



PRIME MINISTER'S OFFICE



Weekly Cabinet meeting Wednesday 1.10.2003.

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At the weekly Cabinet meeting Wednesday 1.10.2003:

1. The IDF and the defense establishment presented the cabinet with its plans vis-à-vis the route for the security fence and its continued implementation. The government agreed as follows:
 - a. The government reiterates its previous commitment to the establishment of the seam zone as one of utmost importance and that there is a strong security need for building a security barrier in the seam zone and in the Jerusalem envelope.
 - b. In accordance with the above the government:
 - Approved the building of a barrier to prevent terror attacks according to the guidelines and the route presented today by the IDF and the Defense Ministry.
 - This barrier, like other parts in the seam zone, is solely for defense purposes and does not represent any kind of political border.
 - Any changes in the route of the barrier will be brought to the Prime Minister and Defense Minister for approval.
 - Prime Minister Sharon, Defense Minister Mofaz and Finance Minister Netanyahu will agree on a perennial budget required for the barrier, which will be brought to the government for approval.
 - The security services will agree on a method for protecting Israeli communities in Judea and Samaria against the existing threats while the seam zone barrier is being constructed.
 - Every effort will be taken to reduce disturbances to the quality of life for Palestinians that are likely to occur during the construction of the barrier.
2. The government retracted its 15.9.2003 decision to cut 5% from various welfare benefits.
3. The government decided to reduce Israeli representation in the Israel house in New York. In addition, there will be a significant reduction in the number of delegates in the New York Foreign, Defense, Finance and Trade and Industry Offices.
4. The cabinet approved a reduction of NIS 50 million from the Finance Ministry's budget for 2004.
5. The harbors are the principal pipeline for the Israeli export industry, and 97% of exports are transported through the ports. Strike action has effectively closed the majority of Israel's trade routes with an expected loss of \$50 million per day.

The government has therefore proposed an alternative method of exporting goods through Egyptian and Jordanian ports. As this is likely to result in increased costs, the government has agreed to support those who use the ports with the extra costs incurred.