

# EUROPEAN LANGUAGE INDUSTRY SURVEY

2020  
BEFORE & AFTER COVID-19

**elia.**



# European Language Industry Survey

- Annual survey of the European language industry, initiated in 2013 by EUATC and co-organised by the other main international associations of the industry ELIA, FIT Europe and GALA
- Actively supported by the EMT university network and the European Commission's LIND group
- Open to LSPs, buyers, freelancers, training providers and private and public translation departments
- The survey covers:
  - Expectations & concerns
  - Challenges and obstacles
  - Changes in business practices
- 809 responses from 45 countries to the main survey  
600 responses to Covid-19 Annex for the LSC survey and  
1036 for the separate FIT Covid-19 survey



## Survey contents

- Industry profile
- Market evolution
- Growth analysis
- Business practices and plans
- Technology
- Human resources and professional development
- Concerns and needs
- Essentials for independent professionals
- Key takeaways
- Survey methodology
- Covid impact and measures

## Respondents

809 valid responses from 45 different countries:

- 203 language service companies
  - From 33 countries, 16 with response rate above target threshold
- 457 independent language professionals
  - From 34 countries, 11 with response rate above target threshold
- 60 translation departments
  - From 24 countries
- 65 training institutes
  - From 21 countries
- 24 with another profile
  - From 16 countries

## Respondents per country (1 of 3)

- Respondents from 45 countries
- 16 countries with a representative number of LSCs
- 11 countries with a representative number of independent language professionals

	Companies	Individuals	Translation Departments	Training institutes	Other
Europe					
Central & Eastern Europe					
Belarus	[5]	[10]	2	0	0
Bulgaria	2 [5]	[10]	0	0	0
Croatia	5 [5]	6 [10]	1	0	0
Czech Republic	6 [5]	30 [10]	2	0	0
Hungary	11 [5]	27 [10]	0	0	0
Macedonia	1 [5]	2 [10]	0	0	0
Poland	5 [5]	2 [10]	2	2	1
Romania	3 [5]	15 [10]	4	5	3
Russia	2 [5]	[10]	0	1	1
Serbia	6 [5]	2 [10]	0	0	0
Slovakia	10 [5]	8 [10]	1	4	1
Slovenia	9 [5]	15 [10]	1	2	0
Turkey	1 [5]	[10]	0	0	0
Ukraine	[5]	2 [10]	0	1	0
	61	109	13	15	6

## Respondents per country (2 of 3)

	Companies	Individuals	Translation Departments	Training institutes	Other
<b>Northern Europe &amp; Baltics</b>					
Denmark	2 [5]	5 [10]	0	0	0
Estonia	5 [5]	15 [10]	0	2	0
Finland	2 [5]	3 [10]	0	3	0
Latvia	3 [5]	4 [10]	0	1	1
Lithuania	8 [5]	2 [10]	0	2	0
Sweden	3 [10]	3 [20]	1	0	1
	23	32	0	6	1
<b>Western &amp; Southern Europe</b>					
	23	32	1	8	2
Austria	13 [10]	53 [20]	1	8	0
Belgium	9 [10]	7 [20]	6	5	1
Cyprus	[5]	1 [10]	0	0	0
France	6 [10]	12 [20]	2	4	1
Germany	10 [10]	20 [20]	5	0	3
Greece	13 [5]	51 [10]	3	5	2
Ireland	1 [5]	2 [10]	0	0	1
Italy	7 [10]	73 [20]	7	2	3
Luxembourg	[5]	[10]	5	0	2
Malta	[5]	[10]	2	3	0
Netherlands	11 [10]	26 [20]	4	2	1
Portugal	11 [10]	30 [20]	1	4	0
Spain	20 [10]	22 [20]	2	4	0
Switzerland	1 [5]	1 [10]	3	2	0
United Kingdom	13 [10]	11 [20]	1	3	1
	115	309	42	42	15

## Respondents per country (3 of 3)

	Companies	Individuals	Translation Departments	Training institutes	Other
<b>Americas</b>					
Brazil	[10]	1 [20]	0	0	0
Canada	[10]	2 [20]	0	0	0
United States of America	2 [10]	[20]	1	0	1
	2	3	2	0	1
<b>Africa, Asia &amp; Oceania</b>					
Argentina	1 [5]	[10]	0	0	0
Australia	[5]	2 [10]	0	0	0
China	[10]	1 [20]	0	0	0
Kenya	[5]	[10]	1	0	0
Morocco	[5]	[10]	1	0	0
South Africa	1 [5]	[10]	0	0	0
Vietnam	[5]	1 [10]	0	0	0
	2	4	2	0	0
<b>TOTAL</b>	<b>203</b>	<b>457</b>	<b>60</b>	<b>65</b>	<b>24</b>

# INDUSTRY PROFILE



## Industry Profile - a few takeaways

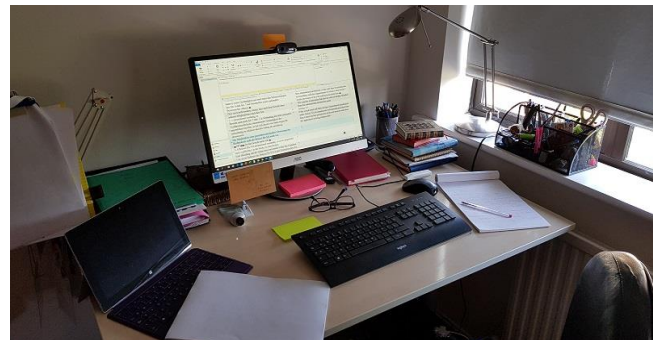
Based on the survey respondent mix:

the average language service company

- has approx. 10 employees, with slightly more women than men
- has a sales turnover of slightly over 1 M euro
- has existed for more than 10 years
- grew in 2019, but significantly less than in 2018
- has a just over 50% chance of growth

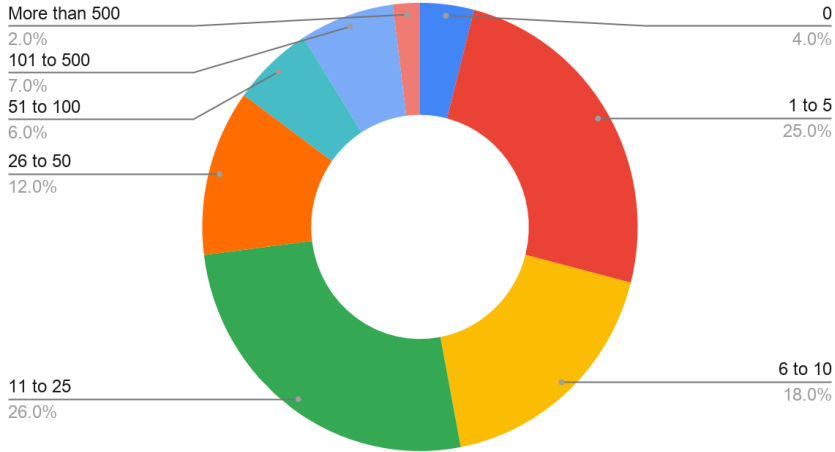
the average independent language professional

- is more likely to be a woman than a man
- has been in business for more than 10 years
- grew her business at approximately the same rate as the average company
- is more likely than not to be a member of a professional association of translators and interpreters



# Staff and sales turnover

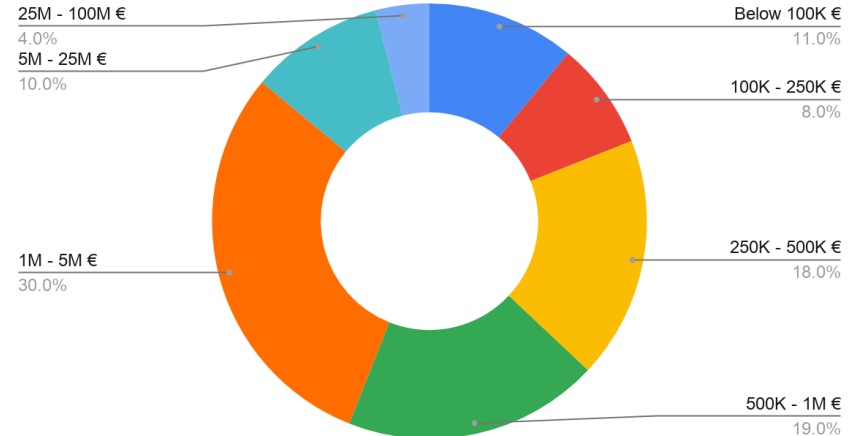
## Staff size



## More respondents in medium-size staff segments:

- only 47% within 0-10 range (56% in 2019)
- smaller mid-size (11-50) grows significantly (33% vs 26% in 2019)
- Larger mid-size (51-100) marginally higher (6% vs 5% in 2019)

## Annual sales turnover

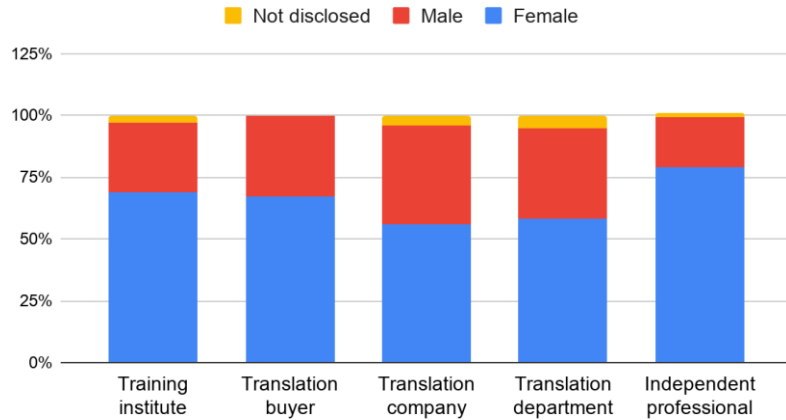


## Respondents by sales volume:

- Smallest segment (<250K) shrinks from 26% to 19%
- Segment 250K-1M increases significantly from 30% to 37%
- Highest segment stays stable (+1%), but shows a 3% shift from 1M-5M into 5M-25M

# Gender distribution

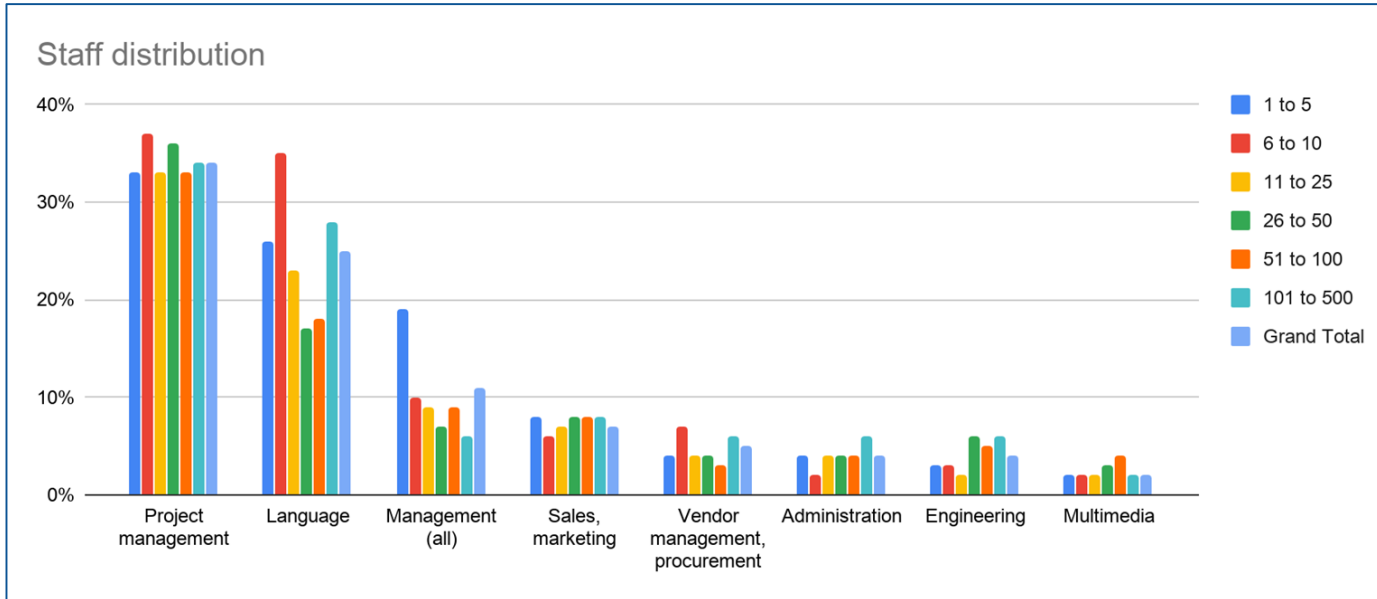
Gender distribution



Gender ratio is segment-dependent

Clearly higher female/male ratio among independent professionals than in translation companies and translation departments, with training institutes and translation buyers between both extremes

## Staff distribution in LSCs - % of function types



- Language functions surprisingly high in 6-10 and 101-500 size segment
- 7% vendor management in 6-10 size segment seems to indicate that this is the segment where a first dedicated (part- or full-time) vendor manager is hired
- Project management clearly the strongest function group in all size segments

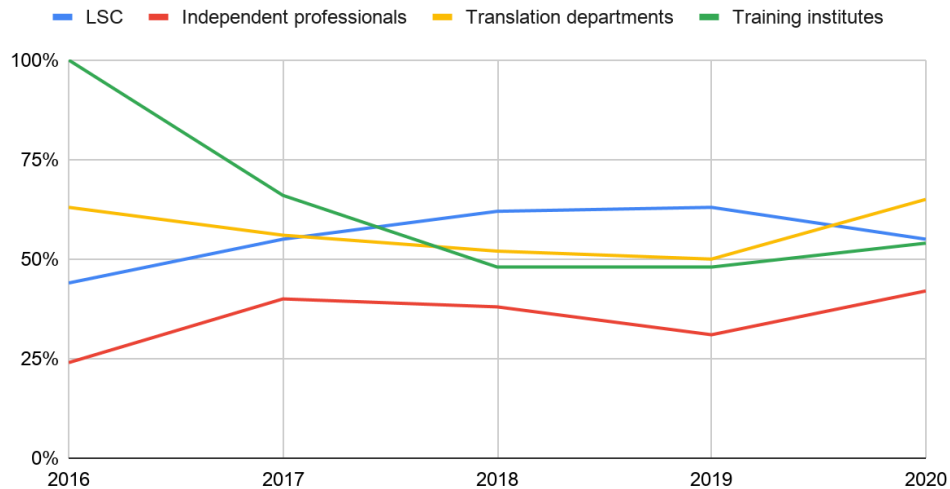
# MARKET EVOLUTION

## Market evolution pre-Covid - a few takeaways

- Pricing continues downward trend among language service companies, and bullish expectations among individual professionals flatten out after rate stagnation in 2019. 37% of translation department respondents expect stable pricing in 2020, but 18% expect a further decrease.
- Respondents saw less industry growth in 2019 than in 2018 and adapt their global market expectations for 2020
- Despite a significant growth slow-down in 2019 (much more pronounced than among independent professionals), translation companies remain confident that they will continue to grow in 2020.
- Majority of translation companies also still expect to increase staff, despite reduced growth in 2019.
- Training institutes show a lot of optimism, although a non-negligible part (15%) of respondents expects a decrease in Master students.
- Translation departments expect that they will have to handle more work with the same staff, but do not expect to outsource much more (average outsourcing in 2019 was 30%).

## 2020 before Covid - at a tipping point but still showing growth

Market activity expectations 2020 - before Covid-19



Market activity expectations remained positive in all segments, despite slowdown in LSC and freelance business in 2019.

### Important:

Percentage is not a % of increase.

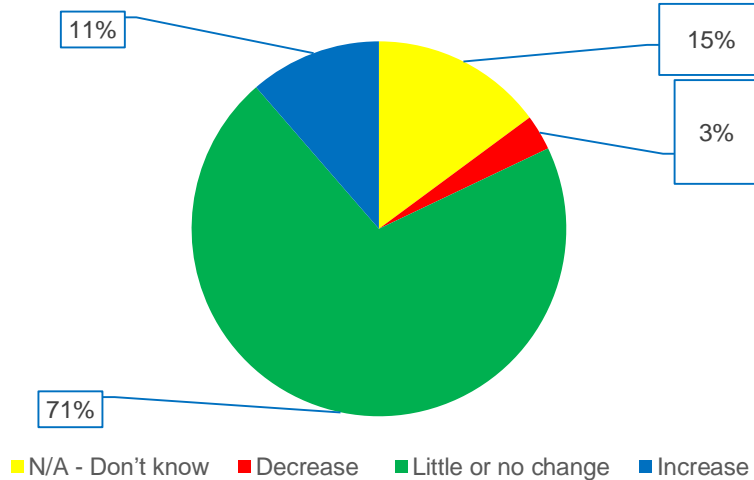
Percentage is the % of respondents reporting an increase minus the % respondents reporting a decrease.

### Important:

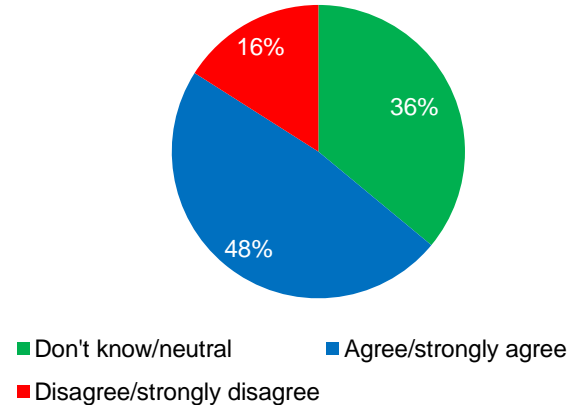
Percentage = % respondents reporting increase minus % respondents reporting decrease (not % increase itself).

## Market developments as seen by independent professionals

### Expected market change in 2020



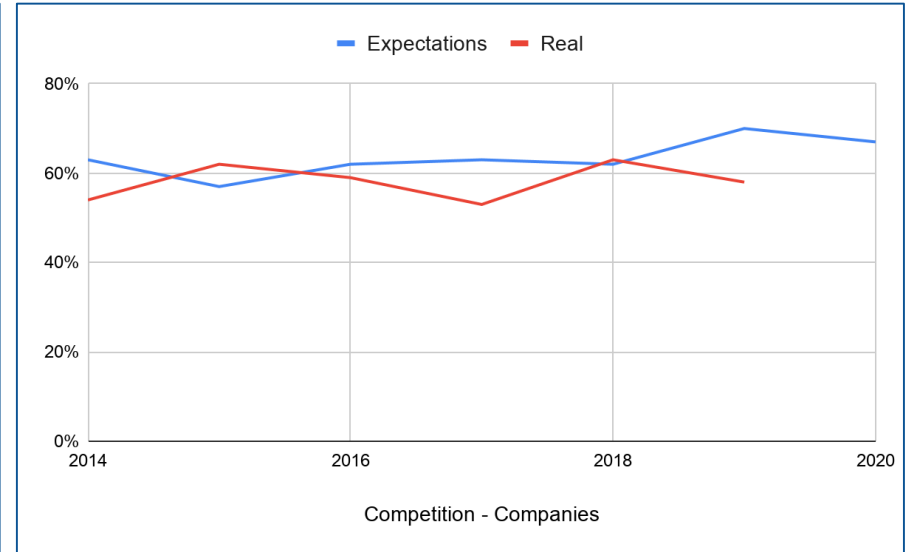
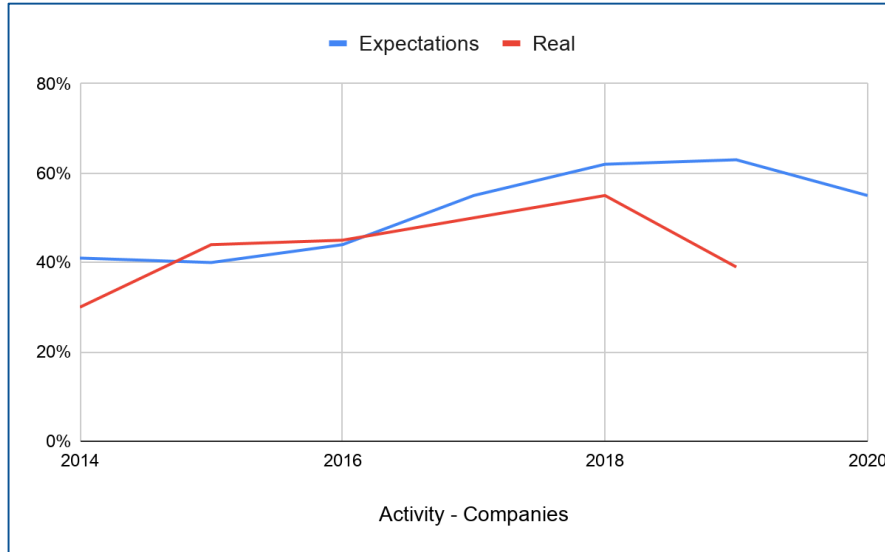
### Increase in market uncertainty compared to 2019



- While almost half agreed/strongly agreed the market in 2020 (pre-COVID) had become more uncertain almost  $\frac{3}{4}$  of independent professionals expected the market in 2020 to remain pretty much the same as in 2019.
- Subsequent COVID-19 survey was a game changer.



## Market evolution pre-Covid - activity & competition (companies only)

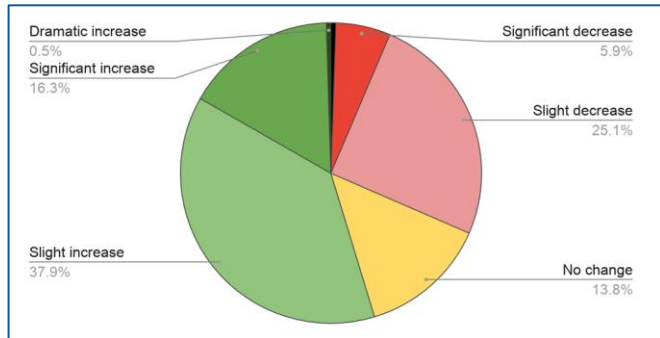
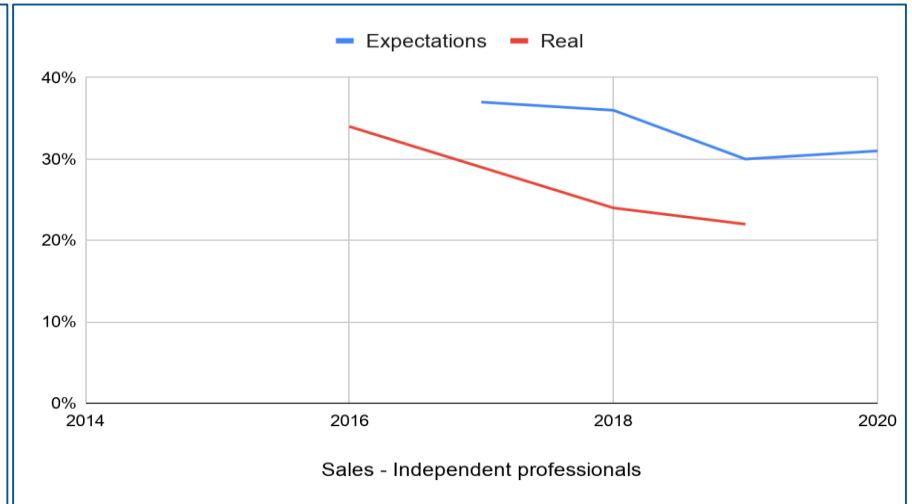
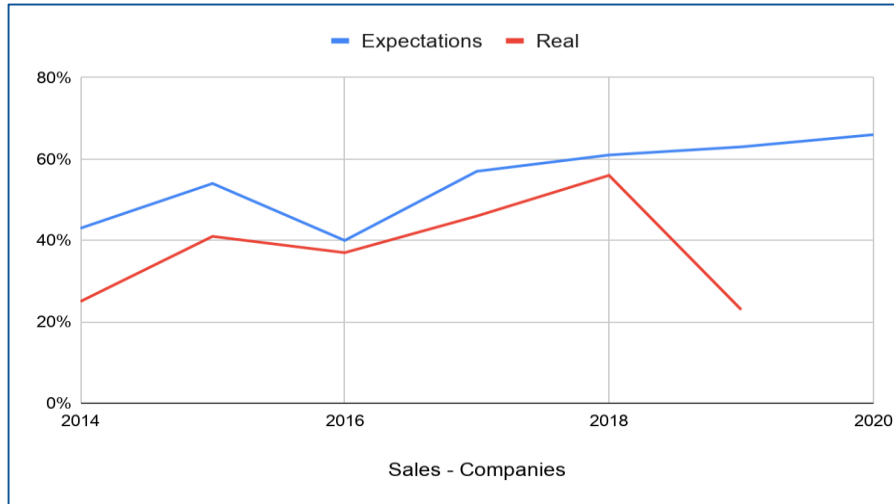


### Important:

In all market evolution charts, the percentage does not indicate the evolution itself.

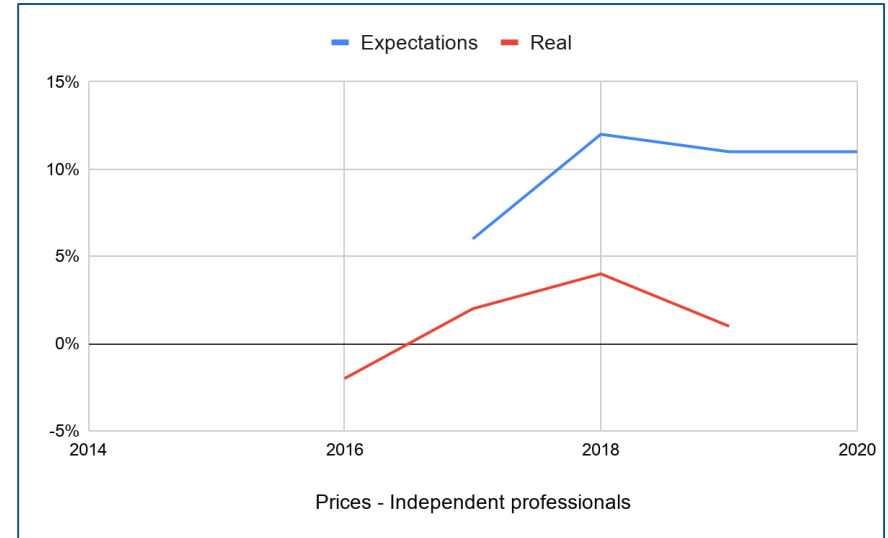
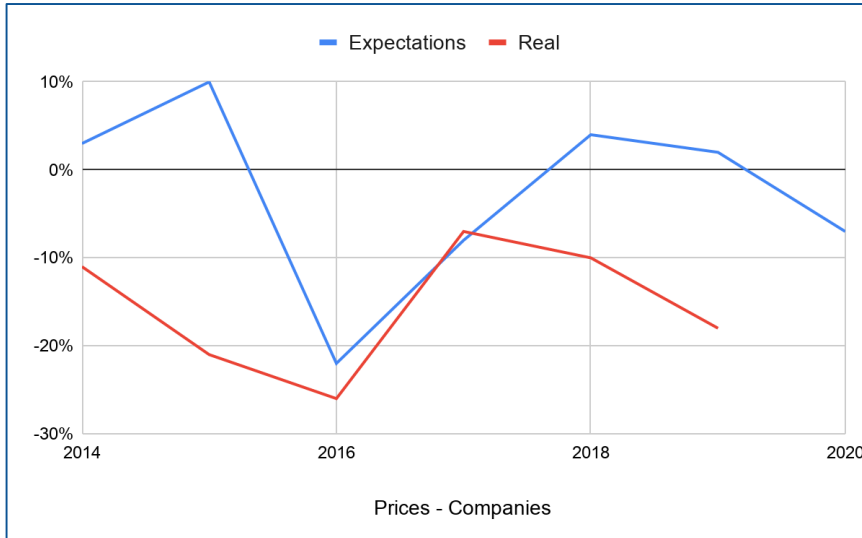
It represents the respondents that report an increase minus those that report a decrease.

# Market evolution pre-Covid - sales



- Translation company responses show a slowdown of sales figures in 2019, but confidence in personal growth remained intact and exceeded even the confidence in global market growth.
- Freelancers were somewhat less optimistic but still largely expected more business in 2020 despite a weakening growth in 2019.

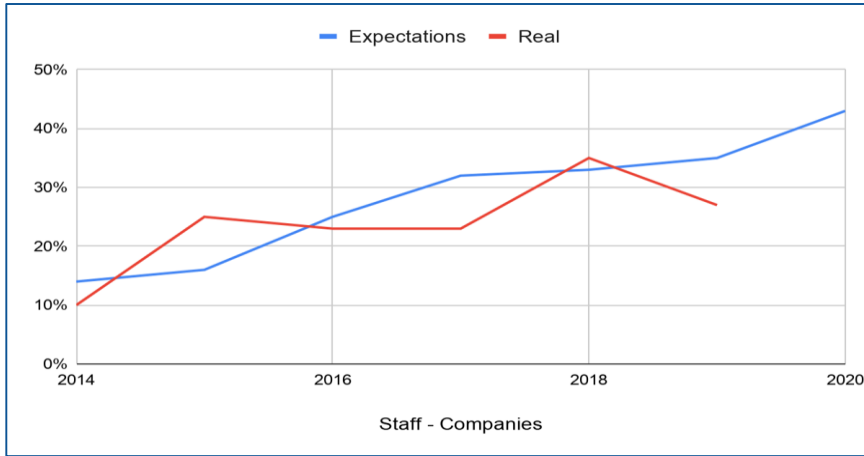
## Market evolution pre-Covid - prices



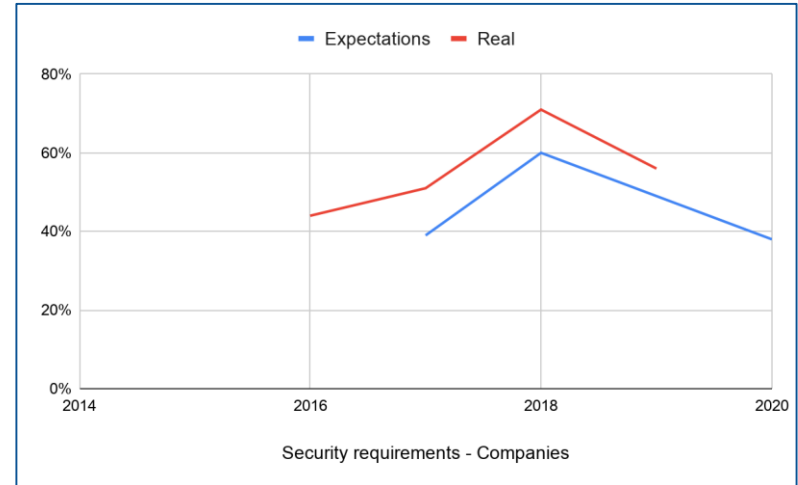
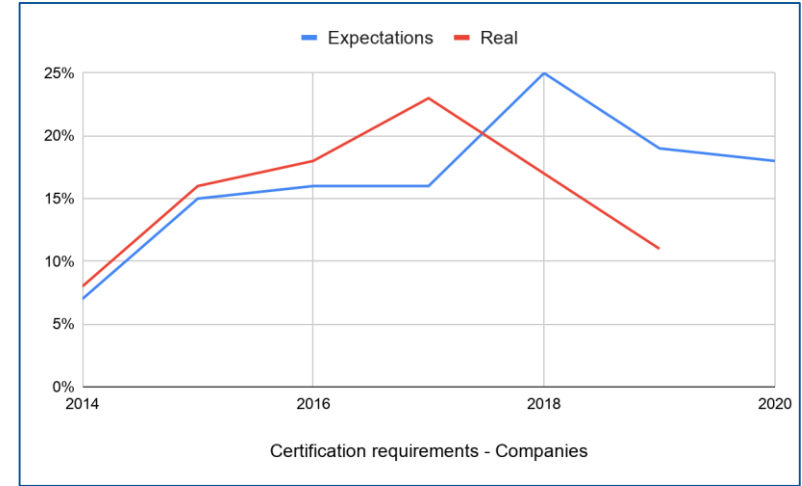
- 2019 pricing continued downward trend among LSCs. More companies expect prices to further decline.
- Freelancer responses indicate price stagnation in 2019, but expectations remained slightly bullish.
- 37% of translation department respondents expect stable pricing in 2020, but 18% expect further decrease.

# Market evolution pre-Covid staff, certification, security

*translation companies*



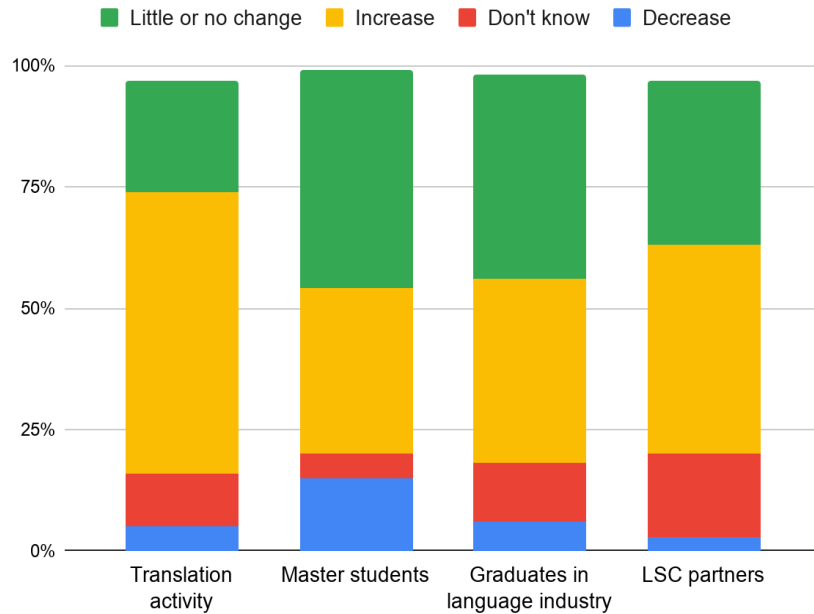
Company staff size expectations were in line with the optimistic view about expected sales.



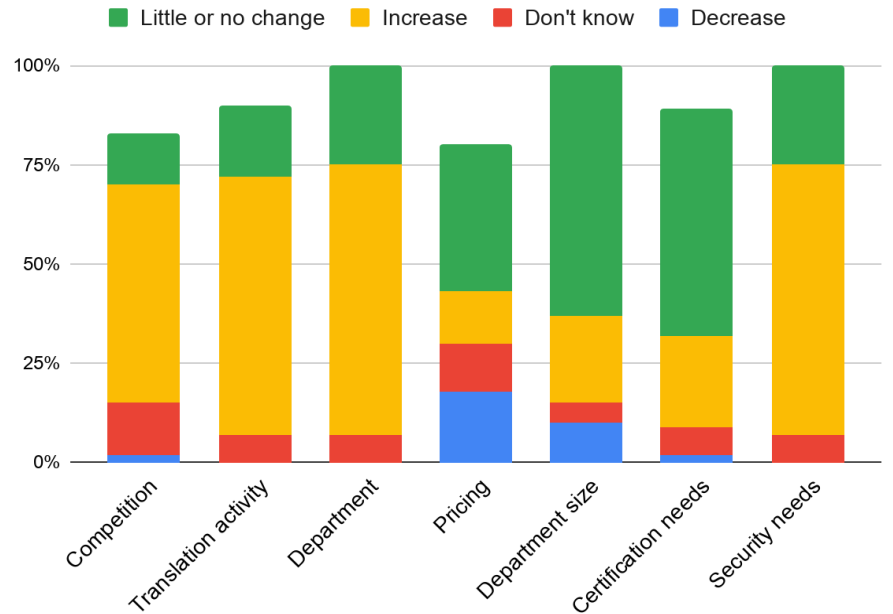
# Market expectations pre-Covid

## *training institutes and translation departments*

Market expectations - training institutes



Market expectations - translation departments

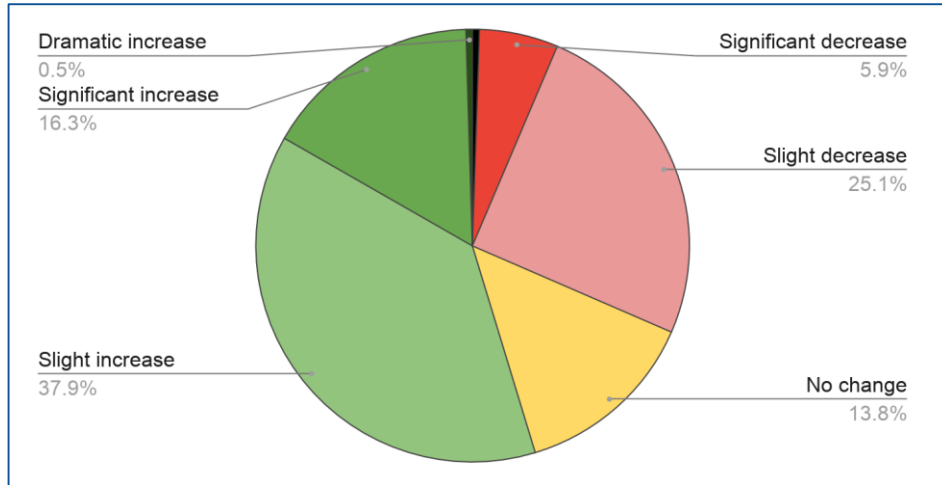


**GROWTH**

## Growth - a few takeaways

- Only 1 in 2 companies is growing
- Larger companies outperform the market
- Growth is country-dependent
- High-volume sectors contribute to growth

## 54% companies reported growth in 2019



On a typical growth year, the split is 60/40. Overall, 2019 came out positive but slightly below expectations, and it is very close to a 50/50% split now.

### Job impact

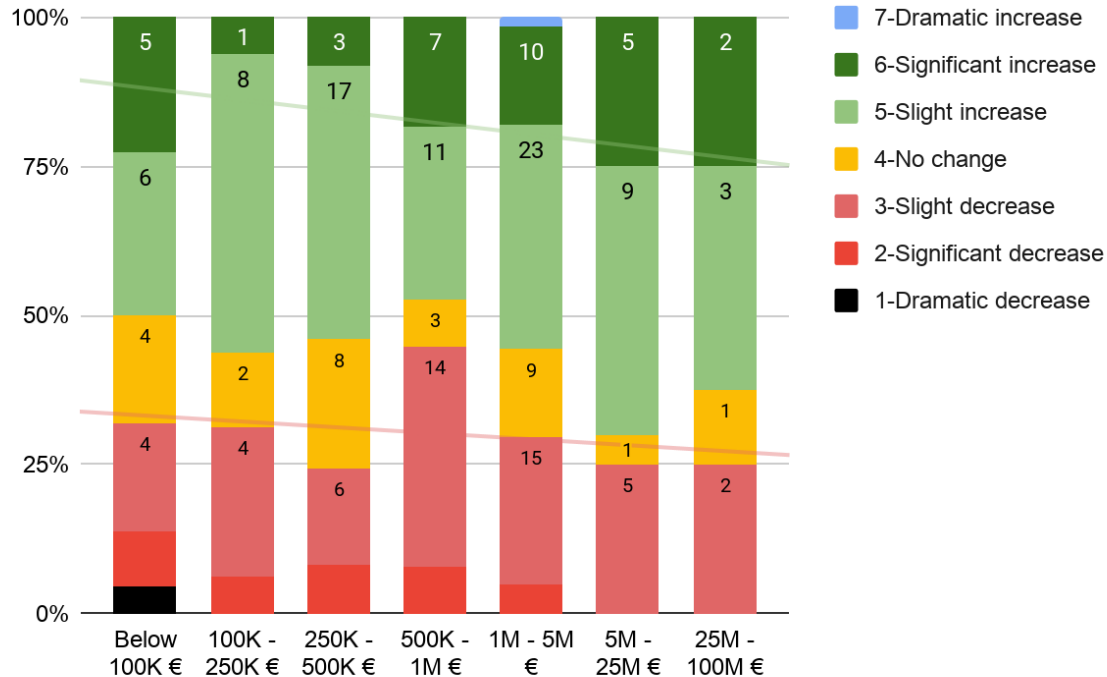
- 31% of companies in decrease reported reducing staff, and 8% more expect to size down their teams in 2020.
- 60% of companies with an increase reported additional hires.

*Although business growth slowed down in 2019, CEOs were hesitant to let go of talent.*



## Larger companies outperformed the market

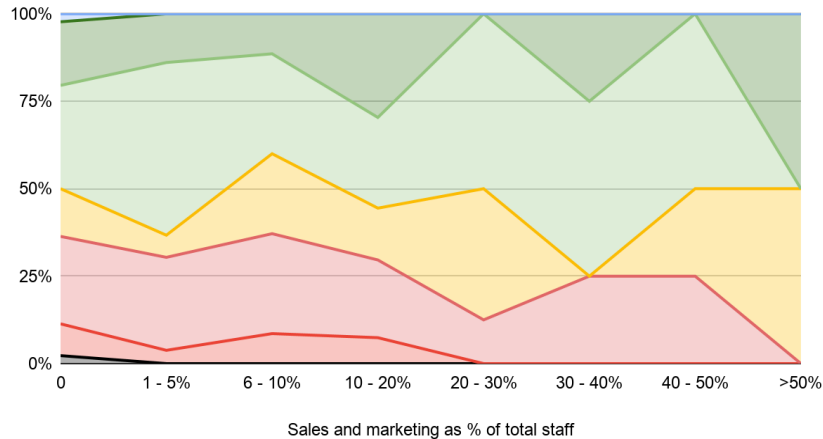
Growth vs Size



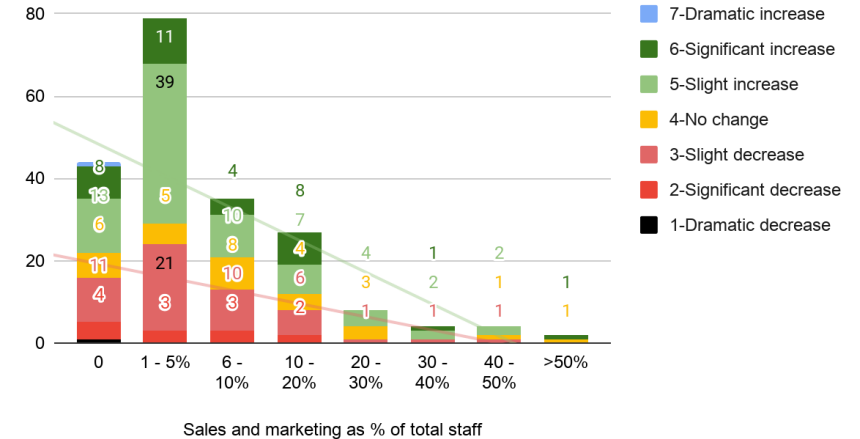
- 59% of companies above 1 million euros in sales reported growth, while for smaller firms the same figure was 51%.
- The best-performing group was 5-25 million: already well-established and with a smaller base number from which to grow.

# Larger sales teams contributed to growth

Growth vs Sales Team size



Growth vs Sales Team size (as % of total staff)



Companies with sales teams achieved slightly better outcomes.

- 63% companies with at least one salesperson reported growth, compared to 50% of companies with zero sales.
- Benefits from larger teams were irregular: under 25% with sales teams larger than 20% of staff reported decline, but not necessarily stronger growth. However, the small sample in these segments makes this conclusion less reliable.
- 70% companies set their S&M teams between 1 and 20% of the staff, while 22% didn't hire any sales.

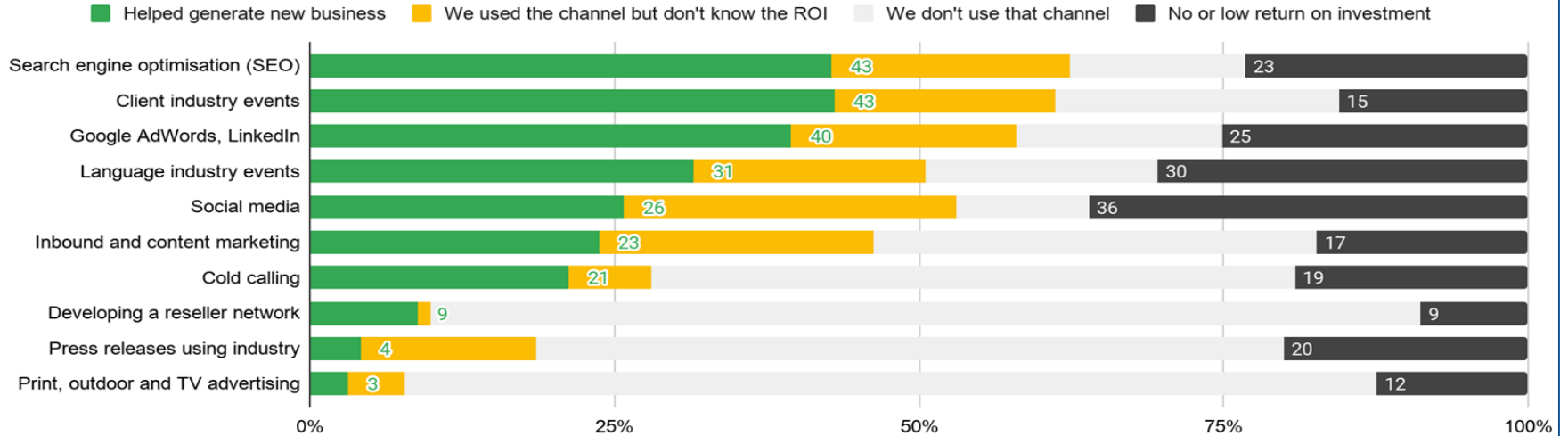
## Growth Geo Split

Country	Outcome	% that Grew	GBP growth
Hungary	Better than market	73	4.6%
Netherlands	Better than market	64	1.7%
Portugal	Better than market	64	2.0%
Spain	Market average	55	1.9%
Austria	Market average	54	1.5%
Greece	Market average	54	1.8%
Germany	Worse than market	50	0.4%
Slovakia	Worse than market	50	2.7%
United Kingdom	Worse than market	46	1.3%

- Analysis limited to countries with at least 10 answers from translation companies.
- In Hungary, the Netherlands and Portugal, a bigger percentage of LSPs reported growth, while from Germany, Slovakia and the UK a smaller percentage reported growth.
- The correlation with the national GBP growth is visible clear for the 2 large economies with a weaker performance in the language industry (Germany and United Kingdom), as well as for Hungary.
- The assumption that the growth evolution is linked to the type of economy (national or international focus) cannot be confirmed from these results.

# Channel performance

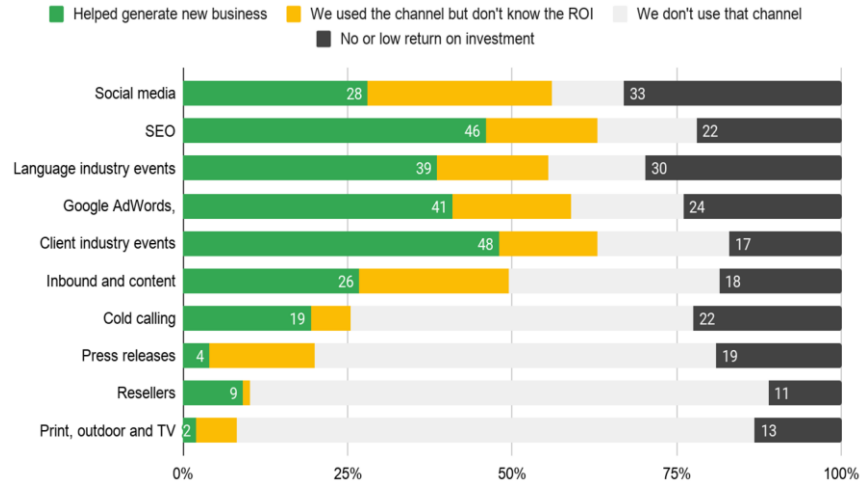
## Channel performance - total



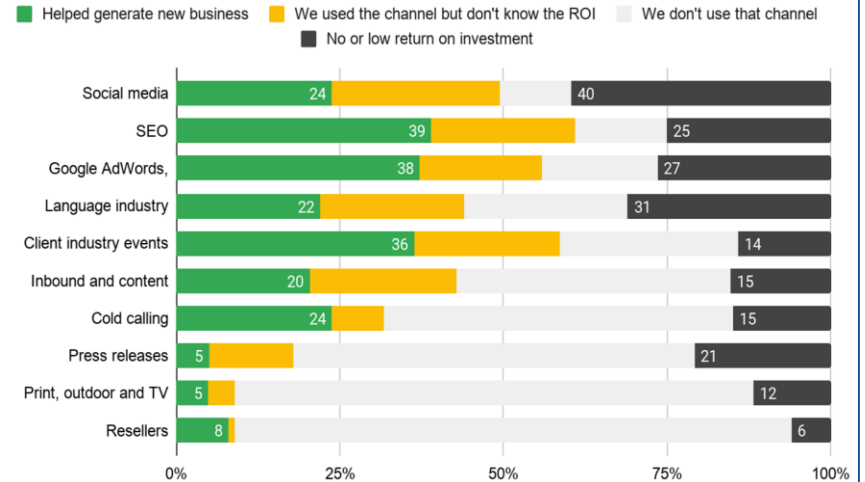
- Respondents give client events and digital search (SEO and Google AdWords) highest ratings.
- Social media management investments and industry events performance give mixed results.

# The difference is in how you use the channel

## Channel performance in growing companies



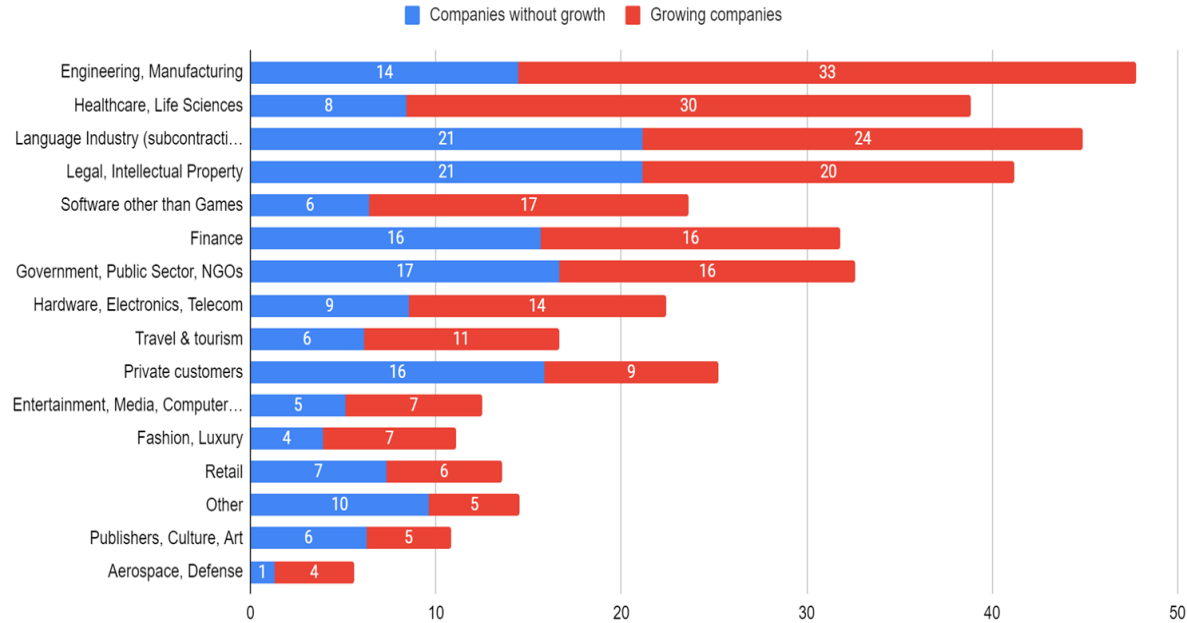
## Channel performance in companies without growth



- Growing and not growing companies utilized virtually the same channels. The difference was in performance: growing companies achieved a higher success rate on their investments.
- Growing companies seem to perform better in measuring ROI, in particular in the channels with highest return.

# Sectors - where did growth come from ?

Sector presence vs growth



- The chart does not reflect the sector size but only the ratio between growing and non-growing companies that have a significant stake (at least 25% of revenue) in the sector.
- Manufacturing, Life Sciences and Software show the highest ratio of companies with 2019 growth.
- Electronics, Travel and Fashion were growth areas as well.

## Company type vs growth

Company type	Responses	Achieved growth, %
Network of independent companies	6	75
Global multi-site company (subsidiaries on multiple continents)	23	61
Regional multi-site company (subsidiaries on one continent)	20	60
Internet-based company (managed in the cloud)	11	55
National multi-site company (subsidiaries in one country)	17	53
Single-site company	125	53

# BUSINESS PRACTICES AND PLANS

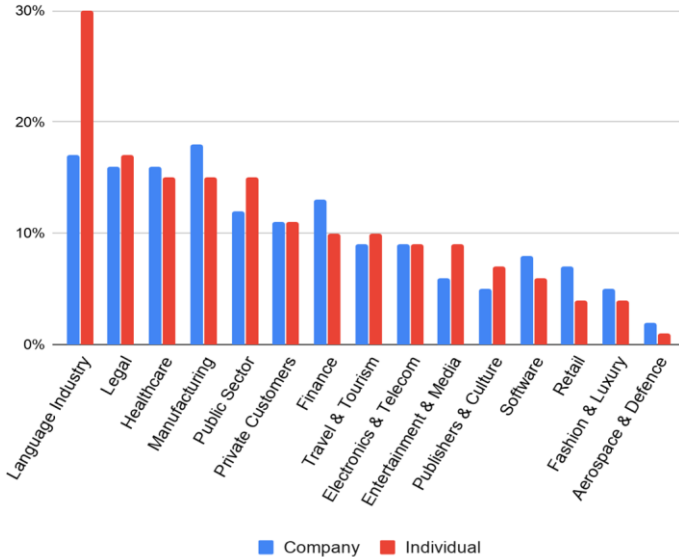


## Business - a few takeaways

- Investment mood defies geographic growth ranking
- Sector mix highly size-dependent
- New services high on mid-size agenda
- Technology is the main business theme
- Shift in outsourcing behaviour

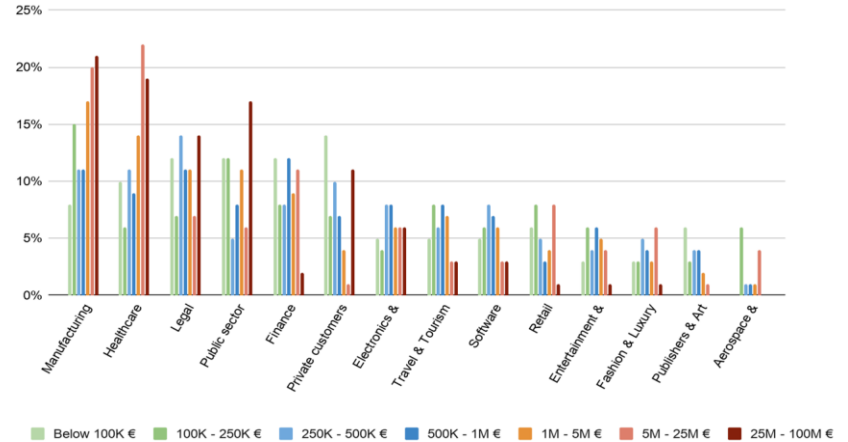
# Client sectors - different worlds where size matters

Client sectors vs respondent type



- Other sectors mentioned: food, safety, market research
- Only 12% of companies expect sector mix to change in 2020

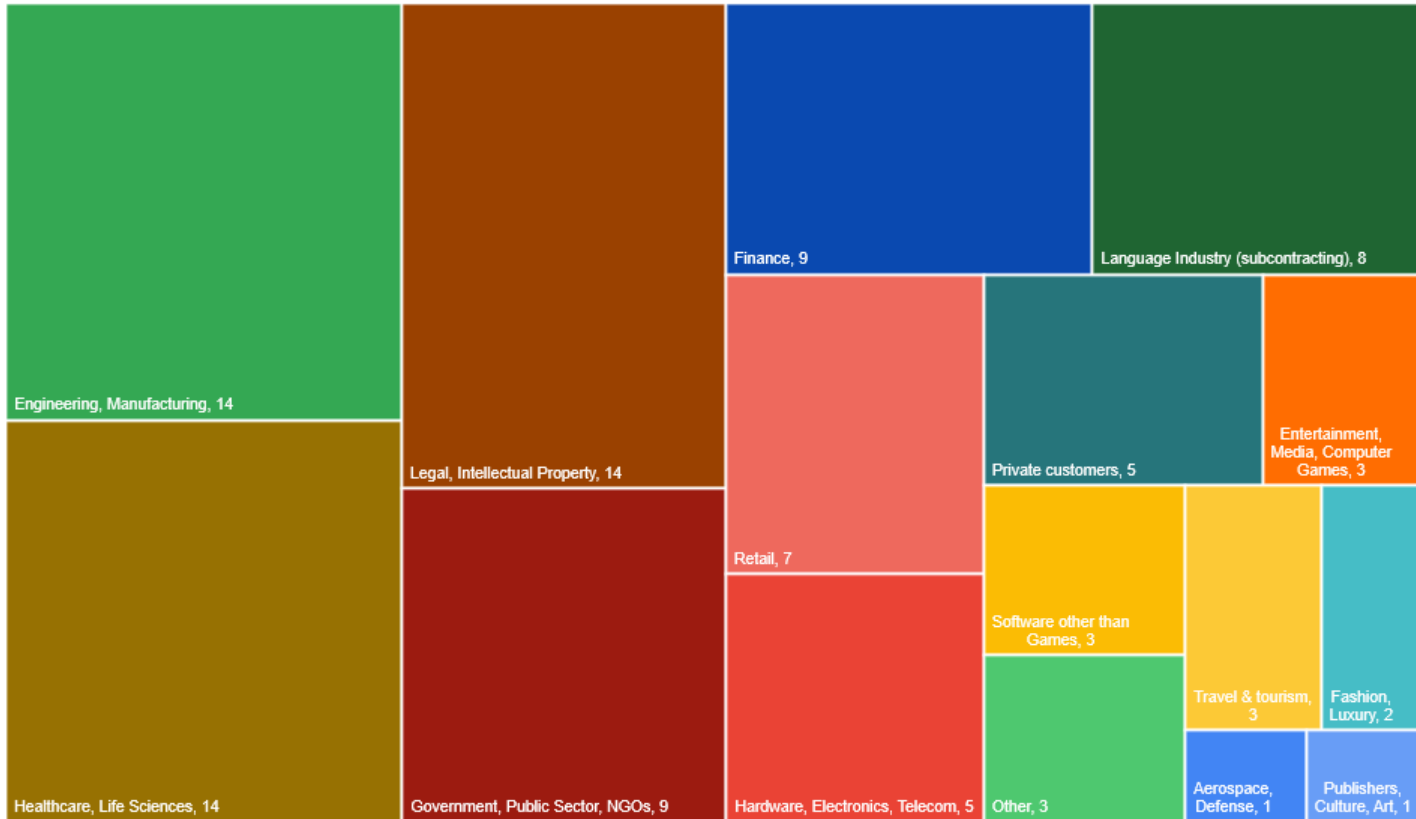
Client sectors vs company size



## Caveats:

- averages based on midpoint of percentage ranges - ex. 12.5% for answer option "lower than 25%". Totals can be higher than 100%.
- Ranking not adjusted to company size segment (see separate slide)

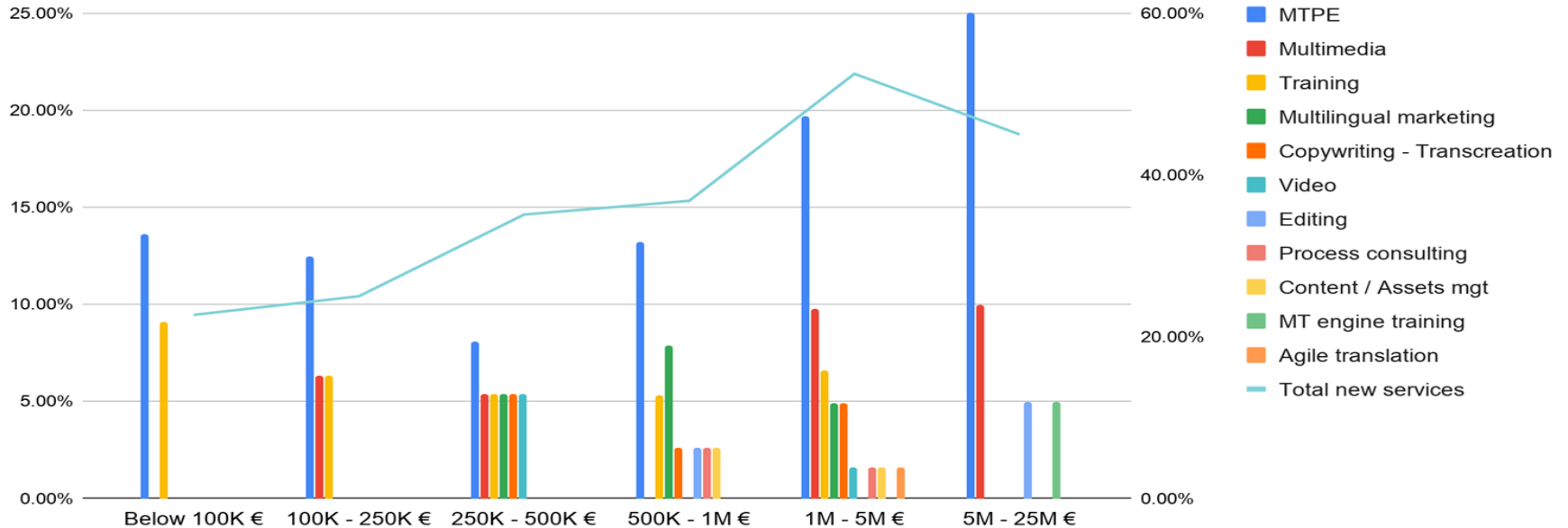
# Sectors - where did the revenue come from ?



- Taking into account the size of the participating companies, sector ranking changes.
- Document translation for highly regulated industries such as manufacturing, Life sciences, Legal, government and finance made up an estimated 60% of the respondent revenue.
- Software and media localization made up an estimate 6% of the estimated revenue.

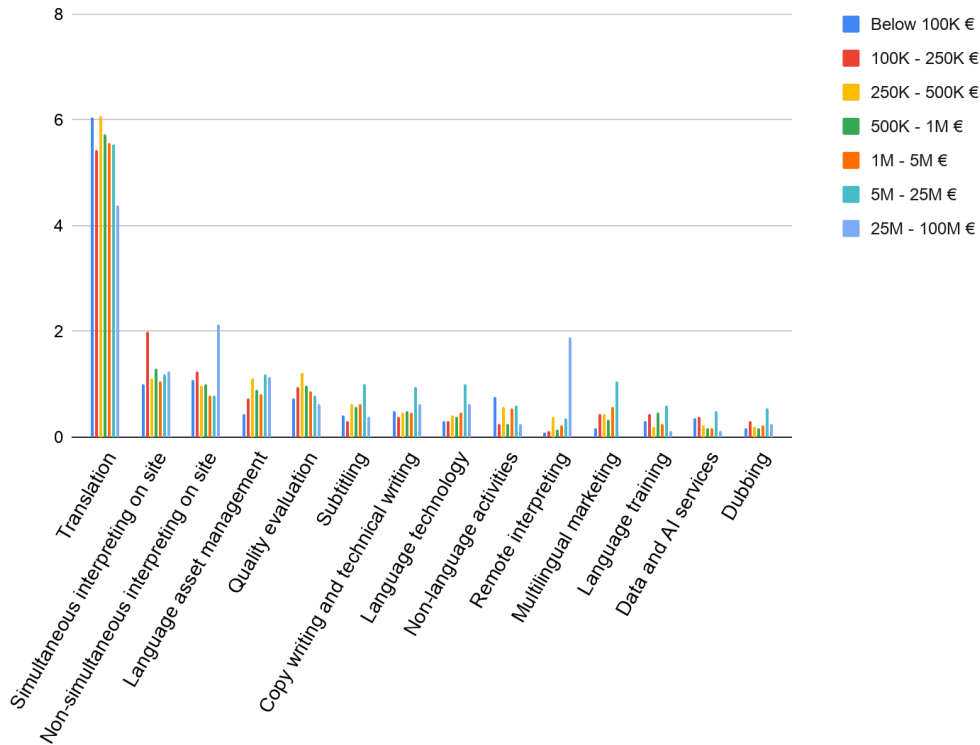
*Percent of the total. Sample size: 1.1 billion*

## New services - mainly a mid-size matter



- MT(PE) by far the most popular new service - especially in higher mid-size segment
- Training stronger in smaller size segments
- Multilingual marketing and copywriting only in mid-size
- Absence of larger size segments might indicate that they already offer all these services

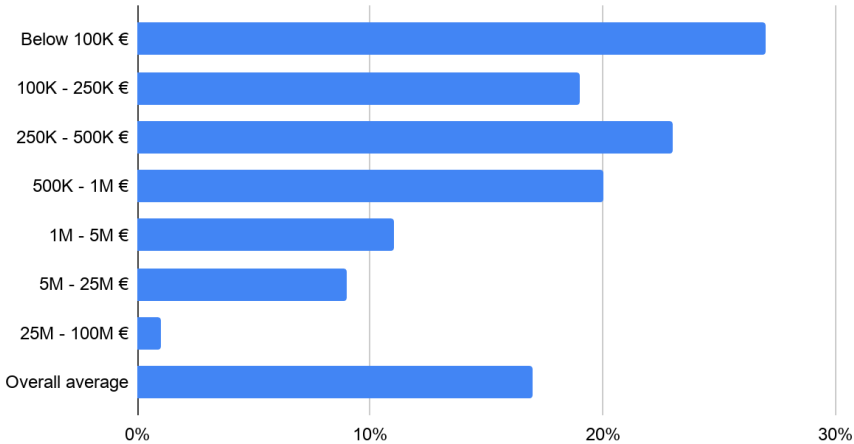
## LSC activities - no surprises



- Remote interpreting makes its entry in the list but still far behind on-site interpreting. High spike in high size segment biased by small number of respondents in this segment.
- Technology-related activities only more than marginal in high mid-size segment
- No significant differences between male & female respondents
- No significant differences with 2019 results

# Subcontracting - a fact of life in the language industry

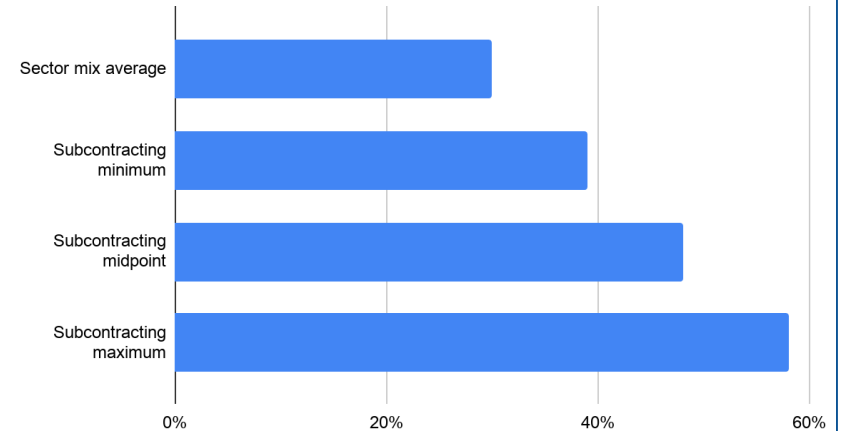
Subcontracting between LSCs



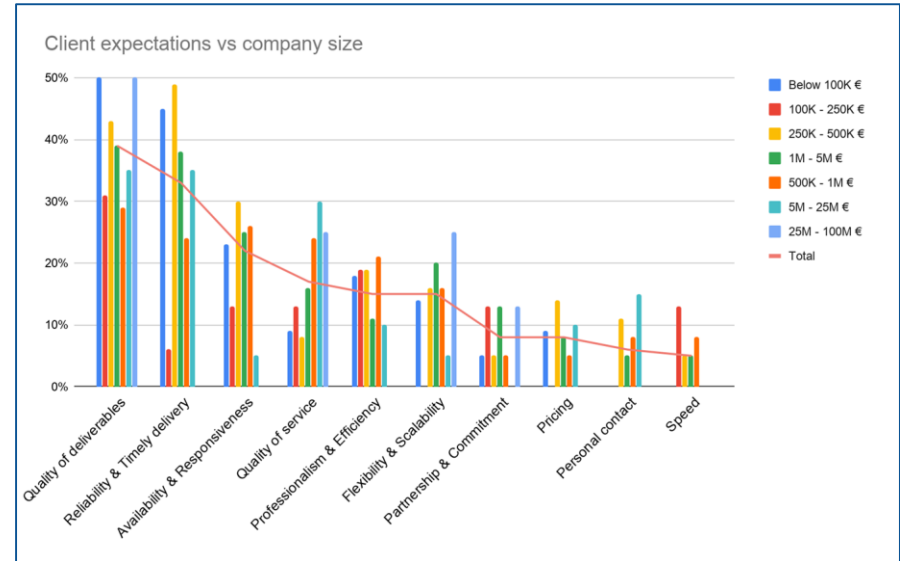
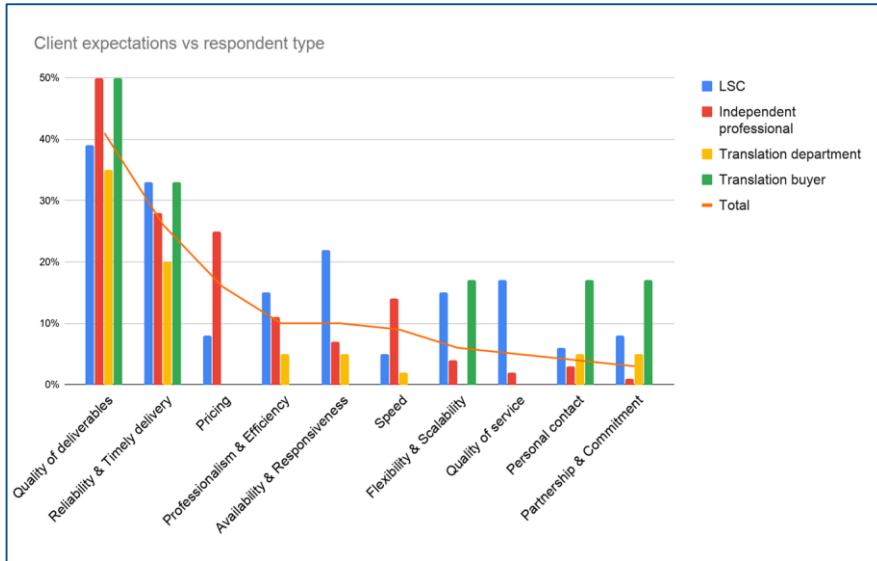
Subcontracting percentage for independent professionals is somewhat lower if based on total client sector mix than if derived from the direct question about direct client vs subcontracting mix.

Clear connection between LSC company size and level of subcontracting.

Subcontracting independent professionals



# Client expectations



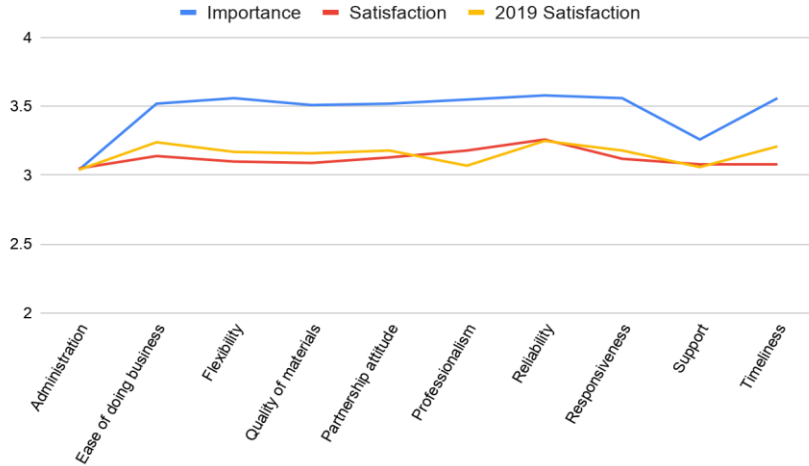
- Other expectations mentioned: subject matter expertise, confidentiality, experience, transparency, ease of doing business, etc.
- Subject matter expertise mentioned surprisingly seldom, even by individuals and translation departments
- Individual professionals rank pricing much higher than LSCs (not mentioned by buyers or translation departments).
- Strong differences among company size segments require closer analysis. Low (or zero) score of *Reliability* in 100K-250K and 25M-100M segments may be caused by smaller number of respondents in these segments.
- Results largely in line with 2019 results, despite different approach of the topic.



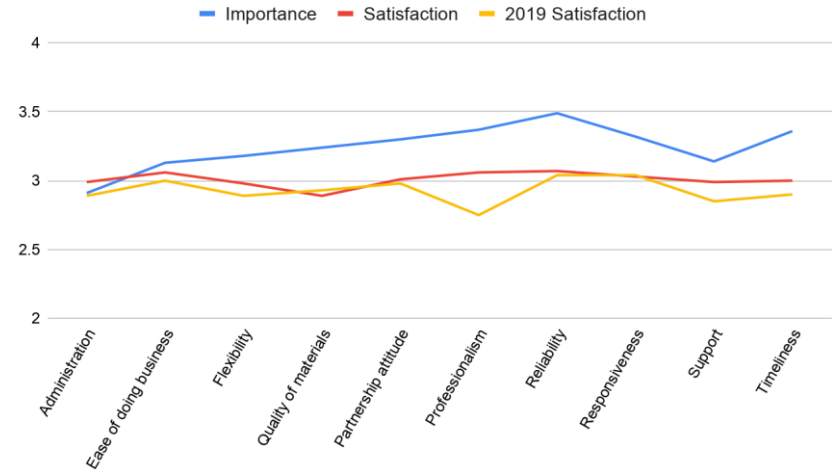


## Subcontracting best practices - do we see an improvement?

Companies



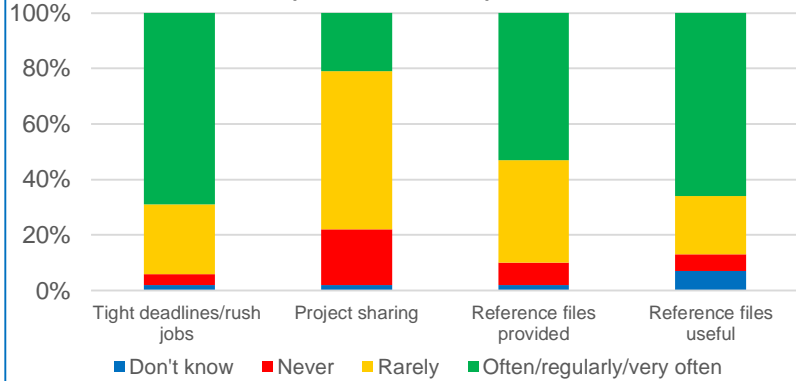
Individuals



- Average satisfaction drops slightly for companies from 3.16 in 2019 to 3.12.
- Average satisfaction among individuals increases slightly from 2.93 in 2019 to 3.01, reaching the level 3 which represents the *Satisfied* statement.
- Main improvement seen in the aspect *Professionalism*.

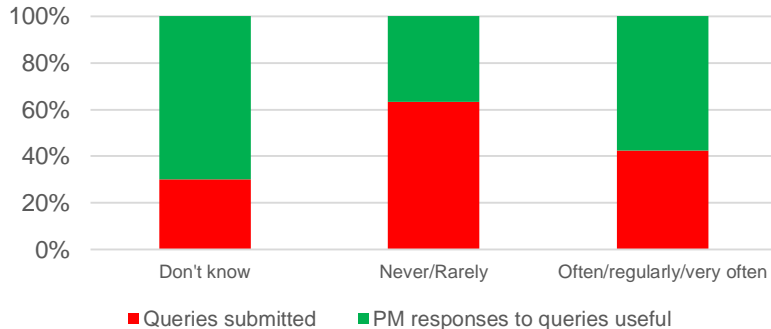
# Relationships with translation companies

## Operational aspects

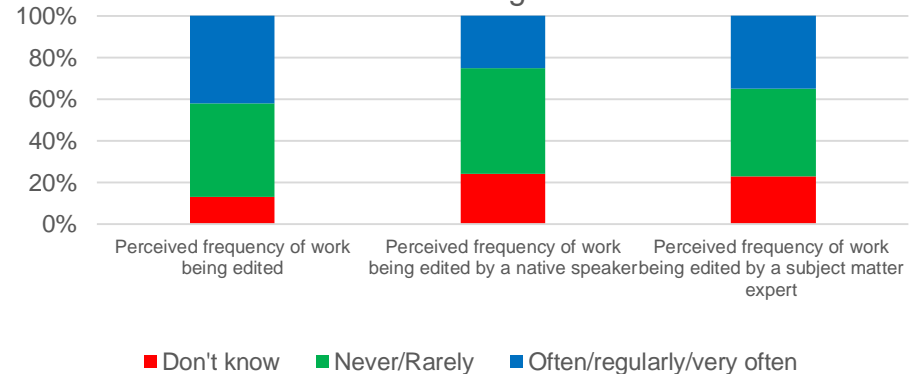


- 2020 survey drilled deeper into aspects of the collaboration between LSCs and independent professionals compared to 2019
- Slight improvement in 2020 with quality of materials and level of support provided compared to 2019.
- Independent professionals continue to report tight deadlines are common and are a source of stress, as in previous surveys
- Extensive perception that work isn't being proofed or if proofed it isn't being done by native speakers or subject matter experts
- Could reveal a difficulty in LSCs attracting and retaining good revisors/editors

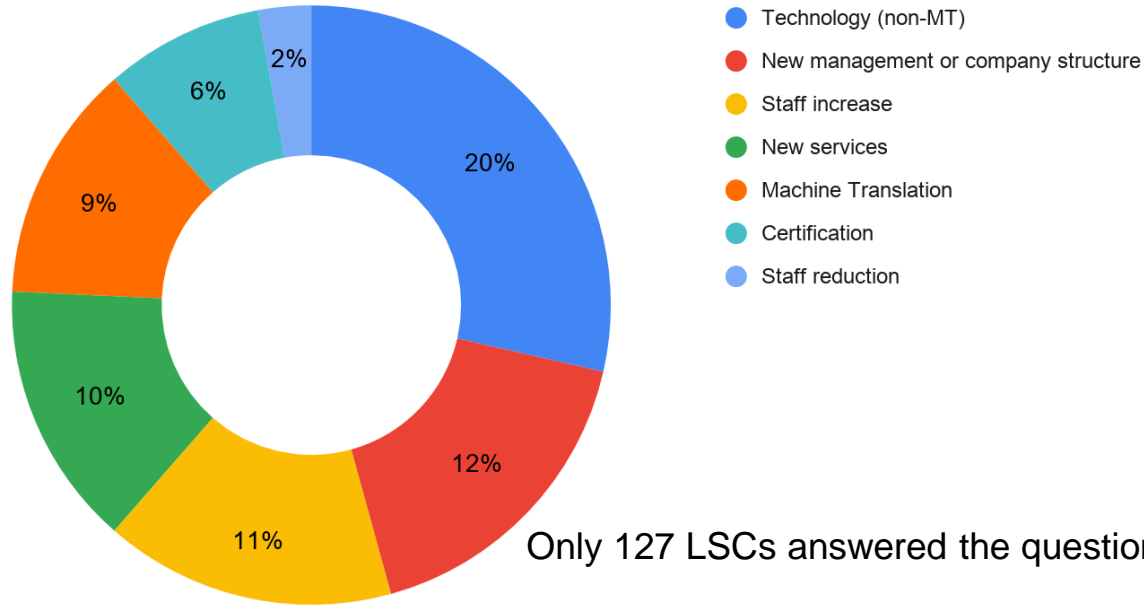
## Interactions with PMs



## Proofing



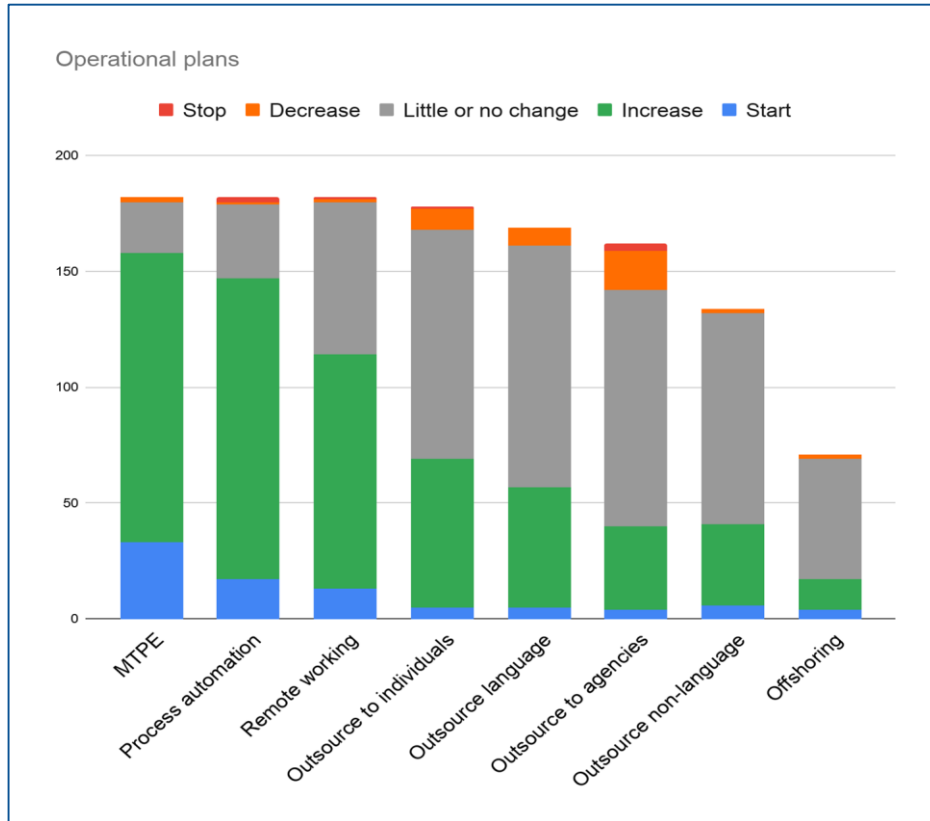
## Most important specific developments (LSC only) - technology is the word



- Non-MT related technology was on top of most companies' mind
- A surprisingly high number of companies reported changes in the management or even company structure, including mergers & acquisitions.
- The ratio between staff increase and staff reduction confirms the answers to other development-related questions.

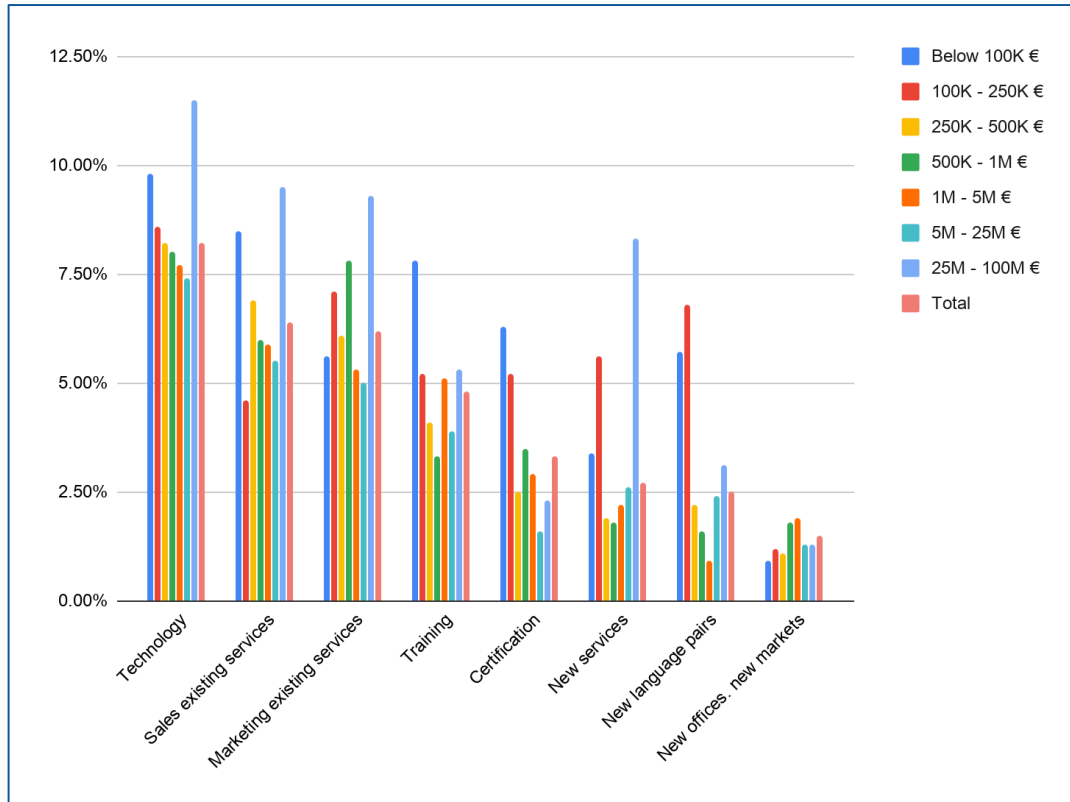
Caveat: these are pre-Covid answers.

## Plans regarding operational practices (LSC only) - 2020 the definite year of MTPE?



- 158 or 78% of all responding LSCs plan to start or increase using machine translation or post-editing
- Offshoring fails - again - to convince companies
- Outsourcing continues to increase - including (though to a lesser extent) for non-language activities.
- The results show a modest outsourcing shift from agency to freelance
- Process automation and remote working both see a significant increase

# Investment intentions



- Percentages may be overestimated (they are based on the mid-point of percentage ranges in the answers) but show the relative importance of different investment targets
- High size segment clearly more investment-driven than smaller ones
- New services particularly appealing for both small and large companies, but less for the mid-size segments
- Technology is favourite across the board
- Certification only (relatively) strong in smallest size segments. Larger companies probably have already made the necessary investments in the past
- Smaller companies clearly feel the need to extend the number of languages they offer
- Small percentage of investments in new markets somewhat contradicts positive investment mood (see next slide)

## Investment mood defies growth ranking

Sentiment remains positive, but less than 2019 and varies considerably between countries and years.

Mood sentiment calculation :

$$\begin{aligned}
 & \text{Investment in 2020} * 2 \\
 + & \text{Investment later} \\
 - & \text{Disinvestment in 2020} * 2 \\
 + & \text{Disinvestment later} \\
 \div & \text{Number of responses}
 \end{aligned}$$

Only countries with number of responses above threshold.

Sentiment > 0,5 = Green.

Sentiment < 0 = Red.

Other = Yellow

Grey = country below threshold

No highlight = country without responses

	Companies	Investment	Disinvestment	2018	2019	2020
Austria	13	9	0	0,67	1,3	0,7
Belgium	9	7	0	0,62	0,57	0,8
Croatia	5	5	4	0,53	1,07	0,2
Cyprus	0					
Czech Republic	6	4	1	1,4	1,2	0,5
Denmark	2	2	0	0	1	1,0
Estonia	5	4	0	0,67	0,8	0,8
Finland	2	4	0	1	0,57	2,0
France	6	4	0	1,1	0,53	0,7
Germany	10	18	2	0,8	0,89	1,6
Greece	13	10	1	0,7	1,2	0,7
Hungary	11	9	1	1	0,88	0,7
Italy	7	10	1	0,91	0,76	1,3
Latvia	3	2	0	1,17	2	0,7
Lithuania	8	6	0		0,71	0,8
Luxembourg	0				0	
Malta	0					
Netherlands	11	14	3	1,27	1,42	1,0
Norway	0				2	
Poland	5	2	0	1	0,8	0,4
Portugal	11	11	0	0,92	1,18	1,0
Romania	3	3	0	0,71	0,43	1,0
Serbia	6	9	0	0,86	0	1,5
Slovakia	10	10	0	0,6	0,67	1,0
Slovenia	9	8	0	1,36	1,44	0,9
Spain	20	15	1	0,76	0,56	0,7
Sweden	3	5	0	1	0,67	1,7
Switzerland	1	2	2	2	2	0,0
United Kingdom	13	10	0	0,53	1,1	0,8

**TECHNOLOGY**

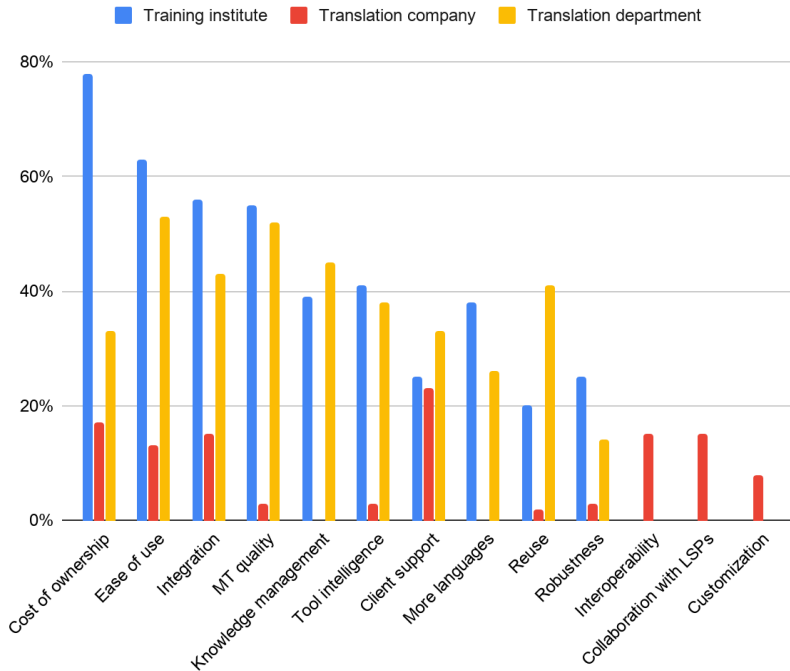
## Technology - a few takeaways

- MT the strongest technology trend, but CAT still going strong
- Workflow technology is high on the agenda among translation companies
- Automated QA getting more attention
- Independent professionals mainly focused on CAT technology
- Automated Interpreting and Audio/Video solutions still far behind
- Technology wish-list strongly depends on respondent type



# Technology providers, listen up !

Technology wishlist



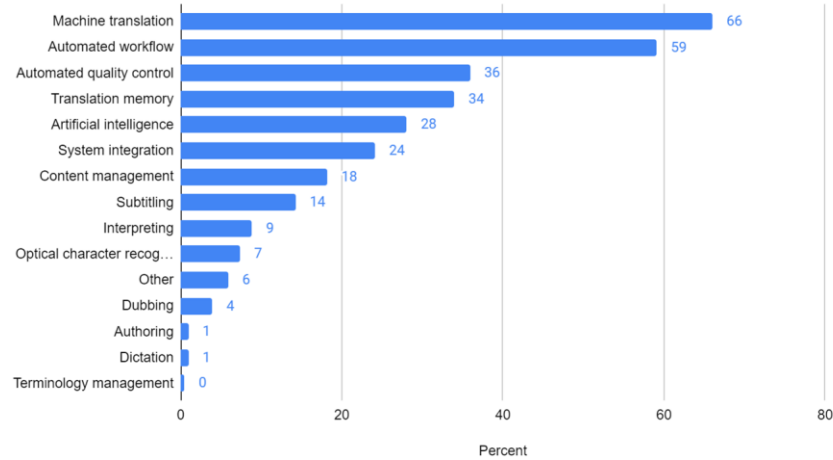
- Less answers from language service companies, possibly due to open question
- Strong differences between respondent types, except for the need for better client support
- Language service companies name cost of ownership and MT quality improvement named significantly less often than in 2019
- Important message from the language service companies: **technology providers, listen to us !**

## Note

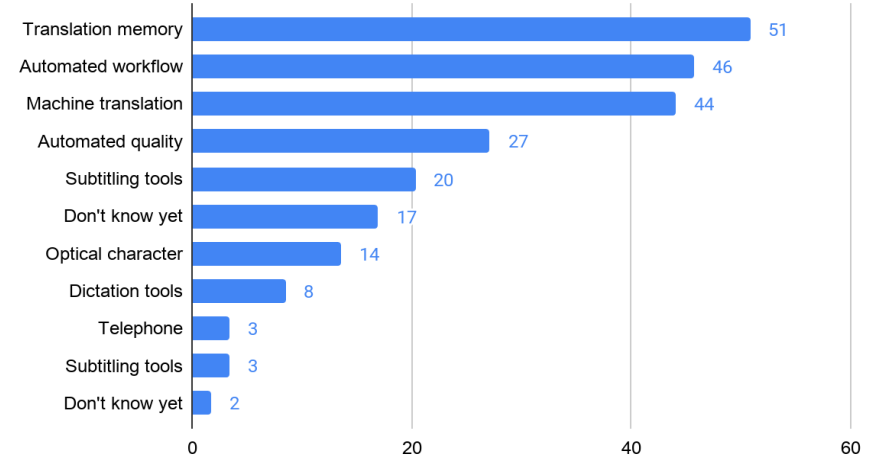
- Question not asked to independent professionals
- Open question for language service companies and checklist for translation departments and training institutes.

# Technology investments: MT and workflow on top

LSCs: In which technologies do you expect to invest in 2020?



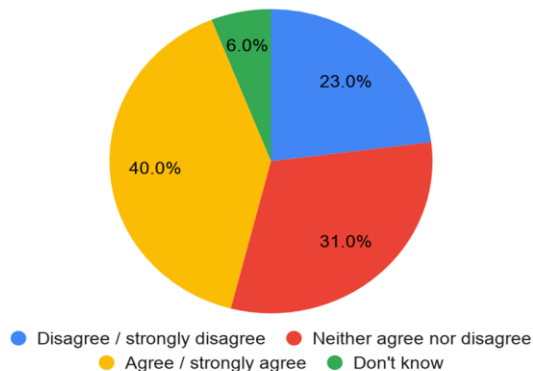
Translation departments: In which technologies do you expect to invest in 2020?



- MT is on top of the minds: 66% of agencies and 44% of in-house translation teams expect to invest in it in 2020.
- Runner-up: automated workflow (59% agencies and 46% departments)
- Departments are still tooling up with translation memory (51%)
- Automated QA tools are the third most popular purchase
- Survey saw only minor intentions to invest in dictation, subtitling tools or terminology management tools.

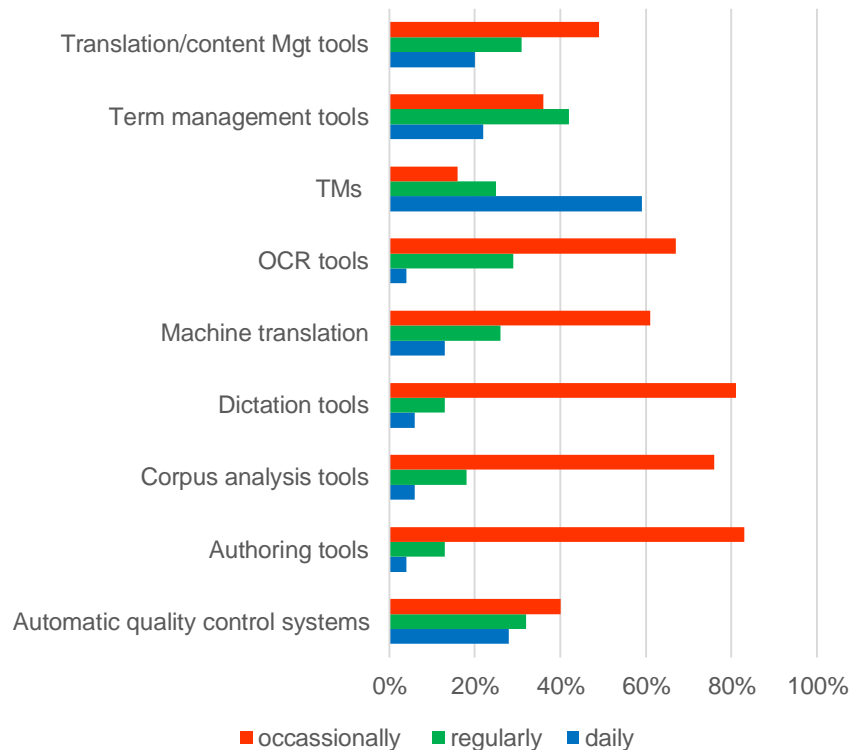
# Technology viewed by independent professionals

Technology training sufficient to compete



- TM still most popular tool – MT usage up but still not in wide use by independent professionals
- Low uptake rates for other tool types – either not relevant to workflows or independent professionals haven't been convinced of their utility
- Training providers listen up!
- Only 2/5 of independent professionals are convinced existing training adequate for them – the training game needs to be upped

Tool usage



# Technology first use

	LSC	Training institute	Translation department
Computer Aided Translation	22	6	
DéjàVu	1		
MemoQ	5		
Memsources	7	1	
Open TM2	1		
SmartCAT	5	1	
Studio2019 - Trados	2	1	
Wordfast	1		
Machine translation	21	5	6
DeepL	6	1	2
eTranslation			1
Google S-2-S translation		1	
Kantan MT		1	
Microsoft Azure MT		1	
ModernMT	1		
Open NMT	1		
TextShuttle		1	
Translation Management	13	2	1
Argos TS	1		
Crowdin	1		
LSP Expert	1	1	
Plunet	1	1	
PM tools			
XTM	3		
XTRF	3		1
Wordbee	1		

	LSC	Training institute	Translation department
Audio/video	2	2	
Subtitle next		1	
Transcription	1		
Trint	1		
Business tools	2		
ERP	1		
Collaboration tools	2		
Airtable	1		
Missive	1		
Computer Aided Interpreting	2		1
Boostlingo	1		
Terminology	2		1
Term extractor	2		
Termweb			1
Corpus and text management		2	
Google Ngram Viewer		1	
Sketch engine		1	
Website localization	2		
Bablic	1		
Smartling	1		
Development	2		
Integromat	1		
Quality Assurance	1		1
ContentQuo	1		
Perfectit			1
Layout	1		
InDesign	1		
Productivity tools	1		
Trans tools	1		
Other	6		

- CAT and MT lead the pack
  - Memsources, MemoQ and SmartCAT most frequently mentioned CAT products
  - DeepL by far most often mentioned MT product
- Translation management systems continue to make solid inroads
- Translation departments seem less eager to implement new tools, except for machine translation

## Tools with impact: a long list

LSCs: Which tool, if any, impressed you most or had the biggest impact on your business in 2019?	Mentions
MT and NMT(without indication of product name)	19
SDL 2019	12
MemoQ	8
Memsource	8
DeepL	6
XTRF	4
SDL GroupShare	2

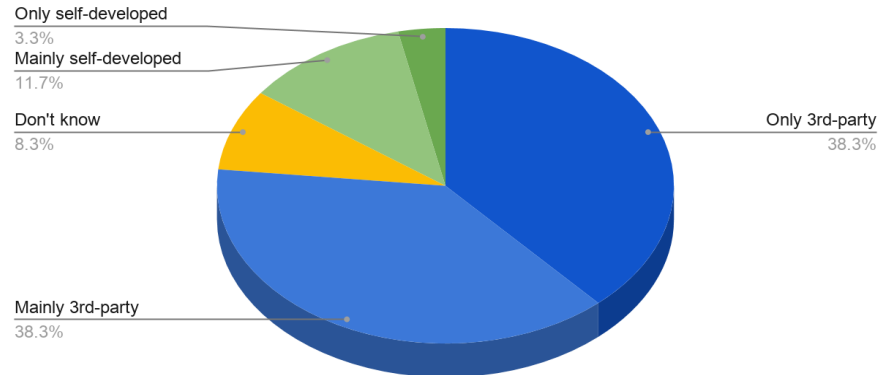
### Buy vs build

77% of translation departments use only or mainly 3rd party tools. The “buy” approach dominates.

### Single mentions:

Google Translate SDL plug-in, OpenNMT, Legal Lexicon, System integration tools, Cloud CATs, Online remote interpreting, ContentQuo, Own CAT tool, Screen recorder, JIRA, ERP system, Missive App (email management), Smartcat, trained MT engine, termcoord.eu, XTRF/ Memsource integration, DéjàVu, Argos TS, ModernMT, Across Server

### Translation department - technology source



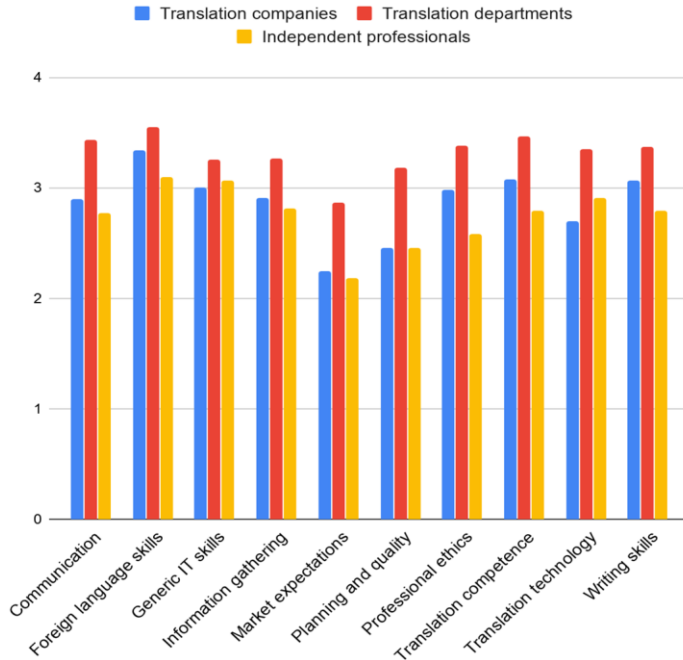
# HUMAN RESOURCES AND PROFESSIONAL DEVELOPMENT

## Recruitment and professional development - a few takeaways

- New graduates still lack market awareness and process knowledge
- EMT still largely unknown or unrecognized
- Training mainly centered around tools, post-editing and soft skills
- Training impact disappoints 1 out of 5 translation companies
- Pursuing a career as an independent language professional is a conscious choice

## Skills - not quite there yet

Skill level of master graduates



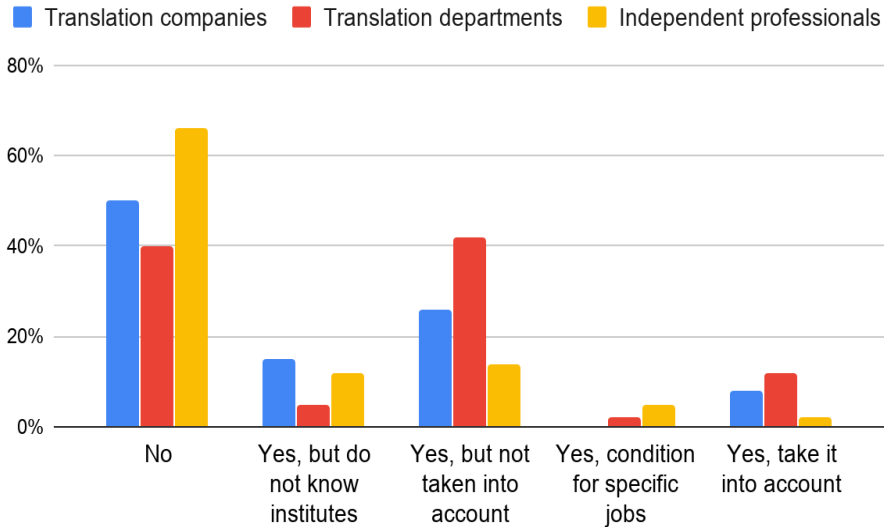
Note: 1 = non-existent, 2 = Insufficient, 3 = Sufficient, 4 = Strong

- Language service companies consider only the core competency *Foreign language skills* of university Master graduates as stronger than *Sufficient*.
- Independent professionals are slightly more critical than companies. Although 65% of them did not express an opinion, this is a significantly higher participation than in 2019, when 85% of the freelancers selected the *Not applicable* option.
- Respondents from translation departments are clearly more positive, but 50% did not express an opinion (approx. the same percentage as in 2019).
- Knowledge about the market requirements and the planning and quality process score lowest for all respondent types.
- 44% of LSC respondents score translation technology skills insufficient or non-existent, which is a modest improvement compared to 50% in 2019.



## EMT Awareness - disconnect with the market ?

EMT awareness

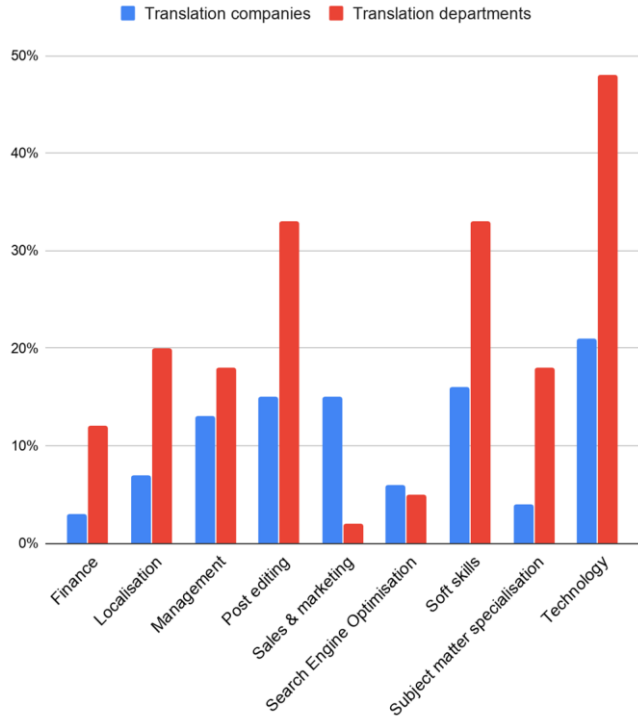


- Among translation companies, respondents who never heard of EMT still hover around 50%. Among freelance translators, the percentage is even significantly higher. No progress has been made in recent years.
- Even more worrying is the very low percentage of respondents that take the EMT label into account in recruitment actions.
- Only the individual language professionals see a significant difference between EMT and non-EMT graduates. 25% of them report that EMT graduates better meet their needs. This percentage is lower than 10% for the companies and departments.
- Are institutions actively promoting the EMT label in the market?

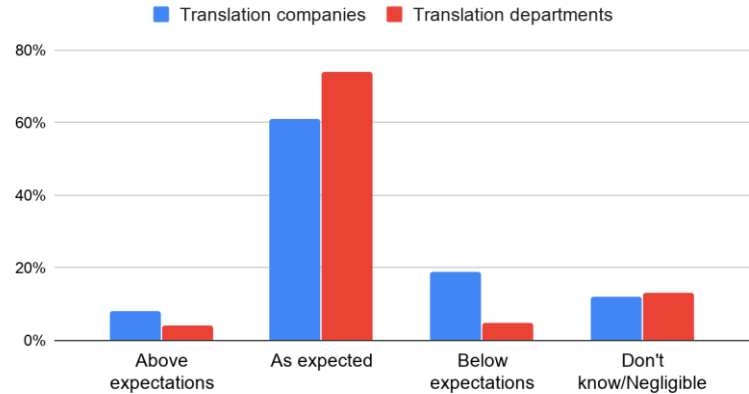
EMT = **European Masters in Translation** - Partnership project between Directorate-General Translation of European Commission and a number of European universities. More information on [DGT website](#).

# Training in translation companies and translation departments

Trainings planned



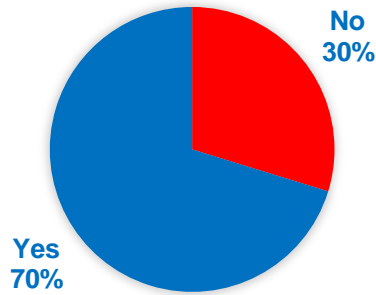
ROI training



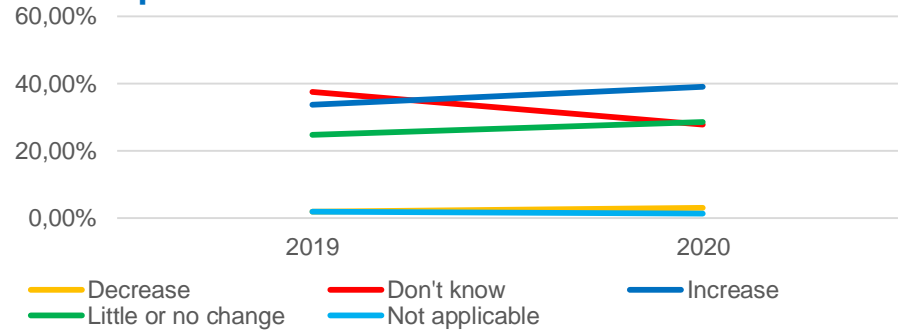
- Significantly higher training focus in translation departments
- SEO training very limited, especially in translation departments
- Subject matter expertise and Finance training almost non-existent in translation companies
- 19% of translation company respondents report lower than expected training ROI
- Strong focus on post editing and technology across the board

## Professional membership among independent professionals

Professional association membership



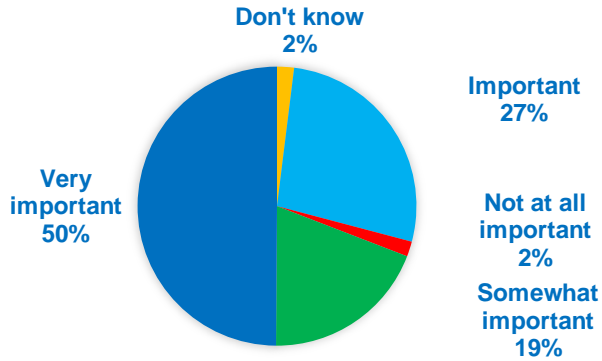
Perceived evolution in number of professionals in market 2019 to 2020



- Encouragingly 2/3 of respondents reported being members of professional associations
- Professional membership a badge of honour and important for the client
- Survey revealed no clear answers as to size of translation market
- More work needed on total number of translators operating in the European market
- Unqualified individuals encroaching on the professional translation market consistently reported as a stress factor for independent professionals
- Yet independent professionals also perceive increasing professionalism in the market

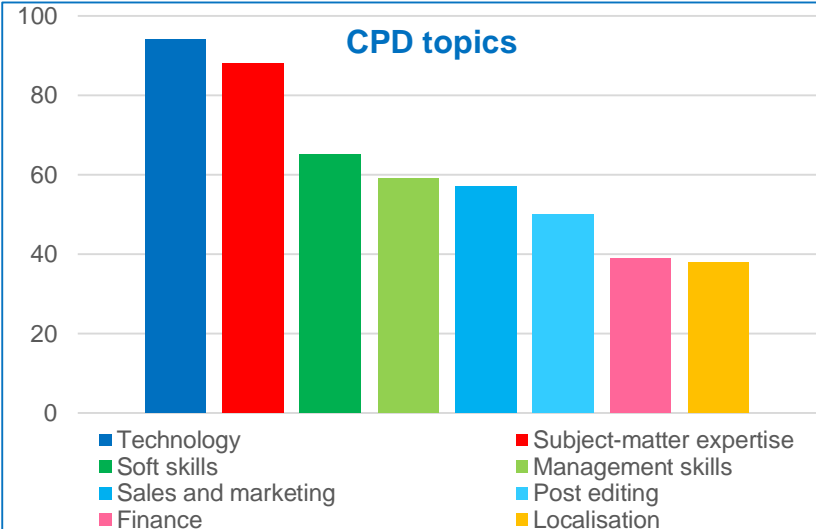
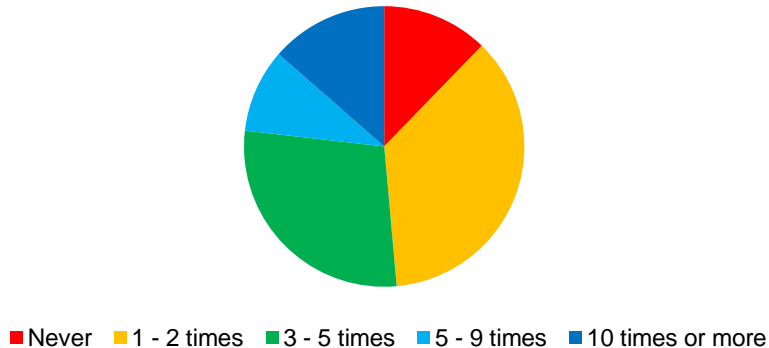
# Continuous Professional Development (CPD)

## Importance of CPD for furthering career



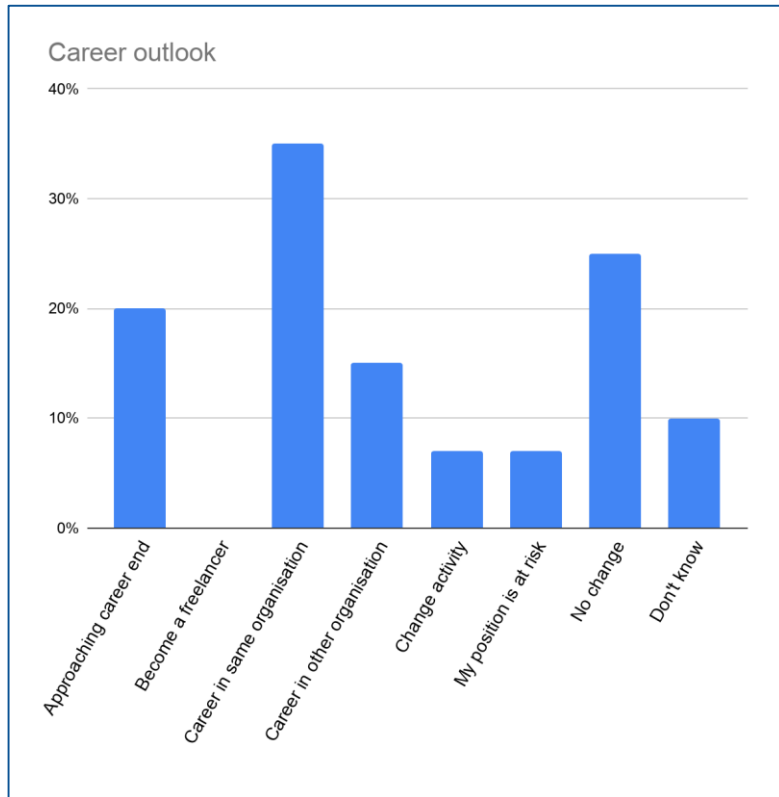
- 96% of independent professionals acknowledge importance of CPD for furthering their career
- 2/3 engaged in CPD >5 times and 24% engaged in CPD 5> times over the year
- Tech skills and honing subject-matter expertise most popular CPD categories (tech was also No.1 in 2019)
- Diverse topics covered reflecting the fact that FIT Europe member associations are increasingly offering a diversified range of topics

## Frequency of CPD





## Career development in translation departments



- Majority of respondents in translation departments expect to stay in the same organisation
- 15% are considering to change employer
- Becoming an independent professional is not considered a viable option
- Only a small minority feels that their position is at risk
- A significant part (20%) of the respondents is close to retirement age

# CONCERNS AND NEEDS

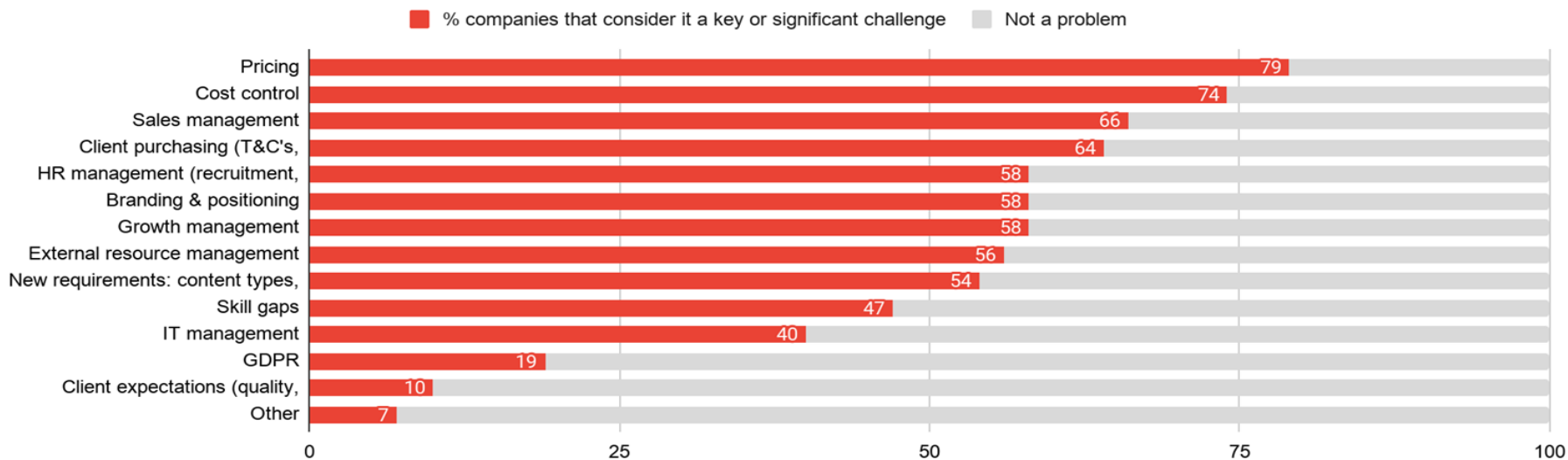
## Concerns and needs - a few takeaways

- Finances (pricing and cost control) remain the highest concern for translation companies, but price pressure is not seen as the strongest trend
- GDPR is not considered a challenge or a major trend anymore
- Different segments of the industry need and access different information types
- Artificial Intelligence (AI) makes a solid entry as a trend in the industry
- Finances, the economic climate but also technology are stress factors that contribute to a situation of precarity experienced by many independent professionals



## Business concerns - size and growth matter

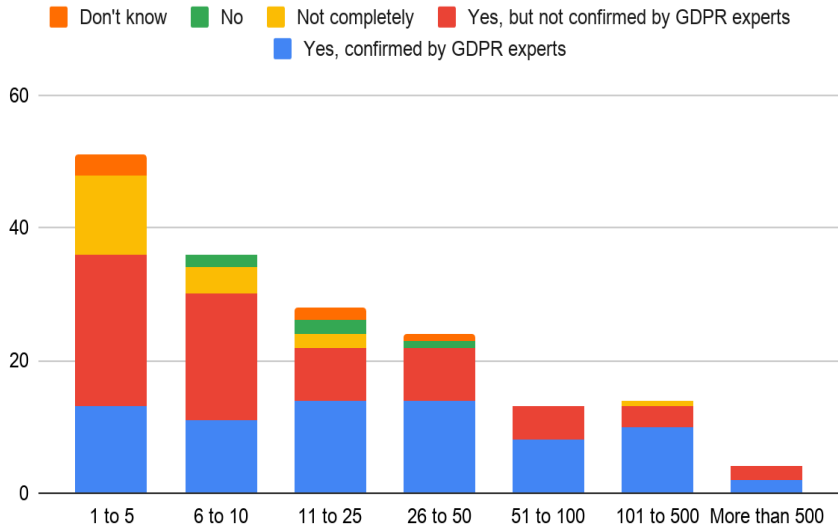
### Top concerns - LSPs



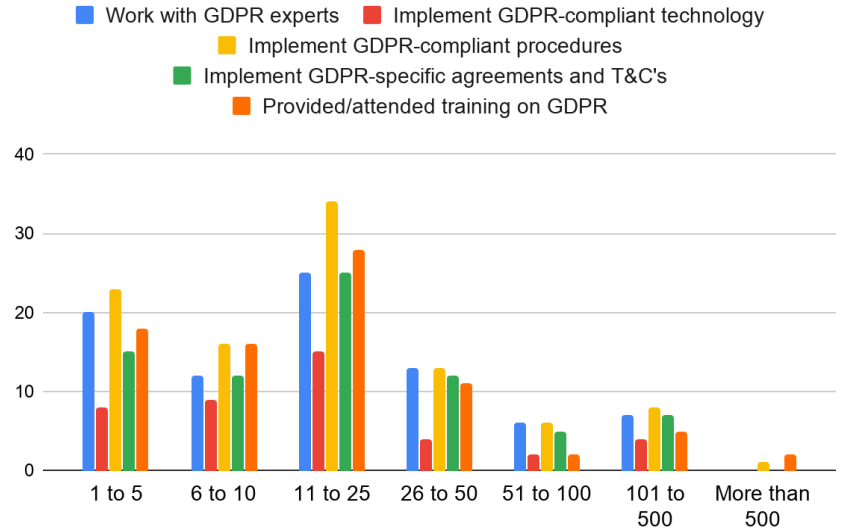
- Pricing remained the key challenge for 79% of the polled companies. The acuteness of the problem increased with business size and specifically with non-growing firms.
  - 77% of the companies that reported growth and 87% of the not growing consider pricing a key challenge
  - 50% of the companies in the .1-0.25 million range and 61% in 0.5-1 million range consider pricing a key challenge.
- GDPR seems to be phasing out as a challenge, with only 19% of the respondents expressing concerns.

# GDPR in LSCs

## Are you GDPR compliant

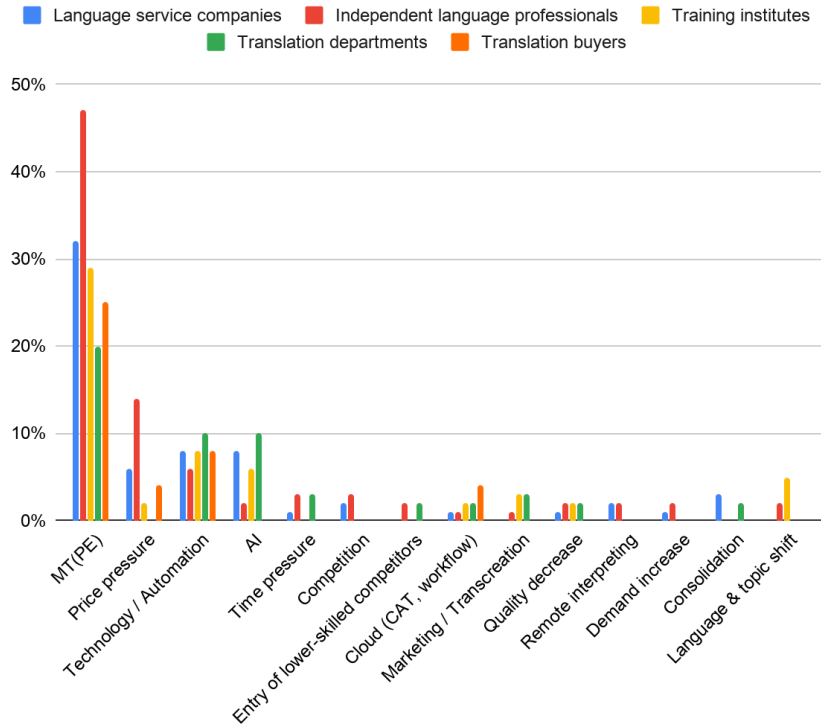


## GDPR measures



- Only few participating companies were uncertain about their GDPR status. The vast majority consider themselves GDPR-compliant, which explains why GDPR is not considered a challenge anymore.
- All size segments have been involving GDPR experts. Only a minority seem to be using technology to ensure GDPR.

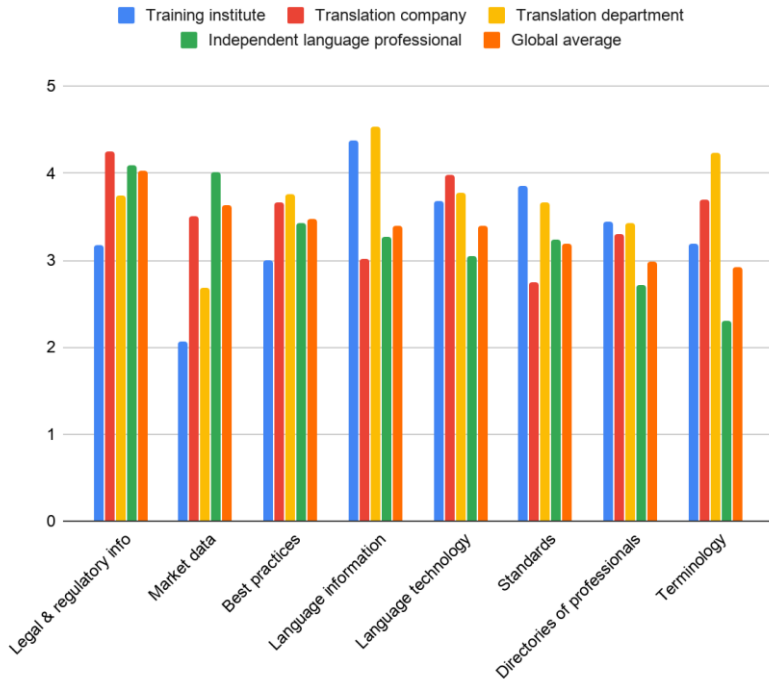
# Trend expectations



- Machine translation and post editing as expected strongest trend for all respondent types
- Price pressure more often mentioned by independent professionals.
- Companies and translation departments mention AI as often as other non-MT technologies
- No significant difference between genders
- Other trends spotted:
  - Video and voice
  - Agile localization
  - Influence of politics and global economy
  - Split between 'industrial' high-volume market and niche market segments
  - A growing trend towards 'global English'

# Information needs - a fuzzy image

Information needs



Different respondent types seem to have access to different information types

- Training institutes and translation departments lack access to market data
- Translation companies would welcome more information about standards

More differences between companies and freelancers than in 2019, but no significant change in global average.

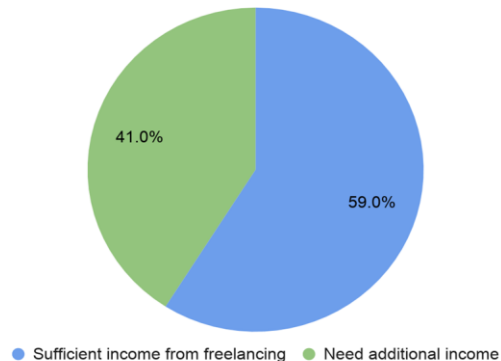
Somewhat surprising

- 10% or more of the translation companies indicate that they do not need information about professionals, market data, best practices or language technologies.
- 16% resp. 13% of the independent professionals answer that they have no further need for terminology or language information, but at the same time freelancers rank terminology availability low.

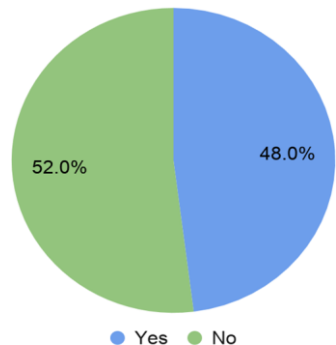
# CHALLENGES FOR INDEPENDENT PROFESSIONALS

## Independent professionals - A precarious situation

Income source



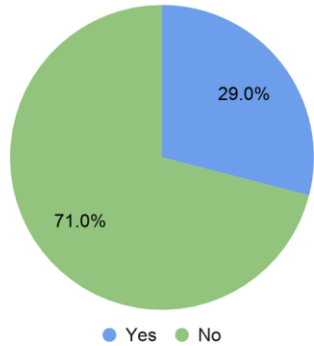
State cover for illness / inability to work



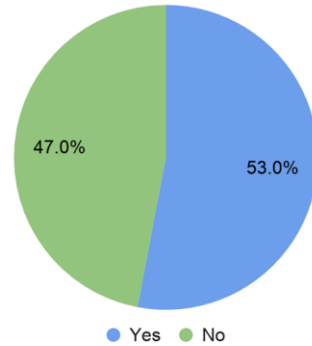
- One trend from the 2019 was that independent professionals were intending to take up other activities to diversify earnings.
- Continuity of trend in 2020 survey though numerous new data points measured this year which confirmed suspected precarity of the profession
- Considerable numbers in the profession still not earning enough and having to rely on other income streams.
- With 2/5 of respondents reporting they are unable to earn enough from translation/interpreting, there are significant levels of precarity in the profession.
- What happens if things go wrong (accident, illness?). State provision uneven across Europe.
- COVID-19 reinforced the precarity of the freelance situation – more independent professionals than ever combining work as an employee with their freelance translation/interpreting work or thinking about diversifying their income streams.

# Planning for the long term

Private insurance for illness / inability to work

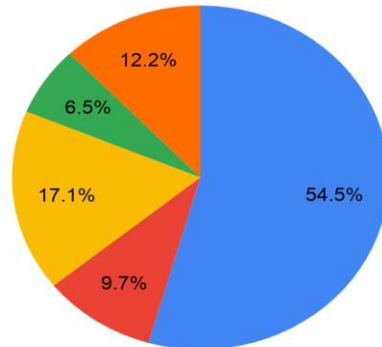


Provision made for retirement



Why no provision for retirement

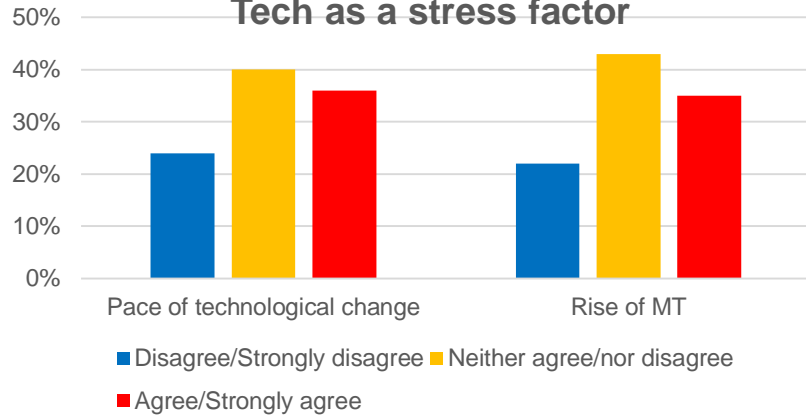
- Earnings too unstable to afford regular payments
- Separate income stream (ex. rents from properties)
- Near the start of my career, not yet thought of it
- Changed career too late to build up a meaningful additional pension
- Other



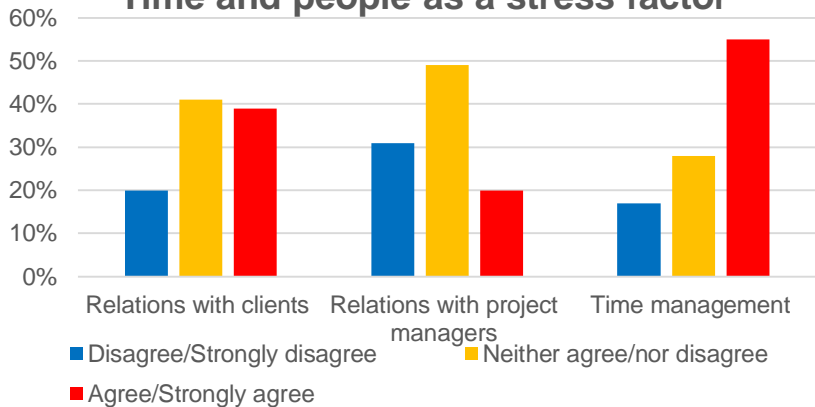
- Almost 3/5 of respondents with no private insurance to cover loss of earnings when ill/unable to work
- Long-term planning generally seen as difficult for almost half of the independent professionals
- Equates to strong reliance on state provision for health insurance and retirement
- Yet state provision is uneven
- Work flows reported as too unstable to keep up regular payments towards private insurance/pension plans
- Key takeaway – instability and precarity still strong factors in the lives of many independent professionals
- Situation worsened by COVID-19

# Operational stress factors

## Tech as a stress factor



## Time and people as a stress factor

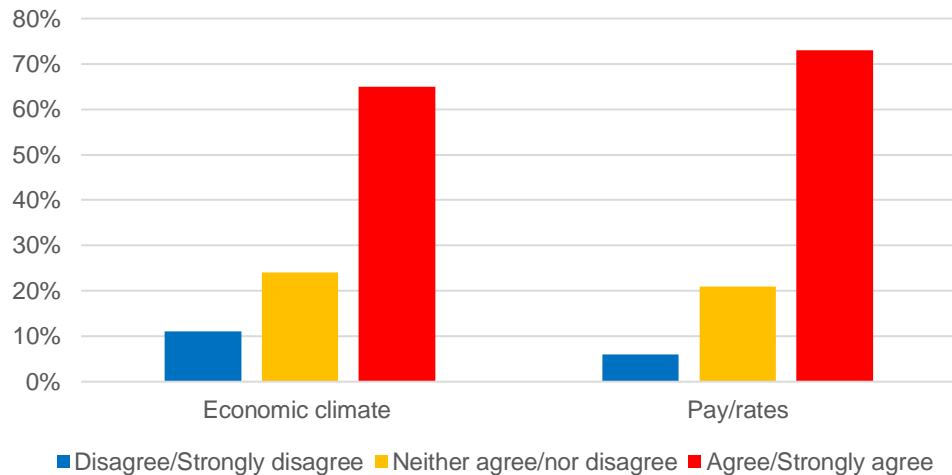


- Sources of stress for independent professionals explored in depth in 2020 survey
- Only a third concerned about MT and pace of technological change – MT just another tool in the toolkit
- PMs are not always being asked for help with ongoing projects, but when they do provide help input it tends to be useful.
- Independent professionals should reach out more to PMs – relations with PMs largely not seen as a source of stress. Relations with (direct) clients more stressful – Are PMs potentially mitigating stress levels when working with LSCs?
- Continuing the trend from previous years, independent professionals still being commonly rushed to delivery, and time management viewed as a strong source of stress
- Jobs not being split as often as one might have expected



## Financial stress factors

### Money as a stress factor

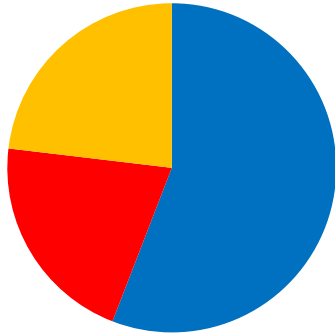


- Main stress factors for independent professionals continue to be money and the general economic climate
- Ties into the picture of precarity experienced by many in the profession
- Other stressors: rates viewed as renegotiable rather than fixed, rates remaining at the same level for years, competing with other ind. professionals in a rates game



# Work-life balance

Extent to which work-life balance has been achieved



■ Agree/strongly agree ■ Disagree/strongly disagree ■ Neutral

- Well over half the respondents reported they have achieved a good work-life balance
- Factors favouring achievement of work-life balance:
- Being in control of one's business, being able to say no to assignments where the deadline is unrealistic, building a long-term and productive relationship with clients, ensuring that one's interests/hobbies/friends/family do not come short, taking holidays, charging appropriate rates, not being available 24/7, more structured work-leisure day
- Factors preventing achievement of work-life balance
- **Vicious circle: tight deadlines, afraid not to accept assignments, feast or famine, difficulty in finding a comfortable rhythm as an independent professional generally never knows when work will be available, failure to separate working day from the rest of the day, being available 24/7**

# Stress reduction – The independent professionals' perspective

- What professional associations can do -  
Be more interventionist / set stricter admission criteria / improve profession's reputation / build stronger communities of professionals

- Market intervention -  
Regulate the profession in law / have rates set in law / EU institutions working directly with translators

- General things that can be done -  
Foster respect for the profession / improve client understanding of complexity of translation and what it entails / enhance prestige of profession

Stress reduction



- What can I do personally? –  
Find more direct clients / set higher rates / improve negotiation skills / be more assertive / reject short deadlines / specialise / CPD / meditation / yoga / exercise / network more / separate working time from rest of day

- What can LSCs do? –  
Educate clients about time / quality / MT – pay higher rates / ensure reasonable deadlines / stop the race to bottom with rates

- What can direct clients do? -  
“chill” – offer better deadlines / plan their translation needs better / understand the complexity of translation / understand adequate time = better quality

# KEY TAKEAWAYS FROM THE 2020 EUROPEAN LANGUAGE INDUSTRY SURVEY

## For independent professionals

- LSC – independent professional relationships slowly improving thanks to realisation that our objectives are shared: strong focus on quality, reliability, and ease of doing business
- Professionalization, expertise, and business acumen continue to increase among independent professionals
- Keep learning
- Be strategic, inspired and optimistic

- Realisation that work-life balance is vital
- Networking with friends and colleagues increasingly important given the isolated nature of the work of independent translators
- **Addressing precarity must be a top priority for independent professionals and their associations**

## For language service companies

- 2020 was – already before Covid 19 – at a tipping point : only 1 in 2 companies reported growth in 2019
- Size matters in times of downturn
- Technology will be the most important topic for the near future, with AI following in MT's footsteps
- Traditional technology providers need to step up their game
- Confidence in traditional client values – quality and reliability – remains strong
- Specialisation in specific sectors can be a blessing or a curse
- It is not which marketing channels you use, but how you use them

# SURVEY METHODOLOGY

## Analysis methodology (1 of 2)

Respondents per country	For mature language service countries we use a target threshold of 10 companies and 20 independent professionals. For smaller economies, this threshold has been set to 5 and 10 respectively. These thresholds are the same as in previous years. Data for countries with lower response rates should be analysed with caution.
Market evolution	% increase responses - % decrease responses
Investment mood	$\frac{[\text{Investment in 2020} * 2 + \text{Investment later} - \text{Disinvestment later} - \text{Disinvestment in 2020} * 2]}{\text{number of companies}}$ Reliability of country-specific sentiment score depends on number of responses received from the individual countries. See slide with country-specific thresholds.
Information needs	Average based on answer options: not available = 0, available but limited = 2, sufficiently available = 5. Consistent with 2019 method
Technology wish list	% of respondents that answered the question



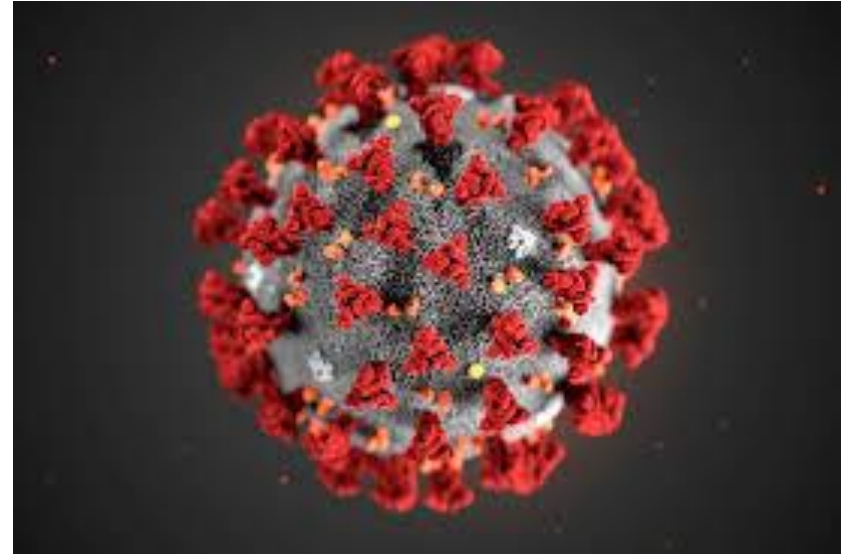
## Analysis methodology (2 of 2)

Investment intentions Staff distribution	% based on midpoint of answer option ranges (ex. 6-10% > 8%)
Operational practices	Scores based on answer options: Stop = -2, Decrease = -1, Increase = 1, Start = 2

# COVID-19 ANNEX

## Why a Covid-19 annex?

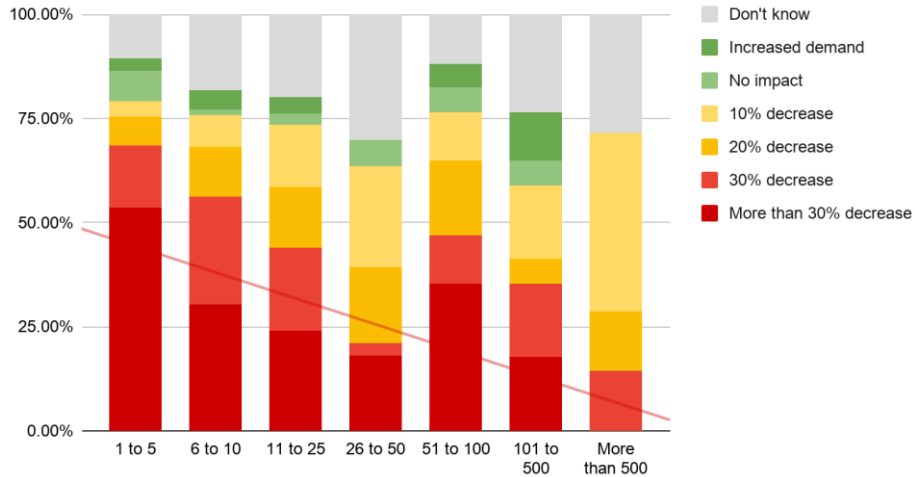
- The Language Industry Survey was closed on 15th February, before the main Covid-19 outbreak in Europe.
- The impact of the initial outbreak in China on global commerce, combined with the rapid spread in Europe, indicated that this event would have a major impact on the language industry and could therefore significantly change the expectations of the industry's actors.
- The focus was on the direct impact of the crisis on the companies' business, the measures that they were taking and the measures they planned to take after the crisis.
- The information on independent professionals in this annex uses only information from the first Covid-19 survey run by FIT Europe.
- FIT Europe has since run a series of follow-up surveys among independent professionals.



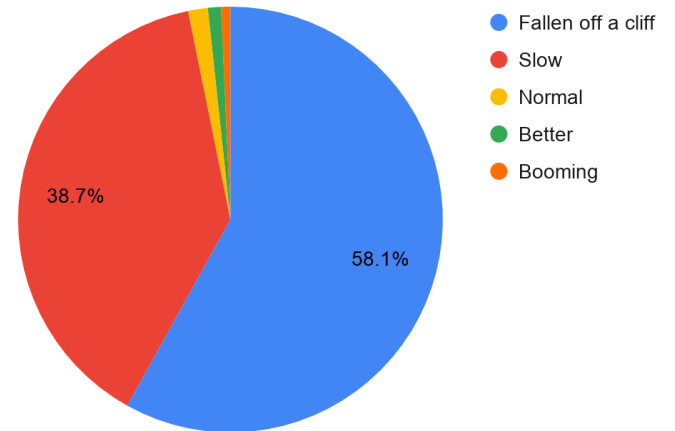
# Early impact strongly size-dependent

## Small translation companies take the hit

"How do you expect Covid-19 to impact your activity in 2020?"

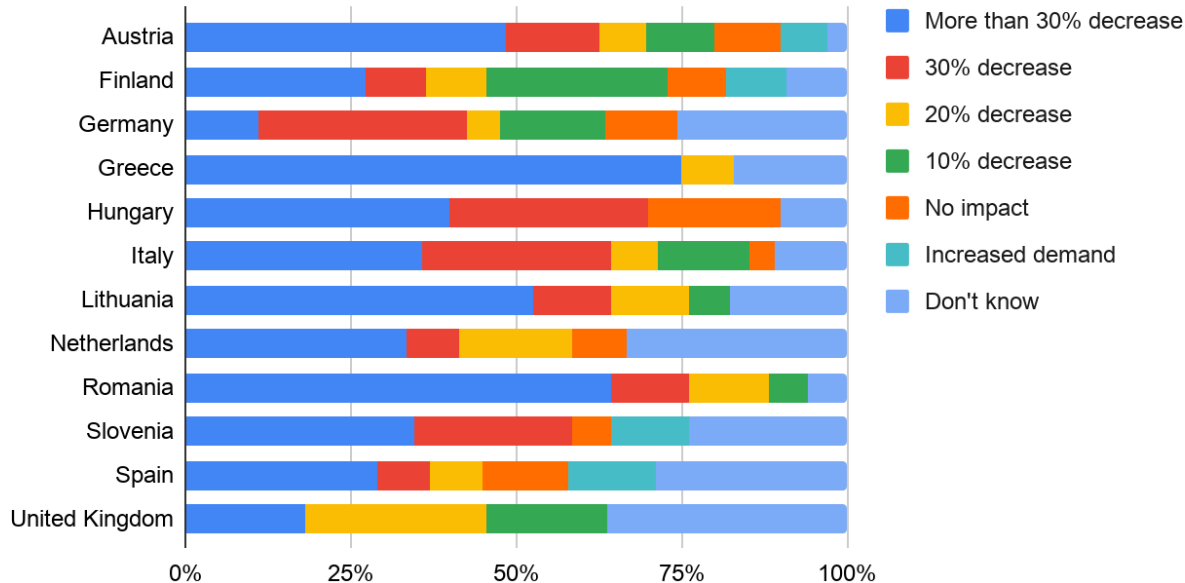


## Business of independent professionals affected by Covid



## COVID-19 - Location is important

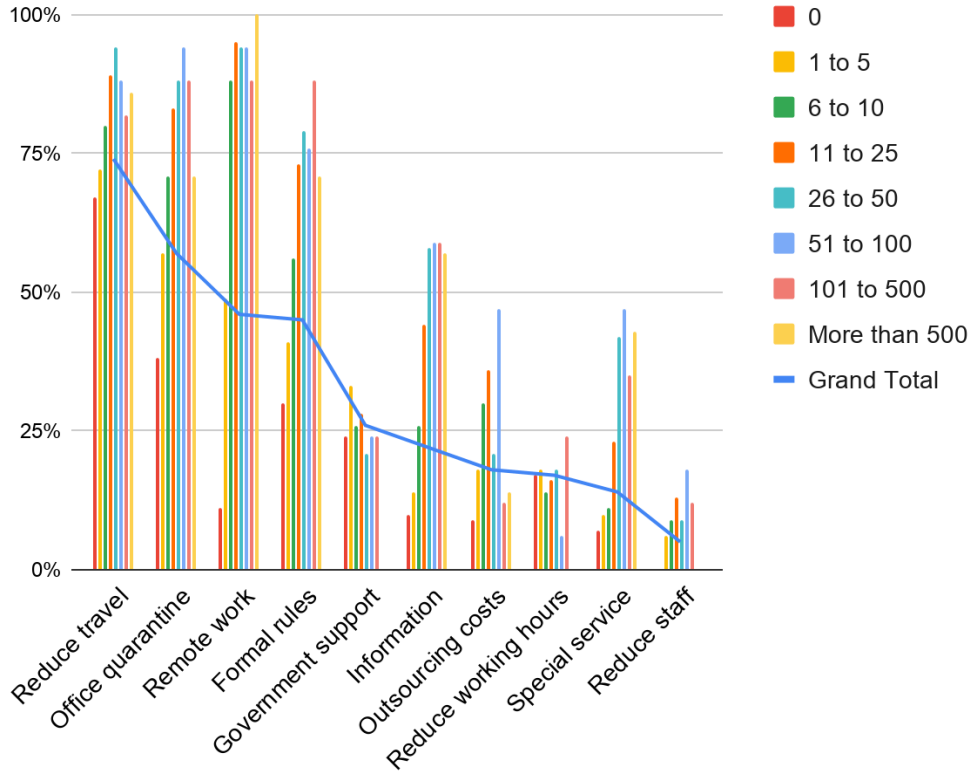
Impact per country - LSC only



Countries with at least 10 LSP responses listed

No direct link between local severity of epidemic and economic impact (ex. Greece, Romania)

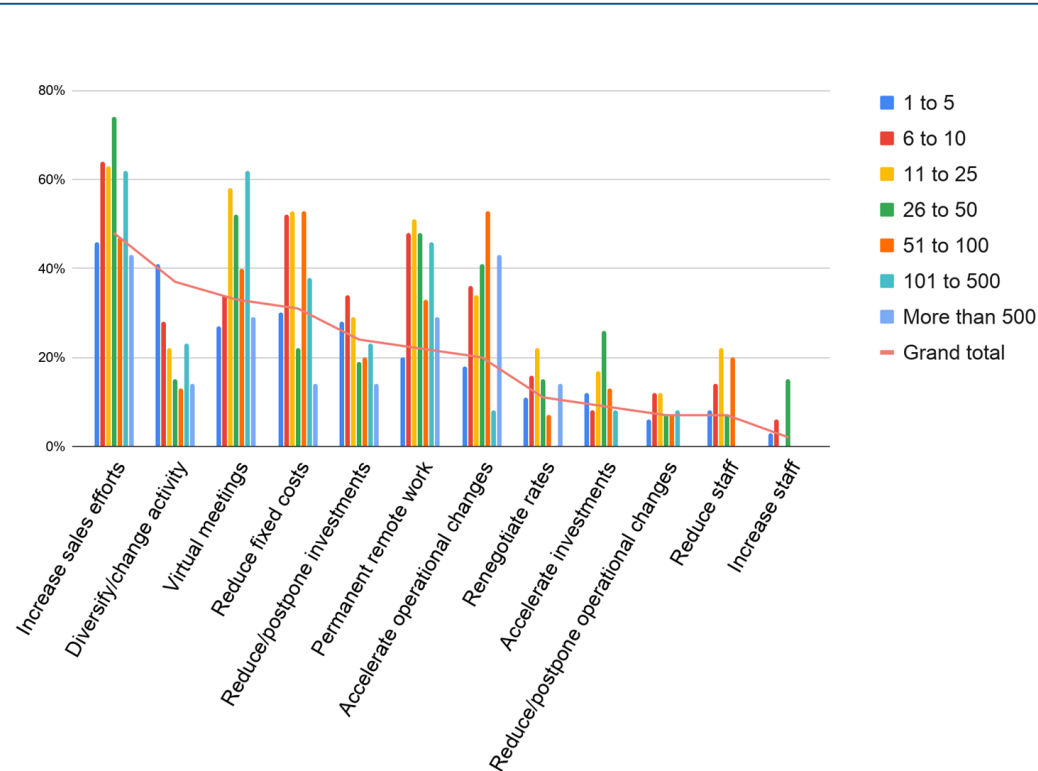
## What are companies doing today? Fewer than 12% plan layoffs



- Focus of current measures is on employee protection and following government rules.
- Approx. 25% of LSC respondents were already seeking government support.
- Only 50% of smallest companies went remote.
- Less than 50% were applying special Covid conditions.
- A minority - mainly in the mid size segment - had started to implement cost control measures (outsourcing, reduce working hours).

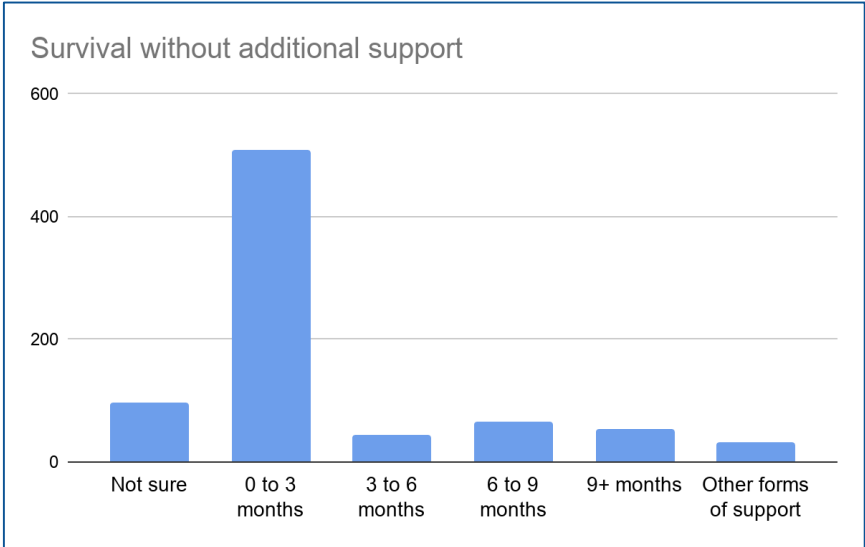
**Layoffs were not - yet - on the companies' agenda**

## What do the language service companies intend to do ?



- All size segments plan to increase sales and marketing efforts to boost revenue after Covid-19
- Smallest segments want to reduce risk by diversifying activities or even moving into a different activity
- Mid-segment plans to increase use of virtual meetings and remote work
- Companies are more likely to accelerate planned operational changes than to postpone them
- Reducing fixed cost will be high on the agenda of medium-sized companies
- Renegotiating rates and reducing staff are low on the priority list

# Independent professionals - surviving Covid-19

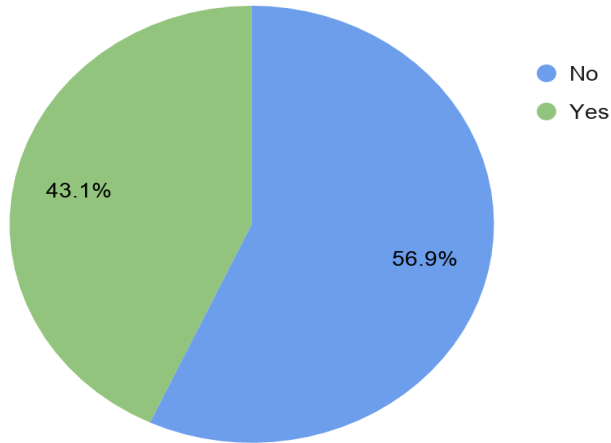


- Independent professionals express deep concern
- Majority reports less than 3 months financial buffer

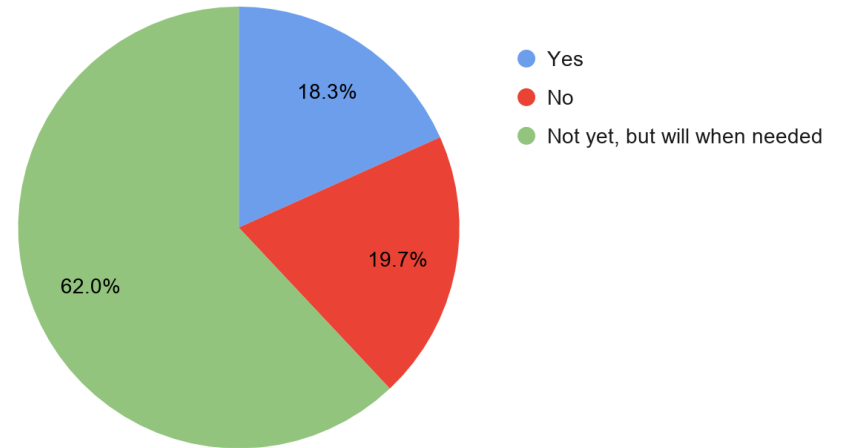


# Independent professionals - financial support

Financial support available for freelancers in country



Available support usage by independent professionals



# Independent professionals - Plan B

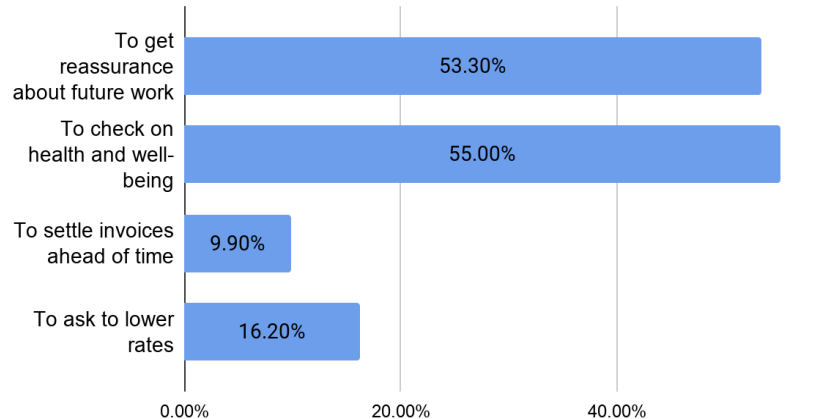
## Addressing the current situation:

- Interpreters are doing more translation and remote or telephone interpreting
- Keep on marketing yourself
- Keep up CPD (continuous professional development) online

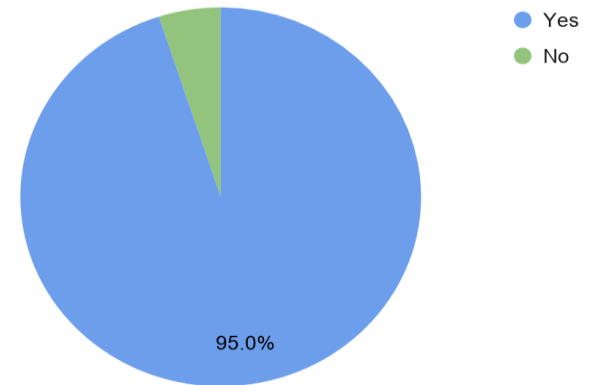
- Build on existing expertise
- Increase rates when things improve
- Consider taking on other work - online teaching
- Real impact will come further down the line
- Protect standards (influx of unqualified T&Is onto the market)

54% of translators and interpreters were contacted by clients

46% did not bother to get in touch !



When things return to normal, will you continue to work on a freelance basis?



## COVID-19 - Not the same for everyone

Language industry as a whole somewhat less impacted than other sectors with high numbers of SMEs - with the exception of Interpreting which has been devastated. Independent professionals and small translation companies significantly harder hit than larger companies.

- Many LSCs are already equipped for remote working.
- Activity spans all sectors of economy & and focuses on compliance. Therefore less vulnerable.
- Crisis situations generate modest amounts of additional work

The new norm:

- Urgent & Agile
- More competition in less impacted client segment > price pressure > MTPE
- Everything can be done remotely
- Cloud-based management, remote interpreting
- Diversified services



# Relief measures and support available and required

## EU and national support

- Direct government support for LSCs and independent professionals comes from national government agencies, supported by EU measures

### **Communication-coordinated-economic-response-covid19-march-2020\_en.pdf**

available on [https://ec.europa.eu/info/live-work-travel-eu/health/coronavirus-response\\_en](https://ec.europa.eu/info/live-work-travel-eu/health/coronavirus-response_en)

- Different measures in different countries (e.g. furlough, guaranteed income, mortgage/rent holidays, wider net of measures)
- Be proactive - Information about measures constantly being updated - Stay on the ball!!!!

## Association support

- Regularly check for information on association websites (both international and national)
- Close cooperation between LSCs and professional translator and interpreter associations