The increase in iron ore throughput to 88 Mtpa allows for an increase to about 86 Mtpa in iron ore export from the Port of Saldanha, since about 2 Mtpa will continue to be supplied to the local Saldanha Steel Works.

The proposed project is motivated by South Africa's aspirations to remain a strong competitor in the iron ore export industry and position the country to reap the benefit from an increasing market share and revenue generated from iron ore exports.

**Iron ore price**

The price of iron ore has increased substantially since 2009, and predictions are that the value of iron ore will continue to increase. (Figure 1)

**Market share**

The market for high quality iron ore is highly competitive.

The top countries which mine and produce such iron ore include Australia, Brazil, India and South Africa. China has its own iron ore mines, but the ore is of a lower grade.

South Africa recently overtook India as China’s third largest iron ore supplier and in 2012 provided the nation with 40.6 million tons (metric), a 12% improvement on 2011’s export numbers.

The current capacity limitations of the iron ore corridor constrains South Africa’s market share.

### Increased revenue

Current iron ore exports contribute approximately R70 billion to South Africa’s Gross Domestic Profit (GDP). The proposed expansion provides for an increase in iron ore exports by more than 40% compared to the current exports. Therefore a substantial increase in revenue from iron ore export would be achieved.

Figure 2 shows the significant contributions that iron ore mining has made compared to other mining commodities for the years 2009 to 2012.

### Job security and creation

With an unemployment of close to 30% in South Africa, as shown by Statistics South Africa’s 2011 Census, there is an urgent need to firstly secure exiting jobs and secondly to create additional jobs for South Africans.

By employing about half a million people directly, the mining industry is one of the largest employers in the country. However, the industry faces many challenges which threaten jobs.

By increasing South Africa’s iron ore exports, many jobs will be secured and additional jobs may potentially be created at the iron ore mines. Job security/creation in the Northern Cape is of high importance.

Jobs would also be secured and/or created through the expansion of the Port of Saldanha Iron Ore Terminal.