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CHINA'S DRONE EXPORTS – TAPPING A NEW MARKET

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China showcased the three variants of its *stealth* class *Yunying* drone during the 15th edition of the biennial Dubai Air show that was held between 12-16 November 2017. Each drone is designed for a different purpose, such as scanning of landscape and taking images (Yunying 1), locating surface radars and communication systems (Yunying 2), and attacking targets (Yunying 3).[1] Yunying 3 is an attack drone that can target a threat with precision from a distance of 50 km and is also equipped with all features of Yunying 1 and 2. As of now, China is primarily exporting different variants of two non-stealth drones – *Wing Loong* and *Cai Hong* (CH series). The latest version of these two - Wing Loong II and CH-4, are capable of firing different types of missiles such as *Lan Jian* 7 (laser guided), *TG100* (laser/GPS guided) and *AR-1/HJ-10* (anti-tank).[2] On 14th July 2017, China completed the test flight of CH 5 also known as Rainbow 5. The latest CH-5 drone can fly up to 10,000 km and can carry around 16 air-to-surface strike missiles.[3] In past few years, China has exported Wing Loong and Cai Hong military drones to a number of countries such as Egypt, Saudi Arabia, UAE, Nigeria, Uzbekistan, Kazakhstan and Iraq.[4] In early 2017, China signed a deal with Saudi Arabia for selling 300 Wing Loong II drones.[5] According to Chinese sources as quoted in *Asia Times,* a dozen countries have also expressed their willingness to purchase Yunying drones in the coming years.[6]

There are three primary reasons for the huge Chinese investment in drone technologies and their export to other countries. First, China is unable to attain the parity with U.S. military budget which is six times bigger than the Chinese defence budget. In short term, China believes that it can bridge the existing gap in numbers of fighter planes and submarines through mass production of less costly air and sea drones.[7] It is believed that these may prove to be an alternative to fighter planes and submarines with the advancement in their size, speed and stealth

quality. Second, sale of critical arms such as military drones has the potential to forge new military alliances, which China might need in coming years to secure its overseas interests. Third, China wants to tap the emerging market of military drones in order to generate revenue for the modernization of its military and to support the cost of Research and Development (R&D) of military technologies.

Currently estimated at US$10 billion, the world-wide market for military drones is expected to reach at US $15.2 billion by 2027.[8] Every arms exporting country is rushing to capture this booming market, except the US which has adopted a strict unilateral ban on export of killer drones since their first use in 2002. As of now, the US has exported armed drones to only Britain.[9] However, the 2015 figures suggest that the US spent 73 percent on R&D of drone technologies.[10] It was followed by other countries such as China and Israel. Even though Chinese drones are generally less capable in terms of endurance, engine quality and target precision, as compared to the US counterparts such as the Predator and Reaper class drones, China is fast capturing the drone market by bridging these technological gaps.[11] China is offering military drones with almost similar qualities at less than half of the US price.[12] This makes Chinese drones very competitive in the arms market. Moreover, the self-isolation of the US from the drone market makes Chinese exports available even to US allies.[13] After the US and Russia, China was ranked as third biggest arms exporting country between 2012 and 2016.[14] This upgradation in rank is largely supported by the sales of China's CH series drones in recent years. In order to meet the soaring demand of military drones; China has concluded an agreement with Saudi Arabia to open its first drone factory in West Asia.[15] From the showcasing and marketing of Chinese military drones at various international events, we may conclude that China is seeking to solidify its reputation as one of the top-quality drone exporting country.

(Disclaimer: The views and opinions expressed in this article are those of the author and do not necessarily reflect the position of the Centre for Air Power Studies [CAPS])

Notes

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[6] See no. 1

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[12] See no. 3

[13]Jeremy Page and Paul Sonne, (2017), Unable to Buy U.S. Military Drones, Allies Place Orders With China, The Wall Street Journal, July 17, Available at https://www.wsj.com/articles/unable-to-buy-u-s-military-drones-allies-place-orders-with-china-1500301716 Accessed on November 11, 2017.

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