

# **Optimizing Orange Export**

## **Strategies for Citrus Industry Competitiveness**

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## Abstract

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## Abstract

The research, grounded in the significance of the Spanish citrus sector as a key player in international export markets, aimed to address challenges such as farm fragmentation and rising production costs. The topic was selected to provide a strategic framework for optimizing orange exports and conducting in-depth market analyses of both the Spanish and Finnish markets.

The thesis applied the theory of differentiation as a key strategy for Spanish exporters to distinguish their products in the Finnish market. By focusing on offering unique, high-quality oranges, the research aimed to create a competitive advantage and cater to the preferences of Finnish consumers. The methodology involved a combination of qualitative and quantitative data collection methods to gather insights into trade dynamics, consumer preferences, and market trends.

The results of the research were intended to provide specific recommendations for improving and optimizing the orange export process between Spain and Finland. By addressing potential limitations in data collection and external factors, the thesis aimed to mitigate risks and uncertainties that may impact the export process. The application of theory and results was aimed at fostering collaborative partnerships between Spanish exporters and Finnish importers to streamline the export chain, enhance efficiency, and improve overall profitability in the citrus industry.

## Keywords

Oranges, Export, Differentiation, Citrus

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## 1 Introduction

### 1.1 Research background

Spain is a leading exporter of fruits and vegetables, leveraging its diverse climate and advanced agricultural industry to produce a wide range of high-quality produce. Among the fruits, citrus varieties such as oranges, lemons, and mandarins are particularly significant, with Spain being the largest exporter of oranges in the European Union. Grapes, both for table consumption and wine production, are also major exports, benefiting from Spain's ideal growing conditions.

Strawberries from the Huelva region are highly regarded and widely exported. Stone fruits, including peaches, nectarines, plums, and cherries, also contribute significantly to Spain's export portfolio. Additionally, Spain exports a large quantity of melons, including both watermelons and cantaloupes. (Agróptimumlogistics 2024.)

In terms of vegetables, Spain excels in exporting tomatoes, peppers, and lettuce, with regions like Almeria and Murcia being key production areas. Onions and garlic from Spain are known for their quality and are in high demand internationally. Zucchini and cucumbers are also important export products, particularly from Mediterranean coastal regions. Artichokes, especially those destined for European markets, are another notable export. (Agróptimumlogistics 2024.)

Apart from fruits and vegetables, Spain is renowned for its olive oil, which is one of the country's most iconic agricultural exports. Spain is also one of the world's largest producers and exporters of wine, with renowned wine regions such as Rioja, Ribera del Duero, and Penedès contributing to its global reputation. (Agróptimumlogistics 2024.)

Spain's success in the agricultural sector is due to a combination of advanced farming techniques, favourable weather conditions, and a strong tradition of agricultural excellence. This ensures that Spanish fruits and vegetables are of high quality and in great demand worldwide.

The citrus fruit sector is one of the most important sectors in the Spanish agri-food system and a leading player in international export markets. Characterised by the fragmentation of farms, with the consequent difficulties for their modernisation, it must face important challenges. In particular, strong competition from third countries, at a time when production costs are rising sharply, accentuated by the prolonged drought and the war in Ukraine. In any case, in view of the figures, Spanish citrus growing continues to be the most competitive

in the world, thanks to its hard-won reputation as a product of the highest quality and with maximum health guarantees.

The Spanish fruit and vegetable sector is one of the most important in the world: *it ranks eighth globally and first in the EU, with almost two million hectares devoted to these crops and a production of more than 28 million tonnes, which exceeds 15,100 million euros. It is the most important production in the Spanish agri-food sector and accounts for 50% of vegetable production and 30% of the production of the agricultural branch.* (CaixaBank Research 2022.)

The export of oranges from Spain to Finland is not a novel concept, but this research seeks to shed light on the nuances of this trade relationship. The exploration of advantages and disadvantages associated with the export process will be a focal point. Factors such as logistical considerations, and market demand will be examined to identify potential areas for optimization and improvement.

An analysis of the market dynamics will be conducted to understand the trends, challenges, and opportunities within the orange trade between Spain and Finland.

## 1.2 Thesis Objectives, research questions and limitations

The research objective of the thesis is twofold. Firstly, it seeks to apply and define a strategy that leads to the optimisation of orange exports. This strategic approach aims to maximise the efficiency and profitability of the export chain of this specific product. Secondly, the research aims to carry out an in-depth analysis of both the Spanish and Finnish markets. This in-depth analysis seeks to understand the trade dynamics, consumer preferences, market trends and other factors that may influence the exchange of oranges between the two countries. The idea is to identify opportunities for improvement and areas for growth, as well as to address possible obstacles or challenges in the marketing of oranges.

The research will also focus on studying the determinants of the trade relationship between Spain and Finland regarding orange export.

Based on the information gathered, an empirical study will be carried out integrating quantitative and qualitative data, in other words, by researching and compiling numerical, statistical and even graphical data, as well as data based on the opinions, experiences and arguments of experts in the export sector.

The combination of these approaches will provide a comprehensive and detailed picture of the situation.

Finally, with all these data in consideration, this thesis will seek to suggest solutions and formulate specific recommendations that will contribute to the improvement and optimisation of the orange export process between Spain and Finland.

The thesis seeks to answer one main and four subordinate research questions. The main research question of the thesis is:

*How is the strategy to optimise orange exports planned to be implemented and defined?*

The four subordinate questions are as follow:

*What are the main objectives of the analysis of the current Spanish market?*

*What specific aspects of the Finnish market, such as consumer preferences and trends, are of importance?*

*What determinants of the trade relationship between Spain and Finland should be paid attention to?*

The research on exporting oranges from Spain to Finland may face limitations, including scarce and potentially outdated data, bias in information collected, unpredictable external factors like policy changes or weather events, logistical challenges in obtaining specific data, limited generalizability to other regions and potential oversight of rapid changes in consumer preferences.

### 1.3 Theoretical framework

As already noted, one of the most important objectives to analyse is the application of a strategic theory, with the aim of optimising orange exports as much as possible, how to apply it and define it within the sector.

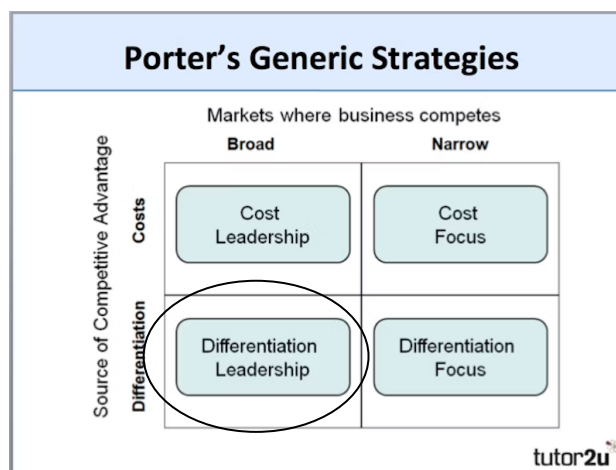


Figure 1. Porter's Generic Strategies (Michael Porter 1980.)

The competitive advantage of differentiation leadership means that Spanish companies seek to stand out by offering unique products or services of high value to consumers. This strategy involves creating a distinctive value proposition that not only responds to market needs, but goes further by providing features, innovations or experiences that are perceived as exceptional.

On the other hand, the thesis discusses the integration of an external analysis with the objective of studying in detail the factors that condition in this case the export of oranges from one country to another. For this, the thesis presents a PESTEL analysis derived from determining factors such as political, economic, social, technological, environmental and legal factors, and the chapter 2 discusses each of them in more detail.

PESTEL is a strategic analysis framework used to identify and assess the external macro-environmental factors that can influence an organization or industry. It stands for Political, Economic, Social, Technological, Environmental, and Legal. The PESTEL analysis helps businesses and policymakers understand the broader landscape in which they operate, enabling them to identify potential opportunities and threats. By examining these six categories, organizations can gain insights into how external forces might impact their strategic planning and decision-making processes. (ESERP 2022.)



## 1.4 Research methodology and data collection

The thesis is based on a desktop study. Desktop studies stand out as a valuable tool for gathering, synthesizing, and analysing existing knowledge pertinent to a particular subject or project.

A desktop study, often interchangeably referred to as a desk study or desktop review, embodies a systematic approach to research that hinges on the aggregation and analysis of secondary sources. This methodology presents a cost-effective and time-efficient means of acquiring comprehensive insights into a myriad of topics.

To collect data, the thesis opts for both qualitative and quantitative methods (Figure 2). It is vitally important to have both objective and subjective information, numbers, graphs and statistics, because are vital to have at my disposal, uniform information where I can cross data between different years, moreover, I would also like to opt for a less impartial way of collecting data.

With this I want to emphasize that the use of both will give me the exact information that I want to emphasize in each part of the thesis and therefore I will use both methods.

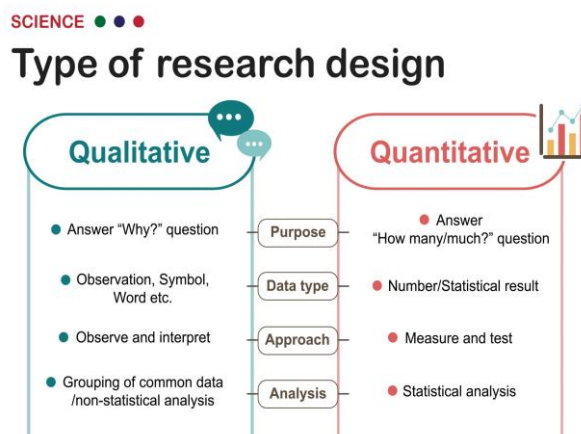


Figure 2. Quantitative and Qualitative (Simply-psychology 2023)

## 1.5 Thesis structure

In this last point of the introduction I will explain the general structure of the thesis and that I will talk in each of the points so that you have a basic idea of the ideas and proposals that I want to express within the thesis:

In the first chapter I explain the introduction, within this context of what I will talk about, the current situation of the sector, the objectives of the thesis, the questions to be answered together with the limitations that could condition the data collection, I will apply theory and data collection methods.

In the second chapter I describe and define in more detail the application of the competitive advantage of differentiation as defined within the context of exports of oranges and how to introduce and apply it.

In the third chapter I speak exclusively of the market situation in both Spain and Finland, analysis of the market, product and consumption as well as of the regulations and legislation to which both markets are subject.

In the fourth chapter I talk about the different factors that condition the relationship between both countries when exporting this type of products, such as transport, plant health requirements and destination pricing

In the fifth chapter an empirical study for data collection and data analysis with the aim of comparing information and defining the data collected

And finally the conclusions with their respective points of suggestions and recommendations to optimize this business and solutions that answer research questions. Below we will have a summary of all the above to understand the whole concept in which the thesis is submitted and supported.

## 2 Theory applications

### 2.1 Theory of competitive advantage

The theory of competitive advantage, proposed by Michael Porter, focuses on the ability of a company or country to outperform its competitors in the production and marketing of goods and services. Porter identifies two main types of competitive advantage: low cost and differentiation.

The thesis focus specifically on **differentiation leadership**.

This strategy focuses on highlighting and offering unique products in the industry, that are perceived as valuable by customers. Differentiation can manifest itself in a variety of ways, such as quality, design, innovation, branding, customer service, or any other attribute that makes a company's products stand out from those of its competitors.

- Spanish companies seek to offer citrus products that are **clearly differentiated** from those of the competition. This may be through unique features, constant innovation, or a unique focus on design and quality. (Michael Porter 1980.)
- Differentiation seeks to **create perceived value for customers**. That is, consumers must see and appreciate the uniqueness of the products, be willing to pay a higher price because of that differentiation, and of course be aware of the product being offered. (Michael Porter 1980.)
- Developing **strong brands and a positive reputation** is essential to the differentiation strategy. The brand becomes a symbol of quality and distinction, generating customer loyalty. Spanish citrus companies are well known throughout Europe and we want to increase demand from the Finnish consumer. One of the determinants of this increase would be brand awareness and the reputation of the national companies. (Michael Porter 1980.)
- On the other hand, **constant innovation** is a key component of differentiation. Spanish Companies seek to be at the cutting edge, introducing new features, technologies or designs to maintain their leading position in terms of originality. (Michael Porter 1980.)

- The differentiation strategy often involves **higher production and marketing costs**, as it seeks to offer something unique. However, companies rely on the perception of value to justify these costs, so these campaigns must be massive and must be known by the target consumers. (Michael Porter 1980.)
- The differentiation leadership advantage can act as a **barrier to entry for competitors**, as it establishes a unique position that is difficult to replicate and therefore would give exclusivity to the Spanish product and increase market demand for it within the Finnish citrus import sector. (Michael Porter 1980.)
- The differentiation leadership advantage seeks to **create a unique and valuable position** in the market, allowing Spanish companies to stand out and maintain a sustainable competitive advantage through uniqueness and the perception of value by customers, creating the loyalty that is so important to increase the relationship between both countries. (Michael Porter 1980.)

## 2.2 External analysis

Within the external analysis the thesis uses **PESTEL**. The reason for the application of the PESTEL analysis is to be able to make a description of the context or environment where the companies operate. Important aspects of the external environment that are vital to the organization's performance are considered. The analysis of the external environment is fundamental for any company, especially in the export sector, since it facilitates the making of important decisions.

The PESTEL analysis represents six categories of factors that may affect companies: Political, Economic, Social, Technological, Environmental and Legal. Here is a brief description of each category:

Political (P): Includes factors related to government, political stability, fiscal and monetary policies, trade regulations, labour policies, etc. (ESERP 2022.)

Economic (E): Refers to economic factors that may affect Spanish companies, such as interest rates, inflation, exchange rates, level of employment, business cycles, etc. (ESERP 2022.)

Social (S): Includes socio-cultural aspects such as demography, cultural values, consumption trends, changes in lifestyle, attitudes towards work, etc. (ESERP 2022.)

Technological (T): Includes factors related to technological innovation, research and development, automation, advances in industry, disruptive technological changes, etc. (ESERP 2022.)

Environmental (E): Considers factors related to the environment, sustainability, climate change, environmental regulations, corporate social responsibility, etc. (ESERP 2022.)

Legal (L): Includes legal and regulatory aspects that may affect a company, such as labour laws, safety regulations, competition laws, commercial regulations, etc. (ESERP 2022.)

### 3 Market Research

#### 3.1 Current situation of the Spanish oranges' exports

Spain finds itself in a diverse and dynamic economic context, characterized by an unemployment rate of 15.5% and a workforce predominantly employed in the services sector. This situation reflects the complexity and vitality of the Spanish economy, influenced by internal and external factors that impact its economic development. (ICEX 2021.)

In the realm of international trade, Spain stands out for its active participation in imports and exports of a wide range of products. In the export sector, the country excels in the sale of food, beverages, automobiles, machinery, chemicals, pharmaceuticals, and textiles, which represent a significant portion of its commercial activity in the global market. On the other hand, in terms of imports, Spain acquires machinery, fuels, chemicals, vehicles, electronics, and textiles, showcasing the diversity of products it requires to meet the demands of its economy. (ICEX 2021.)

Regarding bilateral trade relations, Spain maintains strong ties with several countries, with France, Germany, Italy, Portugal, and the United Kingdom being its main trading partners in terms of goods exchange. These nations play a crucial role in Spain's imports and exports, significantly contributing to its economic activity and strengthening its presence in the international trade arena. (ICEX 2021.)

Is one of the largest producers of oranges in the world, particularly known for its citrus fruits, including oranges. The country's climate and geography are conducive to citrus cultivation, and it has a long tradition of orange production.

The volume of oranges produced in Spain can fluctuate due to weather conditions, agricultural practices, and disease management. Higher production levels often lead to increased exports, while lower production can result in reduced exports.

Spain competes with other orange-producing countries such as Brazil, the United States, and Egypt in the global market. Changes in competitiveness, including factors like pricing, quality, and trade agreements, can affect Spain's share of the export market.

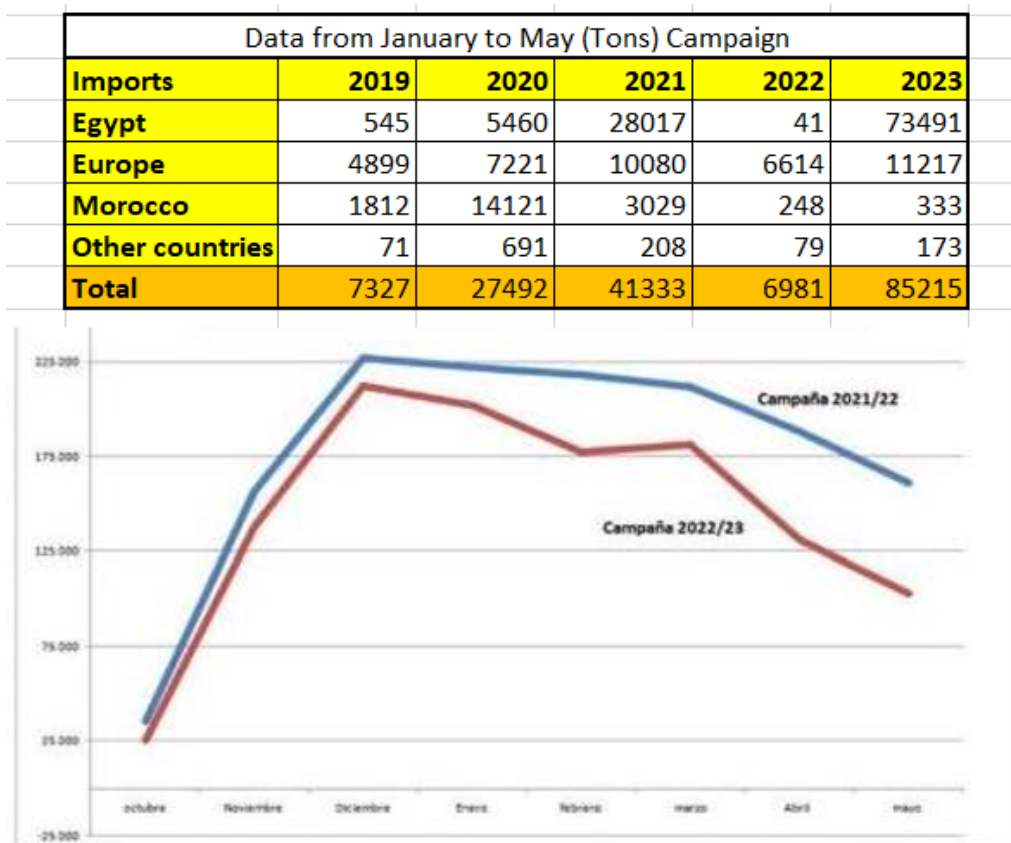


Image 1. Spanish exports (Valenciafruits 2023, image modified by Javier Reig)

Exports of oranges from Spain fell drastically from one year to the next (Image 1). (Figure 3) analyses the annual exports of oranges from 2018 to 2023. It is essential to say that these data are from Datacomex, a state page of the Spanish government which defines the exports and imports of all kinds of products, in this case oranges, on the basis of which it is necessary to study their evolution and development over the years. (Datacomex 2024.)

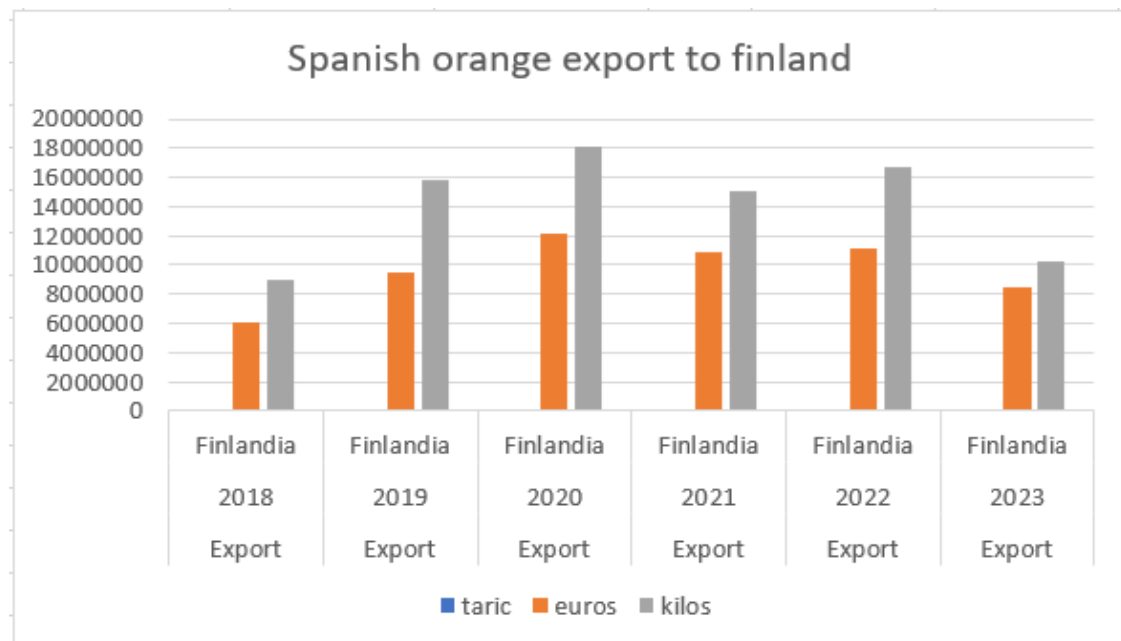


Figure 3. Spanish orange export to Finland (Datacomex, table modified by Javier Reig)

Exports have shown a fluctuating trend over the years, with various periods of increases and decreases. In 2018, exports started at a relatively low level. During 2019 and 2020, there was a significant increase, which could indicate higher demand for the product or an increase in production capacity. However, in 2021, exports decreased slightly compared to the previous year. In 2022, there was another slight increase compared to 2021. In 2023, there was a significant decrease in exports compared to the previous year, which could indicate changes in demand, industry problems, or external factors affecting exports. Despite the overall growth in exports from 2018 to 2022, the marked drop in 2023 suggests volatility in the market or possible economic or trade challenges.



### 3.1.1 Production

Considering the circumstances of the Spanish production of oranges, 50 % of oranges are currently produced in the Valencian Community and 45% in Andalusia. Therefore, in the short and medium term, Spain will not grow in oranges and if we look at the history of orange crops we have what is appreciated in the (Figure 4). (Valenciafruits 2023.)

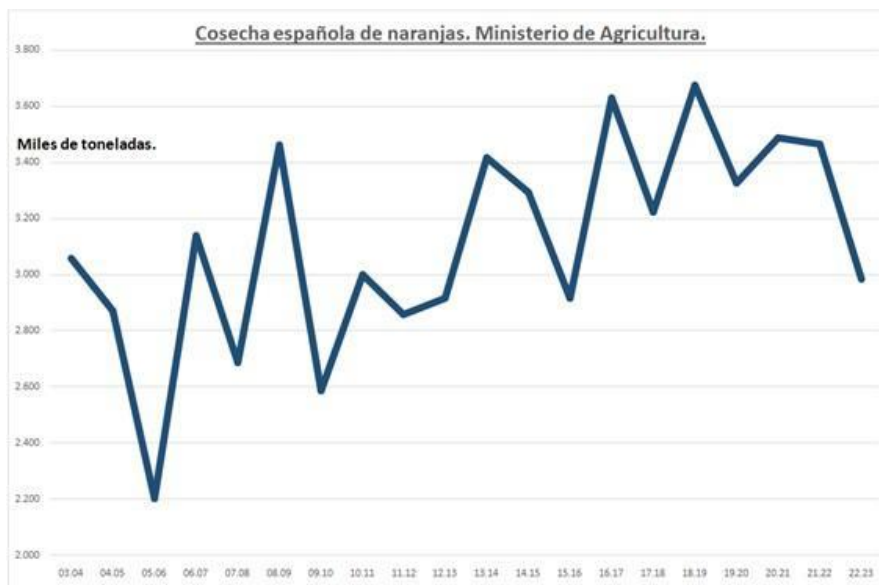


Figure 4. Oranges Production in Spain (Valenciafruits 2023.)

Spain has always been one of the leading countries in exports of oranges but countries like Egypt, these last years has managed to position itself as the leading country in the production of oranges and in the export of them.

it should also be noted that Egypt could remain leader in the next years in the context of exports, this is because Spain has suffered this decrease already mentioned taking advantage of the production advantage. (Valenciafruits 2023.)

One thing to note about this is that Spain has experienced extreme weather conditions in recent years, such as heat waves, droughts and late frost episodes, which can negatively affect the yield of orange crops. These climatic events can damage trees and reduce fruit production. (Valenciafruits 2023.)

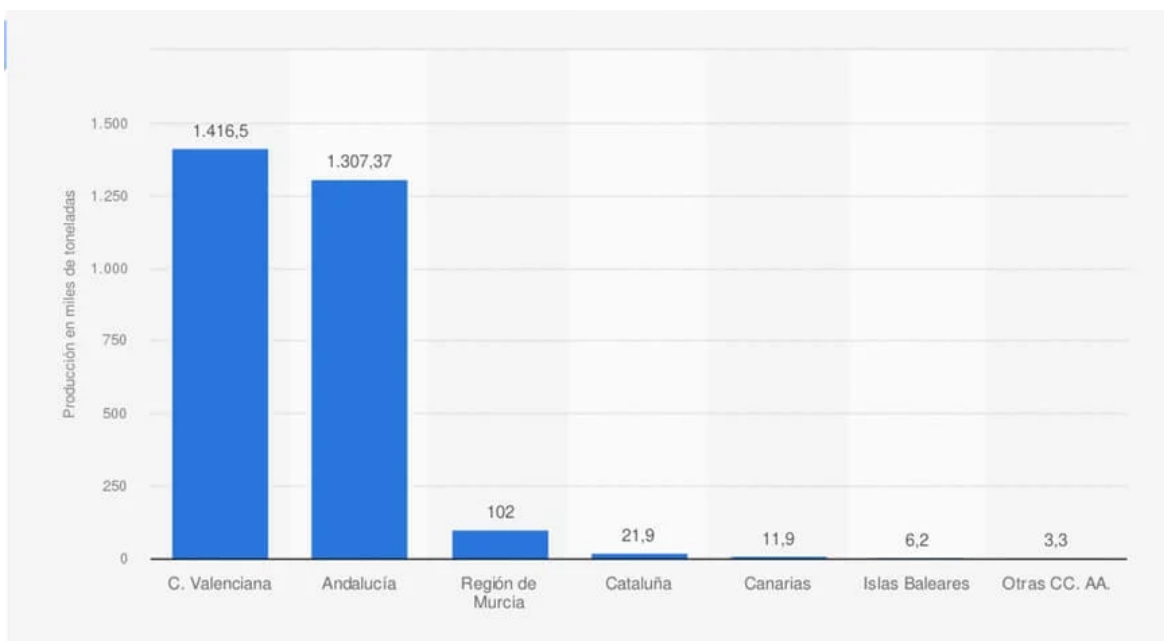
Speaking about the Valencian Community in Spain, is distinguished as one of the world's premier areas for the production and exportation of oranges. Over the years, this region has cemented its reputation as a leading force in the citrus industry, with oranges being one of its most celebrated products. This success story is largely due to a combination of favourable climatic conditions and a rich, longstanding tradition in citrus agriculture that dates back centuries.

The unique geographical and climatic conditions of the Valencian Community provide an ideal environment for citrus cultivation. The region enjoys a Mediterranean climate, characterized by mild winters and hot, dry summers, which is perfect for growing high-quality oranges. These climatic advantages, combined with the region's fertile soil, allow for the production of oranges that are renowned worldwide for their exceptional taste, vibrant aroma, and superior juiciness. . (Oftex 2024.)

The thriving orange export industry in the Valencian Community is supported by a combination of high product quality and rigorous food safety standards. Valencian oranges are celebrated for their superior characteristics, such as their sweet flavor, enticing fragrance, and juicy texture. These qualities are maintained through stringent quality control measures and food safety protocols that ensure the oranges meet the highest international standards. Farmers and exporters in the region have shown remarkable adaptability in responding to the evolving demands of the global market. They offer a diverse range of orange varieties and ensure compliance with the varying regulatory requirements of different countries. . (Oftex 2024.)

The exportation of oranges remains a vital economic activity for the Valencian Community. It plays a crucial role in the region's economy by generating employment opportunities and supporting local businesses. The citrus industry not only contributes to the economic well-being of the region but also enhances its global standing as a key player in the citrus market. The continued success and resilience of this sector underscore the importance of maintaining high standards and adopting innovative practices to navigate the challenges ahead. . (Oftex 2024.)

In support of the points mentioned, the following graph (Graph 1) provides a detailed illustration of the volume of oranges produced in Spain in 2022, categorized by autonomous community (in thousands of tons). This data highlights the significant contribution of the Valencian Community to the national citrus production and underscores its pivotal role in the industry.



Graph 1: Volume of oranges produced by region (Oftex 2022.)

### 3.1.2 Expectations for the future (Andalusia and the Valencian Community)

Orange production in Spain is dominated by two main autonomous communities: the Valencian Community and Andalusia. These regions are not only the largest producers of oranges in the country but also hold significant relevance in the global citrus market. The future outlook for these communities reflects both promising opportunities and considerable challenges.

## **Valencian Community**

The Valencian Community stands out for its ability to adopt new agricultural technologies such as drip irrigation and the use of drones for crop monitoring, which can increase efficiency and productivity. Research and development in new varieties of oranges resistant to diseases and adapted to climate changes are also areas of potential growth. The reputation of the Valencian Community for producing high-quality oranges can be further leveraged in international markets. Emphasizing quality, along with certifications and designations of origin, can differentiate their products in a competitive global market. Expanding access to new markets outside Europe, such as Asia and North America, can offer growth opportunities. Trade agreements and improved commercial relations can facilitate this expansion. (IVIA 2024.)

However, the Valencian Community faces significant challenges such as climate change, which can affect production. Farmers will have to adapt to more extreme conditions, including droughts and intense rainfall. Increasing competition from countries with lower production costs could impact Valencian exports. Continuous improvement in efficiency and quality will be essential to remain competitive. Additionally, strict phytosanitary regulations and import standards in key markets can pose barriers. Meeting these standards can increase production and export costs. (IVIA 2024.)

## **Andalusia**

Andalusia has the potential to expand its cultivated area for oranges due to the availability of suitable land and investment in agricultural infrastructure. Implementing sustainable agricultural practices and efficient water use can improve long-term production. Focusing on sustainability can also attract markets that value organic products. Government and European Union subsidies and investments in the Andalusian agricultural sector can support the modernization of facilities and agricultural equipment, increasing competitiveness. (Agropopular 2024.)

Nevertheless, Andalusia also faces challenges related to climate change. Water management will be particularly critical in a region that already experiences water scarcity. Dependence on traditional European markets could be a risk. Diversifying into other markets is necessary to mitigate possible fluctuations in demand. Additionally, production costs, including labor, can be high. Finding ways to reduce costs without compromising quality will be key to competitiveness. (Agropopular 2024.)

## **Common Perspectives**

Both autonomous communities share the need to adapt to a changing and competitive environment. Innovation, market diversification, and sustainability are crucial elements for the future of orange production in both the Valencian Community and Andalusia.

In summary, although the road ahead presents significant challenges, the opportunities for the Valencian Community and Andalusia are numerous. With the right strategy, both regions can continue to lead the global citrus sector.

### **3.1.3 Market prices and legislation**

Market prices and legislation are fundamental elements in any economic sector, and agriculture is no exception. In Spain, a country with a rich agricultural tradition and a wide diversity of products, market prices and associated legislation play a crucial role in the production, marketing and consumption of agricultural products, including, of course, oranges.

#### **Market prices**

Prices of oranges fluctuate along the supply chain, from the production stage to the final point of sale. By comparing farmers' perceptions with prices observed in wholesale markets and on supermarket shelves, a more complete understanding of the factors influencing pricing and profit distribution along the value chain is obtained.

The prices received by orange farmers play a fundamental role in the agricultural economy, as they reflect not only the monetary value attributed to the production of this crop, but also the conditions and dynamics of the market in which farmers operate. (Figure 5) represents the remuneration that producers receive for their work and crops, and have a direct impact on their income, profitability and ability to reinvest in their operations. (MAPA 2023.)

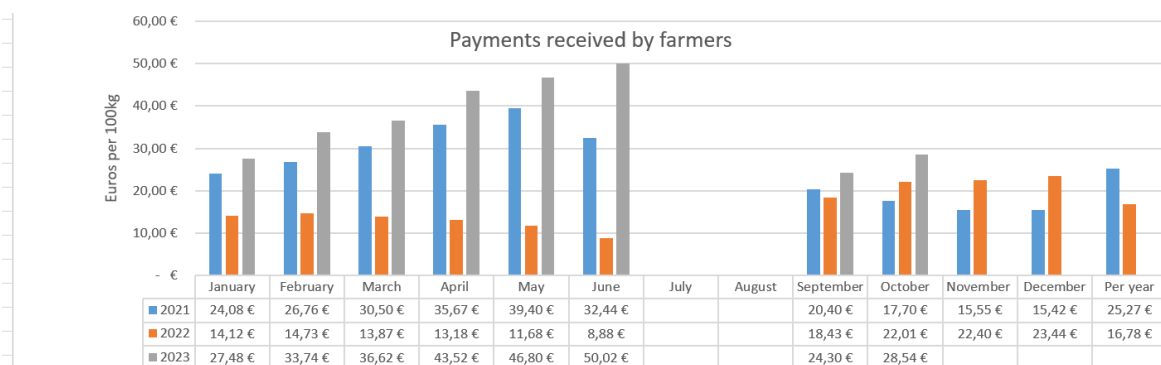


Figure 5. Payments received by farmers (MAPA 2023. Information modified by Javier Reig)

## Legislation

The legislation governing the marketing of oranges is laid down in Regulation 1799 of the Commission of the European Communities, which establishes the rules for the marketing of citrus fruits. (Eur-Lex 2024.)

The objective is to lay down marketing standards for oranges, mandarins, clementines, lemons and similar products and the application at all marketing stages according to Regulation (EC) No 2200/96. (The common organization of the market in fruit and vegetables).

This structure concisely summarises the key points of Regulation (EC) No 1799/2001 on marketing standards for citrus fruits in the European Union. (Eur-Lex 2024.)

Legislation related to oranges in Spain covers a number of aspects, including quality regulations, food safety, labelling, marketing and consumer protection:

- **Quality Standards and Grading:** Oranges produced and marketed in Spain must comply with specific quality standards set by the European Union and, in some cases, by additional national regulations. These standards deal with aspects such as size, colour, firmness, absence of defects and ripeness of the oranges. (MAPA 2023.)

- **Labelling and Presentation:** Oranges in Spain must be labelled according to EU and national regulations. This includes providing mandatory information such as the origin of the product, the name and address of the producer or packer, the size of the package and the quality class. (MAPA 2023.)
- **Food Safety:** Oranges in Spain must comply with food safety standards set by the European Union, which include regulations on pesticide residues, contaminants and other health risks. Producers and traders are subject to regular controls to ensure compliance with these regulations. (MAPA 2023.)
- **Registration and Authorisation of Producers and Companies:** Producers and companies involved in the production, packaging, storage and marketing of oranges in Spain may be subject to registration and authorisation requirements, according to national and EU regulations. (MAPA 2023.)
- **Promotion and Marketing:** There are regulations related to the promotion and marketing of oranges in Spain, including restrictions on unfair commercial practices, misleading advertising and fraudulent labelling. (MAPA 2023.)
- **Consumer Protection:** Legislation in Spain also protects the rights of consumers in relation to the purchase and consumption of oranges, including rules on consumer information, guarantees, returns and complaints. (MAPA 2023.)

### 3.2 Current situation of the Finnish oranges' imports

Nestled in northern Europe, Finland stands out as a country with a rich history and a vibrant economy. With a population of approximately 5.5 million inhabitants, Finland is renowned for its high standard of living, advanced technology sector, and strong emphasis on education and innovation. The nation boasts a unique cultural heritage, with two official languages, Finnish and Swedish, and a predominant religion in the form of the Evangelical Lutheran Church of Finland. (Exteriores 2024.)

Finland's economy thrives on a diverse range of export products, with key sectors including paper and cardboard, petroleum and derivatives, iron and steel, machinery for specialized industries, and road vehicles. These products showcase Finland's industrial prowess and global competitiveness. On the import side, Finland relies on a variety of goods such as petroleum and derivatives, road vehicles, electrical machinery and appliances, metallic minerals and scrap, and industrial machinery. These imports cater to the country's domestic needs and industrial requirements, contributing to its economic growth and development . (Exteriores 2024.)

Finland's trade relations extend far and wide, with key partners including Germany, Sweden, the Netherlands, the United States, and China. These countries play a crucial role in Finland's import and export activities, fostering economic cooperation and mutual benefits. In terms of foreign investments, Sweden, the Netherlands, Luxembourg, and Norway emerge as significant investors in Finland, injecting capital into various sectors and contributing to the country's economic stability. Conversely, Finland directs its investments towards countries like Sweden, the Netherlands, Ireland, and Norway, seeking opportunities for growth and diversification in international markets. These bilateral trade relationships underscore Finland's position as a dynamic player in the global economy, fostering connections and partnerships that drive economic progress and prosperity. (Exteriores 2024.)

The current situation of the Finnish orange import market offers a window into the complexity of international trade flows and the interplay between consumer demand and the sourcing strategies of retailers and distributors. Due to its temperate climate, consumption of this fruit is significant in the country, making imports a crucial component in meeting local market demand.

We will consider the changes in consumer preferences, trade regulations and marketing strategies that are shaping the orange import landscape in the country.

By understanding these key elements, we can gain a clearer picture of the challenges and opportunities facing the actors involved in the Finnish orange trade, as well as the broader implications for the national economy and the global citrus fruit supply chain.

Finland's import of citrus fruits in 2022 was dominated by Spain, with a significant margin compared to other countries. The total import from the top trading partners was highlighted by the primary contributor, Spain, amounting to approximately 49.29 million €, which represents 66% of Finland's citrus fruit imports (Figure 6).





Figure 6. Annual Imports Citrus Sector in Finland (TrendEconomy 2024)

### Top Trading Partners and Their Shares:

- Spain, holding a 66% share and exporting citrus fruits worth 49.29 million euros, is the dominant supplier to Finland. This dominance highlights Spain's strong agricultural focus on citrus fruits and its capability to meet Finland's demand efficiently. The extensive share suggests a well-established trade relationship and a consistent supply chain, benefiting both countries economically. (TrendEconomy 2024.)
- South Africa, with a 9.77% share and exports valued at 7.38 million euros, is the second-largest supplier. This indicates a diversification in Finland's import sources, possibly due to differing harvest seasons compared to Europe. Such diversification ensures a steady supply of citrus fruits throughout the year, mitigating the risk of seasonal shortages. (TrendEconomy 2024.)
- Egypt, contributing a 6.01% share with exports worth 4.54 million euros, reflects Finland's broad import diversity. Egypt's role as a significant citrus producer likely offers competitive prices or specific citrus varieties that appeal to the Finnish market.

This trade relationship underscores the strategic selection of suppliers to balance quality, variety, and cost. (TrendEconomy 2024.)

- The Netherlands, with a 4.94% share and exports totaling 3.74 million euros, may not just reflect Dutch produce but also the Netherlands' significant role as a re-exporter of citrus fruits. The country's vast logistics and distribution networks make it a crucial hub for redistributing citrus fruits across Europe, thus enhancing Finland's access to a wider range of products. (TrendEconomy 2024.)
- Italy, holding a 4.56% share with exports valued at 3.45 million euros, emphasizes the importance of European trade relationships. Italy's renowned citrus fruit quality, particularly for varieties like blood oranges, is a key factor in this trade. The preference for Italian citrus fruits highlights consumer demand for high-quality produce and the significance of maintaining strong intra-European trade ties. (TrendEconomy 2024.)

#### **Import Structure by Citrus Fruit Types:**

- Oranges (31% share, 23.25 million €): The most significant portion of citrus imports, showcasing Finns' preference or demand for oranges. (TrendEconomy 2024.)
- Lemons and Limes (12.6% share, 9.58 million €): Indicates a solid demand for these citrus fruits, which are essential in cooking, baking, and beverages. (TrendEconomy 2024.)
- Grapefruit (2.92% share, 2.21 million €): A smaller share, but still notable for its presence in the diet. (TrendEconomy 2024.)
- Other Citrus Fruits (0.091% share, 68.82 thousand €): Though a minor category, it reflects the market's niche demands or seasonal specialties. (TrendEconomy 2024.)

Spain's dominance is stark, underscoring its significant role in Europe's citrus market. The diversity in suppliers from different continents highlights Finland's effort to ensure a year-round supply of citrus fruits, catering to various consumer preferences and seasonal availabilities.

### 3.2.1 Market prices and legislation

Market prices and legislation play crucial roles in shaping economic activities within Finland, reflecting both domestic policies and international trade dynamics. As a member of the European Union (EU) and a participant in global commerce, Finland operates within a framework of laws and regulations governing various aspects of its markets, including pricing mechanisms, consumer protection, and competition. Moreover, the country's vibrant economy, characterized by a mix of traditional industries and emerging sectors, necessitates a robust legislative framework to ensure fair market practices and sustainable growth.

#### **Market prices**

In Finland's market economy, the pricing of oranges serves as a microcosm of supply and demand dynamics. Despite Finland's inability to cultivate oranges domestically, the import-driven market reflects global influences, from weather patterns to geopolitical tensions, shaping prices. Additionally, domestic factors such as regulatory frameworks and seasonal demand variations contribute to the pricing structure. Through a nuanced examination of these interwoven factors, we aim to decipher the intricacies of orange pricing in Finland's marketplace.

### Consumer Price Index (2015=100) by Year. 01.1.6.1.1 Citrus fruit, Annual change (%).

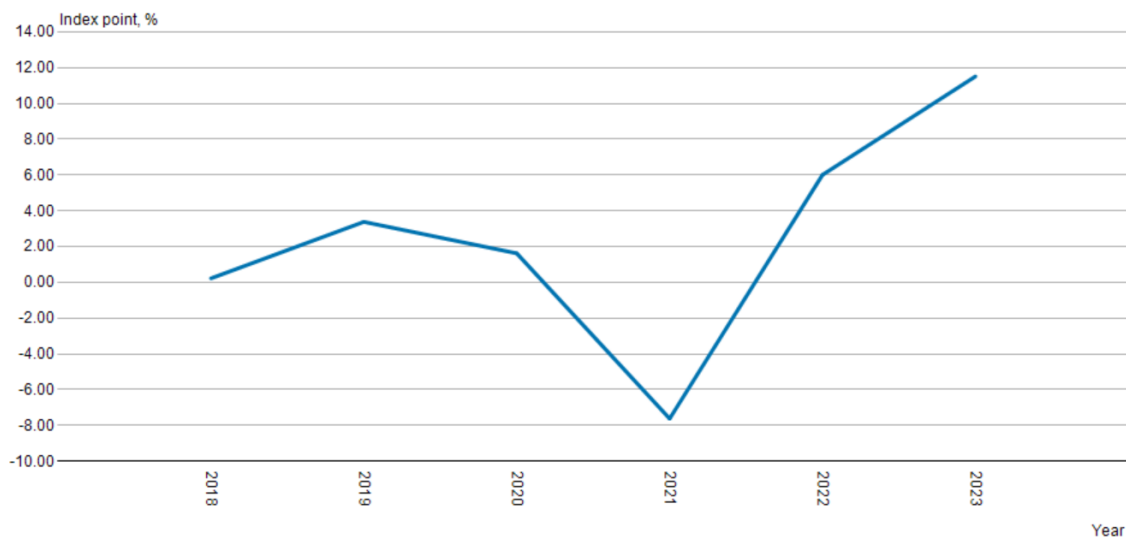


Figure 7. Consumer price index, Citrus fruit (Ruokatieto 2022.)

Figure 7 shows the annual evolution from 2018 to 2023 on the annual change of prices for the consumer in the citrus sector. It has risen drastically compared to other years showing a much higher percentage this last year, this is due to the increase in prices that derives from 2021 to 2023. (Ruokatieto 2022.)

## Legislation

### Labelling Requirements

Both Spain and Finland are members of the European Union, which means they adhere to EU regulations governing the labelling of fresh fruits and vegetables, including oranges. When exporting oranges to Finland, Spanish exporters must ensure that the packaging complies with EU labelling requirements, including clear and indelible labelling indicating the country of origin, packager details, quality class, and any other mandatory information. The oranges exported from Spain to Finland must have visible labels indicating their origin (Spain), packager details (name and address), and quality class (e.g., Extra, Class I, or Class II). (Finnish Food Authority 2024.)

### Variety Requirements

Oranges fall under the category of fruits for which variety must be indicated according to EU regulations. Therefore, Spanish exporters must ensure that the variety of oranges is clearly labelled on the packaging when exporting to Finland. Additionally, if specific varieties of oranges are being exported, such as Valencia or Navel oranges, this information should be accurately communicated on the labels. (Finnish Food Authority 2024.)

### Packaging and Labelling Compliance

Spanish exporters must ensure that the packaging and labelling of oranges meet the requirements set forth by both Spanish and EU regulations. The labels must be prominently displayed on the packaging, providing Finnish consumers with clear and accurate information about the oranges they are purchasing. (Finnish Food Authority 2024.)

### Quality and Transparency

Adhering to these labelling requirements enhances transparency in the trade relationship between Spain and Finland, providing Finnish consumers with confidence in the quality and origin of the oranges they import. Finnish authorities may conduct checks to ensure that imported oranges meet the required labelling standards, contributing to consumer protection and fair-trade practices. (Finnish Food Authority 2024.)

## 3.2.2 Consumption

Examining the consumption of food in Finland, one cannot overlook the significance of citrus fruits, particularly oranges, in the Finnish diet. Despite Finland's northern latitude and relatively short growing season, citrus fruits like oranges have found their way into the hearts and kitchens of many Finns, becoming a staple part of their culinary repertoire.

The consumption patterns of food in Finland are influenced by various factors, including seasonal availability, cultural traditions, and dietary preferences. While Finland may not produce oranges locally due to its harsh climate, advancements in transportation and globalization have made citrus fruits, including oranges, readily accessible to Finnish consumers year-round. This accessibility has been facilitated by efficient supply chains and the integration of global markets, which ensure that fresh citrus fruits can be imported from warmer climates where they are cultivated. As a result, oranges have become a popular

choice for adding a burst of flavour, colour, and nutritional value to Finnish dishes and beverages. (Ruokatieto 2022).

The culinary use of oranges in Finland is diverse, ranging from fresh consumption as a healthy snack to incorporation into various recipes, including salads, desserts, and even savoury dishes. Oranges are also a common ingredient in beverages, such as freshly squeezed juices and smoothies, contributing to their widespread popularity. The bright, tangy flavour of oranges is particularly appreciated during the long, dark Finnish winters, offering a taste of sunshine and a boost of essential vitamins, particularly vitamin C, which is crucial for maintaining good health during the colder months.

The consumption of citrus fruits in Finland reflects both domestic utilization and import trends, providing insights into the preferences and dietary habits of the Finnish population (Ruokatieto 2022).

Due to climatic conditions, citrus fruits are not cultivated in Finland, leading to a reliance on imports to meet consumer demand. This dependency on imports underscores the importance of global trade networks in ensuring that Finnish consumers have access to a variety of fruits that cannot be grown locally.

Data indicates a steady increase in the domestic utilization of citrus fruits, with 80,000 kg consumed in 2020 and 76,300 kg in 2021, suggesting consistent demand among Finnish consumers (Ruokatieto 2022). This data highlights the stable popularity of citrus fruits in Finland, as well as the efficiency of import mechanisms that support this level of consumption. The slight variation in consumption figures between the two years could be attributed to factors such as seasonal fluctuations, changes in import volumes, or shifts in consumer preferences, but overall, the trend remains positive.

The consumption of fruit per capita in Finland has shown a positive trend, reaching 89 kg in 2021, indicating that fruits, including citrus fruits, form a significant portion of the Finnish diet. This consistent increase in fruit consumption per capita highlights the importance of fruits in the Finnish diet and the popularity of citrus fruits among consumers (Ruokatieto 2022). The positive trend in fruit consumption reflects broader dietary shifts towards healthier eating habits, with more people incorporating a variety of fruits into their daily meals.

In conclusion, the data suggests that citrus fruits hold a significant place in the Finnish diet, with a growing trend in both domestic utilization and per capita consumption. The reliance on imports indicates the importance of citrus fruits in meeting consumer preferences and dietary needs in Finland. This trend is likely to continue as globalization and advancements in transportation further enhance the availability of these nutritious and flavourful fruits. The appreciation for citrus fruits like oranges in Finland not only adds to the culinary diversity of the country but also supports the health and well-being of its population, making them an indispensable part of the Finnish food landscape (Ruokatieto 2022).

The presence of citrus fruits in Finland is a testament to the country's ability to adapt and integrate global food resources into its local culture. It also reflects the dynamic nature of Finnish dietary habits, which are influenced by a combination of historical practices, modern health trends, and the increasing accessibility of diverse food products from around the world. As Finland continues to embrace global culinary influences, the role of citrus fruits, especially oranges, is likely to remain prominent, contributing to the richness and variety of the Finnish diet.

## 4 Determining factors

### 4.1 Theory Application

Next, how to apply study this advantage of differentiation within the relationships between both countries, when exporting oranges, in order to optimize the exchange of these products. The aim is to seek and establish a unique and distinctive presence on the Finnish market. Differentiation becomes the central axis, and various strategies are deployed to highlight the exceptional characteristics of Spanish oranges:

The superior quality and exceptional taste of oranges are distinctive elements that set them apart in the market. Emphasizing the use of sustainable agricultural practices and obtaining certifications that support sustainability and respect for the environment strengthens the appeal of these oranges. Innovating the packaging and creating an attractive presentation are crucial to highlight the freshness and quality of the product on Finnish shelves. Introducing exclusive varieties of oranges that are not common in Finland aims to capture consumers' attention and deliver unique taste experiences. Certification of origin authenticates the oranges as originating in Spain, adding a component of authenticity and quality.

The constant commitment to innovation in production and distribution demonstrates adaptability and a desire to offer the latest in terms of quality and service. Adapting to Finnish local preferences is essential, involving research into market trends and the adjustment of marketing strategies and products to align with these preferences, thereby reinforcing the relevance of Spanish oranges in the Finnish context. Establishing recognized brands associated with excellence and authenticity becomes a fundamental pillar. The creation and promotion of these brands will help build trust and loyalty among Finnish consumers.

Overall, this comprehensive differentiation leadership strategy seeks not only to highlight the unique qualities of Spanish oranges, but also to build a strong narrative that connects with Finnish consumers, justifying the leadership position and the perception of a differentiated value within the export market for oranges.



The PESTEL framework offers a systematic approach to analyze the Political, Economic, Social, Technological, Environmental, and Legal factors shaping the trade dynamics between these two nations. By delving into each dimension, exporters can gain invaluable insights into market opportunities, regulatory challenges, cultural nuances, and technological advancements that impact their operations. This comprehensive analysis serves as a strategic compass, guiding exporters in adapting their approaches to maximize opportunities and mitigate risks in the vibrant orange trade between Spain and Finland.

(Figure 8) is a representation of the PESTEL factors that may affect the export of oranges from Spain to Finland:

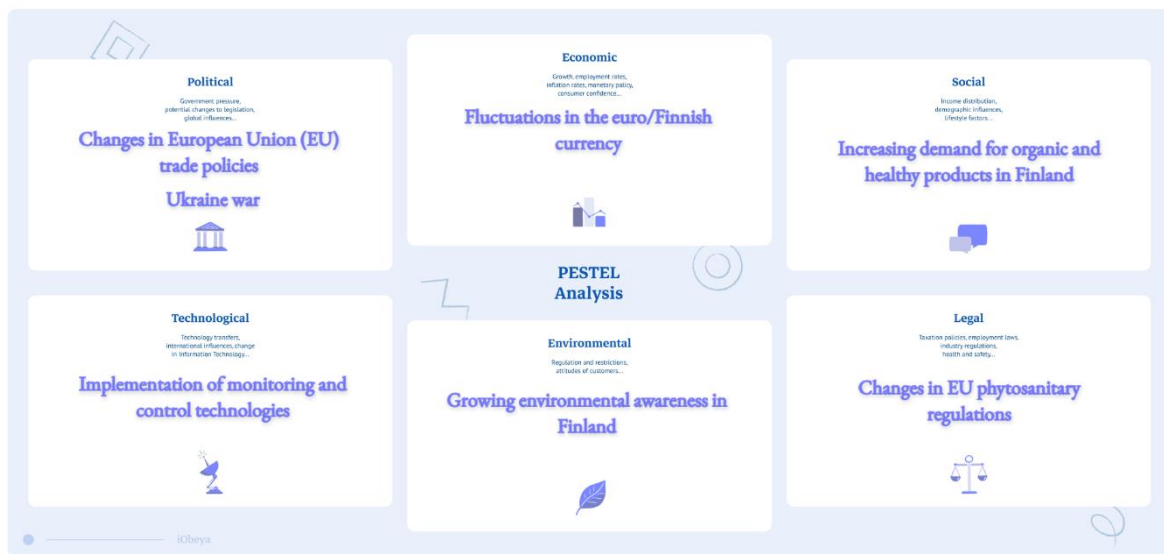


Figure 8. PESTEL Analysis (Figure: Javier Reig)

### Political Factors

Political factors significantly influence the trade of oranges between Spain and Finland. Changes in trade policies and agreements within the European Union can have a direct impact on tariffs, export conditions, and overall trade dynamics.

- **EU Trade Policies:** The European Union's trade policies, including regulations on tariffs and trade barriers, play a critical role in shaping the trade landscape. For instance, any changes in agricultural subsidies, import quotas, or tariff rates can affect the competitiveness of Spanish oranges in the Finnish market.

- **Geopolitical Instability:** Events such as Brexit and geopolitical tensions, like the ongoing conflict in Ukraine, can lead to shifts in trade policies and agreements. These changes may result in increased scrutiny, additional documentation requirements, or even temporary trade restrictions.
- **Regulatory Harmonization:** The harmonization of regulations within the EU ensures that Spanish oranges meet the same standards as those produced in other member states. This uniformity helps streamline the export process, reducing bureaucratic hurdles and facilitating smoother trade operations.

### **Economic Factors**

Economic conditions in both Spain and Finland play a crucial role in determining the viability and profitability of orange exports.

- **Economic Stability:** Economic stability in Finland influences consumer purchasing power and demand for imported goods. During periods of economic growth, there is typically an increased demand for high-quality produce, including imported fruits like oranges.
- **Inflation:** Inflation rates in Finland can affect the cost of living and, consequently, the spending habits of consumers. High inflation may reduce disposable income, potentially decreasing the demand for premium-priced imported oranges.
- **Market Demand:** There is a growing demand for organic and healthy products in Finland. This trend can positively influence the acceptance of Spanish oranges, especially if they are marketed as sustainably farmed and nutritionally superior.
- **Currency Exchange Rates:** Fluctuations in currency exchange rates between the Euro (EUR) and other major currencies can affect the pricing and competitiveness of Spanish oranges in the Finnish market.

## **Social Factors**

Social factors encompass cultural preferences, demographic trends, and societal attitudes that can influence the demand for Spanish oranges in Finland.

- **Consumer Preferences:** Understanding Finnish consumer preferences is essential for market relevance. Finns tend to prioritize health and sustainability, favoring products that are organic and environmentally friendly.
- **Cultural Tastes:** Introducing exclusive varieties of oranges that are not commonly available in Finland can cater to local tastes and provide a unique selling proposition. For example, promoting oranges with distinctive flavors or unique nutritional benefits can attract health-conscious consumers.
- **Environmental Awareness:** Growing environmental awareness in Finland means that consumers are increasingly looking for products that are produced sustainably. Highlighting the eco-friendly practices employed in the cultivation of Spanish oranges can enhance their appeal.
- **Demographic Trends:** Demographic trends such as aging populations or increasing urbanization can influence consumption patterns. Marketing strategies should consider these trends to effectively target different consumer segments.

## **Technological Factors**

Technological advancements play a pivotal role in enhancing the production, packaging, and distribution of Spanish oranges to Finland.

- **Innovation in Agriculture:** Technological innovations in agriculture, such as precision farming and advanced irrigation systems, can improve the quality and yield of orange crops. These improvements can result in better produce that meets the high standards of Finnish consumers.

- **Cold Chain Technology:** The application of control technologies in the cold chain during transport is crucial to ensure the freshness of oranges upon arrival in Finland. Maintaining optimal temperatures during shipping can prevent spoilage and preserve the quality of the produce.
- **Packaging Innovations:** Innovative packaging solutions that extend the shelf life of oranges and reduce waste can be highly appealing to both retailers and consumers in Finland. Eco-friendly packaging options can also align with the environmental values of Finnish consumers.
- **Digital Marketing:** Utilizing digital marketing strategies to promote Spanish oranges can enhance their visibility and appeal. Social media campaigns, influencer partnerships, and e-commerce platforms can help reach a wider audience and drive sales.

### **Environmental Factors**

Environmental factors, including climate change and sustainability practices, have a significant impact on the export of Spanish oranges.

- **Sustainability Practices:** Sustainability practices are becoming increasingly important for consumer acceptance in Finland. Highlighting sustainable farming methods, such as organic cultivation and water conservation, can enhance the reputation of Spanish oranges.
- **Climate Change:** Climate change poses a challenge to agricultural practices. Adapting to changing weather patterns and extreme weather events is crucial to maintaining the quality and consistency of orange production. Implementing resilient agricultural practices can mitigate these risks.
- **Environmental Regulations:** Compliance with environmental regulations, both in Spain and the EU, is essential for maintaining market access. These regulations may include restrictions on pesticide use, waste management practices, and carbon footprint reduction efforts.

## Legal Factors

Legal factors encompass the regulatory framework governing the export of oranges from Spain to Finland, including phytosanitary regulations, labour laws, and trade agreements.

- **Phytosanitary Regulations:** Changes in EU phytosanitary regulations can affect inspection and certification requirements for orange exports. Spanish producers must stay updated on these regulations to ensure compliance and avoid trade disruptions.
- **Labor Laws:** Legal and regulatory aspects influencing labour laws in Spain can impact the cost and efficiency of orange production. Ensuring fair labour practices and compliance with labour regulations is crucial for maintaining a positive reputation and avoiding legal issues.
- **Trade Agreements:** Bilateral and multilateral trade agreements between Spain, the EU, and Finland can influence export conditions. Favourable trade agreements can reduce tariffs and streamline customs procedures, facilitating easier market access.
- **Product Standards:** Legal standards related to food safety, quality, and labelling must be adhered to. Ensuring that Spanish oranges meet these standards is essential for maintaining consumer trust and avoiding legal penalties.

Considering the PESTEL factors in the exportation of oranges from Spain to Finland is crucial for optimizing trade relations and ensuring the success of Spanish oranges in the Finnish market. By analysing political, economic, social, technological, environmental, and legal factors, exporters can develop strategies that address the unique challenges and opportunities within this trade relationship.

## 4.2 Transport

Spain and Finland share a fruitful trade relationship, with Spain being one of the world's leading exporters of oranges and Finland representing a significant market for fresh produce. The transport of oranges from Spain to Finland involves intricate logistics and considerations to ensure the timely delivery of high-quality produce while adhering to various regulatory restrictions. This process encompasses selecting appropriate modes of transportation, navigating regulatory frameworks, and addressing logistical challenges to meet the demands of both suppliers and consumers.

Several modes of transportation are utilized for exporting oranges from Spain to Finland, each offering unique advantages and considerations:

- Road transport presents a flexible and efficient option for moving smaller quantities of oranges, providing direct access to various distribution points within Finland.
- Alternatively, sea freight offers cost-effective transportation for larger shipments, with refrigerated containers maintaining optimal temperature and humidity levels throughout the journey.
- Air freight, although faster, is often reserved for time-sensitive shipments due to its higher costs.

Each of these transportation modes involves a series of logistical considerations, such as route planning, coordination with multiple actors in the supply chain, and managing potential delays or issues. Additionally, it is crucial to comply with regulatory requirements in both Spain and Finland, including quality standards, phytosanitary certificates, and customs regulations. These aspects ensure that the oranges not only arrive in good condition but also meet the norms and expectations of the Finnish market.

The transportation of oranges from Spain to Finland is a complex process that involves several modes of transportation, each with its own set of advantages, challenges, and logistical considerations. Here's a more detailed explanation of the transport methods involved:

## 1. Road Transport

### Advantages:

- Flexibility: Road transport offers flexibility in terms of routes and schedules. Trucks can be dispatched quickly and routes can be adjusted as needed to meet demand.
- Direct Delivery: It allows for direct delivery to various distribution points within Finland, reducing the need for intermediate handling and thus minimizing the risk of damage to the oranges.
- Smaller Shipments: This mode is particularly efficient for moving smaller quantities of oranges, making it ideal for less-than-truckload (LTL) shipments or for markets with lower demand.

### Challenges:

- Distance and Time: The long distance between Spain and Finland means that road transport can take several days, which might impact the freshness of the oranges.
- Regulations: Trucks must comply with various regulations related to weight limits, driver working hours, and cross-border transport rules.
- Environmental Impact: Road transport has a higher carbon footprint compared to sea freight, which may be a concern for environmentally conscious consumers and companies.

## 2. Sea Freight

### Advantages:

- Cost-Effective: Sea freight is the most cost-effective method for transporting large volumes of oranges. Shipping by sea significantly reduces per-unit transportation costs.
- Large Capacity: Ships can carry large quantities of goods, making it ideal for bulk shipments.
- Refrigerated Containers: The use of refrigerated containers (reefers) ensures that the oranges are kept at optimal temperatures throughout the journey, preserving their quality and freshness.

### Challenges:

- Transit Time: Sea freight is slower compared to road and air transport. The journey can take several weeks, depending on the shipping route and schedules.
- Port Handling: Oranges must be carefully handled during loading and unloading to prevent damage. This includes ensuring that the cold chain is maintained during port operations.
- Weather Dependency: Sea transport can be affected by weather conditions, which can cause delays and potentially impact the quality of the produce.

### **3. Air Freight**

#### Advantages:

- Speed: Air freight is the fastest mode of transport, significantly reducing transit times and ensuring that the oranges arrive in Finland as quickly as possible.
- Freshness: The shorter transit time helps maintain the freshness of the oranges, which is crucial for high-quality produce.
- Reliability: Air freight schedules are generally reliable, and there is less risk of delays compared to sea freight.

#### Challenges:

- Cost: Air freight is the most expensive mode of transport, often limiting its use to high-value or time-sensitive shipments.
- Capacity: Airplanes have limited cargo capacity compared to ships, which means higher costs per unit of goods transported.
- Environmental Impact: Air transport has the highest carbon footprint among the three modes, raising environmental concerns.



## Logistical Considerations

- Route Planning: Efficient route planning is essential to minimize transit times and costs. This involves selecting the best routes, considering factors such as road conditions, traffic, and potential border delays.
- Coordination: Coordination between various stakeholders—exporters, transport companies, customs authorities, and importers—is crucial for smooth operations. Effective communication and planning help prevent delays and ensure compliance with regulations.
- Regulatory Compliance: Both Spain and Finland have specific regulations regarding the import and export of agricultural products. This includes phytosanitary certificates, customs declarations, and adherence to quality standards. Ensuring compliance with these regulations is vital to avoid delays and fines.
- Cold Chain Management: Maintaining the cold chain from the point of origin to the destination is critical for preserving the quality of the oranges. This involves using refrigerated transport, monitoring temperature conditions, and ensuring that the produce is kept at the right temperature throughout the journey.
- Risk Management: Contingency plans should be in place to address potential risks such as delays, equipment failures, or adverse weather conditions. This includes having backup transportation options and insurance coverage for the goods.

In conclusion, transporting oranges from Spain to Finland involves a well-coordinated and managed process, leveraging different transportation modes to balance cost, speed, and quality. Each mode has its unique advantages and challenges, and the choice often depends on the specific requirements of the shipment, including volume, time sensitivity, and cost considerations.

### 4.3 Plant Health requirements

The exportation of oranges from Spain to Finland is a vital component of international trade, catering to the demands of consumers for high-quality produce across borders. However, amidst the exchange of agricultural goods, ensuring plant health becomes paramount to prevent the introduction and spread of pests that could jeopardize ecosystems and agricultural productivity. Regulatory frameworks, such as Regulation (EU) 2016/2031 of the European Parliament and the Council, impose stringent plant health requirements to mitigate the risks associated with pest transmission during the export process.

This trade relationship between Spain and Finland underscores the importance of maintaining high standards in quality and safety to ensure consumer satisfaction and market stability. Adhering to regulatory standards is crucial in facilitating smooth and safe commerce, minimizing the risk of disruptions caused by pests and diseases that could affect both agricultural productivity and ecosystem health.

- **Significance of Trade:** Spain stands as a prominent exporter of oranges, with Finland representing a lucrative market for fresh produce. The trade relationship between these countries underscores the importance of adhering to regulatory standards to facilitate smooth and safe commerce. (Eur-Lex 2016.)
- **Plant Health Regulations:** Regulation (EU) 2016/2031, enacted to protect against pests of plants, outlines comprehensive measures to safeguard plant health within the European Union. These regulations are designed to prevent the introduction and spread of pests that could threaten agricultural ecosystems and biodiversity. (Eur-Lex 2016.)
- **Phytosanitary Requirements:** Compliance with phytosanitary requirements is essential for exporting oranges from Spain to Finland. Phytosanitary certificates, issued by competent authorities, attest to the compliance of exported goods with established plant health standards, ensuring that they are free from pests and diseases. (Eur-Lex 2016.)

- **Inspection and Certification:** Prior to export, oranges undergo thorough inspection to verify compliance with phytosanitary regulations. This inspection process aims to detect and mitigate the risk of pest contamination, thereby safeguarding the integrity of the exported produce and protecting the agricultural interests of both exporting and importing countries. (Eur-Lex 2016.)
- **Collaborative Efforts:** Effective implementation of plant health requirements necessitates collaboration between regulatory authorities, exporters, and importers. By working together, stakeholders can ensure the application of best practices in pest management and facilitate the safe and sustainable trade of oranges from Spain to Finland. (Eur-Lex 2016.)

In conclusion, adherence to plant health requirements is integral to the exportation of oranges from Spain to Finland. Regulatory frameworks such as Regulation (EU) 2016/2031 play a crucial role in safeguarding agricultural ecosystems and promoting the sustainable flow of goods across borders. Through adherence to phytosanitary regulations, stakeholders can uphold the integrity of the export process, mitigate the risk of pest transmission, and foster continued trade relations between Spain and Finland in the realm of fresh produce.

## 5 Conclusions

### 5.1 Answers to research questions

#### Main Research Question

*How is the strategy to optimize orange exports planned to be implemented and defined?*

The strategy to optimize orange exports can be implemented and defined by focusing on differentiation as a key competitive advantage in the Finnish market. By offering unique, high-quality oranges that cater to the preferences of Finnish consumers, Spanish exporters can distinguish their products and gain a competitive edge. This strategy aligns with Michael Porter's theory of competitive advantage, which emphasizes differentiation as a viable strategy for standing out in the market.

By strategically applying differentiation strategies, Spanish exporters can enhance their market position, attract Finnish consumers, and drive growth in the orange export sector. Additionally, by conducting thorough market analyses, addressing limitations, and fostering collaborations, stakeholders can develop a robust export strategy that optimizes the trade relationship between Spain and Finland, leading to increased efficiency, profitability, and market success.

#### Sub questions

*What are the main objectives of the analysis of the current Spanish market?*

To start with, it is essential for the company to identify consumer preferences and market trends. By gaining insights into the Spanish market, exporters can tailor their strategies to meet the demands of domestic consumers and enhance their competitiveness in the international market.

*What specific aspects of the Finnish market, such as consumer preferences and trends, are of importance?*

Were explored specific characteristics of the Finnish market, including consumer preferences and trends, to align export strategies with the needs of Finnish consumers. By understanding the unique preferences of the Finnish market, exporters can customize their products and marketing approaches to maximize market penetration and consumer appeal.

*What determinants of the trade relationship between Spain and Finland should be paid attention to?*

Identify and analyse key factors influencing the trade relationship between Spain and Finland in the context of orange exports. Factors such as transport logistics, plant health regulations, and pricing strategies play a crucial role in shaping trade dynamics between the two countries. By addressing these determinants, exporters can optimize their export processes, mitigate risks, and strengthen bilateral trade ties.

## 5.2 Suggestions and tips

The optimization of orange exports between Spain and Finland presents a significant opportunity for stakeholders in the citrus industry to enhance competitiveness, expand market presence, and drive profitability. In light of the challenges and complexities inherent in the export process, it is essential to develop strategic approaches that leverage market insights, address limitations, foster collaborations, and drive continuous improvement. By implementing these recommendations, stakeholders can navigate the dynamic landscape of the citrus industry, capitalize on market opportunities, and position themselves for success in the international market

- **Strategic Differentiation:** Embrace a differentiation strategy as proposed by Michael Porter to set Spanish oranges apart in the Finnish market. Focus on offering unique, high-quality products that cater to the preferences of Finnish consumers. Highlight the superior taste, sustainable production practices, innovative packaging, and exclusive varieties of Spanish oranges to create a distinctive presence in the market.
- **Market Research and Analysis:** Conduct thorough market research in both Spain and Finland to understand trade dynamics, consumer preferences, and market trends. Utilize quantitative and qualitative data to identify opportunities for growth, areas for improvement, and potential challenges in the orange export process. Stay updated on market developments, regulatory changes, and consumer behavior to adapt export strategies effectively.

- **Addressing Limitations:** Recognize and address potential limitations such as data scarcity, bias, external factors like policy changes or weather events, and logistical challenges. Develop contingency plans to mitigate risks and uncertainties that may impact the export process. Stay agile and adaptable to navigate unforeseen challenges and ensure a smooth flow of exports between the two countries.
- **Collaborative Partnerships:** Foster strong collaborations and partnerships between Spanish exporters and Finnish importers to streamline the export chain. Enhance communication, transparency, and cooperation to improve efficiency, reduce costs, and enhance the overall export process. By working closely with stakeholders along the supply chain, synergies can be leveraged to optimize operations and maximize profitability.
- **Continuous Improvement:** Embrace a culture of continuous improvement by regularly reviewing and updating export strategies based on market feedback, consumer preferences, and emerging trends. Stay proactive in seeking feedback from stakeholders, monitoring market dynamics, and implementing innovative solutions to enhance the competitiveness of Spanish oranges in the Finnish market. By staying agile and responsive to market changes, exporters can maintain a competitive edge and drive growth in the citrus industry.

By incorporating these detailed suggestions and tips into the orange export process between Spain and Finland, stakeholders can work towards optimizing operations, enhancing market presence, and ultimately increasing the competitiveness and profitability of the citrus industry in the international market.

## 6 Summary

The research is grounded in the significance of the Spanish citrus sector, highlighting its position as a key player in international export markets despite challenges such as farm fragmentation, rising production costs, and external factors like competition from third countries and geopolitical events like the war in Ukraine.

The thesis sets out to achieve two central objectives. Firstly, it aims to apply a strategic framework to optimize orange exports, focusing on differentiation as a key strategy for Spanish exporters to distinguish their products in the Finnish market. By offering unique, high-quality oranges, Spanish companies can create a competitive advantage and cater to the preferences of Finnish consumers.

To achieve this goal, the research emphasizes the importance of conducting in-depth market analyses of both the Spanish and Finnish markets. This analysis involves understanding trade dynamics, consumer preferences, market trends, and other factors influencing the exchange of oranges between the two countries. By identifying opportunities for growth, areas for improvement, and potential challenges in the marketing of oranges, the research seeks to provide a comprehensive understanding of the trade relationship between Spain and Finland.

Moreover, the thesis acknowledges potential limitations in the research process, such as scarce and potentially outdated data, bias in information collected, and unpredictable external factors like policy changes or weather events. By addressing these limitations and developing contingency plans, the research aims to mitigate risks and uncertainties that may impact the orange export process.

Additionally, the thesis emphasizes the importance of fostering collaborative partnerships between Spanish exporters and Finnish importers to streamline the export chain, enhance efficiency, and improve overall profitability. By working closely with stakeholders along the supply chain, synergies can be leveraged to optimize operations and ensure a smooth flow of exports between the two countries.

In conclusion, the thesis provides a roadmap for optimizing orange exports between Spain and Finland by focusing on differentiation strategies, conducting thorough market analyses, addressing limitations, fostering collaborations, and continuously improving export strategies. By implementing these recommendations, stakeholders in the citrus industry can enhance competitiveness, adapt to market dynamics, and drive growth in the international orange export market.



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