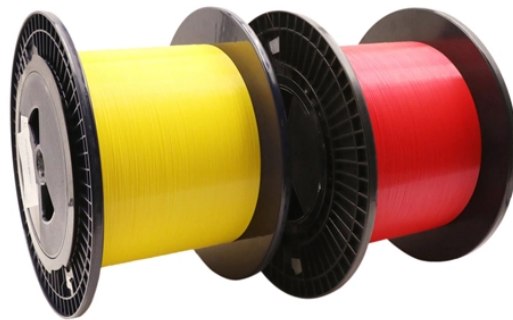


## Current Situation of Optical Module Shortage



### Overview

The AI computing boom has created a severe shortage of Faraday rotators, tiny but essential upstream components for optical modules, with demand more than double the supply. The Ethernet transceiver market was up 93% in 2024 and our latest estimates for 2025 suggest another 82% growth. The growth is once again limited by the production. TrendForce's recent research indicates that high-speed optical interconnects are now central to performance and scalability, especially as AI data centers grow into large clusters. The report predicts that worldwide shipments of optical transceivers of 800G and higher will hit 24 million units in 2025. When supply chain disruptions hit, optical transceivers become the hidden bottleneck: ports go dark, rebuild timelines slip, and network risk rises. 8B) — a 755% YoY jump, the highest single-quarter profit in South Korean corporate history. It exceeded Samsung's entire 2025 full-year result. However, insufficient indium phosphide (IP) chip capacity has limited growth.

## Current Situation of Optical Module Shortage



The current demand is exceeding supply by 30%, but the shortages should be going away by the end of 2026. Production of GPUs and other types of accelerators (XPU) is a more critical bottleneck for the ...



**Key Points** The AI computing boom has created a severe shortage of Faraday rotators, tiny but essential upstream components for optical modules, with demand more than double the ...



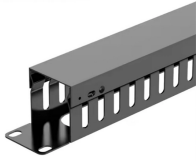
Learn how engineers plan for optical module shortages during supply chain disruptions, using IEEE 802.3 optics, DOM checks, and staged inventory strategies.



According to LightCounting, an industry research institution, current optical module demand has exceeded supply by more than twice. Demand for 800G optical modules will remain ...



This situation is causing the CW ecosystem to approach a capacity crunch, leading suppliers to hasten their expansion efforts. High-speed PD demand surges; Taiwanese epitaxy ...



In traditional data center interconnect (DCI) systems, optical modules held ~30% of total system value. That structure is reversing in 2026 — optical module value share is climbing toward...



The “hegemony” competition in artificial intelligence is unfolding in full swing. Since July 2023, the market research institution LightCounting has revised the sales forecast for Ethernet ...



This report studies how data traffic growth and data center architecture changes affect the Ethernet optical transceiver market. It uses detailed historical Ethernet module shipment data and ...



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



Lumentum is currently undersupplying customer demand for optical networking components by approximately 30%, creating a supply constraint that will persist through calendar ...

## Contact Us

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