

TABLE 2A04

## ESTIMATED ELASTICITIES FOR AIR TRAVEL TO AND FROM AUSTRALIA

Study	Market analysed	Country/region	Elasticity			
			Airfare	Relative price	Australian income	Foreign income
BTR (1992)	Foreign visitors	USA	—	-2.54	—	2.12
	Foreign visitors	UK	—	-1.06	—	2.74
	Foreign visitors	Germany	—	-1.22	—	4.74
	Foreign visitors	Netherlands	—	-0.894	—	1.54
	Foreign visitors	France	—	-0.714	—	4.59
	Foreign visitors	Italy	—	-2.16	—	2.48
	Foreign visitors	Switzerland	—	-1.24	—	6.73
	Foreign visitors	Japan	—	-3.01	—	7.58
	Foreign visitors	Singapore	—	-2.16	—	2.48
	Foreign visitors	Malaysia	—	-3.09	—	2.99
	Foreign visitors	Indonesia	—	-0.75	—	4.43
	Foreign visitors	Hong Kong	—	-0.30	—	2.13
	Foreign visitors	New Zealand	—	-1.93	—	1.35
BTCE (1988)	Foreign leisure visitors	Aggregate	-0.57	-0.65	—	2.92
	Foreign leisure visitors	Europe	-0.61	-0.16	—	4.09
	Foreign leisure visitors	North America	-1.23	-0.33	—	1.24
	Foreign leisure visitors	New Zealand	-1.33	-1.47	—	1.94
	Foreign leisure visitors	Japan	0.43	-0.11	—	5.57
	Foreign leisure visitors	Asia	0.02	-0.18	—	1.51
	Australian leisure travellers	Aggregate	-0.62	0.21	1.30	—
	Foreign business visitors	Aggregate	—	-0.13	1.21	1.60
	Foreign business visitors	Europe	—	0.03	1.67	1.91
	Foreign business visitors	North America	—	0.48	3.33	—
	Foreign business visitors	Asia	—	—	1.41	1.30
	Foreign business visitors	Japan	—	-0.26	1.60	1.25
	Foreign business visitors	New Zealand	-0.56	-0.86	1.78	—
	Australian business travellers	Aggregate	—	0.16	0.03	3.12
	Australian business travellers	Europe	-0.23	—	1.09	1.38
	Australian business travellers	North America	-0.34	0.71	3.82	0.32
	Australian business travellers	Japan	—	0.48	2.01	1.03
	Australian business travellers	Asia	—	—	—	1.54
	Australian business travellers	New Zealand	—	-0.34	2.43	—
	Poole (1988)	Foreign holiday visitors	USA	-0.40	-1.80	—
Foreign holiday visitors		Japan	—	-0.50	—	5.20
Foreign holiday visitors		Asia (not Japan)	—	-0.90	—	2.90
Foreign holiday visitors		New Zealand	-1.50	-1.10	—	1.50
Foreign holiday visitors		UK	-0.70	-0.70	—	2.80
Foreign holiday visitors		Other Europe	-0.40	-0.10	—	5.10
Foreign VFR visitors		USA	-1.10	-0.50	—	1.10
Foreign VFR visitors		Asia (not Japan)	—	-0.30	—	2.20
Foreign VFR visitors		New Zealand	-1.20	-0.20	—	1.60

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(CONTINUED)

Study	Market analysed	Country/region	Elasticity			
			Airfare	Relative price	Australian income	Foreign income
Poole (1988) cont.	Foreign VFR visitors	UK	-1.30	-0.60	—	—
	Foreign VFR visitors	Other Europe	-0.30	—	—	0.80
	Foreign business visitors	USA	—	-0.30	—	—
	Foreign business visitors	Japan	—	-0.70	—	1.00
	Foreign business visitors	Asia (not Japan)	—	—	—	1.70
	Foreign business visitors	New Zealand	-0.70	-0.10	1.60	—
	Foreign business visitors	UK	—	-0.20	2.00	—
	Foreign business visitors	Other Europe	—	0.30	—	5.20
Hollander (1982)	Foreign leisure visitors	New Zealand	-0.95	-0.79	—	0.63
	Foreign leisure visitors	UK	-1.04	-0.37	—	4.64
	Foreign leisure visitors	USA	-0.47	-0.25	—	-1.21
	Foreign leisure visitors	Japan	—	-0.06	—	4.64
	Foreign leisure visitors	Canada	-0.32	0.06	—	1.40
	Foreign leisure visitors	Germany	-0.19	-0.63	—	6.82
	Foreign leisure visitors	Italy	0.28	0.27	—	3.17
	Australian leisure travellers	Aggregate	-0.55	-0.38	1.28	—
BTE (1978)	Foreign leisure visitors	Aggregate	-1.85	—	—	2.51
	Foreign leisure visitors	Germany	-0.58	—	—	4.99
	Foreign leisure visitors	Italy	-1.94	—	—	3.81
	Foreign leisure visitors	Malaysia/S'pore	-0.96	—	—	2.28
	Foreign leisure visitors	New Zealand	-1.20	—	—	1.54
	Foreign leisure visitors	UK	-1.00	—	—	1.13
	Foreign leisure visitors	USA	-1.38	—	—	3.37
	Australian leisure travellers	Aggregate	-1.78	0.55	2.36	—
	Australian leisure travellers	Germany	-1.15	0.56	—	1.24
	Australian leisure travellers	Italy	-1.13	—	—	2.84
	Australian leisure travellers	Japan	-4.57	—	1.53	—
	Australian leisure travellers	Malaysia/S'pore	-1.54	—	0.68	—
	Australian leisure travellers	New Zealand	-1.01	—	1.13	—
	Australian leisure travellers	UK	-1.16	—	—	3.49
	Australian leisure travellers	USA	-1.67	—	—	3.32
		Foreign business visitors	Aggregate	-1.00	—	—
	Australian business travellers	Aggregate	-1.23	—	—	—

— denotes omitted or not estimated in model.

Source BTCE(1995a, table 4.1, pp. 40-42).