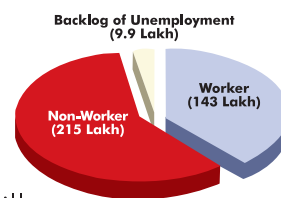


**POSCO-India's investment will create 8.7 lakh of employment.**

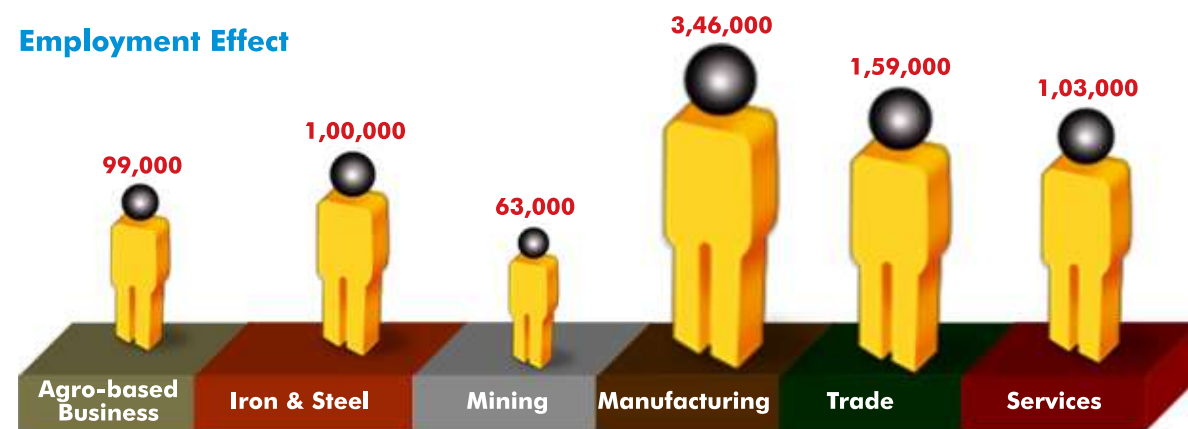
Every Rs. 1 lakh of output in steel sector will create 0.69 job (Employment Multiplier). Using this multiplier, the actual impact of the company in terms of job creation would be of 8,70,000 man years. For example the jobs related to agro based business such as farming, animal husbandry will amount to 99,000 man years.

**Employment Opportunities generated by POSCO-India would consume much of the backlog of current unemployment.**

The labour force in Orissa amounts to 153 lakh. Among them, 9.9 lakh are unemployed. Newly created 8.7 lakh jobs by POSCO-India project will drastically reduce unemployment rate.



**Employment Effect**



**To contribute Rs 174,970 crores of Tax Revenue under SEZ Status**

Under the SEZ status POSCO-India would contribute a total of Rs. 174,970 crores of tax revenue to the State and Central Government for next 35 years at the nominal value. POSCO-India will pay to the State Govt. Rs. 77,872 crore and to the Central Government Rs. 97,099 crore.



**POSCO-India's tax contribution to GoO would be about 17.6% of the State's estimated tax revenue of 2016-17 in a typical year of full production.**

Even if POSCO-India is not designated to SEZ, tax difference between SEZ and DTA case is less than 8%. It is because POSCO-India's DTA sales will amount to 47% of total sales. Considering 110 million tons of steel demand in 2020, POSCO-India's domestic sale will grow. Then, the tax contribution will increase more.

**About NCAER**

National Council of Applied Economic Research (NCAER) is India's premier economic research institution, specializing in policy research, surveys, forecasting and tracking the economy.

For further information, please contact:

**POSCO-India Private Limited**

5th Floor, Fortune Towers, Chandrasekharpur, Bhubaneswar-751 015, Orissa, India  
Tel : 91-674-230-3690 Website : www.posco-india.com

posco-India

Employment Generation of 8,70,000 person years.

Rs. 1,74,970 Cr of Tax Revenue to State & Central Govt.

**Economic Impact of POSCO-India Project**

Based on the Study by NCAER

Rs. 29,760 Cr of additional annual output for the state

Contribution of 11.5% to the State GDP by 2016-17.

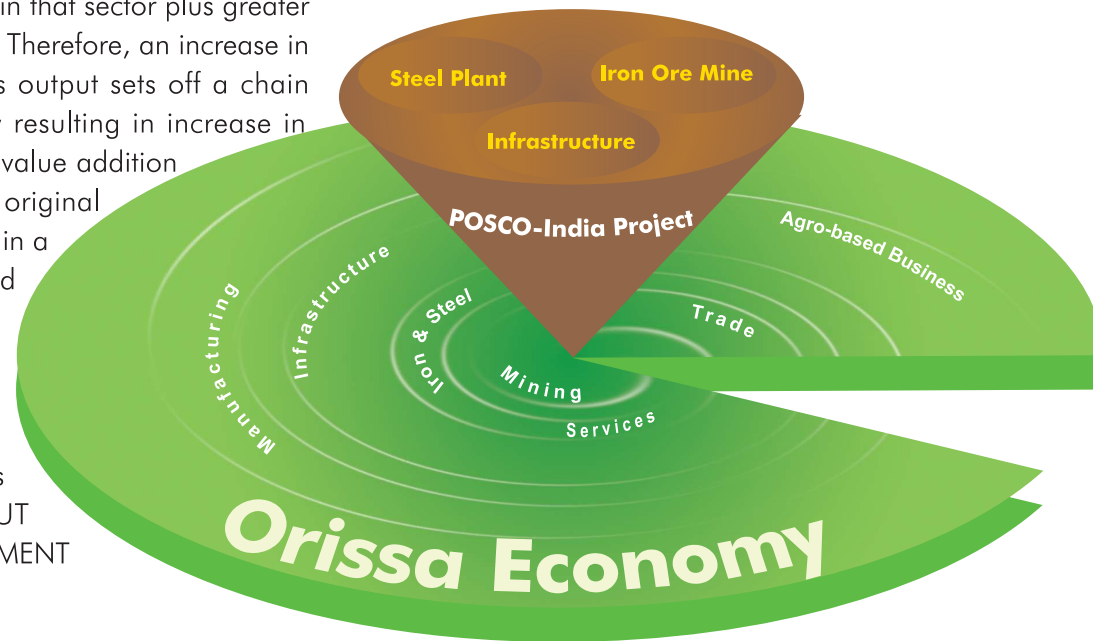
## POSCO-India and Orissa - The Synergy

With vast mineral resources, abundance of raw materials, comfortable power situation and sufficient skilled manpower, Orissa state has a huge potential for growth and industrialization. And financial resources can only make this potential real. POSCO-India has signed a MoU with the GoO to collectively invest Rs. 52,810 crores to construct a greenfield steel plant, develop iron ore mine and other physical infrastructure. POSCO-India project is an endeavor to combine the advantages of Orissa and POSCO, world's 3rd largest Steel producer for a huge synergy effect.

According to NCAER(National Council of Applied Economic Research), POSCO-India project will provide great stimulus to Orissa's Economic output, Value Addition and Employment.

## POSCO-India and its Ripple Effect

Industries are linked to one another. An increase in demand for one sector's output leads to additional income and employment in that sector plus greater demand for raw material. Therefore, an increase in demand for one sector's output sets off a chain reaction in the economy resulting in increase in output, employment and value addition that are multiples of the original sector's stimulus. Growth in a sector with high backward linkages provides stimulus to other sectors by requiring more inputs. The extent of prevalent backward linkage is measured by the OUTPUT MULTIPLIER and EMPLOYMENT MULTIPLIER.



## Input-Output Model of Orissa

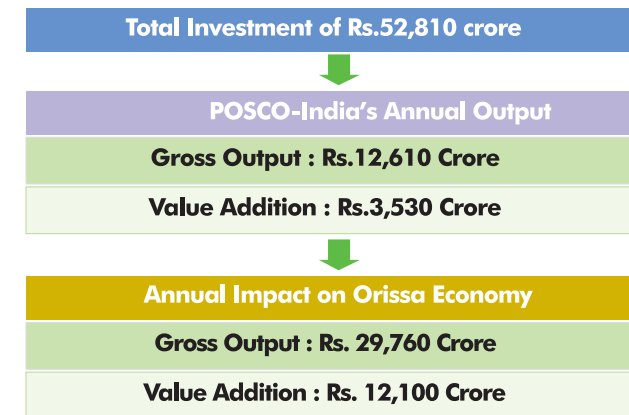
According to the NCAER report Output Multiplier and Employment Multiplier in Orissa's Iron & Steel sector are 2.36 and 0.69 respectively. It means that 1 lakh of output of iron & steel sector can stimulate 2.36lakh of output and 0.69 man-year of employment across Orissa industries.

OUTPUT MULTIPLIER	EMPLOYMENT MULTIPLIER
2.36	0.69

## Impact on State's Output

POSCO-India's Rs. 52,810 crores investment will create Rs.12,610 crores per year output and Rs. 3,530 crores value addition in 12 million ton per annum steel plant.

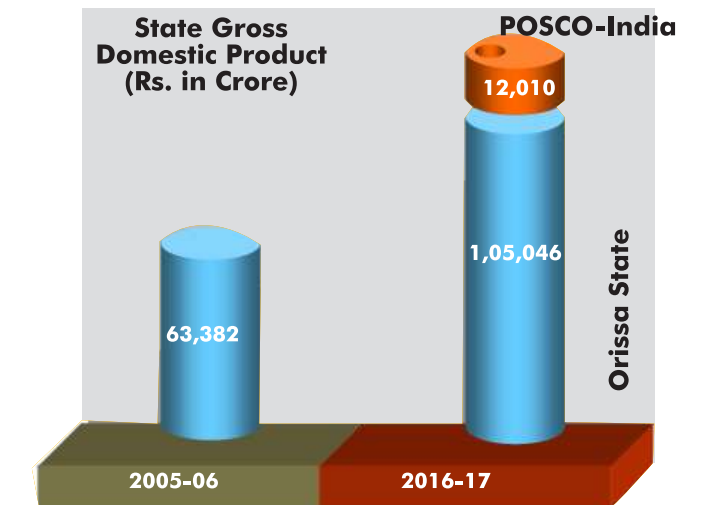
Rs. 12,610 crores output in steel plant will require supply from other industries in Orissa, which will stimulate another output which is 2,36 times of POSCO-India's. Thus, Total Rs. 29,760 crores of output and Rs. 12,100 crores of Value Addition will be created in Orissa.



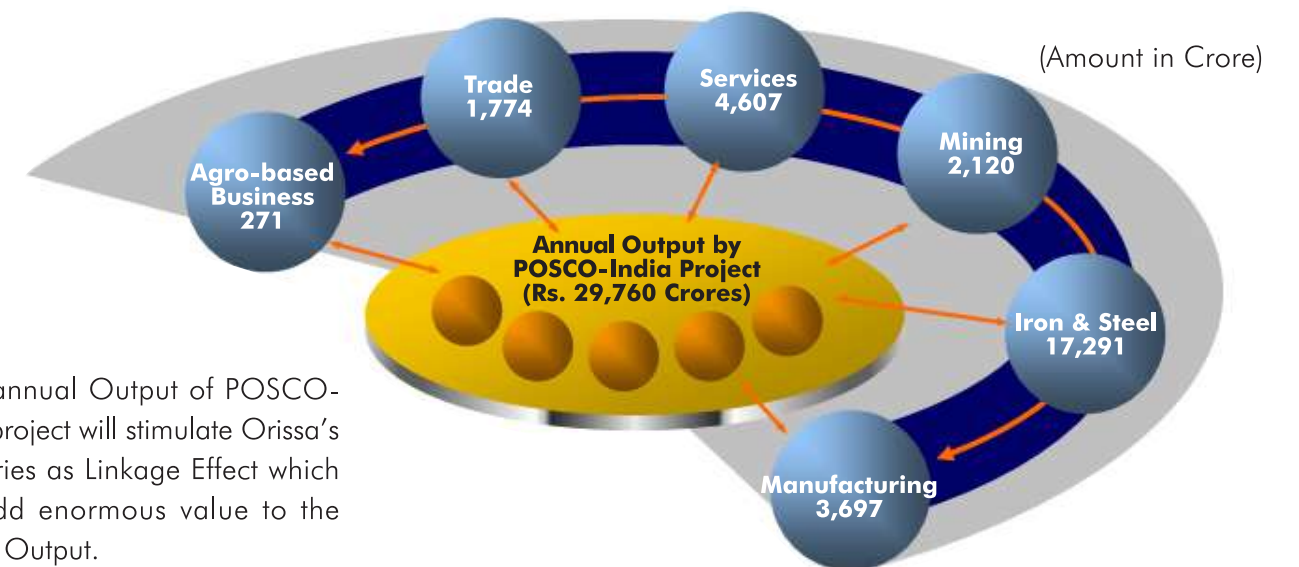
\* Value Addition is sum of each industry whose rates are different.

## POSCO-India's investments will contribute 11.5% of Orissa SGDP in 2016-17

Assuming the State GDP growth rate at 4.6%, SGDP in Orissa will be Rs.1,05,046 Crores in 2016-17. annual Output impact of POSCO-India's investment will amount to 11.5% of SGDP in terms of value addition.



## Rs.52,810 Cr of POSCO-India's Investment will stimulate activities of industries across Orissa



Total annual Output of POSCO-India project will stimulate Orissa's industries as Linkage Effect which will add enormous value to the state's Output.