

New Production Capacity of Optical Modules



Article Overview

Global optical module production is rapidly expanding, with major investments exceeding \$1 billion per company to meet surging AI data center demand.

Key Capacity Expansions

Source Photonics, a subsidiary of Dongshan Precision, is investing USD 1.2 billion to expand optical chip and module production in Changzhou, China, and other locations. The expansion targets high-end optical chips and high-speed modules for 800G and 1.6T AI server interconnects, while strengthening vertically integrated capabilities from chip R&D to module assembly. Existing facilities in Taiwan, Chengdu, and Jintan, along with a new plant in Thailand, form a multi-region manufacturing network to support global demand . Coherent is expanding its six-inch indium phosphide (InP) semiconductor facility in Sherman, Texas, doubling manufacturing space and quadrupling wafer production capacity. This expansion is supported by \$50 million in U.S. Department of Commerce funding and a \$2 billion strategic investment from NVIDIA to secure photonic interconnect supply for AI infrastructure . Nokia is increasing its photonic chip testing and packaging capacity in Allentown, Pennsylvania, aiming for a tenfold increase by Q3 2026. JX Advanced Metals plans to invest up to 120 billion yen over four years to boost InP substrate capacity by 7-10 times, while Tower Semiconductor targets a fivefold increase in silicon photonics wafer output by the end of 2026 . STMicroelectronics will quadruple 300mm silicon photonics capacity at its Crolles, France facility by 2027, supporting 800G and 1.6T optical transceivers for top cloud providers

Article Content

As optical module production capacity continues to expand, could the ...

①Multiple vendors in the optical communication industry chain have reported impressive performance results and revealed expansion

Economic Watch: From optical modules to chips

The competitiveness of optical modules also largely hinges on the synergy of the complete upstream industrial chain, covering

Optical Module Chip Market 2025

The Global Optical Module Chip market was valued at US\$ 823 million in 2024 and is projected to reach US\$ 1.52 billion by 2032.

Contact Us

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