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**FARZANEH TAHERI**

Department of Agricultural Economics, Marvdasht Branch, Islamic Azad University, Marvdasht, Iran, Iran

## **NEW APPROACHES TO ECONOMIC FORCASTS OF THE FLOWER EXPORT IN IRAN**

### **Abstract:**

The main purpose of this study was to determine the factors affecting the export of flowers in Iran. After data collection using by the index of Revealed Comparative Advantage (RCA), the condition of business of flowers in Iran was compared with a number of countries exporting the product. According to the results of study, the small elasticity of the exportation price in the function of export demand is negative and smaller than one, and it indicates that flowers are inelastic goods; moreover, the income from its export could be increased by increasing the price. It can be concluded that the domestic price increase will lead to a decrease in exports due to the high elasticity and negative of export supply in comparison with the domestic price. Partial elasticity obtained for the variable of the value of domestic production of flowers in the export supply function in this study indicates that uncontrolled increase production by increasing the acreage under cultivation makes the decrease of exportation price of flowers, and at the most it causes reducing of exportation income because of higher effect of low price in comparison with the effect of an increase in demand; thus, the income from the export of flowers can be increased by controlling the production and the value of export

### **Keywords:**

supply and demand functions, export, flower, comparative advantage.

**JEL Classification:** Q11, Q11, Q17