Chinese developers of drones, flying taxis set sights on US, even with high tariffs

China's ambitions have set off a production boom that may be too much for today's domestic market, says Fudan University finance professor

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Chinese drone prepped for mass production as demand for aerial deliveries soars

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Chinese developers of small aircraft for uncrewed low-altitude cargo and passenger flights are exploring foreign markets for long-term diversification, including the United States despite newly imposed 145 per cent import tariffs.

An expected rise in demand abroad has put countries from Brazil to the United Arab Emirates on the radars of Chinese firms that make everything from drones the size of a tablet PC to self-piloting e-taxis that can seat a person.

"The acceptance rate is higher [overseas] than in China," said Lu Yong, production director with He Fei Hei Airlines, a Chinese company working in a joint venture to build automated helicopter-like pods for aerial tourism. "They think it's a new product."

His company has already sold its aircraft to 19 countries including Mexico, Spain and Thailand. He Fei Hei Airlines, based in eastern China's Anhui province, showed videos of the aircraft in action alongside 2,800 other exhibitors at the InnoEX tech show in Hong Kong this week.

Some Chinese exhibitors had their sights on the American market, notwithstanding US President Donald Trump's imposition of record-setting import tariffs this month.

Shenzhen Zero Zero Infinity Technology has long sold its drones in the US as well as Europe, and plans to stay in both places, a company spokeswoman said. The firm is banking on its drones' quick take-off speeds and use of artificial intelligence to capture a share of the market.

Competitive pricing could also support Chinese low-altitude aircraft sales abroad, said Jayant Menon, a senior fellow at the ISEAS-Yusof Ishak Institute in Singapore. Production costs for American-made drones are often more than double those made in China, with the difference regularly passed on to US consumers, Menon said.

I-Kingtec, a drone-network-cloud developer in Jiangsu province, and Singapore-based partner Hollyway Group also launched their hardware-software products in the US market before the tariff row escalated, Hollyway marketing director Allan Zhang said.

While US tariffs were "a bad thing", Zhang said the US market still held promise because its plethora of electricity transmission towers needed more automated inspection capabilities to replace "relatively expensive" American workers.

The exhibitors with sights on foreign markets already sell their aircraft in China, where Xinhua says the low-altitude economy is expected to be worth 2 trillion yuan (US$273.84 billion) by 2030. That economy refers to crewed and uncrewed aerial activities below 1,000 metres (3,280 feet), including drone delivery of people and merchandise.

> The potential for both the domestic and international markets is quite large
>
> — **Zeng Quanhong, Fcourier brand manager**

The central government's work report this year mentioned the low-altitude economy as a new growth area.

China's ambitions have set off a boom in equipment production that may be too much for today's domestic market, said Charles Chang, a professor of finance at Fudan University. He said that might drive some manufacturers to seek out foreign markets.

Fcourier, a Guangdong province-based developer of uncrewed aircraft designed to fly commuters or cargo up to 250km, will consider exports after getting its full suite of permits from China, company brand manager Zeng Quanhong said.

"We definitely hope we can export," Zeng said. "The potential for both the domestic and international markets is quite large."

He laughed at the mention of US tariffs, calling them "a rather distant matter" for the company to consider.