



COMPASS

INTERNATIONAL INC.

IV

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Angola

DATA TABLE

1	Capital: Luanda 1,800,000
2	Area: 1,250,000 sq km
3	Population: 15.500 million
4	GDP \$50 billion
5	GDP per Head: \$2,300
6	Inflation Rate: 7.5% - 12.5%
7	VAT / GST: 19%
8	Freight: 8.5 – 11.5 / 35 days
9	Exchange Rate: 91.80 Kwanza
10	Government / Import duties: http://www.angola.org Refer to website on general notes page, note 10.
11	A/E Billing rate: \$9 - \$18
12	Skilled Worker rate: \$4 - \$7.50
13	Ditto # 12 offshore rate: \$45 - \$70
14	Unskilled worker rate: \$2 - \$5
15	Local Engineering Productivity: 1.25 – 1.50
16	Worker Productivity: 2.00 – 3.00
17	Location Factor: 0.92 - 0.97
18	Local Bulk Material Factor: 0.80 - 0.87
19	SF / \$ Unit Cost: \$25 - \$40 20 Construction Equipment / Rental Factor: 0.80-0.85

ADDITIONAL DATA

1. Major Cities: Namibe, Lobito, Soyo, Porto Amboin.
2. Time: + 6 EST
3. Government website:
<http://www.angola-portal.ao>
4. Electricity: 220 v 50 Hz
5. Telephone code: 244
6. Major Sea Ports: Lobito, Soyo, Luanda.

Angola is a major exporter of oil to Western Europe, North America and China. Higher oil production and oil selling in the \$75 - \$90 a barrel range will be good for the Angolan economy in 2011. The GDP is forecast to be in the 5% - 7% range. There appears to be many significant oil related projects in the pipeline.

U.S. Embassy

Rua Houari Boumedienne
#32 Luanda Angola
Tel: (244) 222-641-000

Argentina

FACTS IN BRIEF

Official name: Argentine Republic
Currency: Pesos
Population: 40,600,000 (2009 est.)
GDP: \$255 billion (2010)
Population growth: 0.90% (2006 est.)
GDP per Head: \$12,900 (2010)
Capital: Buenos Aires 13,900,000
Exports: \$45 billion f.o.b. (2008 est.)
Language: Spanish
Imports: \$30 billion f.o.b. (2008 est.)
Area: 2,766,900 km ²
Weights/measures: Metric
Type of government: Federal republic
Chief products: Beef, Minerals, cereals, timber,
Life expectancy: Male: 72.5 years Female: 80.1 years
Unemployment: 9%

ECONOMIC FORECAST

Minerals of all kinds, timber and farm products: Argentina has a young well-educated labor market; it is one of the top five economies in South America. Economic growth is sluggish; the country is recuperating from the global financial crisis. Construction activity will be down from previous years. High unemployment at between 8% and 10%, inflation at 7.5% to 9% will remain as major challenges in 2011. GDP is forecast to be in the 1.7% to 2.5% range in 2011.

ARCHITECTURAL / ENGINEERING RATES

The rates that follow are “all in” hourly job rates for various construction professionals and are appropriate for 2011. They include employees’ salaries, workers; compensation insurance, social security payments, health insurance premiums, unemployment insurance, vacation and holiday payments, establishment charges, overhead, mark-ups, and profit. The rates shown are for the Buenos Aires area and reflect individuals with at least 10 years experience.

Argentina

ARCHITECTURAL/ENGINEERING RATES

SKILL	LOW US \$	HIGH US \$
Architect	28	57
Mechanical engineer	28	57
Electrical engineer	30	60
Designer	23	44
Site manager (does not include temporary living allowance)	26	50

• **NOTE:** the above professional construction hourly bill out rates are appropriate for residential / light commercial construction facilities. For individuals working in the process / chemical / refinery construction sector use the following rates:

SKILL	LOW US \$	HIGH US \$
Senior Project Manager (20 years experiences)	40	85
Mechanical engineer (15 years experiences)	30	65
E&I engineer (15 years experiences)	30	75
Designer	25	50

ENGINEERING PRODUCTIVITY / DESIGN WORK

The following figures show a range of productivity values: (1) Washington, DC (2) Houston Texas, and (3) Buenos Aires, Argentina. The productivity factors are compared against a U.S. basis of 1.00 – Washington DC, engineering labor working on producing the necessary design deliverables for a midsize petro-chemical / manufacturing facility (say \$10 – \$50 million).

REF. #	LOCATION	PRODUCTIVITY VALUE
1	Washington, DC	1.00
2	Houston, TX	0.95
3	Buenos Aires, Argentina	1.15 – 1.25



CONSTRUCTION LABOR HOURLY RATES

The following are “selling rates” for skilled and unskilled construction workers; these are the hourly billing rates that a contractor would charge an owner. The rates include base wage rate, insurance, fringes, burdens, holidays, small tools, and training levies, plus all applicable overhead and profit. They have been adjusted to reflect 2011 rates.

	LOW US \$	HIGH US \$
Skilled worker	12.50	18.50
Unskilled worker	8.50	13.50

APPROXIMATE COST OF BUILDINGS/FACILITIES

The following square-meter and square-foot values include all materials, labor, plant, general conditions, overhead, and profit. Excluded from the costs are owners’ costs such as furniture, equipment, land purchase, design fees, and major items outside the facility’s footprint. These values have been adjusted to reflect 2011 pricing levels.

TYPE OF FACILITY		LOW US \$	HIGH US \$
Warehouse / Distribution Facility	SF	33	65
Ditto	M2	352	700
Factory / Industrial Bldg	SF	35	80
Ditto	M2	378	860
Office / Admin Bldg	SF	45	118
Ditto	M2	484	1,270

LOCATION FACTOR

- For chemical/process/manufacturing construction projects with a high content of imported engineered equipment and construction materials: **0.94**
- For buildings/facilities/civil-type construction projects with high content of locally produced engineered equipment and construction materials: **0.90**

If the above project is for a “first of its kind” building / facility (first construction effort in country will experience a steep learning curve) add 0.03 – 0.05 points to above. If company has built or has operating facilities / operating companies already in country use above values.

CONSTRUCTION LABOR PRODUCTIVITY

- **Good:** 1.20
- **Average:** 1.45
- **Bad:** 1.75

CONSTRUCTION EQUIPMENT

CONSTRUCTION EQUIPMENT / PLANT HIRE RENTAL*	USA COST PER 8 HOUR DAY	ARGENTINA COST PER 8 HOUR DAY
Backhoe - F.E. Loader (JCB or similar)	\$217.70	
Bulldozer 50kW	\$478.76	
F.E. Loader 2.5 CY/2 M3	\$354.35	
Hydraulic Crane 20 Ton lifting capacity	\$653.07	
Bobcat mini F.E. loader	\$241.51	
Welding machine diesel 200 A	\$108.76	
COST PER DAY	\$2,051.32	DISCOUNT USA VALUES BY 75 – 80%

** excludes driver, includes routine maintenance, excludes fuel, includes mob/de-mob costs*

INFLATION

- **2006:** 8.9%
- **2007:** 7.5%
- **2008:** 8.5%
- **2009:** 9.0%
- **2010:** 8.5%
- **2011:** 8.0%

TAXES/TARIFFS IMPORT DUTIES

The value-added tax (VAT) rate is 21% or 10.5% it depends on the item being imported into Argentina; the duty is based on the sum of the CIF value. Argentina is a member of Mercosur (as well as its neighbors Brazil, Uruguay and Paraguay), Mercosur the 4th largest free trade area in the world. For additional tariff information go to infoleg.mecon.gov.ar Argentina implemented the MERCOSUR Common Nomenclature, which is aligned with the Harmonized System of Nomenclature and is utilized for tariff classification, import duties can range from 5 – 20%. Argentina's Government website is www.argentina.gov.ar

CURRENCY EXCHANGE RATES

The following were the exchange rates for the Argentina Peso on October 1st, 2010:

EURO:	UK POUND:	US DOLLAR:
5.45	6.26	3.96

Argentina DATA TABLE

- Local Bulk Material Factor vs. USA Gulf Coast (Houston = 1.00): 0.87 – 0.95
- Major Cities: La Plata, Santa Fe, Cordoba, Rosario,
- Major Sea Ports: La Plata, Rosario, Buenos Aires
- Government website: www.argentina.ar
- Government Statistics Office: www.indec.mecon.ar
- Electricity: 220 v 50 Hz
- Freight from USA: 7.5% – 10.5% of Major Equipment or material cost / 20 - 25 days

ADDITIONAL INFORMATION CONTRACTORS / A-E FIRMS / CONTACTS:

SCA (Sociedad Central de Arquitectos)

Montevideo 938, Buenos Aires CP 1019 ABT
Argentina
Telephone (54) 11 48132375
www.socearq.org

Argentina Camera of the Construction

Av. Stroll Columbus 823 (1063)/
Buenos Aires, Argentina.
Tel.: 4361-8778
Email: to cac@camarco.org.ar
<http://www.camarco.org.ar>

Centro Argentino de Ingenieros

Sede del CAI: Cerrito 1250
(C1010AAZ)
Buenos Aires, Argentina
Buenos Tel-Fax: (54) (11)4811-4133 4812-0440/3223

Consejo Asesor de Empresas Consultoras

Buenos Aires, Argentina

Time: Argentina is two hours ahead of Eastern Standard Time (EST).

Telephone: The access code for Argentina is (54). The city codes are as follows:

- Buenos Aires (11)
- Cordoba (351)
- General Sa (925)
- La Plata (121)
- Parana (43)
- Salta (87)
- San Miguel (81)
- Santa Fe (342)

Names/Addresses:

U S Embassy in Argentina
Avda Columbia 4300
APO / FPO
Unit 4334
Buenos Aires, Argentina
Telephone 54 – 11 5777-4533
Fax 54-11-5777-4240

Argentina Embassy
1600 New Hampshire Ave N.W.
Washington DC 20009, USA
Telephone (202) 238 6400
Fax (202) 332 3171

in-house labor and selecting subcontractors or trade contractors for specialist items of scope. In periods of high inflation clauses are incorporated into the contract to allow contractors to recover significant cost increases.

- **Design/build, turnkey contracting:** A design/build contract provides all of the services, (design, procurement, and construction) to complete the building or facility for an owner. In design/build construction the owner specifies his or her requirement (e.g., tons of material to be produced each day, number of guests staying in a proposed hotel, etc.). The owner stipulates the time the facility is required by and the quality requirements. The contractor designs, procures, and constructs the facility within the specified parameters. The owner will usually have one contract with the contractor; the contractor typically will have a number of contracts with subcontractors and equipment suppliers.

- **Concession Contracts:** This contracting option is used on major highway, bridge, and tunnel projects. The Channel tunnel was designed, procured, constructed, and operated by a concession contractor. The concession contractor operates and maintains the facility for a stipulated period of time, say 25 years. During this period the concession contractor generates income by charging tolls to amortize the construction loans.

- **The FIDC form of contract:** This form is sometimes utilized on civil engineering projects.

- **Major Fortune 500 companies performing construction work in France** many times will use their own standard forms of contract modified to local conditions.

- **Negotiated contracts:**

- **Reimbursable contract (cost plus):**

Like all other developed countries, France has a comprehensive set of government procurement procedures that need to be adhered to. Government procurement procedures can usually be reviewed at France's embassies or can be obtained from the relevant government agency.

To undertake construction work, either private

or public in France, an organization must be able to obtain and provide insurance coverage that includes the 10-year insurance liability program. The ability to obtain this insurance coverage in some ways acts as a prequalification for bidding on construction projects.

ARCHITECTURAL/ENGINEERING DATA

The following table shows typical percentage fees related to architectural and engineering services on new building/facilities located in France. The percentages shown are appropriate for conceptual estimating assignments and should be used only as a guide. The values shown are appropriate for a building or facility with total installed cost of US\$10 - \$50 million.

FEE STRUCTURE	UNCOMPLICATED BLDG/FACILITY	COMPLICATED SOPHISTICATED BLDG/FACILITY
Architectural Fee	3.00%	7.00%
Structural eng. Fee	0.50%	1.50%
Mechanical/electrical Eng. Fee	1.50%	3.50%
Inspection services fee*	0.50%	1.50%
Construction economist*	0.35%	0.65%
Other specialist consultants	0.65%	0.85%
Total architectural/engineering and other consulting fees, as a percentage of final cost of facility	6.50%	15.00%

NOTE:

Contractor completion or finalization of detailed design is not included in above percentage, but is typically incorporated into bid price. *A maitre d'oeuvre often performs these activities.

The above fee percentages are dependent upon building or facility type, scope of work, sophistication of specifications, durations of engineering effort, complexity of building control systems, market conditions, and HVAC requirements, qual-

ity of materials and building/facility equipment, and owner involvement with the design effort. It should be understood that French design and procedure methods typically have the architectural and the other engineering professionals completing the detailed engineering effort at what appears to be the 50% - 75% of the drawings are issued to contractors for lump-sum bids. It is usual practice for the successful bidder together with his or her selected trade contractors to finalize and complete the detailed engineering/ design effort.

The hourly rates that follow are “all in” job rates or selling rates for various construction professionals. The rates are appropriate for 2011. The hourly rates include employee salaries, workers compensation insurance, social security payments, health insurance premiums, unemployment insurance, vacation payments, overhead costs, office facilities, utilities, supervision, and profit. The rates shown are appropriate for the Paris area and apply to individuals with a minimum of 10 years experience. The rates do not include temporary living expenses or travel costs.

• **France: in Euros US\$ 0.73 / Euro Oct 1st, 2010**

French professional workers typically work 37.5 – 39 hours per week and receive 5 – 6 weeks paid vacation, they are also entitled to 9 – 11 public holidays, hours worked per year = 1,600 – 1,650.

• Experienced Engineering Professional with 10 years experience - annual salary (High) \$79,700 / 1,625 = \$49.05 x mark-up of 2.10 = \$103.00 / hour or 75 Euros

• Experienced Engineering Professional with 10 years experience - annual salary (Low) \$65,200 / 1,625 = \$40.15 x mark-up of 1.75 = \$70.25 / hour or 51 Euro

Note: the above professional hourly bill out rates are appropriate for residential / light commercial type construction related construction work.

For Process / Chemical / Refinery type construction work use the following rates following:

SKILL	EURO LOW	EURO HIGH
Senior Project Manager (25 years experience)	150	185
Project Manager (10 years experience)	120	160
Mechanical Engineer (15 years experience)	110	125
Chemical Engineer (15 years experience)	110	130
C/S/A Engineer (ditto)	100	130
E&I Engineer (ditto)	125	150
Estimator / Q.S. (ditto)	85	120
Planner (5 years experience)	75	90
CAD Operator	50	65
Purchasing Agent (10 years experience)	65	100
Contracts Manager / S/C Administrator	100	120
Admin / Document Control	35	50
Construction Manager (20 years experience)	100	150

ENGINEERING PRODUCTIVITY DESIGN WORK:

The following figures show a range of productivity values: (1) Washington, DC (2) Houston Texas, and (3) Paris, France. The productivity factors are compared against a U.S. basis of 1.00 – Washington DC, engineering labor working on producing the necessary design deliverables for a midsize petro-chemical / manufacturing facility (say \$10 – \$50 million).

REF. #	LOCATION	PRODUCTIVITY VALUE
1	Washington, DC	1.00
2	Houston, TX	0.95
3	Paris, France	1.05

CONSTRUCTION LABOR HOURLY RATES

The rates shown below are 2011 “all in” selling rates for skilled and unskilled construction workers. The rates indicated are the hourly billing rates that a contractor would charge an owner or end user for work carried out on either a time and material basis

U.S. estimate is expressed as a base index of 1.00. Location factors typically reflect disparities in construction materials and labor rates, productivity differentials, equipment costs, importation of materials and capital equipment, design costs, exchange rates, freight costs, taxes, and import duties. The purchase of land and inflation are excluded from the location factor. The following location factors are applicable for France:

- Chemical/process/manufacturing facilities (utilizing some imported equipment): **1.04**
- Building/facilities/civil projects (utilizing local materials): **0.98**

For example, if a recently completed industrial project was built in the U.S. for US \$5,000,000, the cost of a similar facility in France would be US \$5,000,000 x 1.04 = US \$5,200,000. A building or facility to be constructed in France, estimated on a

U.S. basis to cost US\$10,000,000, would be budgeted at US\$9,800,000.

If the above project is for a “first of its kind” building / facility (first construction effort will initially experience a steep learning curve as it navigates through governmental / local issues) add 0.03 – 0.05 points to above location factors. If company has built or has operating facilities already in country, use above indicated location factors:

LABOR PRODUCTIVITY

The following figures show a range of productivity values: (1) good, (2) average, and (3) poor. The productivity factors for France are figured against a U.S. value of 1.00, based on open-shop (i.e., non-union) labor working at a midsize petrochemical facility on the Texas Gulf Coast.

Costs of Building Facilities

FRENCH SF / M2 FACILITY UNIT COSTS IN US \$'S

#	TYPE OF FACILITY	SF / LOW	SF/ HIGH	M2 / LOW	M2 / HIGH
1	Airport Terminal 2 – 3 Floors 400,000 - 700,000 SF	146	212	1,566	2,283
2	Apartments (Class B/C) 3 – 6 floors not public housing	153	213	1,647	2,290
3	Apartment public housing 3 – 6 floors	107	154	1,156	1,655
4	Food Production / Dairy Facility 70,000 SF	118	157	1,268	1,686
5	Hotel 3-6 floors 100,000 SF- 2 - 3 star - suburban location*	162	231	1,738	2,480
6	Manufacturing / Facility / Factory 2 Floors 75,000 SF	58	107	629	1,150
7	Office 3 Floors 45,000 SF suburban location*	166	221	1,786	2,373
8	R & D Facility(College – Basic Research) 2 Floors 65,000 SF	173	232	1,859	2,501
9	W-House Refrigerated 80% / Admin 20% / 80,000 SF	90	141	967	1,519
10	W-House/ Logistics Center 80% / Admin 20% 40,000 SF **	60	97	646	1,040

* 5 - 15 miles from city center

** excludes racking / bar coding / warehouse equipment