

# New infrastructure projects drive demand for optical modules



## Overview

OFC 2026 confirmed that AI infrastructure is now the main demand driver for optical networking, with most major announcements focused on bandwidth scaling, power efficiency, and system density. The strongest commercial momentum centered on 1.6T optics enabling new form factors XPO and CPX, while, AI shortfalls in networking optics supply could hinder data center and AI expansion. This article explores current trends in networking optics technology as well as the market factors affecting. Unlike conventional networks, AI clusters require significantly higher bandwidth and interconnect density, driving strong demand for: According to industry data, the global optical module market exceeded USD 23 billion in 2025 (Source: STCN), and is expected to grow by approximately 25% in 2026. In Oct. 2023, MIIT, together with six ministries, released the "High-Quality Development Action Plan for Computing Power Infrastructure." Implementation Opinions Deeply. In July 2025, LightCounting released its Cloud Data Center Optics Report, revealing that cloud companies' increasing investments in data center and network infrastructure have created a highly dynamic new segment within this market. Because AI workloads surged from 2023 to 2025, demand for.



## Article Content

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Ciena Projects 24% Revenue Growth for FY26 Amid Surging AI Cloud Infrastructure Demand Ciena Corporation has announced a robust fiscal 2026 outlook, projecting nearly 24%

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

In summary, the surging demand for 800G and 1.6T optical modules—driven by AI computing clusters, hyperscale data centers, and next-generation cloud

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McKinsey Direct Opportunities in networking optics ...

Networking optics are mission-critical components in advancing AI and data center infrastructure build-outs. To move the massive amounts of data required for AI training and inferencing, hyperscalers

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Optical Module Package Market 2025

The EU's focus on fiber-optic infrastructure modernization under its Digital Decade Policy fuels demand for SFP+ and XFP modules. Germany and France lead in adoption, particularly for industrial

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\$CRDO Credo Technology's Q2 FY26 earnings call presents a

Credo now describes 5 “distinct high-growth connectivity pillars” – AECs, IC solutions (retimers and optical DSPs), ZeroFlap optics, ALCs, and OmniConnect gearboxes – and estimates

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400G Optical Module: Growth Opportunities and Competitive

The 400G Optical Module market is projected to reach \$14.8B by 2025, growing at 11.5% CAGR. Demand from data centers and telecom drives this expansion. Access market growth analysis.

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OFC 2026 Outlook: AI Data Center Optical Interconnect

AI-era interconnect demand is accelerating optical evolution across the stack: Pluggable optics remain the mainstream delivery vehicle through

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High-Speed Optical Module Demand Soars: AI

Discovering the intersection of AI computing and escalating market trends, the reliance on optical modules has surged. From high-scale

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LightCounting :: Scale-up networks in AI Clusters is a

Use of optical connectivity in AI scale-up networks will contribute to the market's expansion in 2026-2030. We expect that CPO will emerge as the best option for

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High-Speed Optical Module Demand Soars: AI

Section 2, Optical Module Market Demand Forecast Driven by Computational Networking The significant surge in computing power demand

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Optical Modulators Market Trend, Outlook, Forecast

Optical modulators are the largest application in telecommunications, where there is a big need for high-speed communication for fiber-optic networks

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Development trend of optical

The update cycle for coherent optical modules in backbone networks is approximately 10 years. Currently, the speed is at 400 Gb/s per wavelength, and by 2030, it is expected to reach 800 Gb/s or

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Optical Communications Industry Chain: Critical Infrastructure in the ...

The optical communications industry historically exhibited clear telecom infrastructure cycles. However, with the rapid surge in intra-data center data transmission demand, the industry is

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As the optical supply chain continues to evolve, vertical consolidation, regional diversification, and new market entrants will reshape competitive dynamics, driving further shifts in the industry landscape.

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Optical Networking: The Next Mega Trend in AI Infrastructure

Along with an AI infrastructure ramp-up and rising computing power per rack, Goldman Sachs Research analysts expect all configurations to enjoy strong growth ahead, opening a further 9

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Optical Transceiver Market Report: Size, Growth,

Optical Transceiver Market size is projected to reach USD 37.61 Billion by 2032, growing at a CAGR of 14.9% from 2026 to 2032 The report provides key trends,

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Optical Communication Industry Trends 2026: AI, 800G/1.6T Optical ...

Explore optical communication industry trends in 2026, driven by AI infrastructure, 800G and 1.6T optical modules, silicon photonics, and next-generation data center connectivity solutions.

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2026 Semiconductor Industry Outlook | Deloitte Insights

Deloitte's 2026 global semiconductor industry outlook seeks to identify the strategic issues and opportunities for semiconductor companies and other parts of the

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POET Technologies and Lumilens Advance Wafer-Level Photonic

About Lumilens Lumilens is building the connectivity platform for AI infrastructure, delivering scale-up and scale-out optical interconnect solutions designed for the performance, power, and

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Brazil QSFP Optical Module Market CAGR 2026-2033

Major Market Drivers Rapid expansion of data centers and cloud infrastructure fueling demand for high-speed optical modules Growing adoption of 5G networks and smart solutions

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Cx4 Optical Transceiver Market Size, Trends, 2026-2033 ...

Cx4 Optical Transceiver Market Size was valued at USD 2.3 Billion in 2024 and is poised to grow from USD 2.

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Optical Module Market Growth Driven by AI Demand

Optical Module Market surges as AI clusters expand, boosting demand for 800G and Coherent-lite modules and reshaping global cloud network

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AI infrastructure accelerates the shift to scalable optical systems ...

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Comprehensive Overview of Optical Module and DCI Trends: 2026-2034

The optical module and data center interconnect (DCI) market is experiencing significant expansion, driven by the escalating demand for high-bandwidth connectivity, cloud computing, 5G

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Future All-optical Network Architecture and Key Technologies

New Solutions Future All-optical Network Architecture and Key Technologies Evolving towards the 2030 optical communications network system and architecture is a key issue facing the optical

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For more information, pricing, or custom solutions, please contact us:

Website: <https://moletenare-ew.co.za>

Email: [info@moletenare-ew.co.za](mailto:info@moletenare-ew.co.za)

Phone: +86 138 1658 3346

Address: Ningbo, China

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