THE QUESTION

Should EUR 80 million go into a drone built for mass production, or into the next generation?

Volant Systems: a defence drone for mass production · A German maker of a fielded tactical drone

THE OUTCOME

Approve with conditions

THE MONEY

EUR 80M to end 2027; before gate 1, only a two-quarter sourcing and engineering study

THE ADVICE

On this road, the volume drone takes the money and the next generation waits. The first money buys a parts list that passes the EU rule. Tooling and stock follow only if it passes.

THE RULE ON THE MONEY

35%

of component cost may come from outside the EU

If more than 35% of the parts' cost comes from outside the EU, the EU defence programme cannot fund the drone.

Regulation (EU) 2025/2643, Articles 10–11

WHERE THE PARTS COME FROM

80%

of the world market is Chinese, parts included

The cheap motors, magnets and sensors Volant uses are mostly made in China.

RUSI, November 2025

THE PRICE OF A SUBSTITUTE

Up to 10×

for some parts made elsewhere

Swapping one Chinese part for a European one can cost up to ten times more.

RUSI, November 2025

Two unknowns decide which future comes. Making the drone for volume wins in one, holds in one and stops early in two.

Can a parts list pass the 35% rule at a cost Volant can carry, and does European buying move to volume?

→ BUYERS MOVE TO VOLUME

→ BUYERS STAY WITH CAPABILITY

↓ IT PASSES, AT A BEARABLE COST

01 — LOOK HERE FIRST

A compliant drone, bought in volume

The parts list passes and buyers move to volume. EU-funded orders open up for a cheap drone that passes the rule.

02 — LOOK HERE FIRST

Compliant, but buyers want more

The parts list passes, but buyers still pay for capability. Reliability in use wins, not the lowest price.

↓ IT COSTS TOO MUCH, OR FAILS

03

Volume goes to others

Buyers move to volume, but the parts list cannot pass. Rivals with compliant supply take the funded orders.

04

Back to the next generation

The parts list fails and buyers stay with capability. The money goes to the next generation of the drone.

Money moves only after the parts list passes.

Gate 1 · By month 6

The parts list passes.

A costed parts list clears the 35% rule, with second sources named in the EU.

If it fails, this route would stop, and the money would go back to the next generation.

Gate 2 · By month 9

A consortium place.

A position covering three member states, for joint EU purchases.

If it fails, sales would narrow to national programmes, where home suppliers are preferred.

Gate 3 · By month 12

Ministry approval holds.

A written check of how much of the current drone's approval survives the redesign, what re-approval costs, and what it does to delivery dates.

If it fails, the variant would ship as a separate product line.

Month 12 to end 2027

Tooling and stock, only if the parts list passed.

WHO SAYS YES

Three people decide, and two of them check a document before a drone.

The tender manager

Runs drone tenders in a national armament office

It sees a costed, documented parts list with named second sources.

The national champion

Head of drones at an established large supplier

Volant offers production capacity at a proven rate.

The field commander

The battalion-level user

The evidence comes from use in the field, not from a specification.

WHAT IT CANNOT ANSWER

01 **Small drones only.**

The figures describe drones bought in thousands and lost in use, not heavier certified ones.

02 **No return model yet.**

The order of steps follows the evidence and the calendar. The costed parts list at gate 1 would give the first cost figures.

03 **The current drone's sales during the work.**

What the redesign costs the running business is not known. It depends on Volant's delivery commitments and engineering plans.

04 **The volume question is open.**

No figure here shows at what yearly volume a cheaper drone wins a European tender.

Sources: EU defence programme (EDIP) rules, Articles 10–11 · European Defence Agency · RUSI · Kiel Institute · the evidence dossier. An analysis by Validatus, a strategic evaluation platform for the decision economy. First published in The Decision Layer, edition 9, 27 August 2026.

The whole case, with every future and gate:
validatus.net/case-studies/defence-drones