

## DEFENCE TECHNOLOGY

## UAV Export Restrictions

On 9 December Bloomberg reported that Chinese manufacturers have started to restrict exports of critical unmanned aerial vehicle (UAV) components to the United States and Europe.<sup>1</sup> Initial reports indicate that Chinese manufacturers have either reduced the quantities of UAV components shipped, or halted shipments altogether, affecting essential parts such as motors, batteries, and flight control devices.<sup>2 3 4</sup> Quoting “multiple people with knowledge of the developments”, Bloomberg’s report assessed that actions are expected to escalate, with broader export restrictions anticipated in early 2025, potentially requiring export licenses based on the intended use of the components, alongside mandated notifications by Chinese companies regarding their shipping plans.<sup>5 6 7 8</sup>

The story was swiftly picked up by Ukrainian media sources which emphasised that the impact of these measures has already been felt by Ukrainian UAV manufacturers, who have historically relied on Chinese components.<sup>10 11 12</sup> Likewise, Ukrainian officials have previously expressed concerns about the need for international procurement of drone parts even as the local industry expands its production capacities. The balance between accepting domestic supply constraints and increased efforts to produce crucial components locally has consistently been highlighted as necessary to mitigate Ukraine’s reliance on Chinese supplies. More broadly, initial reports speculated that these restrictions may compel companies in the U.S. and Europe to seek alternative suppliers from nations like Korea or Japan.<sup>13 14</sup>

These reports came just over three months after China’s Ministry of Commerce (MOFCOM) implemented adjustments to drone export controls effective from 1 September, which included adding high-precision measurement equipment to the control list and prohibiting exports of civilian drones for military or non-peaceful purposes.<sup>15 16</sup> At the time, this decision was positioned as a measure to safeguard China’s national security and global supply chain stability amid intensifying scrutiny from the United States and its allies over allegations of support for Russia’s military actions in Ukraine.<sup>17 18</sup>

On 12 December at a press conference, MOFCOM spokesperson He Yadong stated that “China has consistently adhered to strict legal and regulatory controls over the export of all dual-use items, including drones”.<sup>19</sup> As an adjunct to his comment, the Global Times highlighted that MOFCOM, along with the Ministry of Industry and Information Technology, the General Administration of Customs, and the State Cryptography Administration, had jointly issued an updated export control list for dual-use items on 15 November, effective from 1 December, which included around 700 regulated dual-use items.<sup>20</sup> When asked to comment specifically on the reports of export control on drones to U.S. and EU at a press conference on Thursday, he said that China adheres to international obligations and domestic laws, and that its approach is designed to not only help fulfil international non-proliferation obligations, but also to contribute to “ensuring the safety and stability of global production and supply chains”.<sup>21 22</sup>

**Adarga Analysis:** It is highly likely the restrictions on shipments of critical UAV components being observed by U.S. officials are a direct result of the dual-use export controls announced by the PRC on 15 November and implemented from 1 December. While the comprehensive list of controlled items has been consolidated into a unified “Dual-Use Items Export Control List,” specific details regarding which UAV components are affected have not been explicitly disclosed at the time of writing. However, based upon previous updates to China’s dual-use control lists, affected items related to UAVs likely include flight control systems, motors, and batteries which are noted as being affected in Bloomberg’s initial report.<sup>23 24</sup>

These developments underscore the complex interplay between economic statecraft, geopolitical strategy, and global supply chain dynamics. While the latest restrictions on exports of critical UAV components are almost certainly influenced by U.S. sanctions on high-tech products from China – which have prompted several retaliatory measures from Beijing – we assess that there are also broader geopolitical motivations and calculations at play in this move.

In terms of the broader context, there is a realistic possibility that a contributing factor to these measures was U.S. and European pressure on China to curb its potential support for Russia amid the Ukraine conflict. Whether or not China continues trading the same components with Russia covertly, the introduction of these measures allows Beijing to project a public image of compliance and cooperation with international norms and position itself as advocating for peace. The diplomatic pressure applied by the U.S. and its European allies originally aimed to limit China’s role in supplying critical technologies to Russia, but the imposition of these controls in practice has also had unintended spillover effects on Ukraine and other allies. One of the key reasons for this is China’s dominant position in the broader supply chain; China represents approximately 80% of the commercial drone market, according to a CSIS report.<sup>25</sup>

Moreover, the timing and focus of these restrictions likely reflect Chinese frustration with American arms sales to Taiwan and the stopover of Taiwanese President Lai Ching-te in Guam and Hawaii during his recent Pacific tour. This is evidenced by China’s pre-existing sanctions which have targeted several US-based companies involved in UAV technologies and military equipment with sales to Taiwan, such as Lockheed Martin and Northrop Grumman, and also reinforced by the announcement on 5 December of sanctions on a further 13 U.S. firms including BRINC Drones Inc and Shield AI.<sup>26</sup> By linking dual-use export restrictions to broader geopolitical issues, China is likely seeking to leverage its dominant market position in the supply chain in order to simultaneously bolster its hand in combative trade dynamics with the U.S., and attempt to counter the perceived security threat posed by American arms sales to Taiwan.

Finally, the language used in He Yadong’s press statement is notable. By framing these controls as compliance with international non-proliferation standards and supply chain stability, China positions itself as a responsible global actor while strategically limiting access to critical technologies for adversaries. As discussed in several previous editions of Briefly, this is likely part of a concerted effort to portray itself as a more stable and reasonable global partner to other countries. Trump’s frequent criticism of U.S. alliances, isolationist tendencies, and calls for reducing America’s commitments abroad have created an opening for China to position itself as a comparatively consistent and cooperative force in international affairs. In this context, this opportunity is likely further widened by the President-Elect’s repeated threats of tariffs in recent weeks, as well as existing criticisms of the U.S.’s role in supplying military aid to Israel. By carefully calibrating its rhetoric and implementing strategic export controls, it is likely China aims to exploit perceptions in some parts of the global south that Washington selectively applies international norms in order to consolidate its own influence and challenge the narrative of Western unity within a US-led international order.

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