

## **New drone economics? Major defence-industrial implications of the evolution in drone warfare since 2022**

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### Abstract:

The war in Ukraine has brought a significant paradigm shift in drone warfare by appreciating smaller, less technologically advanced and expendable vehicles (like tactical loitering munition and One Way Attack drones) at the expense of larger and more technologically sophisticated platforms of this kind. The trend was further strengthened during the 2026 Iran war. This tendency has necessitated new priorities for drone industry in terms of manufacturing capacities and technological specificity. This paper aims therefore to both present the big picture and illustrate it with relevant case studies. For the former purpose, the existing state of affairs in military UAVs was mapped – in terms of the production and export capacities – as a starting point to considerations regarding the market disturbance the discussed evolution is likely to cause. Several specific phenomena, highly distinctive from “default” principles of arms trade, were identified. We seek therefore for areas of possible related comparative advantages, optimal patterns of domestic production and possible responses to this trend from major industrial players. In order to illustrate the ways how European drone producing countries adopt to these developments, several case studies were referred. This involves lessons learned from the Polish, French and German approaches to their domestic drone manufacturing.