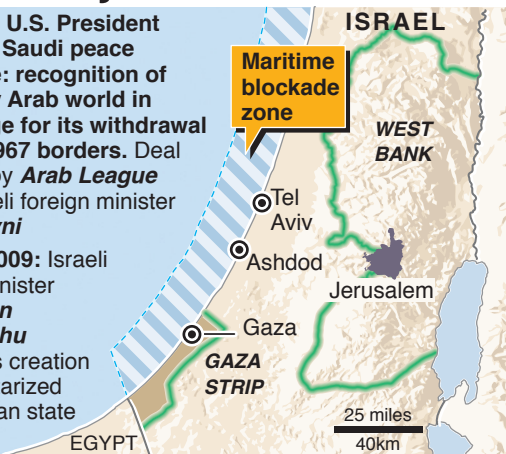


Palestinian Authority's bid for statehood

■ **Nov 2008:** Newly elected U.S. President **Barack Obama** backs 2002 Saudi peace initiative: recognition of Israel by Arab world in exchange for its withdrawal to pre-1967 borders. Deal backed by **Arab League** and Israeli foreign minister **Tzipi Livni**

■ **Jun 2009:** Israeli Prime Minister **Benjamin Netanyahu** endorses creation of demilitarized Palestinian state

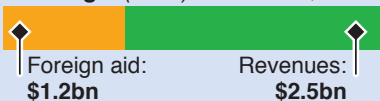


■ **Apr 2011:** Palestinian Authority President **Mahmoud Abbas** and **Fatah** party end four-year feud with **Hamas**

to form national unity government in West Bank and Gaza Strip

■ **May 1:** In retaliation, Israel freezes \$105 million of tax revenues collected from Palestinian trade as part of 1993 Oslo Accords. Tax revenues make up two thirds of PA's budget

PA budget (2010) \$3.7bn



■ **May 20:** During tense visit to White House, Netanyahu rejects Obama's proposal that Israel return to 1967 borders

■ **May 25:** Abbas announces plan to seek UN recognition for Palestinian state – Israel and U.S. oppose move



■ **Jun:** Disagreement over who should be next Palestinian premier holds up unity government. Western-backed economist **Salam Fayyad** (left) is favoured by Fatah, while **Jamal Khodari** (right) has backing of Hamas

■ **Jul 5:** Fayyad warns PA has debts of \$840 million. Crisis results in 155,000 workers paid half – average of \$580 – of their monthly salaries

■ **Jul 26:** UN Security Council due to debate possibility of Palestine becoming member state

■ **Sep 20:** Palestinian government to request international recognition of State of Palestine with 1967 borders and full membership of UN at General Assembly. Membership requires votes of two thirds of UN's 192 members followed by approval of Security Council. **U.S. says it will veto bid and likely cut \$500m aid**