

## ABSTRACT

*This paper analyses the interdependency of demands for two of the world's leading traded services: international travel (transportation) and international tourism. Based on the Almost Ideal Demand System, the study models travel and tourism demands simultaneously, for a range of countries, viz Australia, Japan, New Zealand, the United States, and the United Kingdom. Overall, tourism demands are found to be more expenditure and price elastic than are those of the demand for travel services to the same destination. The cross-price elasticities indicate significant interdependencies of demands, both between travel and tourism, and between destinations. Overall, the cross-price elasticities confirm the complementarity between travel and tourism demands. However, in the cases of the UK demand for the United States, the United States demand for the United Kingdom, and the Japanese demand for the United States, substitutability between the two demands is found.*

**Key Words:** Demand for International Air Transport; Travel and Tourism Demands; Demand Systems; Interdependent Demands; Travel and Tourism Policies