# *Optical Components Worldwide: Markets Reach $11.3 Billion By 2015*

LEXINGTON, Massachusetts (September 24, 2009) – WinterGreen Research announces that it has a new study on optical component markets worldwide. The 2009 study has 669 pages, 231 Tables and Figures. Markets are poised to achieve significant growth as broadband is implemented from optical component capabilities. Use of the Internet as a vehicle of social networks to share pictures and videos, as a channel, as an enabler of the supply chain, and as accessible from the iPhone and other 4 G handheld mobile devices is creating demand for high speed optical network buildout.

The cost of the study is $3,400 for a single copy, $6,800 for a web site posting. Optical component based network systems are poised for significant growth as Web based applications are used to implement automated process and share videos.

At speeds of more than 1 Gbps, the ability of copper wire to transmit more than 300 meters is limited due to the loss of signal over distance as well as interference from external signal generating equipment. The proliferation of electronic commerce, communications and broadband entertainment has resulted in the digitization and accumulation of enormous amounts of data. Copper continues to be the primary medium used for delivering signals to the home and desktop because it is in place.

The need to quickly transmit, store and retrieve large blocks of data across networks in a cost-effective manner has increasingly required enterprises and service providers to use fiber optic technology to replace copper for the transmission of data at higher speeds over greater distances and to expand the capacity, or bandwidth, of their networks.

The data, audio, video, and VoIP applications and services using a network became actual, achieving real arrival of the broadband society. The Internet has brought change to retail buying and business life. The role of network has become increasingly important. Larger capacity and more efficient network is required.

The optical network is spreading rapidly to core networks, to an enterprise network, to the access network, and to a telecom network. Datacom networks include storage and server networks, and the high-performance, high-efficiency and high-reliable optical components technology supports all these different types of networks.

 

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Optical components are leading-edge optical modules and optical devices that support the broadband, ubiquitous network. They contribute to consumer activities, social networking, and business by providing solutions for optical network construction.

A PON is a point-to-multipoint, fiber to the premises network architecture in which unpowered optical splitters are used to enable a single optical fiber to serve multiple premises, typically 32-128. A PON consists of an Optical Line Terminal, or OLT, at the service provider's central office and a number of Optical Network Units, or ONUs, near end users. A PON configuration reduces the amount of fiber and central office equipment required.

The optical component markets are anticipated to expand to provide network capability that supports broader reach of information and productivity improvements for the enterprise.

According to Susan Eustis, lead author of the study, "innovation drives changes in optical component technology, stimulating growth in every industry. Innovation depends on implementation of automated business process in every instance. Optical transceiver components and modules are used to build out broadband networks. In short order, the network speeds have increased from one gigahertz and below to 10 gigahertz, moving rapidly to 40 gigahertz for most broadband, and almost simultaneously to 100 gigahertz for highly utilized backbone transmission situations."

This has caused enormous disruption in the optical component markets as the technologies that work at one speed generally are not suitable for the next step up in speed. Market consolidation of the optical component business is proceeding apace. Acquisitions and partnerships form the base for market consolidation. As the Finisar/Optium merger leverages market advantage, many mergers have occurred and more mergers are likely to occur. Pressure for consolidation is likely to continue.

The merger of Finisar (FNSR) and Optium (OPTM) puts these companies in a strong position because it implements consolidation of the market that increases unit volumes, decreases prices per component, and stimulates overall market growth because components are more affordable and can be used in more situations.

Optical components markets at $3.8 billion in 2008 are expected to reach $11.3 billion by 2015. Demand for broadband Internet connectivity drives optical components markets. The markets are comprised of transceivers, optical amplifiers, passive, and active optical component technology.

 

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WinterGreen Research is an independent research organization funded by the sale of market research studies all over the world and by the implementation of ROI models that are used to calculate the total cost of ownership of equipment, services, and software. The company has 35 distributors worldwide, including Thompson Financial and Global Information GII Info-Shop.

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