

Data Center Switch Market to Surge as AI and 5G Drive Demand (2021-2031)

Data Center Switch Market Expected to Reach \$24.6 Billion by 2031—Allied Market Research

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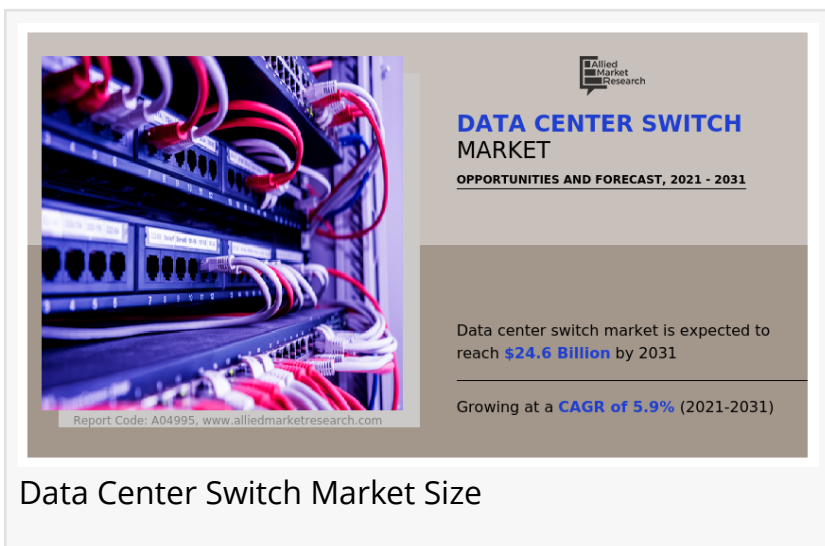
The [data center switch market](#) share is expected to witness considerable growth, owing to a surge in deployment of InfiniBand across BFSI vertical, especially in the U.S., China, Japan, and Germany, due to the rise in demand for data center switches in these countries.

Allied Market Research, titled, "Data Center Switch Market," The data center switch market size was valued at \$13.8 billion in 2021 and is estimated to reach \$24.6 billion by 2031, growing at a CAGR of 5.9% from 2021 to 2031.



Key factors affecting the data center switch market trends: rising cloud and edge computing, increased data localization regulations, and high operational costs."

Allied Market Research



The graphic features a photograph of server racks with red and blue cables on the left. On the right, it contains the following text: Allied Market Research logo, 'DATA CENTER SWITCH MARKET', 'OPPORTUNITIES AND FORECAST, 2021 - 2031', 'Data center switch market is expected to reach \$24.6 Billion by 2031', and 'Growing at a CAGR of 5.9% (2021-2031)'. At the bottom left of the graphic, it says 'Report Code: A04995, www.alliedmarketresearch.com'.

Data Center Switch Market Size

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Data center switch is an emerging technology with a new class of switch and networking infrastructure. A data center switch is a high-performance switch mainly for large enterprises and cloud providers who rely heavily on virtualization. It can be deployed throughout the data

center or to anchor a two-tier (leaf-spine) or one-tier flat mesh or fabric architecture. Key factors that drive the growth of the global data center switch industry include a rise in cloud computing, growth in edge computing, and an increase in government regulations regarding the localization of data centers. However, high data center operational cost restricts growth up to a certain level.

Key [data center switch market trends](#) that are helping the world of data centers are the cloud

and its connection to billions of connected devices such as PCs, autonomous vehicles, virtual reality systems, and others. When smart devices are connected to the cloud, the data generated can be analyzed in real-time enabling these devices to be more useful data center ethernet switch products. The emergence of artificial intelligence, virtual reality systems, and 5G networks has given rise to the number of data centers, which drives the growth of the data center switch market.

Several countries globally have passed data localization laws. This is primarily due to the regulatory and security reasons. Industry verticals especially BFSI are stringent regarding hosting its data in a data center out of the country resulting in setting up a local data center. For instance, Oracle, a U.S. technology giant proposed to set up a local data center in India for expanding its cloud services. Also, IBM and NTT Communications already have two and three data centers respectively in India. Similarly, the Chinese regulatory, Ministry of Industry and Information Technology (MIIT), has also largely favored the issuance of Internet data center (IDC) licenses to local vendors. Furthermore, the Indonesian government Regulation No. 82 mandates Indonesian businesses conducting electronic transactions to store personal data in data centers in the country. Hence, favorable government initiatives to set up local data centers in turn drive the global data center switch market growth.

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According to data center switches market analysis, the 100G segment was the highest revenue contributor to the market, in 2021, 100G data center switches offer a high-performance environment that combines scalable L2 & L3 resources and high density with extensive automation and programmatic capabilities. This type of switch data center security switch is widely used in huge-scale data center applications and large enterprises & businesses. Additionally, the Infiniband segment dominated the market, in terms of revenue, in 2021, and is expected to follow the same trend during the forecast period, InfiniBand switch delivers an ideal combination of price and performance. These switches also provide high-performance computing to data centers at competitive pricing with maximized results. Mobile smartphones amongst these are poised to generate significant market returns. Such varied benefits offered by OLED technology are expected to drive the growth of the global OLED display market during the forecast period. The outbreak of COVID-19 has significantly impacted the growth of the data center switch sector in 2020, owing to the significant impact on prime players operating in the supply chain. On the contrary, the market was principally hit by several obstacles amid the COVID-19 pandemic, such as a lack of skilled workforce availability and delay or cancelation of projects due to partial or complete lockdowns, globally.

The key players profiled in this report include Arista Networks, Jupiter Networks, Huawei, Dell EMC, Mellanox, Cisco, Extreme Networks, Hewlett Packard Enterprise, Ericsson, and ZTE. These key players have adopted strategies, such as product portfolio expansion, mergers & acquisitions, agreements, regional expansion, and collaborations to enhance their market

penetration.

Country-wise, the U.S. holds a significant [data center switch market share](#), owing to the presence of prime players. Major organizations and government institutions in the country are intensely putting resources into these data center switch these prime sectors have strengthened the growth of the display market in the region.

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