Reasons for Optical Cable Oversupply



Overview

Fiber optic manufacturers are competing for a limited supply of glass, cladding, connectors and a range of plastics.

Key Takeaways

Optical cable oversupply is primarily driven by overcapacity in manufacturing, misaligned demand forecasts, and rapid infrastructure investment cycles.

Overcapacity in Manufacturing

One of the main reasons for optical cable oversupply is excess production capacity. Many manufacturers, particularly in China and other major production hubs, have invested heavily in fiber drawing towers, preform preparation, and high-volume cable assembly to meet anticipated demand from broadband, 5G, and data center expansions. When actual demand growth lags behind these projections, the market experiences a surplus of optical cables, leading to downward pressure on prices and inventory accumulation.

Misaligned Demand Forecasts

Oversupply often results from inaccurate demand forecasting. While global demand for fiber remains robust, especially for hyperscale data centers and AI-driven applications, the timing and scale of deployments can vary regionally. For example, infrastructure projects in certain regions may be delayed due to regulatory, logistical, or labor constraints, leaving manufacturers with excess inventory that was produced in anticipation of immediate uptake.

This mismatch between production schedules and actual deployment contributes to temporary oversupply.

© 2026 BAGYOU FIBRE NETWORKS · All rights reserved

Supply Chain and Material Dynamics

The optical cable industry relies on critical raw materials such as ultra-pure glass, silica tetrachloride, and helium for fiber drawing. While shortages of these inputs can create temporary supply constraints, periods of material abundance or improved local sourcing can lead to rapid production ramp-ups, sometimes exceeding market absorption capacity. Additionally, innovations like smaller-diameter microduct cables allow more fibers per drum, increasing production efficiency but potentially contributing to oversupply if demand does not scale proportionally.

Investment Cycles and Market SpeculationLarge-scale investments in fiber infrastructure, particularly for 5G and AI data centers, often prompt manufacturers to expand capacity aggressively to secure market share. However, these expansions are based on projected long-term demand rather than immediate consumption. If multiple manufacturers expand simultaneously, the market can temporarily experience oversupply until demand catches up, creating cyclical imbalances.

Regional and Technological Factors

Oversupply can also be influenced by regional disparities and technological adoption rates. Some regions may have slower deployment of FTTH or 5G networks, while others rapidly consume available fiber. Similarly, the adoption of next-generation technologies like multicore or hollow-core fiber may temporarily reduce demand for conventional cables, leaving existing production capacity underutilized.

Conclusion

In summary, optical cable oversupply arises from a combination of overcapacity, misaligned demand forecasts, supply chain dynamics, investment cycles, and regional deployment variations. While global demand continues to grow, these factors can create temporary imbalances, leading to excess inventory and downward pressure on prices. Strategic alignment between production planning, material sourcing, and deployment schedules is essential to mitigate oversupply risks and stabilize the market.

© 2026 BAGYOU FIBRE NETWORKS - All rights reserved

Article Content

Supply chain obstacles in the fibre industry | Prysmian

Fiber optic manufacturers are competing for a limited supply of glass, cladding, connectors and a range of plastics. Without the right materials to hand, the manufacturing of fibre halts and creates huge

What Damages Fiber-Optic Cables? Key Risks and Mitigation Strategies

Learn the top causes of fiber-optic cable damage (mechanical stress, environmental hazards, wildlife, human error) and how to protect your fiber infrastructure from costly outages.

Causes of faults in communication optical cables

Faults in communication optical cables can occur due to various factors, ranging from installation issues to environmental factors and natural

Why We All Must Tackle Tightening of Global Fibre Optic Supply In 2026

As networks and data centres have expanded rapidly across the Globe, fibre demand has far exceeded supply, resulting in tighter inventories, longer delivery times, and higher prices. That is

Optical Fiber Demand Trends, Supply Risks & Outlook 2026

Explore optical fiber demand trends, supply chain risks, infrastructure investments, and strategic industry developments shaping the 2026 outlook.

2026 Fiber Optic Market Crisis: G657A2 Supply Shortage and Soaring ...

The global fiber optic market has entered a historic upcycle. The convergence of AI data center build-outs and a structural supply bottleneck has created a fierce seller''s market, with g657a2

Why Fiber Bare cable prices surged by 650%?

In this post, we break down the current market status, the root causes behind the sudden price spikes, and what to expect in the coming years. After years of relative price stability, the bare

U.S. Fiber Optic Shortage Threatens National Security and Broadband ...

With tariffs driving up the cost of imported fiber optic cables, supply chains are getting squeezed. That''s a problem, considering fiber optics are the backbone of modern communications,

Fibre optic cabling in the US: Why demand cannot be allowed to

© 2026 BAGYOU FIBRE NETWORKS - All rights reserved

The demand for fibre optics will be long-term. Labour shortages and high cable deployment costs made carriers re-think their near-term investment plans in 2021-2022. Some even

''Perfect storm'' in fiber supply threatens US broadband targets

A shortage of fiber-optic cable equipment is blamed on AI data center demands as well as US protectionism.

U.S. Fiber Optic Shortage Threatens National Security and Broadband ...

The U.S. faces a real challenge in expanding digital connectivity. Right now, it produces only about 53% of the optical fiber it uses. With tariffs driving up the cost of imported fiber optic

Fiber Optic Cable Market Size, Forecasts Report 2026-2035

Fiber Optic Cable Market Size The fiber optic cable market was valued at USD 14.6 billion in 2025. The market is expected to grow from USD 15.7 billion in 2026 to USD 23.8 billion in 2031 & USD 35.6

2026 Fiber Optic Market Crisis: G657A2 Supply

2026 Fiber Optic Market Crisis: G657A2 Supply Shortage and Soaring Prices Reshape Global Procurement Strategies The fiber optic industry is experiencing

Why is Fiber Optic Cable Supply Tight? Analysis of China''s Market ...

Discover the details of Why is Fiber Optic Cable Supply Tight? Analysis of China''s Market Shifts and Price Trends (2025-2026) at Shandong Yibo Optronics Technology Co., Ltd., a

Kyber Midplane Design, Making NVL72x2 Work, and All Roads Lead

Kyber Midplane Design, Making NVL72x2 Work, and All Roads Lead to CPO An engineering-first read of the supposed Kyber delay, why NVL72x2 was the "odd" duck nobody

Insights and Strategies for 2025 and Beyond

Role: Provide essential materials like silica glass or dopants for fiber optics, plastics for cables, and metals for components . Challenges: Limited access to rare materials, environmental compliance,

Fiber Optic Cable Market Size

Fiber Optic Cable Market Analysis by Mordor Intelligence The Fiber Optic Cable Market size was valued at USD 12.82 billion in 2025 and is estimated to grow from USD 14.22 billion in 2026

© 2026 BAGYOU FIBRE NETWORKS - All rights reserved

From VC Millions to Trillions Wiped Out: The Telecom Bubble Built on ...

Hundreds of billions of dollars poured into fiber-optic networks. New entrants like Global Crossing, Level 3, Qwest, and WorldCom joined incumbents in laying tens of millions of miles of

Contact Us

Continue your research online:

Website: https://bagyou.es
Technical inquiry: https://bagyou.es/project-enquiry.html

This document is for preliminary research. Verify specifications against current standards, product documentation and project requirements.

© 2026 BAGYOU FIBRE NETWORKS - All rights reserved