Israeli Prime Minister Olmert has stated he would be willing to meet President Abbas after the release of Corporal Gilad Shalit, who was captured in Gaza before the start of the conflict with Hizbullah. With a recent offer of mediation from Egypt, it appears that a deal could be close. A deal, according to former Prime Minister Shimon Peres, could pave the way for new talks on the implementation of the Quartet-backed roadmap. Mahmoud Abbas had previously offered to hold peace talks with Israel as head of the Palestinian Liberation Organization, which doesn't include Hamas. Egypt has offered to hold Shalit temporarily, while Israel releases hundreds of murderers from its jails in a "prisoner exchange". Israel has yet to agree to the deal.

Quote: *""Abu Mazen (Abbas) should be invited to talks, and I believe the prime minister will do so in the coming days. Negotiations must be launched on the basis of the 'road map'," Peres told Israel's Army Radio, referring to a U.S.-led peace blueprint. "When this (captive) situation is resolved, it (a meeting) will take place," he said.*

As far as I know, Mahmoud Abbas also intends to announce the formation of a new "coalition" government within the coming days. Hamas Prime Minister Ismail Haniyeh had demanded that Hamas leads the new government being in the majority, although President Abbas stated that was out of the question and would no doubt be completely unacceptable to Israel. With European opinion softening toward Hamas, as revealed by EU President Erkki Tuomiojafin's recent comments, there is no doubt a Hamas-Fatah coalition would result in a restoration of the 600ml Euro aid package to the Palestinian Authority, in return for a covenant of peace with Israel.

Quote: *"The prime minister [Haniyeh] said talks about power-sharing between his Hamas party and the moderate Fatah movement of Palestinian President Mahmoud Abbas were drawing to a conclusion. "We are not talking about problems, only procedures to complete the discussion," he said. "I hope this will be completed in a short time."*

Source Reuters , Reuters