



DJI Lied About PRC Government Investments, Adheres To Xi Jinping Thought

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DJI lied when it [claimed it had not received "any Chinese government investments,"](#) failing to disclose at least four PRC government investors while adhering to "Xi Jinping Thought," an IPVM/Washington Post investigation reveals.



In this report, [published with the Washington Post](#), we outline DJI, its denials of PRC government investment, and show that at least four PRC government entities have invested in DJI. IPVM also examines DJI's Xinjiang involvement, finding the firm's drones are widely used across the region's police and agricultural industry.

DJI and its PRC government investors did not respond to IPVM's comment

requests. But Adam Lisberg, a DJI spokesman, [told the Post](#), "DJI is privately held. The company is solely managed by and majority-owned by the founder team. Shareholders other than the founders do not participate in the company's management and operation."

Previously, DJI denied any funding or investment by the PRC government, now the company is contradicting that and effectively admitting government investment.

DJI Background

DJI () is a Shenzhen-based private company that manufactures [more than 70%](#) of the world's civilian drones, making its founder and CEO, Frank Wang, who owns about 40% of the company, worth ~\$4.8 billion, [per Forbes](#). Because DJI is private, it does not regularly disclose revenue, [last touting](#) \$2.7 billion in sales in 2017.

The US Army [banned](#) DJI usage in 2017 and the Commerce Department [added it to the Entity List](#) in 2020, restricting DJI's access to US technology. In December 2021, the Treasury Department [added DJI](#) to the Chinese Military Industrial Complex list, banning US persons from investing in DJI.

In July 2021, the [DOD said](#) that DJI equipment poses "potential threats to national security". However, DJI drones remain widely available in the US and [dominate](#) the consumer market while remaining popular with police, e.g. [DJI has a Law Enforcement webpage](#) and is used [by the NYPD](#).

DJI Claims No PRC Government Investments

In an October 2020 post on its company website, [BUSTED: Five Common Myths About DJI](#), DJI claimed "DJI did not receive any Chinese government investments":

Myth #3: DJI is funded, owned, or controlled by the government of China

BUSTED: DJI is a privately held company, not a state-owned enterprise. DJI was founded in 2006 by Frank Wang during his time studying at Hong Kong University of Science and Technology. The company is now headquartered in Shenzhen, known as China's Silicon Valley for the many global tech firms based there.

- DJI is managed and run by Wang and his founding colleagues. DJI did not receive any Chinese government investments, but American venture capital firms invested more than \$100 million.

DJI said the post was meant "to set the record straight about a few common myths that have been spread about DJI."

PRC Government Invests In DJI

However, IPVM and the Washington Post have found four examples of the PRC government investing in DJI.

State-owned asset manager China Chengtong [touted investing in DJI](#) as part of a 2016 government fund it led called the China State-Owned Enterprise Structural Adjustment Fund:

Explore the implementation of innovative



development strategies by means of fund investment, and vigorously deploy strategic emerging industries. Invested in private high-tech enterprises such as Foxconn, WM Motor and DJI.

Additional examples of PRC government investment include a subsidiary of [SDIC](#), a state-owned investment holding company, which [lists DJI](#) as an investment.

The Venture Capital Guiding Fund of Shanghai, which [is owned](#) by the Shanghai municipal government, [lists DJI](#) as a portfolio company.

What's more, Guangdong Hengjian Investment, a holding company of the Guangdong Province government, has invested in DJI, according to [a S&P Global report](#).

None of the SOEs responded to IPVM's requests for comment.

DJI 'Adheres To Xi Jinping Thought'

[China Chengtong posted on its website](#) in October 2019 that its deputy Party Secretary visited DJI's Shenzhen headquarters, writing that: "DJI adheres to the guidance of Xi Jinping Thought":

as a leading Chinese pioneer enterprise in the field of global consumer drones, DJI adheres to the guidance of Xi Jinping Thought on Socialism with Chinese characteristics for a New Era and strives to build a world-class high-tech manufacturing enterprise

“ ”



[Xi Jinping Thought](#) is the guiding philosophy of Xi Jinping and is [mandated](#) by

the CPC for study by [schools](#), [Party members](#), with at least [18 dedicated research centers](#).

China Chengtong "Strengthened The Party", Touts Military-Civil Fusion

The China State-Owned Enterprise Structural Adjustment Fund that invested in DJI is led by China Chengtong's chairman and Party Secretary [Zhu Bixin](#), with China Chengtong owning the top 30.36% stake and smaller stakes owned by several other SOEs.

China Chengtong is a [100% subsidiary](#) of [SASAC](#), the State-Owned Assets Supervision and Administration Commission of the State Council, the PRC government entity which administers the country's vast State-Owned Enterprise sector. (Hikvision's controlling Chinese government stake is [ultimately owned](#) by SASAC too.)

China Chengtong's website includes a prominent '[Party Building Work](#)' tab and a post [celebrating the Party's anniversary](#), [touting](#) in English that it "strengthened the Party's leadership". China Chengtong has [written](#) that "military-civilian integration" is a core "goal", [touting](#) its role reorganizing "military enterprises".

Exact PRC Government Stake Unknown

DJI is 100% owned by a Hong Kong shell company called [iFlight Technology Limited](#), obscuring its equity structure due to Hong Kong's low disclosure requirements. IPVM asked DJI what percentage of its equity is owned by the PRC government, but it did not respond.

DJI Xinjiang Activities Examined

In December 2021, the Treasury Department [banned US investors](#) from investing in DJI (and other companies) over their involvement in Xinjiang rights abuses, [stating that](#) "DJI has provided drones to the Xinjiang Public Security Bureau, which are used to surveil Uyghurs in Xinjiang", without detailing further.

DJI Relationship With Xinjiang Region's Police

In December 2017, [DJI signed a cooperation agreement](#) with the Public Security Department of all Xinjiang region. In attendance were leaders from the Xinjiang

special forces, police heads from Urumqi and Kashgar, and anti-terrorism forces.

On the left is a DJI vice president, Liu Kai, and on the right is Wei Dengjun, the political [commissar](#) of the Xinjiang Public Security Department, in front of an announcement that reads: "Xinjiang Public Security Department and DJI Innovation Strategic Cooperation Signing Ceremony" []:



[After Bloomberg asked](#) about this deal, DJI's statement about this "disappeared from DJI's website [...] and the company now says the person with knowledge of the agreement had left the group."

DJI lists four outlet/distributor locations in Xinjiang [on its website](#):

DJI Distributors/Outlets in Xinjiang		IPVM	
xinjiang yining wangjing computer city franchise store	urumqi hongjing digital plaza franchise store	new xinjiang hami jiangsu building franchise store	urumqi huijia times square franchise store

DJI Products In Police, Paramilitary Tenders

While IPVM could not find direct Xinjiang police deals, its equipment is often

specified in recent Xinjiang police tenders:

- Aksu police [put out a tender](#) for ~\$132,000 worth of DJI drones in December 2021.
- In 2020, Xinjiang provincial 'special police' (similar to SWAT) put [a tender out](#) for a \$17,700 DJI drone.
- In 2020, [Urumqi special police bought](#) a DJI 'M300 RTK' for ~\$20,000.
- In [2021, Karamay police](#) ordered DJI drones worth ~\$75,000; the year before, [Karamay police ordered](#) DJI drones worth ~\$30,000.
- In 2020, Urumqi Public Security Bureau [put out a tender](#) for a DJI M300 drone for ~\$20,000 in a deal [won by](#) a local integrator.
- Korla's Public Security Bureau [put out a tender](#) for three 'Genie 4' DJI drones in 2020 for ~\$375.

The Xinjiang Production and Construction Corps, also known as Bingtuan, a paramilitary organization that has been [sanctioned by the US government](#), also specifies DJI drones:

- In 2021, the Tumshuk vocational and technical school of the third division of the XJPCC [published a tender](#) for a DJI drone and batteries worth \$15,000.
- In 2021, the Media Center of the Sixth Division of the XJPCC [put out a tender](#) for a ~\$13,000 DJI drone.
- In 2021, the [XJPCC 7th division, 128th regiment Cultural, Sports, Radio, Film and Television service center](#) put a tender out for a \$3,000 DJI drone.
- In 2021, a Bingtuan contract for Shihezi University [specified three](#) DJI drones worth ~\$15,000 total.

A DJI drone inadvertently went viral [in a 2019 video](#) which shows shackled, shaved, and blindfolded Uyghurs being loaded into a train while filmed by a DJI drone operated by PRC police surveilling the detainee transfer:





[: Xinjiang : a New Explanation - YouTube](#)

DJI Touts Xinjiang Cotton

Cotton farming in Xinjiang is controversial due to allegations that Uyghurs and other ethnic minorities are forced by the government to pick cotton, as detailed in this BBC documentary:





[New evidence of Uighur forced labour in China's cotton industry - BBC News - YouTube](#)

DJI has an Agriculture division and regularly touts selling drones for use in Xinjiang. For example, a DJI executive [boasted](#) to local media that DJI sold 3,000 drones in Xinjiang in January and February in 2021:

Fu Jianhua, head of the northwest area of Shenzhen DJI Innovation Technology Co., Ltd., said that Xinjiang's agricultural development has a good momentum. In recent years, the sales of DJI plant protection drones have been on the rise in Xinjiang, and more than 3,000 units have been sold since New Year's Day. This year, he plans to lead the team to build some experimental fields in fields and fruit trees, expand more businesses, and let plant protection drones help smart agriculture

[In a September 2019 Facebook post](#), DJI said its "crop protection teams" have sprayed more than "2 million hectares" of cotton, pepper, and other crops in Xinjiang:



DJI Agriculture

5 September 2019 · 0

Over a cotton field in #Changji, Xinjiang, DJI #Agriculture drones have been extensively deployed to apply cotton defoliant during the harvest season.

This year, DJI crop protection teams have been providing spraying service for cotton, pepper, pear and other types of crops in #Xinjiang, China, covering more than 2 million hectares.



25

3 shares

Share

DJI's website also includes marketing about its Xinjiang agricultural business, e.g.: [April 2021: Aerial Application of Cotton Defoliant in Xinjiang](#) and also from April 2021: [A Uyghur College Student Starts a Defoliant Business in his](#)

[Hometown.](#)

DJI's Xinjiang branch was [profiled by local PRC state media in 2019](#) for its sale of drones to help farm cotton and was profiled by Xinhua for this [in 2018 as well.](#)

FCC Commissioner: "Disturbing", "Deeply Troubling"

In October 2021, FCC Commissioner Brendan Carr [called for DJI](#) to be added to the 'Covered List', urging "quick action on the potential national security threat" posed by its collection of "sensitive data on Americans and US critical infrastructure" (this has not happened yet.) Regarding DJI's obscuring of its PRC government investments, Carr said this was "disturbing" and a potential "pillar" for "looking at taking action":



This is disturbing. We do not take kindly to the hiding of information or misleading about core important facts. The FCC's own record shows this, we take into account lack of candor when we discover it, when we make these decisions

If you're not being forthright with the regulator, that alone is a pillar, is a basis, for looking at taking action.

On DJI's involvement with Xinjiang police and agriculture, Carr called this "deeply troubling," and companies involved in Xinjiang should prove to the FCC they're not "using slave labor" during equipment authorization:

These reports and developments are deeply troubling [...] it's troubling, when you see entities that are deeply involved in communist China's security apparatus.

I do think that, you know, if you're involved in Xinjiang, if you're manufacturing products in Xinjiang, my view is, you should be put to a burden when you're coming through the FCC for equipment authorization to show that you're not, you know, using slave labor in your supply chain.

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Comments (2)

Undisclosed Integrator #1

Something I suspected for quite some time. Thanks for confirming, IPVM.

Undisclosed Manufacturer #2

China based company lying? Say it ain't so Jo.....

Promotions