

Submarine Cable Systems Market Accelerates Amid Hyperscaler Investments and Strategic Government Initiatives

Global submarine cable market to hit \$65.37B by 2032, driven by hyperscaler investments, government support, and surging cloud data demand

AUSTIN, TX, UNITED STATES, July 21, 2025 /EINPresswire.com/ -- As per DataM Intelligence analysis, the global [submarine cable systems market](#) was valued at US\$33.75 billion in 2024 and is projected to reach US\$65.37 billion by 2032, growing at a robust CAGR of 8.8% during the forecast period. This rapid growth is fueled by surging global data consumption, increased cloud and hyperscaler traffic, and the urgent need for faster, more resilient international connectivity.

Project	Description	Location	Timeline	Strategic Purpos
Barracuda SCS	1,070 km cable, 12 fibre pairs, 32 Tbps per pair; open-access CLS and edge data centre in Alicante	Valencia-Genoa (Alicante landing)	Operations by 2028	Establish Valencia/Alicante as a new Mediterranean hub with sustainable digital infrastructure
Medusa Submarine Cable	8,760 km (initial phase), connecting Lisbon, Barcelona, Marseille, Algiers and Athens; 24 fibre pairs	Portugal, Spain, France, Italy, Cyprus, Morocco, Algeria, Tunisia and Egypt	Phase I by 2025-26	Expand pan-Mediterranean connectivity; enable resilient routes across North & South shores
BlueMed Cable System	1,000+ km cable, part of global Blue & Raman subsea network; multiple fibre pairs	Genoa, Palermo, other Med landings	Commissioning 2025-2026	Provide alternate, high-capacity routes in Central & Western Mediterranean
MIST Submarine Cable	8,100 km cable, 200+ Tbps capacity, connects MY-IN-SG-TH	Mumbai, Chennai (landing stations)	Commissioning by June 2025	Strengthen regional digital connectivity and global data transfer capacity

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Hyperscaler-led submarine cable investments aren't just about speed—they're reshaping global infrastructure, enabling AI, 5G, and digital inclusion across continents."

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Today, submarine cables transmit over 98% of global internet traffic, forming the critical backbone of the digital economy. Both private and public investments are accelerating across the sector. Notably, major hyperscalers such as Google, Meta, Microsoft, and Amazon are taking direct ownership of new cable systems, aiming to control data flows and minimize latency. In September 2024, OMS Group announced a significant US\$300 million investment to expand its submarine cable assets and terrestrial infrastructure across Asia, delivering integrated solutions

that connect subsea systems, cable landing stations, and backhaul networks.

Government and multilateral support are also on the rise. For example, in May 2024, the World Bank approved a US\$35 million loan for the Black Sea Submarine Cable Project, aiming to enhance fiber-optic and electricity interconnections between Georgia and Romania. The European Commission has allocated €142 million under the CEF Digital Program to strengthen submarine cable security and resilience, building on a total EU investment of €420 million under the 2021–2023 program, with another €542 million planned for 2024–2027.

Emerging digital hubs are playing a pivotal role as well. Djibouti, for instance, has invested over US\$200 million in 12 submarine cables, positioning itself as a key connectivity gateway between Europe, Asia, and Africa. Supported by the World Bank’s Eastern Africa Regional Digital Integration Project, Djibouti’s infrastructure expansion is critical for regional connectivity and digital growth in neighboring countries.

The market outlook is further supported by large-scale projects that are redefining the global landscape. Projects such as Barracuda SCS, Medusa Submarine Cable, BlueMed Cable System, and the MIST Submarine Cable are establishing new high-capacity, open-access digital corridors across Europe, the Mediterranean, and Asia, reinforcing the region’s strategic importance in the global digital infrastructure.

Major Submarine Cable Projects Powering Mediterranean and Asian Connectivity

To meet surging data demands and drive digital integration across continents, large-scale submarine cable initiatives are being launched throughout the Mediterranean and Asia. The table below highlights four transformative projects such as Barracuda SCS, Medusa Submarine Cable, BlueMed Cable System, and MIST Submarine Cable each designed to deliver high-capacity, open-access connectivity, increase route diversity, and reinforce the region’s role in the global digital infrastructure.

In the Asia-Pacific region, the submarine cable market is experiencing rapid growth, driven by escalating data traffic, cloud computing expansion, and a growing reliance on AI and 5G technologies. Demand for high-capacity, low-latency infrastructure is prompting significant investment from telecom operators, governments, and hyperscalers. Operators are increasingly building redundant routes and diversifying landing stations to enhance network reliability and reduce risks of single-point failures. For instance, NEC’s Patara-2 submarine cable in Indonesia, launched in October 2023 in collaboration with Telkom Indonesia, improves connectivity across the eastern islands and bolsters overall network resilience.

Collaborative partnerships and consortium-led investments remain central to market expansion. The India Asia Xpress (IAX) cable system, launched by Dialog Axiata in Sri Lanka in May 2025, was developed in partnership with Reliance Jio and major hyperscalers. The IAX system strengthens Sri Lanka’s connectivity with key regional hubs while integrating with Dialog’s existing cable systems for enhanced service continuity.

Another trend shaping the industry is the decentralization of landing points, improving latency

and reducing congestion in major cities. Examples include Patara-2's landings in remote Indonesian islands and IAX's connections via Matara, reflecting a wider move toward infrastructure diversification and digital inclusion.

Hyperscaler and cloud provider investments are now leading the market, with Google, Meta, Microsoft, and Amazon accounting for over 80% of trans-Pacific bandwidth demand. These companies are shifting from traditional consortium models to exclusive fiber pair ownership for better control over performance, capacity, and cost. Google's TOPAZ cable, for example, provides a unique route between Japan and North America via Canada, bypassing common landing points and reducing dependency on traditional networks.

Driven by a need for ultra-low-latency and high-capacity routes to support AI, edge computing, and cloud growth, hyperscaler-led investments are reshaping the landscape. Indonesia is rapidly emerging as a critical landing and transit hub, powered by Telin's investments in projects like the Indonesia Cable Express (ICE) and Bifrost cable, which directly connect Southeast Asia to the US West Coast.

According to IPTP Networks, global submarine cable investments are expected to rise from US\$7.96 billion in 2023 to US\$9.80 billion by 2029, fueled primarily by hyperscaler expansion. Meta's plans for a 1 Pbps transatlantic cable using advanced transmission technology exemplify the industry's push for unprecedented capacity to support AI and cloud services.

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Strengthening Regional Connectivity: Japan–Korea and Asia Backhaul Systems

Strategic investments in submarine cable infrastructure continue to strengthen regional connectivity between Japan, Korea, and the broader Asia-Pacific. Next-generation systems such as NCP and SJC2 provide essential high-capacity, low-latency routes that support the accelerating growth in hyperscaler, cloud, OTT, and enterprise data services across this vital digital corridor. By enabling multi-country landings and advanced design capacities, these cables help ensure the reliability, diversity, and resilience that are now critical for both public and private sector networks.

The following table benchmarks the leading submarine cable systems driving regional integration:

1. Korea–Japan Cable Network (KJCN)

- Landing Stations: This cable connects Japan (Fukuoka, Kitakyushu) and Korea (Busan).
- System Length: Approximately 500 kilometers, making it the shortest among the three.
- Design Capacity: 28.8 Terabits per second (Tbps).
- Key Segments: Primarily serves Telcos, Financials, and Enterprise users.
- Customer Focus: OTT (Over-the-top platforms) are listed as major customers, indicating a

focus on content delivery services and streaming platforms.

2. NCP (New Cross Pacific Cable System)

- Landing Stations: Extends from Japan (Maruyama), Korea (Busan) and also connects to China, the US, and Taiwan.
- System Length: 13,618 kilometers, making it a trans-Pacific cable system.
- Design Capacity: 70.0 Tbps, significantly higher than KJCN.
- Key Segments: Tailored for Hyperscalers, Telcos, and OTT players, supporting high-volume, low-latency data demands.
- Customer Focus: Again, OTT players are among the primary customers, along with other tech-heavy enterprises.

3. SJC2 (Southeast Asia–Japan 2 Cable)

- Landing Stations: Features 11 stations across regions like Singapore, Cambodia, Thailand, and Vietnam.
- System Length: Measures around 10,500 kilometers, serving a broader Southeast Asian footprint.
- Design Capacity: Offers a massive 144 Tbps (comprising 8 channels of 18 Tbps each), the highest among the listed cables.
- Key Segments: Primarily supports Hyperscalers and Data Center operators, reflecting its high capacity and scale.
- Customer Focus: Targets OTT platforms and Data Center operators, suggesting a robust infrastructure for cloud computing and digital content distribution.

However, this growth also comes amid increasing geopolitical risks and heightened concerns over cable security. Recent incidents in the Baltic Sea, Red Sea, and Taiwan Strait underscore the importance of resilient and redundant network routes. Service providers are responding with advanced systems designed for robust,

Overall, the global submarine cable systems market is poised for robust, sustained growth, supported by hyperscaler-driven deployments, public-private partnerships, regional integration initiatives, and a relentless drive toward next-generation, secure, and high-capacity cable infrastructure.

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