

# CMD's Message



*Dear Friends,*

Sizeable progress has been achieved last month and we must keep up the tempo. As we all know, the socio-economic survey and demarcation work has been completed by the Government of Orissa, which is a great leap forward for us. We are extremely thankful to the Government Officials for their initiative. On our part, we have announced our R&R package and successfully shifted the Patna villagers to the Transit Camp.

As we await the data compilation and analysis for the Land Acquisition process to proceed, we should make detailed study of all future requirements and plan ahead. We need to chalk out the details for the extension of the Transit Camp and also for the Rehabilitation Colony.

Two major areas to concentrate on would be collaboration with NGOs for implementing livelihood restoration programmes at the site-area and tie-ups with major R&D Centres in the State for sustainable development activities. Continuation of vocational training for the site-area youth would be another important area.

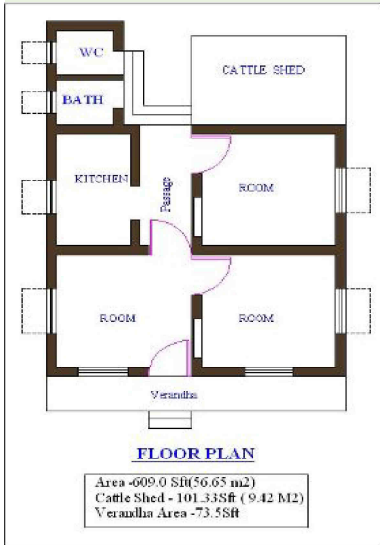
Meanwhile, The Communication lines need to keep buzzing and we have to put in extra efforts to clear misconceptions still prevailing in the minds of some stake-holders. Most importantly, let's keep all our eyes focused on our target and fine-tune preparations for the same.

# Highlights

## Socio-Economic Survey at Project Site

The socio-economic survey for the proposed steel plant of POSCO-India was carried out successfully by the Jagatsinghpur District Administration. The survey and land demarcation work have been completed in 8 villages of 3 GPs on 13<sup>th</sup> February 2008. The district collector, Dr. Pramod Kumar Meherda has informed that the detailed socio-economic survey report for the POSCO steel project will be tabled before the Government in a short while for valuation of rehabilitation package by the Company. Though Dhinkia was exempted because of its anti-project stance, Govindpur, a major village of Dhinkia GP came under the survey purview. Mr. Meherda went on record saying that the survey will start in Dhinkia after the villagers are convinced about the benefits of the project. Total 1930 house-holds have been covered under the socio-economic survey alongwith 2315 betel vines including 1085 in Govindpur village, 11 in Bhuyanpal, 300 in Polanga, 15 in Noliasahi and 904 in Nuagaon village.

## POSCO-India announces Rehab package for the villagers



In February a comprehensive rehab package from the Company was announced taking into account the need of various categories of displaced/affected families at project site.

10 decimal land, house in the rehabilitation colony / compensation and assistance was assured for the to-be-displaced families

from private and government land.

Company also committed construction jobs through the contractor to one nominated member of each project-affected family during construction. The job would be mandated by suitable provision in the contracts. The engagements will be gradual and first preference will be given to Landless labour families working in betel vines followed by displaced family from private and government land and subsequently to the complete/partial land losing



*Top POSCO-India officials including Director Mr.G.W. Sung, Executive Director Mr. U.B. Patnaik, Sr. GM Mr.K.S. Choi, GM Mr. Ardhendu Mohapatra, Sr. Official Mr. Basanta Jena visited the company's proposed plant site villages on 28<sup>th</sup> February and interacted with the villagers likely to be displaced for the project.*

*They received good response from the villagers. Hundreds of villagers including senior members from the United Action Committee held discussions with the company officials on the project profile.*

Families. In addition, one Nominated member of each displaced family and 100 % land losing family will be provided training and employment.

For the land-affected families, one member will be provided training free of cost for gaining employment in outsourced jobs which would be mandated by suitable provision in the contracts. Training will be provided to one member of other left out families from the 3 gram panchayats to enhance their skill for employment / self-employment.

The encroachers engaged in Betel Vine, Prawn, paddy and fruit cultivation etc in Government land as well as the landless laborers working in betel Vine would be fairly compensated. Jobless Betel vine workers will be paid reasonable amount of unemployment allowance for a period of 6 months or till they get wage employment under the contractor. Eligibility cards will be issued for employment during construction. For the fishermen community a jetty would be constructed and motor boats & nets would be provided for fishing.

In an unprecedented gesture, Company in its rehab package has considered encroachers for recompense which has been received in a very positive manner and lauded across sections of the society including media. The response to the package was remarkable as it went beyond the R&R package of Govt. of Orissa, which is already considered the best in the country.

## NEWS FROM KUJANGA

### Ousted families shift to Transit camp

The families, ousted by the PPSS from Patana village in Dhinkia Panchayat shifted from temporary camp to Badagabapur Transit Camp, constructed by POSCO-India. These families would be permanently shifted to the Rehabilitation Colony by the project authorities, later.

The families were handed over keys of the rooms in the transit camp by the Mr. Dilip Kumar Mohanty, ADM, Paradip in a simple ceremony at Bhutmundai. The transit camp has total 60 rooms and a community hall. Necessary arrangements are made for water and electricity facilities. POSCO-India will continue to support the inhabitants for education, health and other facilities.

These families were living at Bhutmundai camp since July 2007 and POSCO-India was providing necessary support for food, health and education of the villagers.



*POSCO-India officials with the displaced families at the transit camp*

## NEWS FROM KOREA

### Convocation Ceremony of POSTECH: 646 Students Graduate from POSTECH

Pohang University of Science and Technology (POSTECH) conferred degree to 646 students of Master and Bachelor programs in the 19<sup>th</sup> Convocation Ceremony of the University, held on February 13, 2008. Foundation Chairman Tae-Joon Park, Chairman Ku-Taek Lee, President of POSTECH Seong-Gi Baik awarded degrees to the graduating students, in presence of parents and people from inside and outside the university.

In his congratulatory address Foundation Chairman Tae-Joon Park expressed, 'Science technology is an important cornerstone of the economy. The fact that science critically influences the future of the national economy suggests that the graduates of POSTECH would be precious human resource for the future of Korea. The graduates were exhorted to make continuous contributions to the society and continuously cultivate one's life with pride and a sense of duty.'

Chairman Ku-Taek Lee said that 'the students should make consistent efforts to realize the dream of 'making POSTECH 'world's most renowned research focused

university', which has been set out by POSTECH since its inception, with pride and self-confidence.'



*Convocation Ceremony of POSTECH; Insertion Chairman Ku-Taek Lee and Foundation Chairman Tae-Joon Park, and President of POSTECH Seong-Gi Baik*

Out of the 646 Postechians 295 students got bachelors degree, 231 masters degree and 120 medical degree. Kyung-Ok Kim who gradated first on the list with 4.21 average scores (full mark: 4.3), set the highest academic record by a graduate in the university history.

## New Chairman of POSCO Executive Board



*Newly Appointed Chairman Mr. Jun Kwang-woo*

Mr. Jun Kwang-woo, Chairman of Deloitte Korea and outside director of POSCO was appointed as the new chairman of the board of POSCO in the General Meeting of Shareholders on February 22, 2008. POSCO's new chairman was chosen from the group of 9 outside directors on the board, which has a total of 15 directors.

In the Shareholder's meeting several other changes in the Executive Board has also been made. Mr. Choi Jong-tae, Senior Executive Vice President has been elevated to board member. Mr. Charles Ahn, Chairman of AhnLab and Mr. Sun Wook, President of Nongshim has been reappointed as outside directors.

Mr. Chung Keel-sou, Executive Vice President has been promoted to Senior Executive vice President. He will look after the stainless steel division, abroad. Mr. Hur Nam-suk will head POSCO's Gwangyang Works as Senior Vice President.

Among other appointments, Senior Vice Presidents Kim Sang-young and Kim Soo-kwan were both appointed as Executive Vice Presidents.



*CEO Lee Ku-taek and President Yoon Seok-man were guaranteed three-year tenure at last year's shareholder's meeting.*



## CEO Ku-Taek Lee encourages the employees of the IISI head office located in Brussels after hosting the executive committee of IISI

**Pictured from left to right:** Nicholas Walters (Public Relations Director), Micheline Van den Bossche (General Manager, Finance and Administration), Ku-Taek Lee (Chairman and CEO, POSCO and IISI Chairman), Myoung-Kyun Kim (President, POSCO Canada), Ian Christmas (Secretary General, IISI), Dr Mika Saariaho (Deputy Secretary General, IISI), Ikuo Jitsuahara (General Manager, Benchmarking, Technology and Environment), Anthony Trickett (General Manager,

Raw Materials), Dr Nae Hee Han (Chief Representative of the Beijing Office, Chief Economist and General Manager, Steel Business)

I welcome the initiative of our CM, Mr. Naveen Patnaik. With my international study tour to different countries of Europe, I am surprised at the backwardness of Orissa. It also taught me what to do to catch up with the rest of the world. I vote for POSCO-India.

**Rabi Narayan Patra from Koraput**  
Email: shrimanrabi@gmail.com

Hi sir, I am Like from Pakistan. I see your Korean drama "Jewel in the Palace" in DD national on Sunday evenings at 7:00 pm India time regularly. I like it very much and I would like to know more about the Korean drama and the character Jagma.

**Layiq Ahmad from Teh, Pakistan.**  
Email: like\_muskaan\_2008@yahoo.com

I am glad and proud as a resident of POSCO-India project area. I also welcome POSCO to start work very soon & fast. I pray to God for all success for POSCO-India.ok.bye.

**Babita Sahoo from Kujanga**  
Email: Babita-sahoo07@rediffmail.com

Heartily congratulations to all the POSCO team bringing a large steel project to Orissa.

**Subhashis Baral form Bhubaneswar**  
Email: subhashis\_baral@rediffmail.com

# Know your CMD

## Soung-sik Cho - *The First Man*



**I**t is fortunate to have a leader who is an atypical blend of a child's uncanny inquisitiveness and a seasoned business player's steely acumen. With him at the helm, every employee in POSCO-India feels driven and aspires to deliver the best. His *Comme il Faut* is almost revered in POSCO-India fraternity.

*PINE presents the Leader's pick*

- Two things a CEO must have  
**Vision and Leadership**

- Two things you like about weekends  
**Going out to rural areas with family  
Surfing internet for update on the trends of human life**

- Two things that blows your fuse  
**Unethical conduct and Egotism**

- Two things you can't do without  
**Laptop and Internet**

- Two things you dislike about your job  
**Loneliness and  
Compulsion to take decisions in distress**

- Two things you like about your job  
**Unlimited opportunities and Admiration from people**

- Two things you must have in your office bag  
**Laptop and Diary**

- Two books in your 'must read' list  
**1. Principia Managementa by Suck-Chul Yoon (honorary professor of Seoul National University)  
2. Good to Great by Jim Collins**

- Two people you admire the most  
**1. Jung-Hee Park, Visionary leader and former President of Korea  
2. Soccer Guru Guss Hidink – Coach, Korean Soccer Dream Team in 2002 World Cup**

- Two regrets in your life  
**Can't enjoy simple pleasures of everyday life**



# Straight From the Horse's Mouth



*Dr. Mrinal Chatterjee, Associate Professor, Indian Institute of Mass Communication introducing Mr. CMD to the students*

management practices. The company would continuously work on reducing SOX, NOX, dust, waste materials and emissions. The FINEX technology for steel making, indigenously developed by POSCO would certainly abet this. The company is also considering water recycling. Moreover a 5200 meter green belt throughout the circumference of the plant has been conceived to restrict noise pollution and emissions.

**Q:** What sort of recompense in terms of employment is there for the landless unskilled/semiskilled labourers?

**Ans:** According to our estimate there are 2000 labourers in 1900 betel vines in the project site. The workforce required in terms of wage labourers, skilled, semi skilled and unskilled workers for POSCO-India project construction phase is to the tune of 500,000. So there is work available for anyone who is willing to work.



*Mr. CMD and Dr. Mrinal Chatterjee at the open house forum in IIMC*

The company has also initiated skill training for the local people. For the 471 to be displaced families, company has guaranteed one job per family for nominated members. Rest would be trained for enhancing employability. There are roughly about 4000 people in the periphery and they would be phase wise considered for skill up gradation and employability enhancement through training.

**Q:** How has the Kalinganagar incident affected POSCO-India project? Did it prompt the company to reduce its land requirement?

**Ans:** Company considered minimizing land requirement even before signing the MoU in 2005. However, post Kalinganagar incident in Jan 2006, all the government officials became very cautious so land acquisition for all project halted. Subsequently R&R policy of the state government came into force in May 2006. In terms of delay, yes, we lost a year due to this development.

On 15 February, CMD, POSCO-India visited IIMC campus for a familiarization trip and subsequently had a marathon open house with the students. Students put forth their queries which were adequately addressed by Mr. CMD. This helped in clearing many project related budding concerns from the minds of the future scribes.

To warm up the session, POSCO-India PR movie was screened. An excellent presentation by Mr. H.C.Lee on project hallmark features with special highlight on the R&R package followed.

Excerpts of the Q&A from openhouse:

**Q:** What steps would POSCO take for the environmental sustainability?

**Ans:** POSCO has been continuously working on eco-friendly measures. It has secured top rankings in the dow jones index for consecutive years for its sustainable



*Dr. Mrinal Chatterjee, initiating the open house session*



*Students in rapt attention at IIMC*

Q: How much product do you plan to export?

Ans: In 2005, India produced about 35 MT steel and approximately 5-6MT was exported. So as a preliminary estimate we proposed 50% export against 50 % domestic catering. However, it all depends on the market situation in 2010-11.

Q: What is the reason behind this opposition and what next?

Ans: Reasons, please tell us if you are aware. In 1968, when we started in Pohang it was with a similar background. There were opposition in certain pockets and the company pulled out all stops in addressing their concerns. Now people certainly live way better than before.

In Jgatsinghpur, all 3 GPs and eight villages were opposed to the project initially. But now seven villages want the project. The intelligentsia of the state has helped us towards this end. Only Dhinkia, just one village is still opposed as the people are swayed by an outsider. In consultation with the govt. officials we might exclude this village initially. I am sure later the people would come on their own accord to be a part of this project.

Q: Do you think FDI's to India would be affected due to economic recessions in US and slow down in India.

Ans: if the recession goes deep, why only India, it would affect FDI's in China and the entire South East Asia.

Q: With so many Korean enterprises like Daewoo, Hyundai, Samsung etc. solidifying their base in India, what is the scope of Indian investment in Korea?

Ans: Even the India Inc is looking the Korea way. Tata motors acquisition of Daewoo is a reflection of the trend. It is definitely on the rise. With the free-trade arrangements it would shoot upwards.

Q: How do you find India as a market? How would you rate India vis-a-vis China?

Ans: The steel vision 2020 predicts 110 MT steel by 19-20. The total production now is 47 MT there is a clear gap of over 50 MT. So POSCO definitely has a room.

China already has zoomed whereas India is in early stages of taking off. For the next 10-15 years it has a tremendous potential for growth. However, there has to be social consensus for growth. I believe, the rapid development in China has left many dark areas. With a strong social consensus and steady progress, India could create a much better example.



*Mr. CMD being felicitated by Dr. Mrinal CHaterjee, Associate Professor, Indian Institute of Mass Communication Dhenkanal*



*Mr. CMD in discussion with Mr. J. Singhdeo, Prince of Dhenkanal and active member of Congress Party at his palace in Dhenkanal*

Q: How important is Orissa?

In line with our growth strategy for domestic and overseas capacity expansion from 30 MT to 50 MT we are focussed on emerging markets. There is land and huge reserve of iron ore in Orissa and if we can develop it, add value and process it to high grade steel it'll be a good win-win strategy for both parties. However without the consent of people it is impossible. Though Orissa has poor infrastructure and poor implementation system for industrialization, it could be a chance for us to develop it with the state government together.

Q: So any chance of having POSCO's head office in Orissa?

Ans: It is a very good futuristic proposition. In case the market develops and POSCO-India expands into other states of India, why not?

## Masked Vampires



Ranting of widow,  
Stark, dark and uncertain  
Resonating in  
*strewn saplings,*  
*Family of Sura Behera*  
*Stormed in clear weather.*  
*Who left this relic of annihilation?*  
*Who, they vampires?*  
*Licked hilarity*  
*The world of*  
*Destitute peasant.*  
*AK 47 of 'Red-eye', are you?*  
A fabricated reply or red-eye  
Not justifies the answer,  
Nor justifies the cause.

It is not for teeming Sura Behera(s).  
Then why, what, for whom?  
Is it brain child of Charu Majmudar,  
Kannu Sanyal, Kondapalli Sitaramya or  
Nagabhushan Pattanaik?  
Wiping out depression, oppression?  
Or execute extortion, seduction, killing,  
obliteration, what for?  
Of exported Maoism or indigenous Naxalism  
Class war of 'have-nots' against 'haves'.  
New incarnation in masks of capitalist, upper  
class  
Inherent Sabyasachi Panda,  
Borrowed Prachanda.  
Hypocrites! How long innocent sentiments be  
misguided.  
Extremists! Bullet not symbolizes peace,  
prosperity,  
Never for solutions rather destruction ...  
Only destruction.

On the day of  
Nayagarh attack, Naxals  
hit dasapalla police station and  
blocked roads there, this illegal  
episode was opposed by a daily  
laborer Sura Behera of village  
Nahaka Para. As a result, he was  
dragged to middle of the road and  
was shot down. Chaudhury  
Pranavananda Dash expresses his  
angst in this small piece and  
dedicates it in the memory of  
Sura Behera's sacrifice.

MY SPACIE

Life is short, art is long...

Bismallah and Allah's blessings Day and night.

ASalamo alie-kum

Dear Friends and Comrades, Gentlemen and Women of the States. It's a nice Opportunity to surf the Internet and visit POSCO-India website and bi-lateral relation strengthened under Chief Minister's leadership with the Global based Steel making Company in the State of Orissa set up to produce quality Iron & steel investing 12 billion USD. With Government support, in turn may help the needy and benefit the People and develop Economy. With value addition to the mineral resources of Orissa the company would help foster Education and Research within South East Asia. Cooperation of the Central Government is solicited to this effect.

**Sahanawaz Khan from Kendrapara**

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FEEDBACK