



## Pakistan Leases Astola Island to China

Astola Island, also known as Hazbar, Pakistan's largest offshore island located in the Arabian Sea about 25 km off the Balochistan coast, has been leased to China for **999 years** to settle unpaid interest on loans taken in 2021 for arms and military equipment purchases. This move has sparked widespread criticism, with many labelling it as a "debt trap" and a loss of sovereignty, drawing **parallels to China's 99-year lease of Sri Lanka's Hambantota Port**.



### Background on the Deal

- **Origin of the Loans:** In 2021, Pakistan secured loans from China primarily to fund military acquisitions, including weapons, surveillance equipment, and other hardware under the China-Pakistan Economic Corridor (CPEC) framework. Pakistan defaulted on the interest payments, leading to this territorial concession as collateral.
- **Lease Terms:** The agreement grants China operational control over the island for

**surveillance, potential military basing, and possibly economic development (e.g., a naval outpost or monitoring station in the Arabian Sea)**. This is seen as extending China's strategic footprint in the Indian Ocean Region (IOR), allowing surveillance of key shipping lanes near the Strait of Hormuz and Indian naval activities.

- **Strategic Importance:** Astola Island is uninhabited but ecologically sensitive (home to rare species like green sea turtles). Its location makes it ideal for China to monitor regional threats, counter Indian influence, and secure energy routes. Critics argue this gives China a de facto naval base, similar to **Gwadar Port** (already operated by China under a 40-year lease).
- **Debt Trap Allegations:** Pakistan's total debt to China exceeds \$30 billion (part of CPEC's \$62 billion total). Defaults have led to asset seizures, mirroring Sri Lanka's case. In 2025 alone, China rolled over a \$2 billion loan but withheld support for key projects, signalling caution.

**In early September 2025, China withdrew funding from the flagship Main Line-1 (ML-1) railway project** (a \$6.8 billion upgrade from Karachi to Peshawar, passing through Pakistan-occupied Kashmir or PoK), citing financial concerns and geopolitical risks. Pakistan is now seeking alternative funding from the Asian Development Bank (ADB) for parts of it. However, maritime aspects of CPEC, including Gwadar, remain active, with a new 2025–2029 Maritime Action Plan launched on September 17 to boost trade hubs.

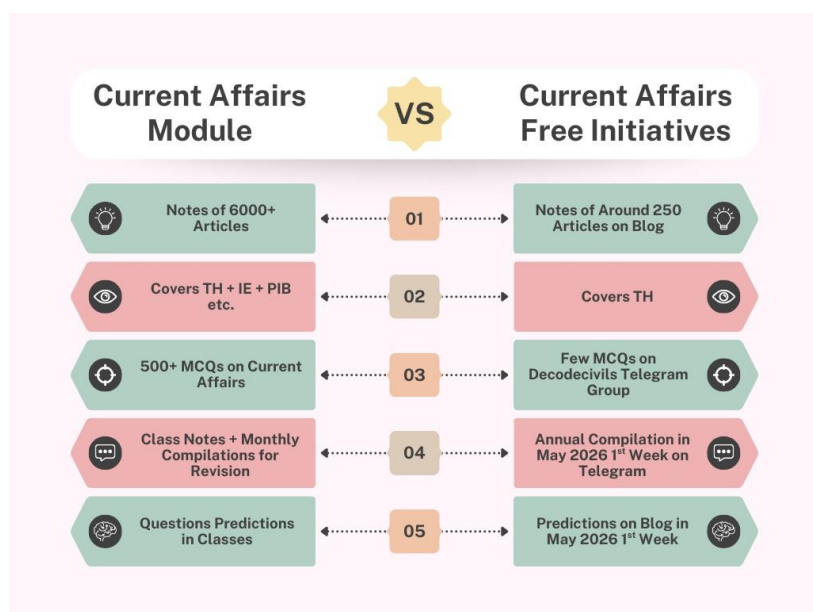
### Geopolitical Implications

- **For India:** This heightens concerns over China's "String of Pearls" strategy encircling India via ports and bases in Pakistan, Sri Lanka, and the Maldives. It could enable real-time intelligence sharing during conflicts, as seen in past India-Pakistan tensions (e.g., alleged Chinese satellite support in 2025 skirmishes).
- **Broader Context:** Amid U.S.-China tensions, this aligns with China's push for Pacific and Indian Ocean influence.



Aspect	Details	Implications
<b>Lease Duration</b>	999 years (effective control until ~3024)	Near-permanent Chinese presence; Pakistan retains nominal ownership but loses practical sovereignty.
<b>Purpose</b>	Debt repayment for 2021 arms loans; surveillance/military use	Enhances China's IOR monitoring; potential for radar/naval installations.
<b>Economic Cost</b>	Unpaid interest on ~\$1-2 billion in military loans	Part of Pakistan's \$130+ billion external debt crisis; CPEC projects like ML-1 now stalled.
<b>Regional Impact</b>	Strengthens China-Pakistan alliance; alarms India/U.S.	Could escalate tensions in Arabian Sea; parallels to Taiwan warnings of "domino effects."

\*\*\*\*\*



[Current Affairs Course is now Live.](#)

Course will start in October 2025 1st week.

Modules will include class notes, monthly compilation, quarter compilation and annual compilation. This will help in regular revision r/t in the fag-end of preparation.

I will provide my annual compilation, like last year, on Telegram in May 1st week.

[Last year I had promised 20 questions in Prelims from my notes & 28+ Questions could be answered from the same.](#)

**30 questions is my aim for 2026 prelims.** To meet that, I have analyzed why I missed 5-6 C.A. questions in 2025 and I have increased my coverage accordingly.