

POSCO-India in Socio-Economic Landscape of Orissa

POSCO the world's 4th largest steel producer has a combined production capacity of 31 MTPA in two of its premier integrated steel plants in South Korea and operates 10 Steel production and 6 raw material production and 8 final process bases all over the world.

POSCO signed a MoU on June 22nd 2005 with GoO for setting up a 12MTPA Integrated Steel Plant in Jagatsinghpur District, with a minor captive port and developing captive mines in Sundergarh & Keonjhar district. POSCO-India Private Limited was incorporated on 25th August 2005. The 12MTPA Steel Plant, minor captive port, mines development and allied logistics & infrastructure would involve an investment of Rs. 52,810 Cr. (appx)

The Integrated Steel Plant would be build in three stages of 4MT each and is slated to be fully operational by 2016 ~2017.

Benefits from POSCO-India Project

- ▶ About 25000 skilled, semi-skilled and unskilled workers will be engaged during the construction phase of 8 years.
- ▶ For operation and maintenance of 12MTPA Integrated Steel Plant 18000 people will get direct employment and about 30,000 people will get indirect employment.
- ▶ The 12MTPA Steel Plant is estimated to have an annual turnover of Rs. 20,580 Cr (*5 yrs average market price, 2001~05*)
- ▶ POSCO-India's value addition in Orissa will work out to Rs. 5,760Cr (*28% of Turnover- Average Value Addition for Iron and Steel sector in Orissa at 2003~04*)
- ▶ As per the survey conducted by National Council of Applied Economic Research (NCEAR), POSCO-India will stimulate growth in industries along the supply chain and downstream as well as service sectors. This will have a ripple effect in the economy of Orissa, create huge employment opportunities and contribute 11.5% of Orissa GDP in the year 2016~2017.
- ▶ POSCO-India will contribute more than 2,620 Cr to the state exchequer and more than 2,800 Cr to the central exchequer per year after achieving 12MTPA capacity.
- ▶ POSCO-India will adopt the hi-technology & environment friendly finex process which will bring down emission level to more than 90% as compared to other conventional iron making process through blast furnace route.

Rehabilitation and Resettlement

- ▶ POSCO-India will require about 4004 acres of land for building the steel plant out of which only 438 acres is private land.
- ▶ Only 480 families will be displaced and 1250 families will lose agriculture land.
- ▶ POSCO-India would rehabilitate the affected people as per the R & R policy 2006 of Government of Orissa.
- ▶ For the displaced families, POSCO-India will build a rehabilitation colony.
- ▶ Each displaced family will be provided a 10 Dec of homestead land with 38 Sqm of Pucca building.
- ▶ The rehabilitation colony will have toilets, black topped road, piped water supply, school community centre, temple , village pond and electric supply (through the Electric supply Company on payment).
- ▶ One member of each displaced family or the family losing all agricultural land will be provided direct employment after skill up gradation
- ▶ POSCO-India will pay fair price for the land to be acquired.
- ▶ POSCO-India will provide scholarships to one eligible person of land affected families for perusing ITI and Engineering Diploma courses for enhancing their employability.
- ▶ POSCO-India will make suitable provision in the contract of the service providers for engaging at least 30 % people from the affected families.
- ▶ POSCO-India will discuss with the appropriate Government authorities and the affected people to work out a mutually acceptable compensation package for the families who have encroached on Government land to be acquired for the project by POSCO.

Periphery Development

- ▶ POSCO-India has already commissioned XIMB to find out the socio-economic needs of the affected people and to prioritize them.
- ▶ POSCO-India's periphery development programme will be developed on the basis of XIMB's socio-economic study and will consist of sub projects on education, health care and rural development.
- ▶ POSCO-India will deploy two medical vans with doctors, paramedical staff and essential medicines to go around the villages and provide primary health care at the doorstep of the people on regular basis.

- ▶ POSCO-India will conduct veterinary camps at regular intervals in periphery villages to take care of the health of domestic animals.
- ▶ POSCO-India will renovate/modify/construct classrooms in schools & provide educational aids to the schools in the periphery.
- ▶ POSCO-India will institute scholarships for higher studies of meritorious students of periphery schools.
- ▶ POSCO-India will render financial assistance for supply of drinking water and electricity to the villages
- ▶ POSCO-India will clean and renovate the existing ponds and water bodies in the periphery villages.
- ▶ POSCO-India will render assistance for providing toilets to each household in periphery villages.
- ▶ POSCO-India will repair /renovate/construct roads to provide better communication and connectivity.
- ▶ POSCO-India will construct 6m high surge embankment which will protect villages from Dinkia to Nolia Sahi against cyclone and high tidal waves.
- ▶ POSCO-India will train the local population on scientific farming to enhance the land yield, cattle & goat rearing, poultry farming, pisci culture so as to provide sustainable livelihood and improved standard of living.
- ▶ POSCO-India will conduct entrepreneurial skill development programs for the educated unemployed youths of the area to enable them to acquire the requisite entrepreneur skills so that they will be able to form cooperative societies & take up jobs to be outsourced by POSCO-India as well as build manufacturing/trading centre.
- ▶ POSCO-India will establish State of the Art training centre in Pardeep.
- ▶ POSCO-India will participate in formation of SHGs and Cooperative societies for providing self employment to local people.

Our Motto: To improve the quality of life of the people of the area & make it a model for other industries to emulate.