

Examining spatial price linkages in major EU Olive oil Markets through a Systematic Map

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Abstract

Olive oil is one of the healthiest edible vegetable fats and in recent years it has been climbing in consumer preferences due to its widely known health benefits. The EU represents approximately 70% of the global olive oil production, where the vast majority of the EU olive oil production originates from Spain, Italy and Greece; thus, it is also known as "The Essence of the Mediterranean". In 1993 the EU Single Market was established, aiming to integrate markets, however some discrepancies are still present in the price behaviour among them. This study investigates spatial price linkages in major EU Olive Oil markets through the application of systematic mapping, in order to analyze market efficiency, establish possible asymmetries in price transmission and define their potential causes. The aim of the systematic map is to collate evidence of existing literature that studied spatial price transmission in edible oils. The results showed 29 articles that studied price transmission in relation to edible oils, where 10 of these focused on spatial price transmission. There are mixed signs regarding the presence of asymmetries in spatial price transmission in edible oil markets, and the main causes of asymmetries appear to be market power and transaction costs. The findings from the systematic map indicate a gap in the literature on studies that focus on the olive oil market, since only two analyzed spatial price transmission in olive oil markets within the EU.

Keywords: spatial price transmission, olive oil, price asymmetries, systematic map, market integration