Will there be an oversupply of optical modules



Overview

A recent report released by McKinsey, an internationally renowned research organization, pointed out that the supply chain bottleneck of optical transceivers (optical modules) may become a key obstacle to the expansion of network infrastructure in the era of artificial. A recent report released by McKinsey, an internationally renowned research organization, pointed out that the supply chain bottleneck of optical transceivers (optical modules) may become a key obstacle to the expansion of network infrastructure in the era of artificial. al shortfalls in networking optics supply could hinder data center and AI expansion. How can players bo cated and the type of construction involved—retrofitting, new build, or expansion. This article explores current trends in networking optics technology s well as the market factors affecting. A diagram of hardware components within an NVIDIA photonics co-packaged optics switch system showing optical sub-assemblies and switch ASIC. Having already driven shortages in GPUs, high-bandwidth memory, and advanced. Supply chain issues with optical transceivers threaten to stall the development of AI-era networks, according to a new McKinsey report. The first half of 2025 will be impacted as well. Alphabet, Amazon, Meta, Microsoft and Oracle continued to spend significantly more in 2024 than in 2023, with their.

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Article Content

McKinsey Direct Opportunities in networking optics ...

Optical transceivers and their various components are integral to supporting capacity and performance within various configurations for data center optics (exhibit).

AI Data Center Optical Component Shortage: Nvidia''s $4B Laser

The lockup has forced optical module manufacturers and cloud service providers to search for secondary suppliers and alternative designs.

Optical supply shortfall threatens next-gen networking, McKinsey warns

Supply chain issues with optical transceivers threaten to stall the development of AI-era networks, according to a new McKinsey report.

Why Are Used Optical Modules Returning to the Market?

The following analysis examines the inevitability of the resale of used optical modules from three core scenarios, drawing an analogy to the used mobile phone market to help you better...

Opinion: optical transceivers at the chokepoint of AI growth and supply ...

In this Opinion Series, Yole Group explores how the optical transceiver ecosystem is evolving under the combined pressures of hyperscale AI demand, supply chain limitations, and

Chinese Optical Modules Own 7 of the Top 10 Seats. So Why Are

Seven of the global top 10 optical module suppliers in 2024 were Chinese companies (including Source Photonics, acquired by Chinese capital). Innolight and Eoptolink are estimated by

LightCounting :: Component shortages limit growth in transceiver sales

Demand for optical connectivity remains strong, but component shortages hobbled growth in sales of optical transceivers in Q4 2024. The first half of 2025 will be impacted as well.

AI Data Centers Ignite a Laser Shortage Wave; Nvidia''s ...

Nvidia''s silicon photonics and CPO development plans have advanced more slowly than anticipated, leading to ongoing dependence on pluggable modules for GPU cluster expansions. To ensure

Report: In 2029, 800G Optical Modules Will Occupy About 70% Of

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A recent report released by McKinsey, an internationally renowned research organization, pointed out that the supply chain bottleneck of optical transceivers (optical modules) may become a key obstacle

Deep Dive: Optical Module Market

Optical modules to GPU ratio: One key approach to forecasting the demand of optical modules is by examining the number of total GPUs in data centers and applying a corresponding

Advanced Optical Modules Market in Indonesia | Report

Indonesia''s advanced optical modules market operates at the intersection of global electronics supply chains and the country''s accelerating digital infrastructure push. The product

The 2024 worldwide helium market

North American Helium is increasing overall production from its wells in Canada to over 200 mmcf by the end of the year. There are numerous other small well sources companies that have yet to move into

Nvidia-backed optics vendor to boost wafer output by 4x to meet AI ...

Now, Nvidia-backed photonics vendor Coherent plans to boost indium phosphide (InP) wafer production at its Sherman, Texas, fab by 4x in anticipation AI proliferation will trigger an

High Speed Optical Modules: Market Evolution & 2033 Projections

High Speed Optical Modules growth is driven by expanding cloud services, data center interconnection, and AI applications. Market to reach $35.5B by 2033 with 11.5% CAGR. Analyze key

AI Data Centers Are Shifting the Bottleneck from Chips to Critical ...

That creates a more direct demand path for substrates, MLCCs, optical modules, power supplies, batteries, busbars, cooling distribution units, and high-voltage semiconductors. There are

Optical Modules Market Research Report 2034

Optical Modules Market Outlook 2025-2034 The global optical modules market was valued at $14.8 billion in 2025 and is projected to reach $39.6 billion by 2034, advancing at a compound annual

Powering the Next Data Race: How 800G & 1.6T Optical Modules Are ...

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Powering the Next Data Race: How 800G & 1.6T Optical Modules Are Reshaping AI and Cloud Infrastructure Original Article by SemiVision Research (Optical Communication Marketing and

Deep Dive: Optical Module Market

Powering next-gen connectivity: How optical modules enable fast, reliable data transfer, and What are the opportunities for investors?

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