

US Construction Productivity vs. Global Construction Productivity Benchmarks:

The US Construction industry ranks # 1 in the world for Construction Labor Productivity out of the 200 + countries around the world.

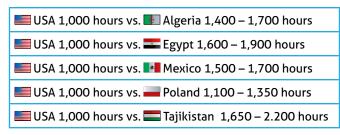


Issues that accentuate US construction labor productivity include:

- A skilled, educated & trained workforce
- Utilizing latest work practices, such as Modularization & LEAN methods
- Employing available & appropriate construction equipment & hand-held power tools
- Using skilled site construction supervision
- A need to work hard or be replaced

Construction labor is a big component of any construction Capital Project, typically 25% to 30% of the Capital Project's total construction cost. Serious consequences can result if a miscalculation is made related to estimating/ forecasting productivity.

The following is a sampling of construction for 5 countries versus the USA. The example is related to construction activity, such as a piping system that took 1,000 man-hours to perform in the USA.



Remember... **63% or 6 out of 10** Capital Projects experience delays/overruns. Errors related to using the wrong construction productivity value are one of the main reasons for this continuing overrun problem that plagues our industry.



Issues that negatively impact global construction labor productivity include:

- Education limitations, resulting in poor reading & writing skills
- Lack of qualified & skilled site supervision
- Overseas freight delivery roadblocks (Major Equipment sitting on dockside waiting for 6 weeks for translated import documents / notarized bill of lading)
- Language issues
- Local construction quality issue
- Remote sites requiring pioneer camps

- Cultural & religious differences
- Worker attitude, ready to go home at 3 PM
- Lack of skilled workers in a particular country (welder's electricians, instrument fitters) - EXAMPLE: need to import 30 Romanian welders in a West African country for 9 months
- Construction Equipment (unavailable or broken down)
- Limited use hand power tools





Compass International has construction productivity data on 150 + countries. Our 2024 Global Construction Cost Database is now available and contains productivity information to assist the estimator in arriving at the best cost estimate.

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