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POSCO Signs Contract for Kocaeli plant...

POSCO's stainless steel cold rolling mill project, worth USD 350 million, will go into stream with the cooperation of Kibar Holding and Daewoo.

Kocaeli, January 6, 2011 - Pohang Iron and Steel Company (POSCO), having recently announced its investment decision concerning Turkey in the joint press conference held with the Republic of Turkey Prime Ministry Investment Support and Promotion Agency of Turkey (ISPAT), will implement its USD 350 million worth of stainless steel cold rolling mill project with the partnership of Kibar Holding and Daewoo.

The agreement on the project partnership was signed on January 6 in Kocaeli Emexotel (Grand Yükselis Hotel) by Chang Kwan Oh, Chief of POSCO Stainless and Special Steel Division; Ali Kibar, Chairman of the Executive Board of Kibar Holding; Yang Yeon Hwang, Senior Executive Vice President of Daewoo International and Dr. Huseyin Aslan, Vice President and Head of Investment Promotion Services of ISPAT. The signing ceremony was attended by Ercan Topaca, Governor of Kocaeli; Jae Hyun Bae, Korean Ambassador of Turkey and state protocol representatives, as well as by members of the business world.

During his speech in the signing ceremony, Ali Kibar, Chairman of the Executive Board of Kibar Holding, said: "Stainless steel production in Turkey is still not enough. The domestic annual consumption is almost 300,000 mt. The plant in the pipeline will have an annual capacity of 200.000 mt, while it will cost USD 350 million and will employ 1,000 people. The capacity of the plant is foreseen to be expanded upon requirement. The investment will start this year and will be finished in 2013. As this investment is planned to be finalized as per schedule, we need the combined support of the authorities and the district. I strongly believe that we will not be refused."

Yang Yeon Hwang, Senior Executive Vice President of Daewoo International, expressed his pleasure for the joint venture created with Kibar Holding, and underlined that they will work with their utmost dedication in order to deliver the shipments on time, and not to experience any delays in their operations once the facility is commissioned.

Meanwhile, Chang Kwan Oh, Chief of POSCO Stainless and Special Steel Division, expressed that Turkey is a country of strategic importance for them, and said: "We would like to create a strong production and sales hub in Turkey through the establishment of a stainless steel company. We are planning to grab a large share in the stainless steel market in the near future."

According to Dr. Huseyin Aslan, Vice President and Head of Investment Promotion Services of ISPAT, the investment will not only address Turkey's domestic demand, but it will also meet the increasing demand coming from the CIS, Middle Eastern, and European countries, which is a source of further excitement for ISPAT.

The stainless steel cold rolling mill, which will be constructed with a "greenfield" investment at Kocaeli Asim Kibar Industrial Zone will cost USD 350 million and will initially create employment opportunities for 1,000 people directly and indirectly. The annual production capacity of the plant will be 200,000 mt, while its groundbreaking is slated for the first quarter of 2011.

