

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.

 USA 1,000 hours vs.  Algeria 1,400 – 1,700 hours
 USA 1,000 hours vs.  Egypt 1,600 – 1,900 hours
 USA 1,000 hours vs.  Mexico 1,500 – 1,700 hours
 USA 1,000 hours vs.  Poland 1,100 – 1,350 hours
 USA 1,000 hours vs.  Tajikistan 1,650 – 2.200 hours

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.

compassinternational.net/books