



## **AMID THE IRAN WAR, INDIAN OCEAN NATIONS MUST ASSERT NEUTRALITY**

**BY NATHASHA FERNANDO**

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Late last year the US Department of State provided \$2 million in humanitarian assistance, including airlift capabilities to rescue those affected by Cyclone Ditwah in Sri Lanka. Even so, Sri Lanka decided to abide by its policy of strategic neutrality in the Iran conflict, which began at the end of February, [declining a US request](#) to land two naval fighter aircraft at the Mattala International Airport on Feb. 26. The announcement of this denial came later, [after the US Navy](#) torpedoed the Iranian vessel IRIS *Dena* about 44 nautical miles off Sri Lanka's southern coast on March 4. *Dena* was returning from partaking in the [International Fleet Review and MILAN 2026 naval exercises](#) hosted by India. This incident raised several questions regarding the US-Israeli war against Iran and its impact on the Indian Ocean Region (IOR), such as state neutrality, legal ambiguities surrounding US defense logistical agreements with IOR states, and the importance of soft laws such as the [Declaration of the Indian Ocean as a Zone of Peace \(ZoP\)](#).

### **The *Dena* incident as spillover**

US Pentagon chief Pete Hegseth has confirmed the torpedo attack by releasing visuals claiming it as a military victory against Iran by “[fighting to win](#),” a shorthand Hegseth has used to illustrate increased lethality and relaxed rules of engagement. According to [Sri Lanka's Foreign Minister Vijitha Herath](#), 87 people were killed while 32 were rescued among the estimated 180 aboard the vessel. According to [Prof. Jennifer Parker](#) of the Defence and Security Institute at The University of Western Australia, this was a lawful attack under law of naval warfare: warships belonging to states engaged in international armed conflict may conduct such attacks in the high seas or within 12 nautical miles off any state's territorial waters. However, the [1949 Convention \(II\) for the Amelioration of the Condition of Wounded, Sick and Shipwrecked Members of](#)

Armed Forces at Sea stipulates that survivors must be rescued. Prof. Parker suggests Sri Lankan authorities' swift action to aid in their rescue means that the US must have sent a distress call.

The war escalated with the killing of Iranian Supreme Leader Ayatollah Khamenei on [Feb. 28](#). The US has launched multiple attacks on Iranian military and government assets, joined by Israeli forces, and Iran has launched retaliatory attacks against US military bases across the Gulf Region. The torpedo attack off the coast of Sri Lanka illustrates how this conflict is spilling into the maritime domain in the IOR, where nearly 40% of global offshore oil [is produced](#) and 50% of global maritime oil trade passes through. [Bloomberg maritime data](#) indicates that, around the time of the attacks, a significant number of ships linked to Iran were operating along sea routes connecting Africa, Sri Lanka, Southeast Asia, and China—areas where the US has targeted “[shadow fleets](#)” [transporting Iranian oil](#).

The IOR is now in particular danger after Iran's retaliatory strikes against the Diego Garcia military base, around 300 miles south of the Maldives, brought the conflict closer to the region. Recently, Iran launched two intermediate-range ballistic missiles against the [Diego Garcia base](#); one failed mid-air and the other was intercepted by a US Navy warship SM-3 interceptor. Iran denies responsibility for these attacks, which, if confirmed, could suggest the involvement of another middle power in the conflict—particularly given that the targeted military base on the Chagos atoll (Diego Garcia) is jointly operated by the United States and the United Kingdom. So far, middle power allies such as the UK, France, Germany, Australia, and Japan have all declined to back the US call to forcibly reopen the Strait of Hormuz, blocked by Iran. [Hegseth has warned that Iran could also target London](#), and has begun using UK bases for defensive operations. These include deploying US bomber jets from the [Royal Air Force Fairford base in Gloucestershire](#) in an effort to forcibly re-open the Strait.

Amid these escalations, states of the Indian Ocean Region should convene to identify the most viable options for de-escalation and conflict resolution in line with existing international legal frameworks and norms.

### **Challenges to state neutrality amid US defense pacts**

Sri Lanka, a small maritime nation in the IOR, has vowed to remain neutral in this conflict by not allowing foreign vessels to access its strategic ports and airports for military use. This is despite the existing Acquisitions and Cross Services Agreement, renewed in 2017, between the Sri Lankan and US governments. An [Acquisition and Cross-Servicing Agreement](#) is a reciprocal executive agreement negotiated by US defense authorities enabling the exchange of logistics support during military and humanitarian operations, though its implementation depends on the available resources of the participating states. Despite this, international law takes precedence in Sri Lanka's conduct of state affairs concerning the war on Iran. As retired Rear Adm. YN Jayarathna writes, Sri Lanka fulfilled its obligations under the [International Convention for the Safety of Life at Sea \(SOLAS\)](#) and the [United Nations Convention on Law of the Sea \(UNCLOS\)](#) in rescuing personnel from the sunken Iranian vessel. Sri Lanka's navy rescued another 208 crew after responding to the distress call from the Iranian naval auxiliary vessel [IRIS Booshehr](#), an operation President Anura Kumara Dissanayake described as a "humanitarian responsibility."

While India prides itself as a net security provider in the IOR, Jayarathna contends that Indian maritime domain awareness and intelligence foresight is limited, as highlighted by the gaps exposed during the vanishing of the Malaysian Flight MH-370 on March 8, 2014. Moreover, India's silence on the *Dena* case further highlights its precarious position given that it has invested heavily on the Iranian Chabahar port, where it conducts business while also being a party to the Logistics Exchange Memorandum of Agreement ([LEMOA](#)) signed with the US in 2016. This agreement allows the use of each state's military facilities for logistical support to enhance interoperability during joint operations and when countering threats in the Indo-Pacific.

Therefore, remaining neutral seems the only option for IOR nations to ensure security and stability while also maintaining a strategic distance from the Iran war, despite their obligations under US defense agreements, where international law must take precedence.

It is therefore in the best interests of the US not to pressure friendly IOR nations (such as Sri Lanka and India) into complying.

Amid these escalations, the most practical option for IOR nations is to maintain a position of collective neutrality, retaining a strategic distance from this conflict to preserve security and stability in the region. This should not be interpreted as forfeiting obligations under US defense arrangements, but a calibrated response to prioritize international law. Faced with such a response, the US must be careful, then, to not engage in coercive measures against friendly states such as Sri Lanka and India where enduring partnerships have been built over the years.

### **Declaration of the IOR as a ZoP**

Given the circumstances, a plausible approach for IOR nations would be to adopt a strategy of "collective neutrality," prioritizing adherence to relevant international laws over obligations under US defense agreements. Relevant international law in this case may include soft laws—such as the Declaration of the Indian Ocean as a Zone of Peace, IMO Resolution MSC.255(84) (Code for the Investigation of Marine Casualties), the Hague Code of Conduct against Ballistic Missile Proliferation—as well as legally binding conventions such as SOLAS and UNCLOS.

On the soft laws side, instruments such as the Declaration of the Indian Ocean as a ZoP reinforces state neutrality by encouraging limits on militarization, while the [Hague Code of Conduct](#) seeks to enhance transparency and restraint in ballistic missile use on humanitarian grounds. This framework may be particularly useful to Sri Lanka, one of the most strategically significant locations in the IOR, where revisionist powers such as Russia have proposed [building a nuclear power plant](#). While this may not fully align with the government's strategic interests, Sri Lanka would likely welcome foreign assistance in modernizing [the High-Frequency Surface Wave Radar](#) system, and expanding its coverage to a Panama coastal village to achieve full maritime reconnaissance coverage around the island.

Other soft law instruments such as the [IMO Resolution MSC.255 \(84\)](#) require states to conduct proper investigations into maritime incidents like the IRIS *Dena* attack.

Legally binding conventions such as SOLAS and UNCLOS, on the other hand, impose obligations on states to ensure maritime safety, rescue survivors, and regulate lawful conduct at sea. While these measures may conflict with US interests in the IOR, particularly where the US has struck defense agreements for enhancing its defense posture, they help protect smaller, peripheral partner states from the risks of entrapment. They also shield them from the unintended consequences of kinetic operations, such as the IRIS *Dena* incident in the IOR, should such events become more frequent. A similar attack against US personnel would also require IOR nations to safeguard lives, given state neutrality remains a guiding principle. However, if the United States seeks greater support from IOR nations for these operations, it must do so through cooperative, non-coercive engagement—particularly with friendly states like Sri Lanka, where it previously sought basing rights.

In particular, Washington should recognize that many IOR nations are part of the [Non-Aligned Movement](#), adhering to the Ten Bandung Principles, emphasizing peaceful resolution of conflicts. Uganda, for example—currently chairing the NAM under [President Yoweri Museveni](#)—has stated that even a landlocked nation such as itself has a stake in the Indian Ocean and views the UNCLOS as a guiding framework for its foreign policy.

In this context, a plausible scenario for IOR nations would be to collectively embrace neutrality and operationalize a framework of action based on international law. The wisest decision of the US would be to respect this neutrality and avoid coercive measures, continuing instead to invest in humanitarian and disaster relief operations and maritime reconnaissance, as it did during Cyclone Ditwah.

*The Pilot commentaries and responses represent the views of the respective authors. Alternative viewpoints are always welcomed and encouraged. Please write to [rob@pacforum.org](mailto:rob@pacforum.org) for more information on how to contribute.*