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# Location Factors Report

Process Economics Program Report 204C

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## PEP Report 204C

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#### Abstract

In discussions with our clients in recent years, one of the topics that they bring up most frequently has been the rapid change in relative construction cost levels between different locations. Much of this cost fluctuation can be attributed to recent wide swings of exchange rates for most global currencies. In this report, we update our location factors calculation methodology to reflect new data sources that are available now that IHS has merged with Markit. We also expand our coverage to 11 locations—Canada (Alberta), Brazil, Germany, Poland, Russia (Surgut, Western Siberia), China (coastal), India, Japan, Korea, Singapore, and Saudi Arabia. All of the location factors are relative to the US Gulf Coast and are on a third quarter 2016 basis.

While our base case examines petrochemicals, we also provide separate factors for refining and polymers processes for all of the locations. In addition to the location factors, we have also prepared the corresponding chemical process industry (CPI) sector-specific purchasing power parities. We have developed historical time series for all of the location factors and purchasing power parities. In addition, we have prepared historical time series for many of our data sets. These include worldwide CPI skilled construction labor, engineering, and project management wage rates. Also presented are historical time series for local major equipment price levels, and for steel, electric, and civils bulk materials.

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