The Law of One Price and the Cointegration of Meat Price in the Global Market: the Case of Iran’s Market

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Abstract
In view of the importance of the meat imports and the exports of meat in Iran, this study focuses on the status of the global market of meat imports the unit price test in these markets between the years 1961 and 2011 using the market cointegration approach. The results of this study are indicative of prices co-integration in the international market of meat as well as among such major importers as the US, Germany, Italy, Japan, France and Russia. However, the important point is that no price co-integration has been observed between the global prices of meat and the import price in Iran’s import market. Moreover, no law of one price has been established in Iran’s import market in the long term; and in this respect, these markets lack the appropriate efficiency.

Keywords:
Cointegration, Iran, Meat market, The law of one price, World market

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