

CAPITAL COST PLANNER

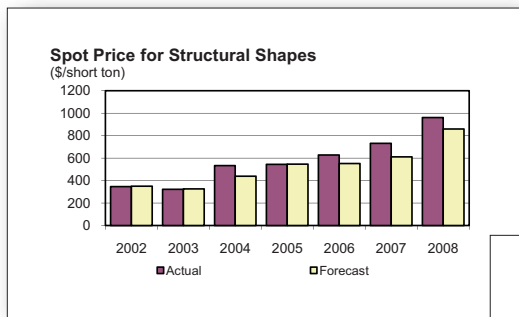
INSIGHTS, DATA, AND ANALYSIS FOR SMARTER PLANNING OF KEY CAPITAL INVESTMENT DECISIONS

MARKET KNOWLEDGE TO ENHANCE CAPITAL PROJECT COST ESTIMATION

Material prices have shown extreme volatility in recent years, with steel, energy, and copper leading the pack. As firms estimate new capital investment project costs, they must be able to:

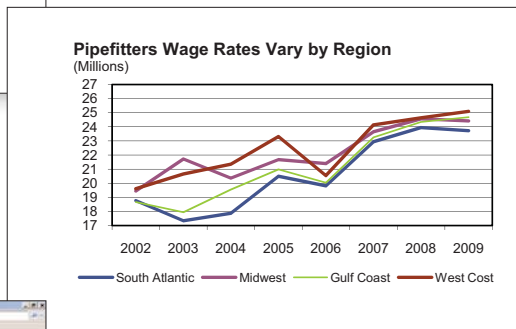
- Better estimate the key material and labor costs of long-term capital projects
- Effectively time material and equipment purchases and minimize risk with knowledge of long-term supply and demand fundamentals
- Consider the price and availability of skilled labor by category and region

IHS Global Insight's Capital Cost Planner provides valuable market intelligence to quantify key inputs, examine critical supply issues, and more effectively estimate a project's final cost.

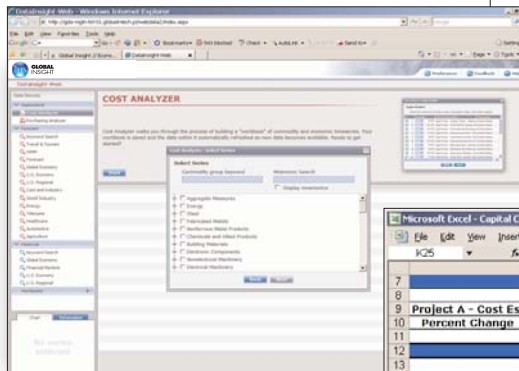


◀ IHS Global Insight forecasted a record spike in commodity prices in 2008. Using only historical price information in your planning would have left you unprepared.

▶ Our U.S. regional wage forecasts for boilermakers, electricians, pipefitters, and welders highlight the wide wage disparities between regions and type of skilled craftsmen. We will help you better understand what costs to plan for no matter where your project is located.



▶ Plan smarter for your project costs. Our 10-year price outlook for materials and equipment takes the guesswork out of project cost estimating.



		2005	2006	2007	2008	2009	2010	2011	2012
Project A - Cost Escalation (2008=1.00)		0.787	0.857	0.916	1.000	0.949	0.939	0.948	0.995
Percent Change		6.3	8.9	7.0	9.1	-5.1	-1.1	1.0	4.9
	Weight	History			Forecast				
Spot Price, Structural Shapes Carbon Steel	22.2%	544.58	628.25	731.42	960.67	704.33	627.46	603.60	686.39
Percent Change		3.0	15.4	16.4	31.3	-26.7	-10.9	-3.8	13.7
Price Index, Pressure Vessels	18.5%	129.08	138.98	151.02	162.25	160.34	163.54	169.90	181.78
Percent Change		13.8	7.7	8.7	7.4	-1.2	2.0	3.0	6.9
Price Index, Nonferrous Cable and Wire	3.7%	169.43	226.92	238.71	249.25	222.55	233.75	239.97	253.47
Percent Change		11.1	33.9	5.2	4.4	-10.7	5.0	2.7	5.6
Price Index, Hydraulic Cement	14.8%	175.14	197.75	208.38	207.82	206.03	204.81	211.26	217.81
Percent Change		12.7	12.9	5.4	-0.3	-0.6	3.2	3.1	
Price Index, Construction Machinery	11.1%	192.37	201.08	206.82	213.38	221.33	222.62	230.49	241.16
Percent Change		4.6	4.5	2.9	3.2	3.7	0.6	3.5	4.6
Wage, Construction, Heavy & Civil Engineering	29.6%	19.53	20.27	20.99	21.97	22.84	22.99	22.88	22.99
Percent Change		1.9	3.0	3.5	4.6	4.0	0.6	0.6	



► **POWERFUL TOOL FOR COST ESTIMATORS**

IHS Global Insight’s Capital Cost Planner is unique in content and delivery. Our reliable forecasts and well documented track record sets us apart from other providers. A key part of our Capital Cost Planner is the Cost Analyzer, a Web-based database tool that allows clients to perform customized cost analysis. Using historical and forecast data for over 1,200 commodity price and wage series, the Cost Analyzer allows you adjust weights based on past performance for each component enabling you to aggregate cost estimates up to a specific plant. This provides clients a clear understanding of total escalation rates over the life of the project and the reasons behind the upward pressures.

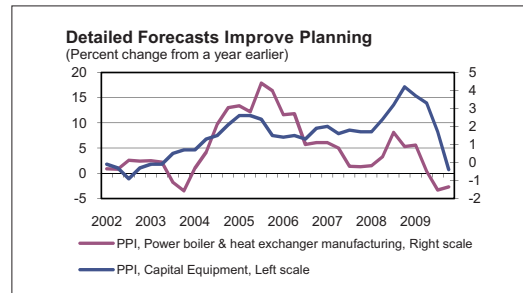
► **CRITICAL PROJECT INPUT COSTS—TIMING AND LOCATION ARE EVERYTHING**

The Capital Cost Planner is tailored to an organization’s strategic planning function. It provides a 10-year outlook for labor rates and raw materials, and associated risks and assumptions. The service includes detailed market drivers, material prices, and wage rates within North America, along with aggregate prices and wages throughout the world. With this information, planners can contrast costs across geographies, plan purchases to capitalize on price weaknesses, and estimate the total cost over the life of a project.

► **COMPLETE AND COMPREHENSIVE COVERAGE**

Written narratives and analysis include key assumptions, drivers, and risks. Our detailed analysis of demand, supply, prices, and market risk covers:

- Energy and petrochemical costs
- Detailed product-type steel prices
- Key metals such as aluminum, copper, and stainless steel
- Machinery and equipment, including pressure vessels and heat exchangers
- Construction and building materials
- Logistics and transportation costs
- U.S. and Canadian regional wage rates
- Global labor markets overview
- Composite building cost indexes



The more specific the forecast you use, the more informed your decision will be. For example, using a forecast for power boilers and heat exchangers, rather than just an aggregate equipment forecast, can make a big difference in your margins. Our detailed forecasts and historical data will help you make smarter decisions for your capital investment planning.

THE POWER OF PERSPECTIVE

ABOUT IHS GLOBAL INSIGHT: IHS Global Insight (www.ihsglobalinsight.com) provides the most comprehensive economic and financial information on countries, regions, and industries available from any source. IHS Global Insight’s immediate and insightful analysis of market conditions and key events enables innovative and successful decision making for clients around the world. IHS Global Insight employs approximately 700 employees in 13 countries.

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