

Submarine Optical Fiber Cable - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts 2019 - 2029

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Report description:

The Submarine Optical Fiber Cable Market size is estimated at USD 4.16 billion in 2024 and is expected to reach USD 7.2 billion by 2029, growing at a CAGR of 12.10% during the forecast period (2024-2029).

Key Highlights

-Growing investment in high-speed internet infrastructure is driving the growth of the submarine optical fiber cable market. The continuous increase in the generation and transfer of vast amounts of data worldwide is one of the primary drivers of the market. Hence, many internet backbone operators may invest in the submarine optical fiber cable market over the forecast period.

-Submarine cable systems carry over 99% of intercontinental communication traffic, making them the invisible enabler of global connectivity. The regional telecom industry is advancing at a higher rate worldwide, led by countries like China and India. However, internet infrastructure is still a significant issue in many parts of the world.

-As more and more people in developing areas of the world already have access to the Internet, the next step in strengthening the cable network may be in emerging markets worldwide. Hence, many companies, including government agencies, see the submarine optical fiber cable market as an opportunity.

-The rapid increase in mobile broadband penetration significantly contributes to the market's growth. The global demand for smartphones has been increasing due to several factors, like increasing disposable income, the advent of 5G, and the development of telecom infrastructure. For instance, according to GSMA, smartphone subscriptions worldwide is anticipated to grow from 76 percent of total connections in 2022 to 92 percent by 2030.

-Although submarine cables are covered in silicon gel and wrapped in multiple layers of steel wires, plastic, copper sheathing, nylon yarn, and polyethylene insulator to protect these optical fibers from damage, periodic maintenance is still necessary to ensure their safety and longevity, which is expensive. The high installation and maintenance costs are expected to challenge the

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market's growth.

-Furthermore, the growing investment in satellite communications is another major factor challenging the studied market's growth, as cables only have an advantage over short paths, especially if traffic is heavy. However, satellites become economically more attractive as distance increases and density decreases. Additionally, having a satellite communication link is much faster, as with the other wireless deployments, than deploying submarine cables, which is another significant advantage of satellite communications over submarine optical fiber cables.

Submarine Optical Fiber Cable Market Trends

Growing Smartphone Penetration and Increasing Demand for Internet Bandwidth Drive the Market

- The smartphone industry has witnessed unprecedented growth in recent years. The growing acceptance and prevalence of digital technologies, along with the mobile-first approach of companies, are among the major factors driving smartphone adoption. According to Ericsson, the global number of smartphone subscribers is expected to reach 7,740 million in 2028, from 6,420 million in 2022.
- In a business environment such as e-commerce, as the business grows, the traffic or number of people trying to access the website at once increases as well, driving the amount of bandwidth required to accommodate this load. All these combined factors are expected to drive the market's growth during the forecast period.
- Although the smartphone industry is approaching maturity in developed countries, emerging regions still offer huge growth opportunities. For instance, according to Ericsson, Northeast Asia was the leading region in terms of the number of smartphone subscribers (1,990 million in 2022), followed by China (1,570 million) and Southeast Asia & Oceania (910 million).
- All these factors positively contribute to the growth of the market studied, as a higher smartphone subscription positively impacts internet consumption and the amount of data being generated, driving the demand for data centers and other digital infrastructures wherein high bandwidth connectivity is a crucial requirement.
- Increased bandwidth, ultra-low latency, and faster connectivity are expanding civilizations, revolutionizing industries, and radically improving day-to-day experiences. E-health, networked vehicles and traffic systems, and advanced mobile cloud gaming were formerly considered futuristic.
- Bandwidth demands typically grow significantly every year. These growth trends are more likely for networks that rely on services involving heavy workloads, such as streaming video services. As streaming video services have a growing number of 4K video content, gaming platforms are moving toward delivering new games first by download. Now, services such as Google Stadia are poised to deliver games as a streaming service. Hence, there is a constant trend toward higher bandwidth services.

Trans-Pacific Region is Expected to Lead the Market

- Submarine cables carry over 97% of all internet traffic worldwide, and nearly everyone uses the internet for daily tasks. Due to the internet's ability to connect people worldwide, international traffic is growing daily. Trans-Pacific accounts for a significant portion of all internet traffic worldwide, which is increasing the demand for submarine communication cables. However, some countries' lack of submarine communication cable systems has prompted the World Bank and the Asia Development Bank to fund new cable systems.
- The increasing time people spend on the internet also creates a favorable outlook for the growth of the studied market. For instance, according to the Japanese Ministry of Internal Affairs and Communications, the average time spent by people using the internet via mobile devices per weekday in Japan had increased to 113.3 minutes in 2022, compared to 61.3 in 2016.
- Furthermore, the growing penetration of digital services and demand for faster internet connectivity are also driving supportive

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initiatives in the region. For instance, in February 2022, as per the recommendations of Team Telecom, the FCC approved a Submarine Cable Landing License for the Pacific Light Cable Network (PLCN) system. PLCN connections from the United States to Taiwan and the Philippines are now in service commercially. Team Telecom entered the National Security Agreements with Google LLC and its subsidiary G.U. Holdings Inc. Meta Platforms Inc. (formerly Facebook Inc.) and subsidiary Edge Cable Holdings USA LLC protect data on the Pacific Light Cable Network (PLCN) system. This undersea fiber optic cable system will connect the United States, Taiwan, and the Philippines. Consequently, Team Telecom has FCC grant Google and Meta cable landing licenses for the PLCN system.

- Similarly, in July 2022, NTT Ltd Japan Corporation, Mitsui & Co. Ltd., PC Landing Corp., and JA Mitsui Leasing Ltd announced the launch of a new company, Seren Juno Network Co. Ltd (Seren), which was founded to construct and operate JUNO, the new and largest Trans-Pacific submarine cable system that will run between Japan and the United States.

- Driven by the growing demand and a supportive government outlook, vendors are collaborating to develop submarine cable networks across the region which is also supporting the studied market's growth. For instance, in August 2022, N.E.C. Corporation announced that Seren Juno Network had selected the company to build a Trans-Pacific subsea fiber-optic cable, JUNO Cable System, connecting California in the United States. with Chiba prefecture and Mie prefecture in Japan. The cable will span over 10,000 km and is expected to complete by the end of 2024.

Submarine Optical Fiber Cable Industry Overview

The submarine optical fiber cable market is fragmented, with the presence of major players like Google LLC (Alphabet Inc.), NEC Corporation, Nexans SA, Fujitsu Ltd, and NTT Communications and Corporation; the growing demand is also attracting new players to the market. Vendors in the market are adopting strategies such as partnerships, mergers, innovations, and acquisitions to enhance their product offerings and gain sustainable competitive advantage.

- April 2023 - Chinese state-owned telecom firms, including China Telecommunications Corporation, China Mobile Limited, and China Unicom, are developing a USD 500 million undersea fiber-optic internet cable network that would link Asia, Europe, and the Middle East to rival a similar project backed by the United States. Named "EMA" (Europe-Middle East-Asia), the proposed cable is planned to link Hong Kong to China's island province of Hainan before making its way to countries such as Singapore, Pakistan, Saudi Arabia, Egypt, and France.

- November 2022 - Prysmian signed a EUR 220 million (USD 234.50 million) limited notice to proceed with Samsung C&T as part of its EPC consortium with Jan De Nul for the project, which is said to be the Middle East's first-of-its-kind high-voltage, direct current (HVDC-VSC) subsea power transmission system. The company will design, supply, assemble, and test a symmetrical monopole system made up of four HVDC 320 kV single-core cables with XLPE insulation, as well as fiber optic cable systems, to connect the Al Mirfaonshore converter station to the Al Ghallanartificial island in the Arabian Gulf off the coast of Abu Dhabi.

Additional Benefits:

- The market estimate (ME) sheet in Excel format
- 3 months of analyst support

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