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Global Optical Fiber Preform Market Key Players, Demands, Supply, Growth Rate, Price and Forecasts to 2026

PUNE, MAHARASHTRA, INDIA, September 28, 2021 /EINPresswire.com/ -- Optical fiber preforms play a key role in the optical fiber communication industry chain. The global construction of 4G and FTTH requires less optical fiber and cable, which has dragged down the demand for optical fiber preforms; however, the burgeoning 5G network has triggered more demand for optical fibers and optical fiber preforms. In 2019, China's optical fiber output reached 289 million fkm, a year-on-year increase of 9.0%; meanwhile, the output of optical fiber preforms jumped 8.1% year-on-year to 9,513 tons. In the future, with the acceleration of 5G network construction in China and even the world, it is estimated that the output of Optical Fiber Preform Market will hit 12,800 tons by 2026.

China has always relied heavily on imported optical fiber preforms. However, as the capacity of domestic optical fiber preforms continues to increase and the self-sufficiency is strengthened, the import volume of optical fiber preforms in China has declined year after year; at the same time, the export of optical fiber preforms in the country has swelled year by year. There is a huge gap between import and export unit prices of optical fiber preforms in China. In 2020, the average import unit price (US$155.53/ton) doubled the average export unit price (only US$70.83/ton). In terms of export, India is the largest export destination of Chinese optical fiber preforms, accounting for approximately 72% of China's exports in 2020. As for import, Japan is the largest source of optical fiber preforms for China, making up 80% of China�s imports in 2020. In recent years, Ministry of Commerce of China has adjusted anti-dumping duties on major Japanese manufacturers.

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In recent years, Chinese manufacturers have made more efforts in the research and development of technologies for optical fiber preforms, and filed over 250 patent applications each year. The main patent applicants include YOFC, Futong Group, Hengtong Group, FiberHome Telecommunication Technologies, ZTT, etc.

Optical fiber communication is the only downstream industry of optical fiber preforms. From 2016 to 2018, the capital expenditure of three major operators (China Mobile, China Unicom and China Telecom) and China Tower kept declining as the 4G network market became saturated.

In 2019, the 5G layout began to advance, so that the capital expenditure of the three major operators and China Tower rebounded.

Amid the accelerated deployment of 5G in 2020, the total capital expenditure of the three major operators jumped by 11.04% year on year to RMB333 billion, of which RMB175.7 billion was spent on 5G with a significant increase of 326.46% over the previous year. In 2020, China Tower's capital expenditure swelled by 36.87% year on year to RMB37.122 billion.

In 2021, 5G networks remain the focus of investment. The total capital expenditure of the three major operators is estimated to be RMB340.6 billion with a spike of 2.28% over the previous year, of which RMB184.7 billion (up 5.12% year on year) will be involved with 5G. China Tower may pay RMB30 billion as the capital expenditure, including RMB18.4 billion for 5G.

In addition, China Broadcast Network has embarked on the 5G network construction, and plans to open 400,000 and 480,000 5G base stations in 2021 and the first half of 2022 respectively, and fully support 5G NR broadcasting services. The company's main product, optical communication transmission equipment, is an important part of the 5G bearer network. The growing 5G investment can generate demand for the optical communication equipment industry.

China's optical cable output stabilized at more than 300 million fkm from 2015 to 2018, but slumped in 2019. In view of the fact that the large-scale construction of 5G did not commence, and the huge demand for new optical fiber network was not generated, the three major operators reduced their capital expenditure for fixed network construction, resulting in an imbalance between the supply and demand of optical fiber and cable in 2019 and a sharp drop in the optical fiber price in centralized procurement. The deterioration of the environment dragged down the output and the optical cable revenue of leading companies in the optical fiber and cable industry. In 2020, as China's 5G network construction gradually progressed, optical cable output and demand tended to ascend, especially the output hit 289 million fkm.

Optical fiber preforms feature high technical threshold, difficult production technology, long expansion period, and high investment, but lucrative profits. The capacity expansion of optical fiber preforms generally takes 2 years or more, whereas less than 6 months for optical fiber and only 3 months for optical cable. As per the expansion plans of optical fiber preform manufacturers, the average investment in equipment for every 100 tons of optical fiber preforms is about RMB200 million, which small-scale enterprises cannot afford. Therefore, the current production of optical fiber preforms in China is still dominated by the top six major optical fiber and cable companies: Wuhan YOFC, Futong Group, Hengtong Group, FiberHome Telecommunication Technologies, ZTT and Tongding Group, which have realized the vertical integration of □optical fiber preform - optical fiber - optical cable□. Meanwhile, small and medium-sized enterprises in the industry mainly purchase optical fiber preforms from domestic giants or import optical fiber preforms from abroad to produce optical fiber and cable at high costs.

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Global and China Optical Fiber Preform Industry Report, 2021-2026 highlights the following:

Definition, classification, industrial chain and technology trends of fiber preforms;
Global optical fiber preform market (supply & demand, regional distribution, price, competitive pattern, and development trend);
Chinese optical fiber preform market (policy, supply & demand, import & export, competitive pattern, price, and development trend);
Developments of global and China optical fiber & cable markets;
11 global and Chinese optical fiber preform companies (operation, optical fiber preform business, etc.).

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