

ABSTRACT

Cost Benefit Analysis of the Construction of New Hotels in Tobago

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With declining oil revenue and a sharp contraction in the economy, the newly elected Government has identified the development of tourism as one of the key elements in the overall plan for diversification of the economy. Tobago has been singled out as the main focus for this tourism drive due to its abundant natural beauty and unspoilt character. As a result, a number of new hotel development projects are planned for implementation over the next three years in Tobago.

The objective of this project is to determine the optimum size and type of hotel development for Tobago. The project examines basic concepts in hotel design, hotel accommodation in the Caribbean and hotel development in Tobago, both present and future.

In addition, one of the main hotel projects planned for Tobago, is reviewed using a Case Study Analysis. A number of factors which influence the selection of the optimum size and the type of hotel were identified, with the help of Case Studies and other available information based on the level of training, ownership and management structure, available infrastructure, and the impact of tourism on the culture and environment. The optimum size of hotel development for Tobago is found to be between 40 to 80 rooms providing a high level of service and facilities.