

An Analysis of Oil Price Changes and Other Factors Affecting Iranian Food Basket: A Panel Data Method

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Abstract : Oil exports fund nearly half of Iran's government expenditures, since many years other countries have been imposed different sanctions against Iran. Sanctions that primarily target Iran's key energy sector have harmed Iran's economy. The strategic effects of sanctions might be reduction as Iran adjusts to them economically. In this study, we evaluate the impact of oil price and sanctions against Iran on food commodity prices by using panel data method. Here, we find that the food commodity prices, the oil price and real exchange rate are stationary. The results show positive effect of oil price changes, real exchange rate and sanctions on food commodity prices.

Keywords : oil price, food basket, sanctions, panel data, Iran

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