional macro policy), there must also be coordination, integration, and consistency among different policies to achieve comprehensive market development.

Coherence of domestic policies, promotion of synergy and management of potential contradictions of various policy goals, is necessary to pursue the goals of sustainable industrial export development, which helps to increase the capacity of policymakers in creating a balance between divergent goals and achieving a tool for informed decision-making. Also, in this approach, it is necessary to use the tools of trade policy in a way that is coordinated with technology and even industrial policy so that, finally, their synergy leads to the improvement of industrial performance, in terms of production and technological capability, export development.

In a coherent policy, at the same time, it is vital to pay attention to five elements: improving production capacity, infrastructures development, marketing development, consolidation and clustering,

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and improving the ability of companies. These five elements of coherent policymaking along with corresponding solutions on these elements play a privileged role in business development.

### **Conflict of interest**

The authors declared no conflicts of interest.

### **Authors' contributions**

All authors contributed to the original idea, study design.

### **Ethical considerations**

The authors have completely considered ethical issues, including informed consent, plagiarism, data fabrication, misconduct, and/or falsification, double publication and/or redundancy, submission, etc. This article was not authored by artificial intelligence.

### **Data availability**

The dataset generated and analyzed during the current study is available from the corresponding author on reasonable request.

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