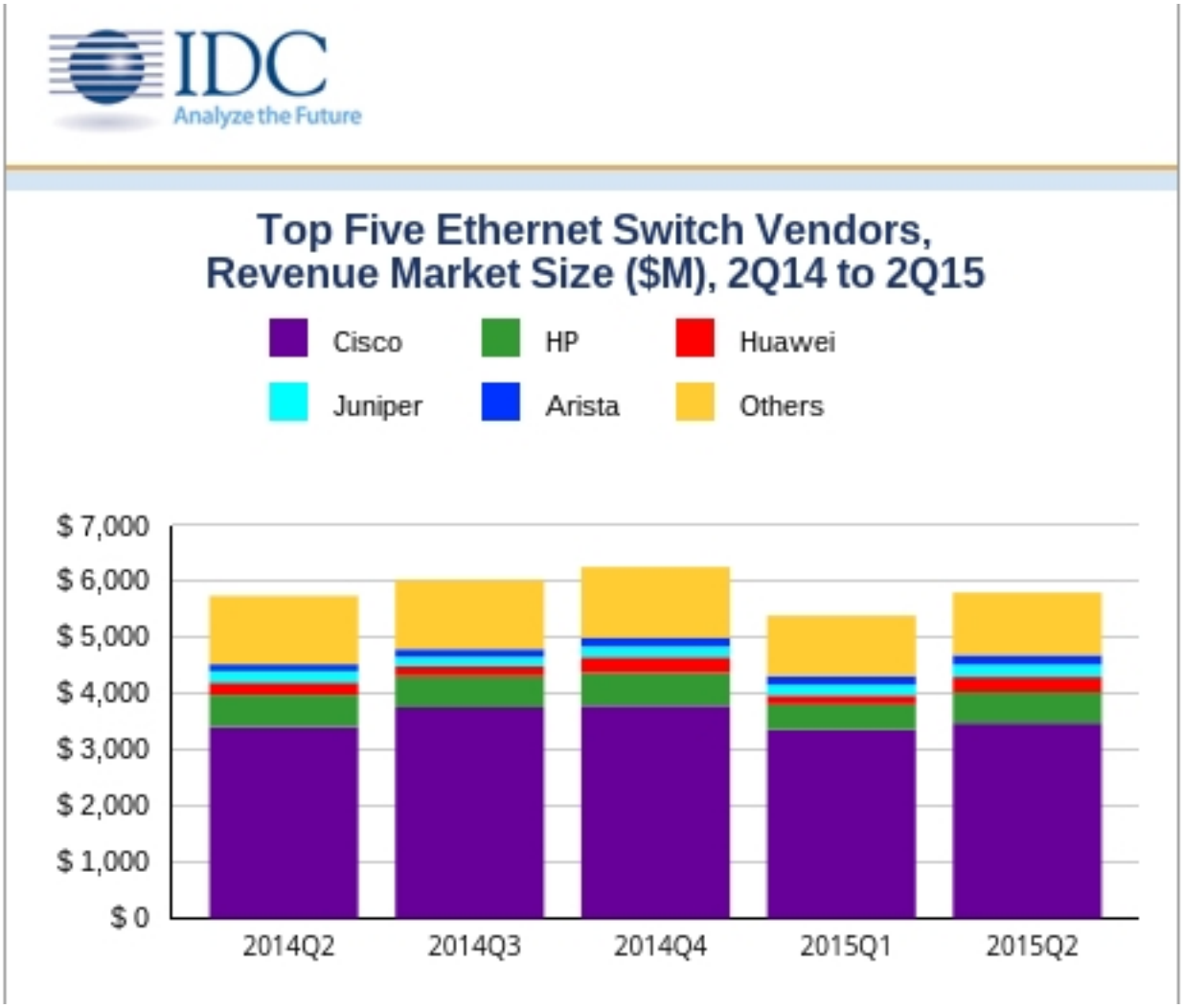
The EMEA Q2 2015 ethernet switch (layer 2/3) market is "relatively weak," IDC reports, with Y-o-Y revenue declines reaching -2.4% Y-o-Y (or -3.2% Q-o-Q). Global revenues remain more or less flat with 1% Y-o-Y growth.




"Overall revenue and port shipment growth was weaker than expected in 2Q15. Even the relatively strong 10Gb segment saw weaker results than expected," the analyst says. "Given the increasing workloads traversing networks across the enterprise, datacentre, and with service providers, this weakness is likely the result of anticipation for and delayed decision-making around newer and emerging speeds, the intensifying competitive landscape, and of course, continued macroeconomic concerns."

10Gb ethernet switch (layer 2/3) revenues are down by -3.9% Y-o-Y to reach just under $2.1 billion, while ethernet switch port shipments show "robust" 16.4% Y-o-Y growth to total 7.3 million units as ASPs continue to fall. 40Gb ethernet revenues total $500m with 59.7% Y-o-Y growth, and 1Gb ethernet switch revenues decline slightly (-1.5% Y-o-Y) due to price erosion.

Meanwhile enterprise and service provider routers remain on the rebound from recent Y-o-Y declines with revenues growing by 11.5% Y-o-Y (and 11.5% Q-o-Q). IDC says the market is one to "watch closely" once network managers and service provider start taking advantage of upcoming software-defined architectures.

Routers are a bright spot in EMEA, where growth reaches 10.4% Y-o-Y.

"Falling switch port prices have a flattening effect on overall market growth, even as demand for switches, especially 10Gb and 40Gb Ethernet switch ports, increases," the analyst concludes. "As newer standards at higher speeds such as 25Gb, 50Gb, and 100Gb Ethernet grow to critical mass over the next few years, one can expect this segment to stay dynamic and interesting for the foreseeable future."

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