

## THE RISE OF CHINA'S DRONE INDUSTRY

### How big is China's drone industry?

With an expected **CAGR of 40.67%** between 2017 to 2024, China's drone industry is thriving. The country is the **second largest drone market** in the world and is expected to close the gap with the leading market USA in 2024. As the predicted total market value of the Chinese drone industry is over **180 billion yuan in 2025**, the sector has turned into a profitable business. According to Drone Industry Insights, the Shenzhen-based company **DJI is the top manufacturer of commercial drones**, leading far ahead with an estimated market share of around 70%. The American company Intel (4.1%) is taking second place, closely followed by the Chinese company Yuneec (3.6%).

### What drives the Chinese drone industry?

Although China's history in drone manufacturing just started in the 1960s, China has already risen to one of the **leading global manufacturers** due to the country's **rapid development**. **Favorable regulations and policies** in terms of innovation and technology by the government have driven the growth in the drone business, with Shenzhen as the hub of drone manufacturing in China. Furthermore, the strategic plan **Made in China 2025** states the drone industry as one focus sector, which further speeds up its growth. Drones support China's efforts to **expand automation** across various areas, significantly **reducing time and resources** needed as well as **enhancing productivity and efficiency**. Especially due to the high population density in the country, China is increasingly using drones to grow its **next-generation logistic network**. On top of that, the **COVID-19 pandemic has accelerated the demand for drones**, which reduce unnecessary human contact and thus mitigate the spread of the virus.

### In which industries are drones used in China?

While drones were originally invented for military purposes, its usage has been spread across various industries in China:

- **Agriculture:**
  - ✓ Monitoring of crop health for early treatment by detection of disease or pest problems
  - ✓ Spraying of pesticides, spreading of seeds and fertilizers over large fields
  - ✓ Drones can reduce up to 30% of pesticide usage and up to 90% water waste
- **Construction & Infrastructure:**
  - ✓ Land surveying and inspection purposes
  - ✓ Generating of 3D models for precise distance, surface and volumetric measurements
  - ✓ Increased safety due to decreased human exposure
- **Search & Rescue:**
  - ✓ Drones can reach tight and hazardous areas to estimate potential risks
  - ✓ Real-time images enable better decision-making in resource allocation during catastrophes or in the aftermath of natural disasters
  - ✓ Thermal sensor drones to identify body heat during rescue missions
- **Delivery:**
  - ✓ Carrying of lightweight packages up to 15kg
  - ✓ Meituan drone delivery pilot in Shanghai, promising 15-min delivery time in 3km radius
  - ✓ JD.com has built a drone-delivery network covering 100 rural villages
  - ✓ During COVID-19, drones deliver medical samples, food & goods to reduce human contact
- **Media & Marketing:**
  - ✓ Aerial photography and videography to capture panoramic view
  - ✓ Attention catcher for advertising campaigns and during festival celebrations
  - ✓ Drone-based light shows and QR-Code advertisements