

Steel, Our Timeless Heritage by Ohjoon Kwon, POSCO CEO

Moderator: Michael Pich (INSEAD, Dean of Executive Education)

In the final session on the first day of the 2015 World Knowledge Forum, Dr. Ohjoon Kwon, CEO of POSCO, talked about the deep impact of the steel industry upon our society today.

“The Aurora Borealis is not possible without the existing iron in the earth’s atmosphere,” Dr. Kwon explained, beginning his comprehensive depiction of the importance of steel. Iron is the last element left over after nuclear reactions, occurring since the origin of the universe. Steel has withstood the test of time as the most stable element found on the periodic table.

Analyzing the Earth’s internal structure, comprised of 91 percent iron, Dr. Kwon described it as the planet of steel. Human’s use of steel dates back to the Hittite Empire (BC 1300 -1200) with the utilization of steel weaponry. Steel continues to be an instrumental tool that made its way through the rise of the Goguryeo Kingdom (BC 37 – AD 668) and the defeat of the opposing Manchurians. Other examples of revolutionized steel weaponry included weapons of the Roman Empire, the Huns, and Damascus.

“Steel gave birth to the industrial revolution and accelerated the resulting fundamental changes in the whole society,” emphasized Dr. Kwon.

The steam engine brought about mass production and continues to be a driving force of technological innovation. “Steel continues to write human history,” Dr. Kwon said, adding that human intellect and rationality was transformed through the consequential effects of the Chinese iron-making technology. This increased agricultural productivity, the advent of wealthy and free individuals, and thus, an arrival of enlightenment with reason and experience.

Steel championed the Frontier Spirit, providing the main mode of transportation via the Transatlantic Railroad, which connected the Pacific and the Atlantic. Since then, man has developed modes of transportation on land, sea, and sky.

“Steel is crucial for the information world. Without steel, there would be no automation, no Internet, and no smart society,” concluded Dr. Kwon. “Steel keeps the earth alive and is continuously protecting the earth from solar wind.”

On a smaller, yet more personal scale, “Steel provides energy to all living creatures. Iron is a major component in hemoglobin which delivers oxygen to living organs for energy,” he said. Steel is an essential component of our everyday lives.

Dr. Kwon demonstrated his admiration and utmost respect for the stable element, placing much confidence in the steel industry.

“Steel is believed to do even more to fulfill our dreams as we move forward to a brighter future,” he said.

The subsequent question and answer session was moderated by Michael Pich, Dean of Executive Education at INSEAD. The first question from the audience addressed the perspective of today’s youth of the steel industry.

“I don’t think that youngsters regard the steel industry as a new one, but if you learn about the new roles of steel... then you will see that steel is the material which we should have interest in the future,” Dr. Kwon responded.

Dr. Kwon also described POSCO's World Best, World First products and how its technological competitiveness has advanced Korea's steel industry. He did, however, express concern for the depreciation of the value of steel and how there is no room to expand the production of it.

Even so, he does not foresee an issue of demand in the next 100 years and much of his efforts will be focused on enhancing the products' quality and reducing its cost.

"Its potential is infinite," he positively added. "We will be able to utilize our competitiveness in the steel industry to build new opportunities."