

## **Data Center Switch - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2026 - 2031)**

Market Report | 2026-02-09 | 180 pages | Mordor Intelligence

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### **Report description:**

Data Center Switch Market Analysis

The data center switches market was valued at USD 17.93 billion in 2025 and estimated to grow from USD 19.37 billion in 2026 to reach USD 28.53 billion by 2031, at a CAGR of 8.05% during the forecast period (2026-2031). Rising deployment of artificial-intelligence training clusters, steady migration toward cloud-native workloads, and rapid scaling of hyperscale campuses continue to drive capital spending on high-bandwidth switch infrastructure. The shift from three-tier to leaf-spine fabrics is flattening network topologies, enabling lower latency and more predictable performance for parallel processing. Ethernet silicon innovation is pushing port density past 51.2 Tbps per device, trimming power draw per gigabit and widening adoption of 400G and 800G optics. Regulatory mandates on data residency spur in-region capacity additions, while expanding edge facilities create incremental demand for compact, remotely managed switches that can tolerate constrained footprints. Competitive intensity is heightening as vertically integrated vendors bundle silicon, optics, and software to shorten deployment cycles and simplify operations.

Global Data Center Switch Market Trends and Insights

Cloud and Edge Computing Workload Surge

Edge sites that process 5G, IoT, and real-time analytics workloads are proliferating, boosting demand for compact, high-throughput switches able to function in space-limited racks. Hyperscalers now design regional edge nodes to keep latency

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under 10 milliseconds for consumer applications, which places switch hardware in harsh, often unmanned locations. Programmable forwarding planes allow operators to steer traffic dynamically between metro edge and core campuses without manual recabling. Hardware-based time-sensitive networking features also help support industrial robots and autonomous vehicles that require deterministic latency. As edge footprints grow, multi-tenant colocation providers are adding redundant access layers, enlarging the addressable pool for low-power switches.

#### AI/ML Training Clusters Requiring High-Bandwidth Switching

Training large language models generates east-west traffic that is 24-32 times higher than standard data-center traffic patterns. Hyperscale operators therefore deploy 102.4 Tbps ASICs that maintain single-hop paths between GPUs, while congestion-control algorithms keep packet loss near zero. Vendors experiment with link-level telemetry to predict micro-bursts and reroute flows within micro-seconds. Early field results show a 1.6 times reduction in model training duration when 400G links replace 100G links in the same fabric. These performance gains translate into millions of dollars in GPU utilization savings, reinforcing the ROI for faster switches.

#### High CAPEX and OPEX for Next-Gen Switch Upgrades

Upgrading from 10G or 40G to 400G demands not just new switches but also higher-grade fiber, power upgrades, and advanced cooling, pushing total project budgets from USD 10 million to USD 500 million for enterprise-scale builds. Many mid-size firms postpone overhauls and instead lease capacity from colocation providers, slowing direct switch sales. Ongoing operating expenses rise as higher port speeds increase electricity draw, although newer ASICs partially offset this through efficiency gains. Financing hurdles remain most acute for budget-constrained organizations outside the Fortune 500.

Other drivers and restraints analyzed in the detailed report include:

Mandates on Data Residency and Sovereign Clouds  
400G/800G Optics Driving Port USD/Gb Down  
Skills Shortage in Managing Leaf-Spine Fabrics

For complete list of drivers and restraints, kindly check the Table Of Contents.

#### Segment Analysis

Core switches accounted for 47.35% of the data center switches market share in 2025 due to their role in aggregating thousands of leaf links within hyperscale campuses. They remain essential for scale-out fabrics that demand deterministic latency across tens of thousands of servers. The data center switches market size associated with core platforms is projected to expand steadily as AI workloads require higher radix architectures that favor chassis-based designs. Access switches, while smaller ticket items, post the highest 8.86% CAGR as edge nodes and micro data centers proliferate. Vendors integrate deep buffering and on-device analytics into access gear, letting operators enforce quality-of-service policies at the network edge. In emerging markets, low-power access models enable deployments where utility grids remain fragile. The combined growth pattern shows a dual-track evolution, with high-value core refresh cycles in hyperscale settings and high-volume access sales in distributed estates.

The 100 GbE segment retained 38.40% data center switches market share in 2025, reflecting its favorable cost-performance trade-off for mainstream workloads. Yet the data center switches market size for 800 GbE gear is projected to rise sharply as AI clusters require non-blocking fabrics that exceed 400G oversubscription thresholds. Early pilots demonstrate that 800 GbE spines paired with 400 GbE leaves reduce training time for generative models by 30% through higher bisectional bandwidth. Customer interest in 200-400 GbE remains healthy among HPC centers and financial exchanges that upgraded earlier. Meanwhile, legacy 10 GbE shipments continue to taper as server NIC speeds climb, further tilting industry demand toward high-speed segments.

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The Data Center Switch Market is Segmented by Switch Type (Core Switches, Access Switches, and More), Bandwidth Class (10 GbE, 25-100 GbE, and More), Switching Technology (Ethernet, Infiniband, and More), Data Center Type (Hyperscale Cloud, Colocation, and More), End-User Industry (IT and Telecom, BFSI, and More), and Geography (North America, Europe, and More). The Market Forecasts are Provided in Terms of Value (USD).

## Geography Analysis

North America accounts for the largest regional revenue thanks to sustained hyperscale expansion, abundant capital, and supportive digital-infrastructure policy frameworks. Major cloud providers continue to break ground on multi-giga-watt campuses across Virginia and Ohio. Domestic semiconductor incentives under the CHIPS Act aim to localize ASIC production, reducing dependence on overseas fabs. Canada and Mexico attract secondary builds as operators seek renewable energy and tax incentives, providing redundancy and latency diversification.

Asia-Pacific registers the fastest aggregate growth, with data center capacity expected to double before 2030. China's market remains dominant yet constrained by strict data-localization rules that complicate cross-border cloud designs. India gains manufacturing traction as vendors such as Arista launch assembly lines that shorten supply chains and bypass tariffs. Japan and South Korea invest in submarine cable extensions and liquid-cooling research to manage dense urban deployments. Regulatory diversity across the region forces vendors to tailor compliance features on a country-by-country basis.

Europe centers on digital sovereignty, with 84% of enterprises pursuing region-bound cloud solutions. The FLAPD metros absorb most new megawatt additions, yet Nordic states lure operators with abundant renewable power. Local vendors emphasize compliance certifications as differentiators. Middle East and Africa witness rapid build-out aligned with national AI strategies. The United Arab Emirates and Saudi Arabia lead, offering multi-billion-dollar incentives and favorable real-estate terms to foreign hyperscalers. Harsh climates accelerate adoption of liquid-cooling to maintain energy efficiency.

## List of Companies Covered in this Report:

Cisco Systems, Inc. Arista Networks, Inc. Juniper Networks, Inc. Hewlett Packard Enterprise Development LP Dell Technologies, Inc. Huawei Technologies Co., Ltd. H3C Holding Limited Lenovo Group Limited NEC Corporation Extreme Networks, Inc. NVIDIA Corporation (Mellanox and Cumulus) Fortinet, Inc. Broadcom Inc. ZTE Corporation Quanta Cloud Technology D-Link Corporation Edgecore Networks (Accton) Super Micro Computer, Inc. Pluribus Networks, Inc. Silicom Ltd. Netgear, Inc. Chelsio Communications, Inc.

## Additional Benefits:

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

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