

# **POSCO-India Project**

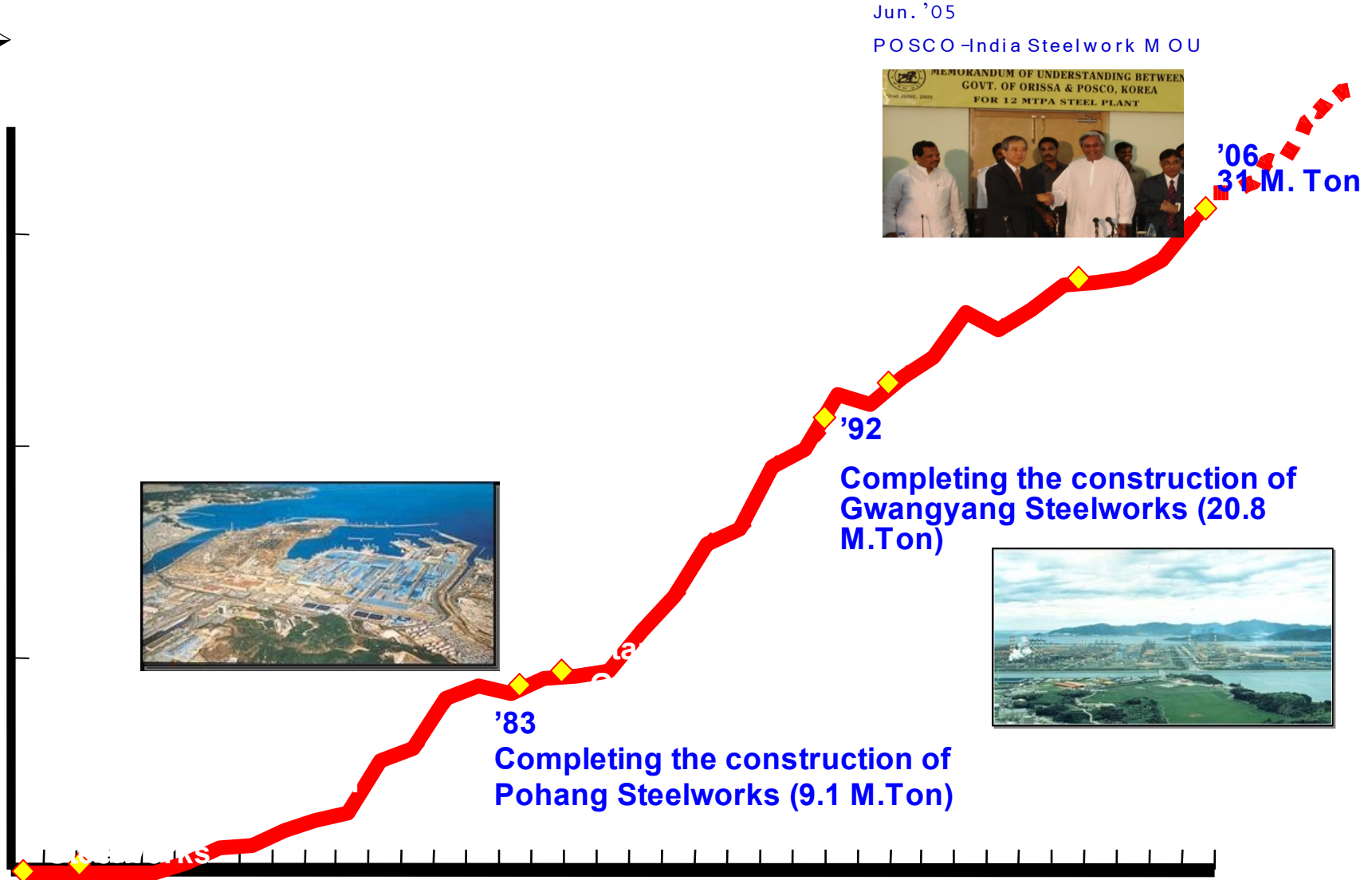
**POSCO-India pvt. Ltd**

**1. Introduction to POSCO**

**2. POSCO-India Project**

**3. Facts of the project**

# 1. Introduction to POSCO



## ➤ POSCO's Dream and Challenging & Unyielding Mind



Became No.1 steelworks  
in a short span of 30years  
( '68, 0 → ' 98, 25.6mt)



## ➤ Current Status of POSCO

### Crude Steel Production

Production	31.2 Million Tons
Revenue	21.5 Billion \$
Net Profit	3.5 Billion \$
Employees	17,523

### Composite Competitiveness

Major Player	POSCO (Korea)	Tisco (India)	Severstal (Russia)
'07	2	5	1
'06	2	1	3

### FORTUNE

- The Global Most Admired Company ('06)

### BusinessWeek

- The most Admired Company in Asia ('07)

### McKinsey&Company

- A World top 100 Companies in the Next 10 Years ('05)

### WORLD STEEL DYNAMICS

- The Most Competitive Steel Company ('06)

### Dow Jones Sustainability Indexes

- Listed on sustainability index as part of the steel industry ('06~'07)

# 2. POSCO-India Project



## Vision

- To be most respected and admired company in India
- To contribute to the rapid economic progress of India and Orissa

## Mission

- To build world's most competitive integrated steelworks in India

Integrated Steel works	Captive Mine Development	Infrastructure Development
<ul style="list-style-type: none"> <li>● <b>Capacity: 12 MTPA (4mX3phase)</b> <ul style="list-style-type: none"> <li>- 1<sup>st</sup> phase: 4million tons</li> </ul> </li> <li>● <b>Site: Jagatsinghpur, Orissa(4,004ac)</b></li> <li>● <b>Construction by 2016</b> <ul style="list-style-type: none"> <li>- 1<sup>st</sup> phase: ~2011.12</li> </ul> </li> <li>● <b>1<sup>st</sup> phase Investment Cost : US\$ 2.89 bn</b></li> </ul>	<ul style="list-style-type: none"> <li>● <b>Capacity: 20 MTPA (final phase)</b></li> <li>● <b>Mining Leases: 600 MT for 30 yrs (Agreement in MoU)</b></li> <li>● <b>1<sup>st</sup> phase Investment Cost : US\$ 330 m</b></li> </ul>	<ul style="list-style-type: none"> <li>● <b>Captive Port</b> <ul style="list-style-type: none"> <li>- Raw material: 100~170k DWT</li> <li>- Products: 20~50k DWT</li> </ul> </li> <li>● <b>Water: 99,000 TPD (1st Phase)</b></li> <li>● <b>Access Road(2)/ Railway Sideline</b></li> <li>● <b>Railway Connection</b> <ul style="list-style-type: none"> <li>- Mine to Steel Plant: 289km</li> </ul> </li> <li>● <b>1<sup>st</sup> phase Investment Cost : US\$ 535 m</b></li> </ul>

## ◆ Phase-wise Capital Expenditure

(USD Million )

Phase	Phase 1	Phase 2	Phase 3	Total
Investment Cost	3, 757	3, 396	4, 583	11, 736

## ◆ Progress Milestones

2005

- ❖ Signed MoU with Government of Orissa on 22<sup>nd</sup> Jun.
- ❖ Incorporation of POSCO-India Pvt. Ltd. on 25<sup>th</sup> Aug.
- ❖ POSCO-India filed three PL applications for the three areas in Sep.
- ❖ Approval from Govt. of Orissa for Land Acquisition in Nov.

2006

- ❖ Government of India gave In-Principle SEZ Approval on 26<sup>th</sup> Oct.

2007

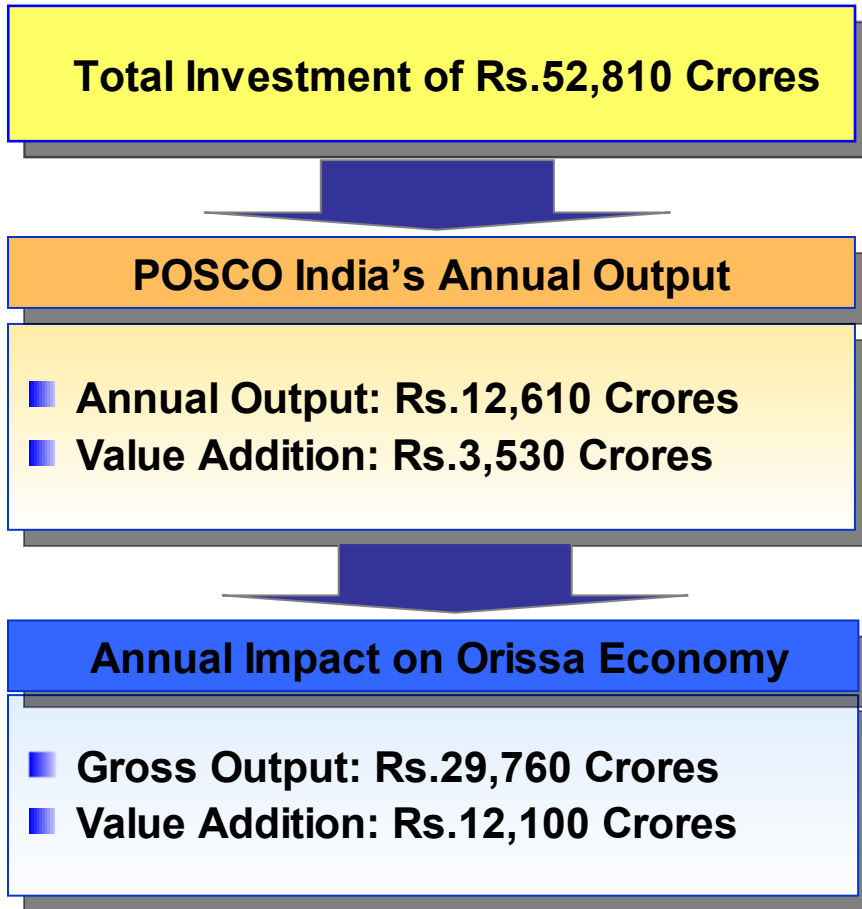
- ❖ Environment clearance and CRZ clearance for construction of port issued by MoEF on 15<sup>th</sup> May
- ❖ Environmental Clearance for Integrated Steel Plant with Captive Power Plant issued by MoEF on 19<sup>th</sup> Jul.
- ❖ Ac. 193 of non forest Govt. land was leased to POSCO-India in Oct.

2008

- ❖ Transit camp constructed for displaced families in Jan.
- ❖ Field enquiry along with boundary demarcation by GoO at plant site area except Dhinkia in Feb.
- ❖ Forest Diversion Clearance by Supreme Court on 8<sup>th</sup> Aug.

## ◆ Contributions to Orissa Economy

☞ **For Government:** Value Addition



☞ **For People:** Livelihood Augmentation

- 18,000 direct jobs after 3-phase construction
- 30,000 indirect jobs during and after construction
- 8,70,000 jobs to be generated
  - Cumulative impact of the POSCO-India operations
  - New Jobs will be created in all sectors including agriculture, upstream and downstream of value chain
  - Many ancillary industries will come up due to steelworks, locally
  - Trade and Commerce will develop to support New Townships
  - Local community will be the biggest beneficiary in employment

\* Study by NCAER, Nov. 2006

◆ CSR Mission

**Making life better than before**



*Our Vision*

**Community prosperity and sustainable development**

## Plant

- **Out of 4,004 acres 3,566 acres is Govt. sandy land and only 438 acres is private land.**
- **Land mostly sandy, reclaimed from sea and unfit for seasonal crops**
- **Only 16 acres of land can be categorized as “Double Crop Land”**
- **Next generation environment friendly FINEX technology, which minimizes pollutants.**
- **‘Plant in Garden’ with green cover on 25% of plant area by planting 20 lakh trees.**

## Mines

- **600 MT iron ore required for the mega project over 30 years of operation**
- **Competitiveness of this plant vis-à-vis other players depends on captive mines**
- **Long term prosperity through value addition of minerals within Orissa**
- **Sustainable development through scientific mining with state-of-art technology to maintain good environment balance**

## Port

- **GoI approved the clearance of EIA and CRZ for captive port construction.**
- **Impact study on adjacent areas conducted by DHI<sup>#</sup> and NIO<sup>#</sup> suggests no environment impact on Paradeep Port.**
- **Efficient logistics management is key to global competitiveness of a mega integrated steel plant.**
- **Dedicated port is a necessity to handle cargo traffic of 25~30 million tons per year (more than 60,000tons per day) in final phase.**

# **DHI:** Danish Hydraulic Institute/**NIO:** National Institute of Oceanography

## Water

- **No water scarcity predicted by water resource department based on the past 15 years data and future irrigation requirements.**
- **Out of total daily requirement of water 98% will be recycled and save water by deployment of the latest technology to minimize water usage.**
- **No water withdrawal from Taldanda Canal used for irrigation by farmers.**
- **POSCO-India's intake will be at a distance of 500m upstream of Jobra barrage.**

## ◆ Rehabilitation & Resettlement

### ☞ House for Displaced Family

- 10 dec. land to each displaced family
- 3 R house in the rehabilitation colony
- Modern civic amenities - road, water & power supply, school, community recreation centre, health care etc.



### ☞ Training & Employment

- Job to one nominated member of each project affected family engaged in construction work through contractors
- Post Commissioning training and employment to one nominated member of each displaced family
- Assistance for self-employment or to start own business

### ☞ Special Package beyond Govt. Policy

- Reasonable compensation for cultivation on Govt. land such as betel vine, fruit bearing trees, prawn ponds etc.
- Landless labors and betel vine workers will be reasonably compensated
- Jetty to be constructed for the fishermen community
- Fishing net and motorboats to those who opt self-employment
- Financial assistance to landless labour and betel vine workers for a reasonable period until they get wage employment in the project

## ➤ CSR interventions

- Medical Assistance including surgical help
  - Mobile health camp, Cleft-lip, Palate, Burn-defects surgery etc.
- Scholarship for meritorious poor from the area, for higher education
- Distribution of educational materials for poor school children
- Vocational training for young men and women
  - Empowering for self employment
- Sustainable livelihood support program for the community
  - Skill development in scientific farming and animal husbandry
  - Entrepreneurial skill development programs for educated unemployed natives



👁 Mobile health camp



👁 Vocational training



👁 Livelihood support program

## Present



Building better tomorrow with Steel

POSCO-India Project

# Thank You

## Future



# We need your support to make this dream a reality !