ELIS 2022 - EUROPEAN LANGUAGE INDUSTRY SURVEY

POWERED BY **ELIA** | **EMT** | **EUATC** | **FIT EUROPE** | **GALA** | **LIND** | **WOMEN IN LOCALIZATION**

Status, expectations and concerns of the European language industry

Presenting and discussing the ELIS 2022 results

15th March 2022

A Translating Europe Workshop

What will we cover ?

ELIS 2022 results

- Market evolution & industry mood
- Trends and challenges
- Operational, HR and training practices
- Technology

Language Industry discussion panel

- Independent language professionals
- Language service companies
- Language departments
- Language service buyers
- Academia

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ELIS – a few facts

Initiated in 2013 by EUATC, the European federation of national associations of translation companies. It is co-organised with ELIA, FIT Europe, GALA, the EMT university network, the European Commission's LIND group, and Women in Localization.

The survey covers market trends, expectations & concerns, challenges and obstacles, as well as changes in business practices and is open to language service companies, independent language professionals, training institutes, language service buyers, as well as private and public translation departments.

We received 1342 responses, the 2nd highest return in ELIS' history

- 264 language service companies
- 745 independent language professionals
- 263 representatives of training institutions and students
- 70 language departments and language service buyers

ELIS 2022 is the first edition using the EU Survey platform, including its multilingual capabilities. The language service companies and independent language professionals piloted the platform's multilingual capabilities, including the EU's e-Translation NMT facility, making these surveys available in 16 resp. 10 languages.

22% of the language company participants and 13% of the individual professionals completed the survey in one of the translated versions.

Do ELIS 2022 findings confirm ELIS 2021 expectations ?

- Language companies were expecting a true business rebound in 2021. Did that rebound happen?
- Will the 2021 technology and process acceleration continue in 2022?
- Is the 1 to 5 Million Euro size segment really an LSC sweet spot?
- Will language service buyers take outsourcing beyond pure execution?
- Will RSI and AV technologies challenge MT as the dominant trend?

Methodology used

Concerns and expectations are not measured in precise numbers.

ELIS tries to capture opinions with the following instruments:

- Value statements: a choice from series of statements such as Strongly Disagree to Strongly Agree, or No challenge to Nightmare
- Number or percentage ranges, such as 5-to-10 or 10%-to-25%
- Rankings and sliders
- Open questions

More information about the methodology is included in the ELIS 2022 report.

ELIS 2022 - Geographic distribution (1 of 3)

	Companies	Individuals	Buyers & lang depts	Training institutes
TOTAL	264	745	70	263

Europe				
Central & Eastern Europe				
Albania	1 [5]	1 [10]		1
Bosnia and Herzegovina	[5]	1 [10]		
Bulgaria	[5]	11 [10]	1	14
Croatia	26 [5]	18 [10]		2
Czech Republic	7 [5]	17 [10]		28
Hungary	7 [5]	19 [10]		2
Macedonia	[5]	[10]		
Montenegro	1 [5]	[10]		
Moldova Republic	[5]	[10]		1
Poland	11 [5]	6 [10]		4
Romania	2 [5]	10 [10]		2
Russia	15 [10]	2 [20]		
Serbia	1 [5]	1 [10]		
Slovak Republic	6 [5]	10 [10]		3
Slovenia	7 [5]	19 [10]		5
Turkey	1 [5]	[10]	1	
Ukraine	[5]	[10]	1	

ELIS 2022 - Geographic distribution (2 of 3)

	Companies	Individuals	Buyers & lang depts	Training institutes
Northern Europe & Baltics				
Denmark	3 [5]	5 [10]	1	
Estonia	4 [5]	3 [10]	1	5
Finland	6 [5]	11 [10]	4	2
Latvia	4 [5]	8 [10]		1
Lithuania	5 [5]	7 [10]		19
Norway	[5]	3 [10]		
Sweden	3 [10]	[20]	1	3

Western & Southern Europe				
Austria	10 [10]	46 [20]	4	41
Belgium	16 [10]	34 [20]	6	12
Cyprus	1 [5]	[10]		
France	2 [10]	75 [20]	8	21
Germany	16 [10]	94 [20]	7	8
Greece	4 [5]	29 [10]	4	17
Ireland	2 [5]	33 [10]		2
Italy	18 [10]	46 [20]	4	11
Luxembourg	[5]	4 [10]	12	
Malta	3 [5]	1 [10]		
Netherlands	12 [10]	32 [20]	2	3
Portugal	17 [10]	38 [20]	6	29
Spain	22 [10]	81 [20]	4	18
Switzerland	2 [5]	5 [10]		
United Kingdom	20 [10]	59 [20]	1	

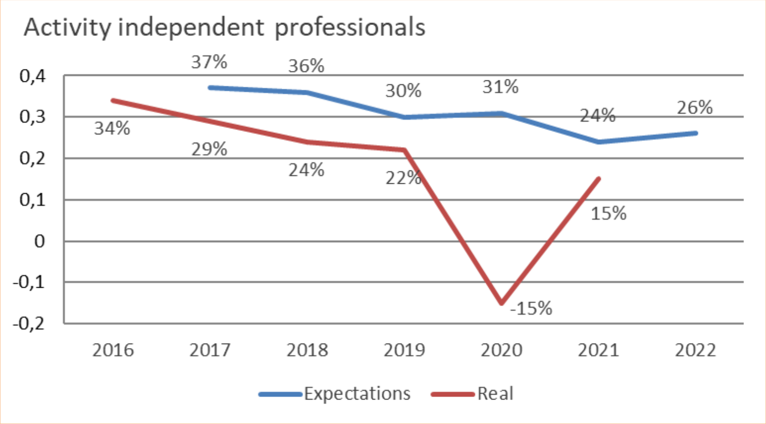
ELIS 2022 - Geographic distribution (3 of 3)

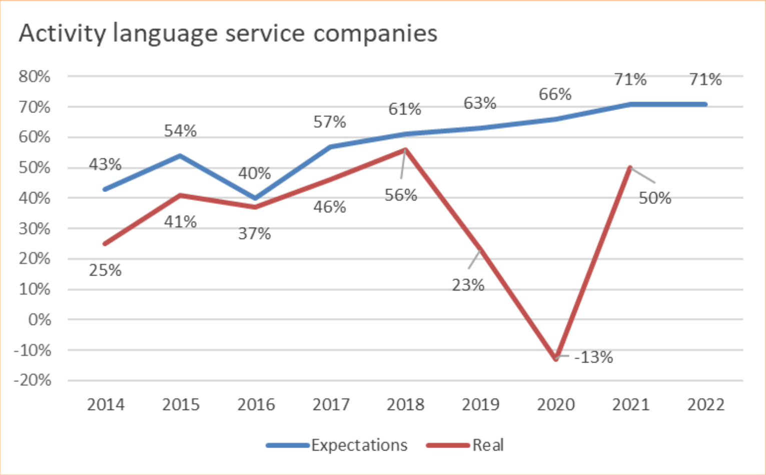
	Companies	Individuals	Buyers & lang depts	Training institutes
Americas				
Argentina	[5]	1 [10]		
Brazil	1 [10]	[20]		
Ecuador	[5]	1 [10]		
Peru	[5]	[10]		1
USA	5 [10]	7 [20]	1	
Africa, Asia & Oceania				
China	1 [10]	[20]		
India	1 [10]	[20]		
Kazakhstan	1 [5]	[10]		
Other			1	

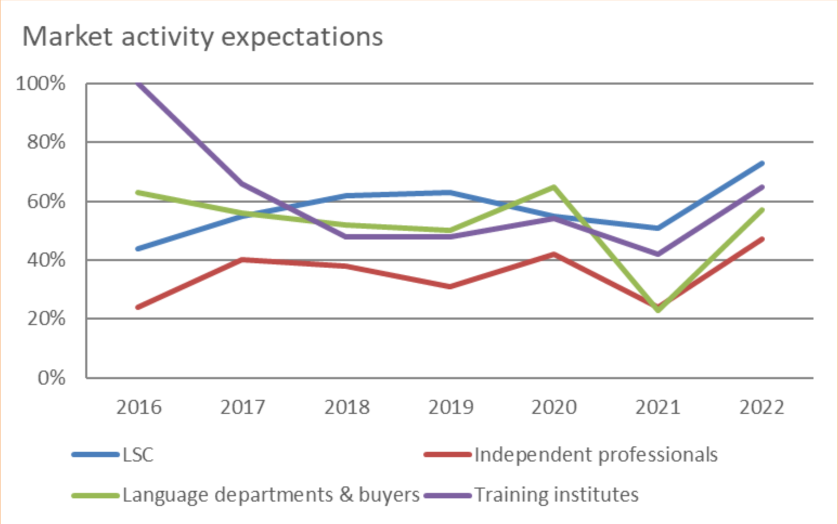
2021 - 2022 MARKET EVOLUTION

Percentages do not show actual increase or decrease but the difference between respondents reporting an increase and those reporting a decrease, as a measure of the market sentiment.

Market evolution – YES, the rebound happened !



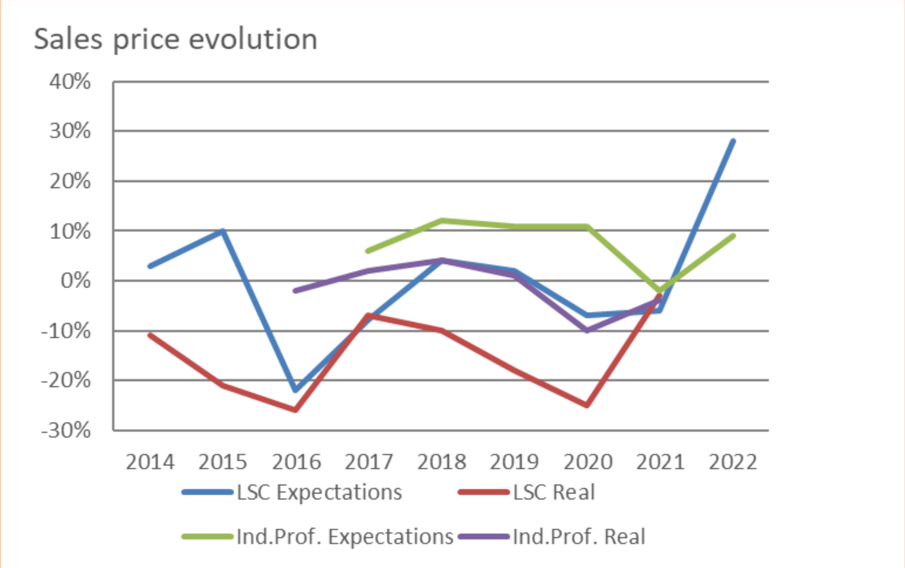


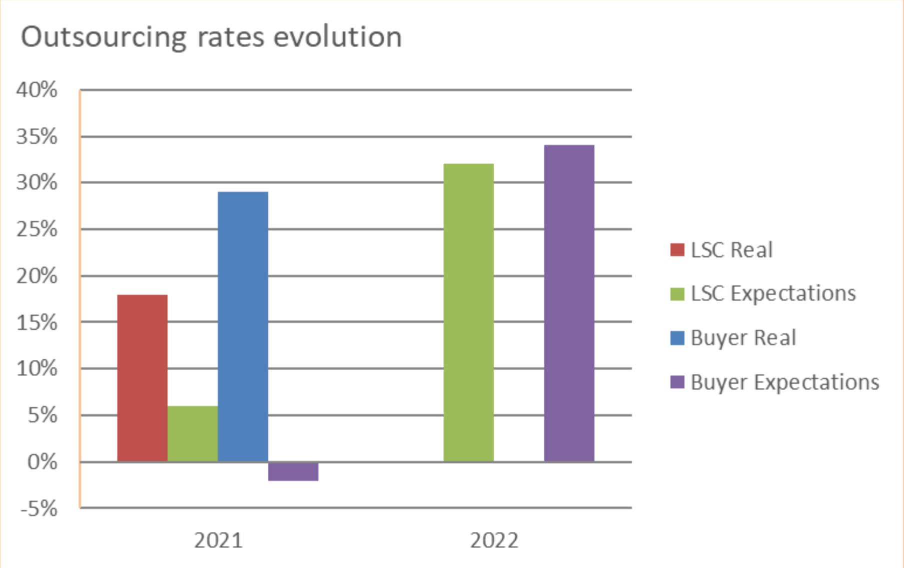


Expected rebound did happen, but was much stronger for language companies than for independent professionals

NOTE : Expectations reflect opinions before Ukraine conflict

Price evolution – 2022 could be first year with actual price increase

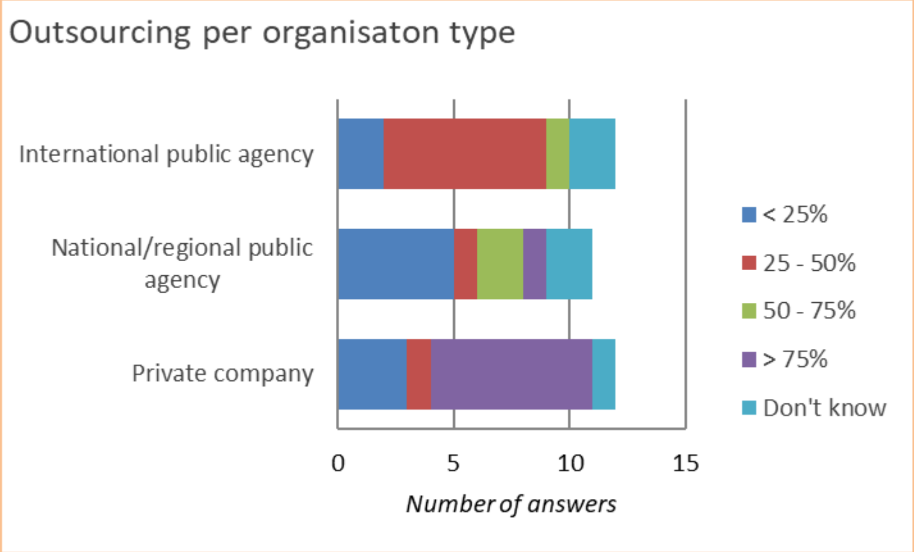


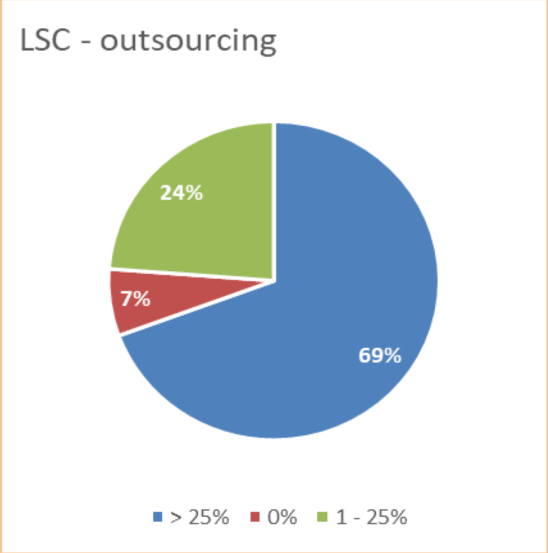


All stakeholder segments expect that prices will increase in 2022.

Buyers and language company respondents however disagree on the price evolution in 2021. Buyers saw an increase, while language companies and independent professionals saw a further- though small – decrease.

Outsourcing as a business model



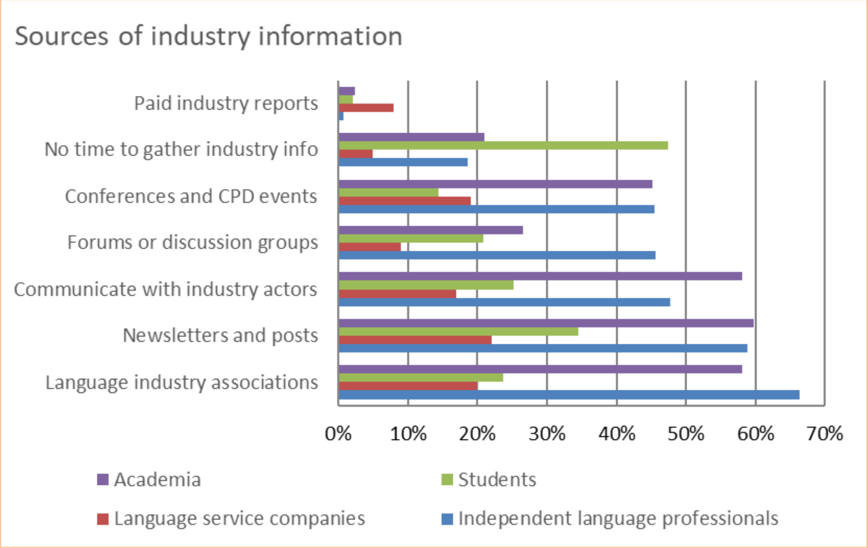


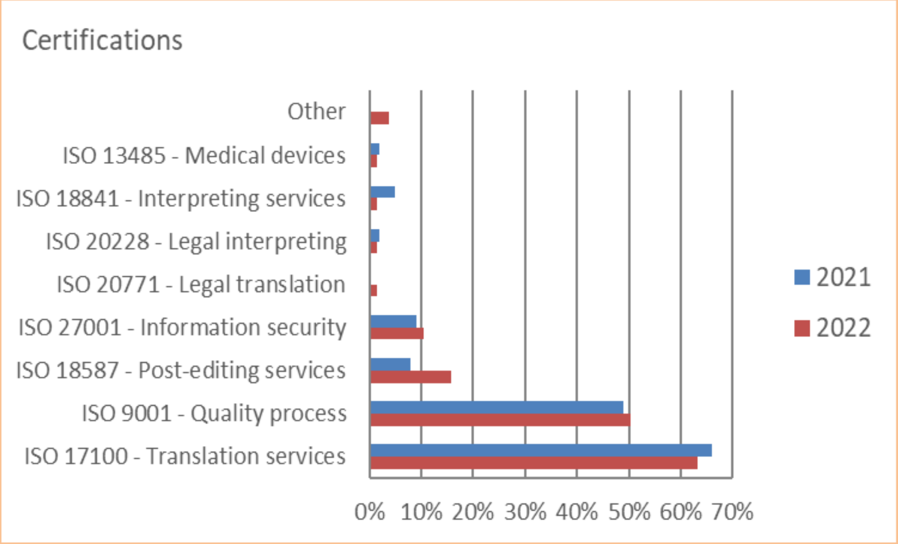
Outsourcing percentage of non-LSC organisations varies widely depending on organisation type.

Among LSC, outsourcing is the dominant business model, but a sizable minority outsources less than 25%.

7% of LSC indicate that all work is performed in-house.

Certifications and sources of industry informaton





Students should be encouraged to seek industry information.

Knowledge about market expecations is identified as one of the main skill gaps.

Clear, but still modest increase in certification for post-editing services.

ISO 9001 and 17100 seem to approach their potential maximum.

ISO 17100 has no clear impact on company performance.

Mood table – investment sentiment has digested Covid dip

	Companies	Investment	Disinvestment	2018	2019	2020	2021	2022
Austria	9	9	1	0,67	1,30	0,70	0,30	0,89
Belgium	13	12	0	0,62	0,57	0,80	0,70	0,92
Croatia	13	9	4	0,53	1,07	0,20		0,38
Czech Republic	6	8	0	1,40	1,20	0,50	1,00	1,33
Denmark	2	3	0	0,00	1,00	1,00	0,50	1,50
Estonia	4	4	0	0,67	0,80	0,80	1,10	1,00
Finland	4	5	0	1,00	0,57	2,00	1,50	1,25
Germany	16	15	1	0,80	0,89	1,60	0,40	0,88
Greece	4	2	0	0,70	1,20	0,70	1,00	0,50
Hungary	6	4	0	1,00	0,88	0,70	0,00	0,67
Italy	15	8	1	0,91	0,76	1,30	1,00	0,47
Latvia	2	0	1	1,17	2,00	0,70	0,50	-0,50
Lithuania	5	6	0		0,71	0,80	1,20	1,20
Malta	2	2	0					1,00
Netherlands	12	11	2	1,27	1,42	1,00	0,90	0,75
Poland	10	9	2	1,00	0,80	0,40	0,00	0,70
Portugal	16	8	1	0,92	1,18	1,00	0,70	0,44
Romania	2	2	0	0,71	0,43	1,00	1,20	1,00
Russia	14	15	1				0,60	1,00
Slovak Republic	6	6	0	0,60	0,67	1,00	1,00	1,00
Slovenia	6	7	0	1,36	1,44	0,90	0,20	1,17
Spain	15	10	3	0,76	0,56	0,70	0,10	0,47
United Kingdom	19	18	4	0,53	1,10	0,80	0,80	0,74
USA	4	6	0					1,50
				0,83	0,98	0,89	0,70	0,84

Green = > 0.5
Yellow = 0 – 0.5
Red = < 0
Grey = below threshold
White = no answers

Sentiment = (Investment score - disinvestment score) / Number of companies. 0 = neutral. Empty = no answers

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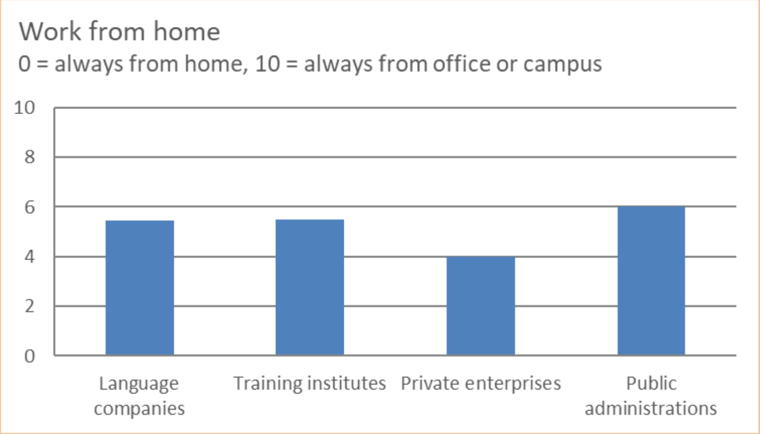
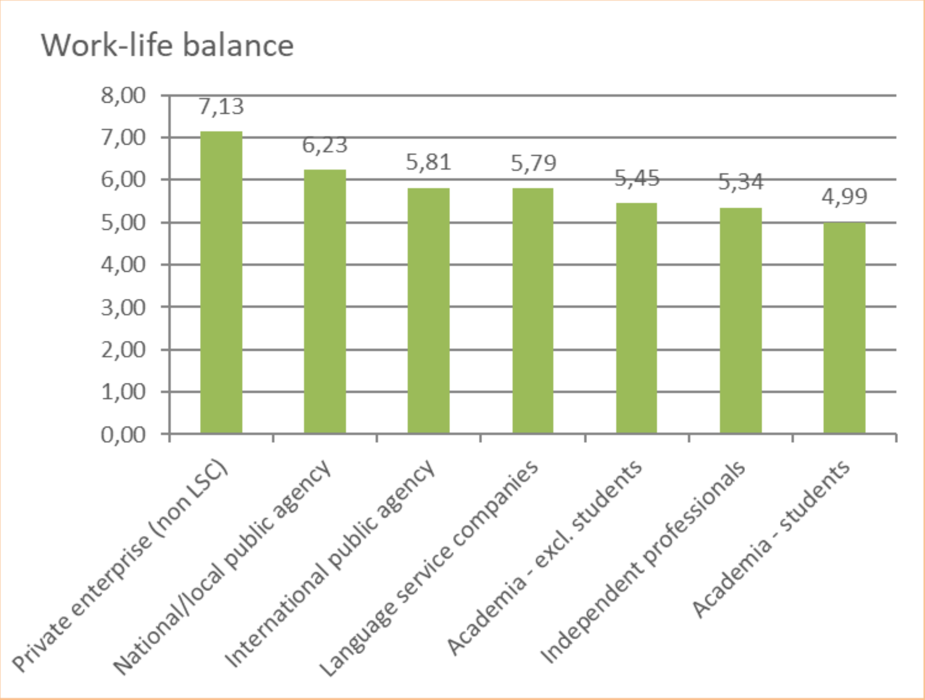
Working in the language industry

All types of respondents consider their work-life balance average or fair.

Independent professionals often mention the lack of a predictable workload as an obstacle to achieve a good balance.

High flexibility on the other hand is considered as factor that increases the balance.

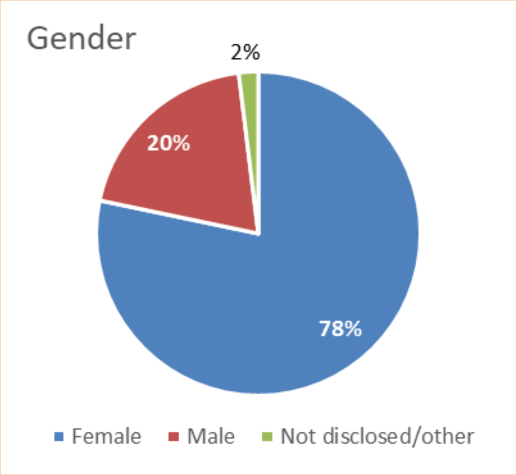




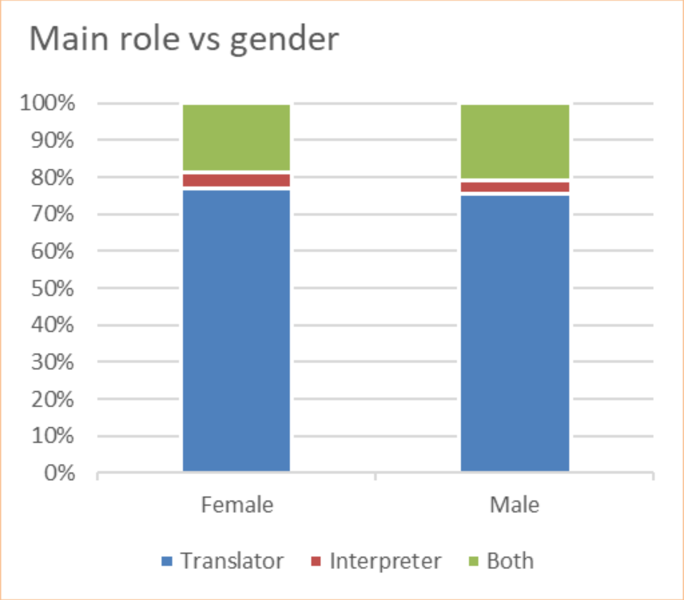
SEGMENT-SPECIFIC RESULTS

INDEPENDENT LANGUAGE PROFESSIONALS

Independent language professionals demography



Almost 80% of the participating independent professionals are women.

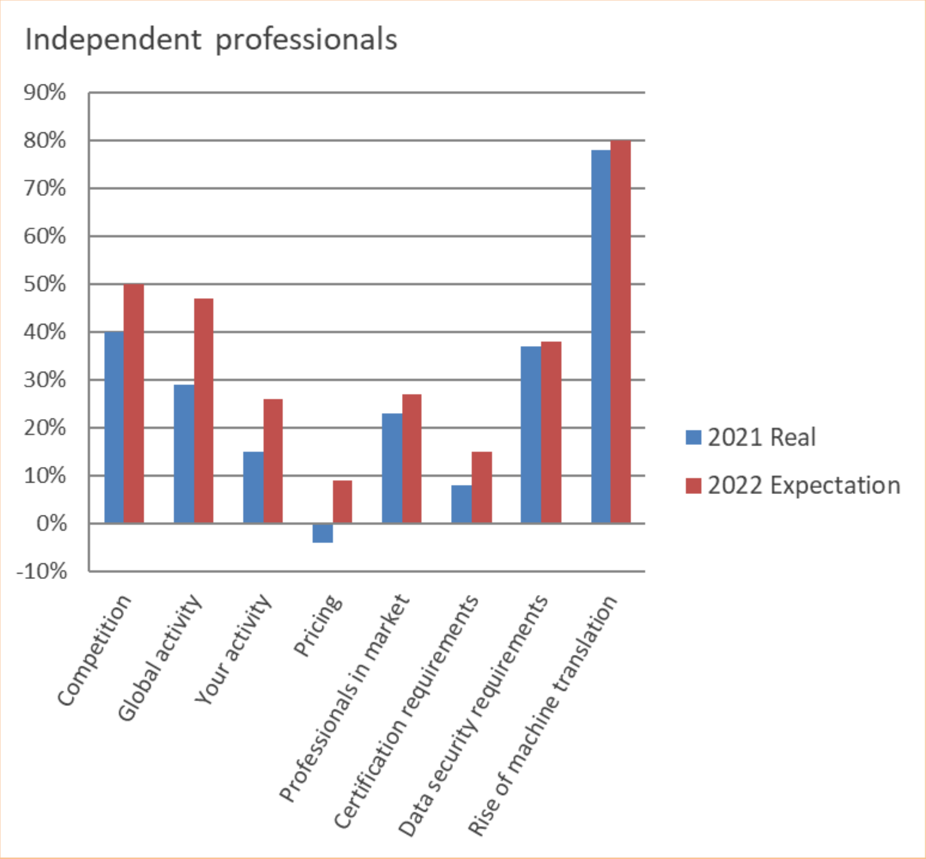


ELIS 2022 does not show any significant gender difference in terms of main activity.

76-77% are only active as a translator.

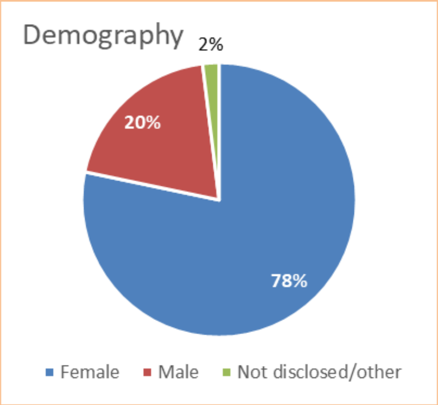
Those who are active as interpreters (24%), usually combine this with translation work. Only very few are working exclusively as interpreters.

2021 reality vs 2022 expectations

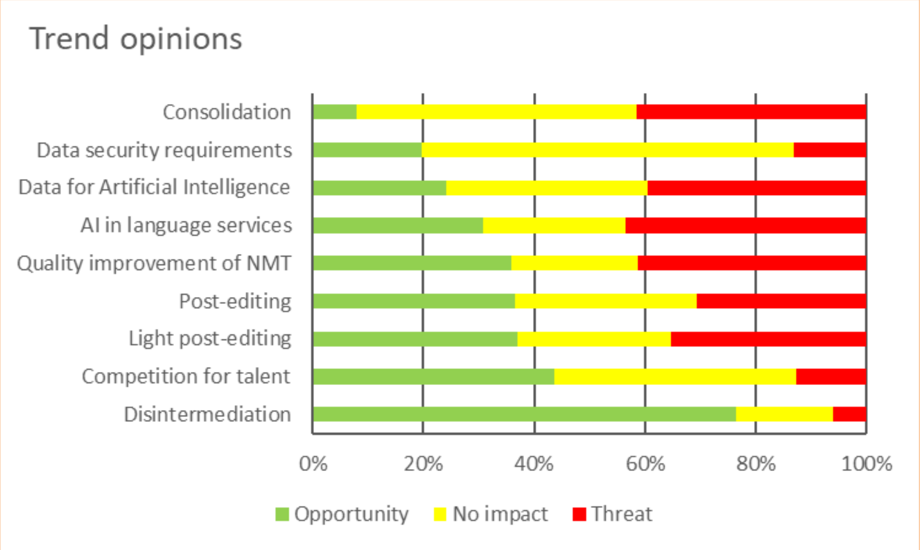


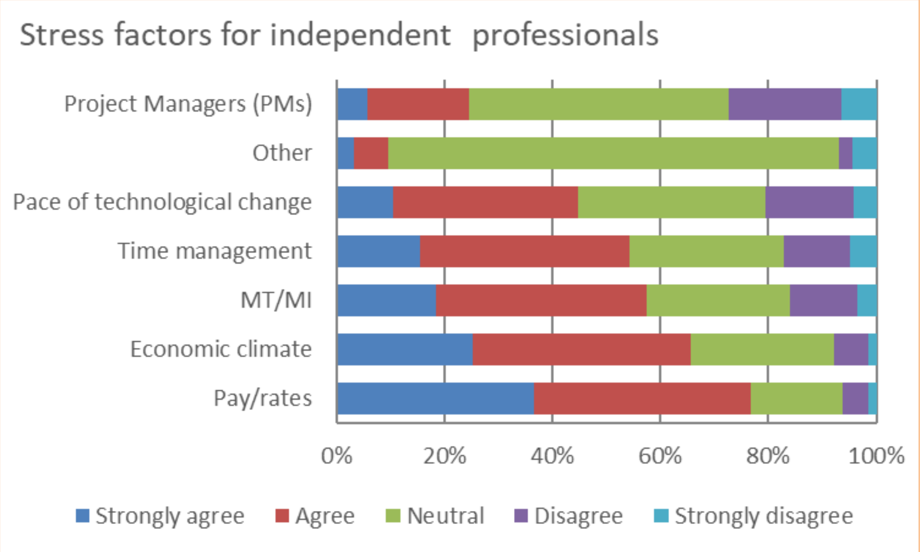
Virtually all independent professionals agree that the rise of MT will continue unabated in 2022.

Despite widespread concerns regarding experienced professionals leaving the industry, respondents see and expect a continuous increase of their numbers.



Trends and challenges

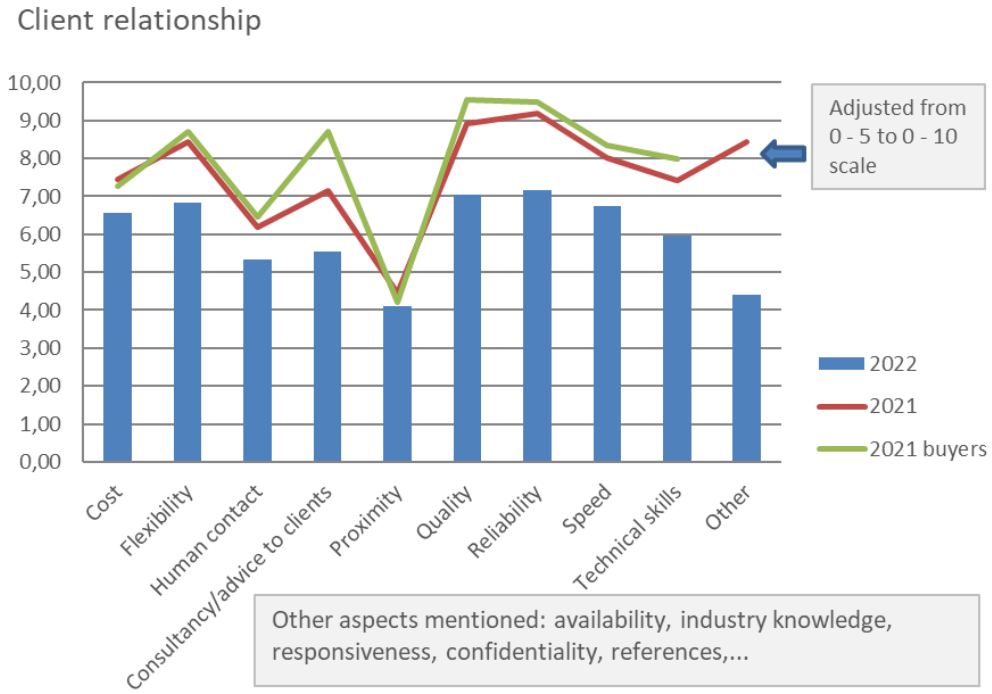




All MT-related trends (NMT quality improvement, post-editing and light post-editing) are viewed both as an opportunity and as a threat. Nevertheless, more than half of the independent professionals still identify machine translation and automated interpreting as a major stress factor, after price pressure and the economic climate.

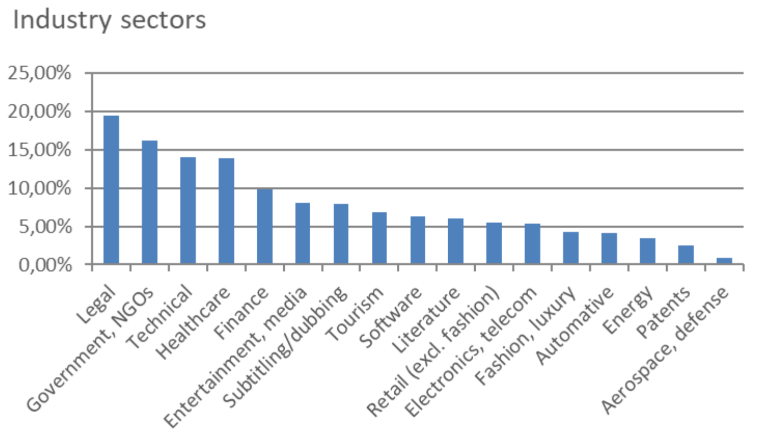
Disintermediation is, not unexpectedly, identified as a major opportunity, but at the same time more than 40% see consolidation as a major threat, second only to AI in language services.

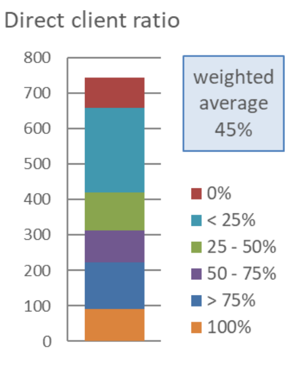
Client relationships



Other aspects mentioned: availability, industry knowledge, responsiveness, confidentiality, references,...

Ratings may be different for direct clients and LSCs





Tourism has recovered and technical sectors score higher than in 2021.

Overall very similar to LSC ranking except .

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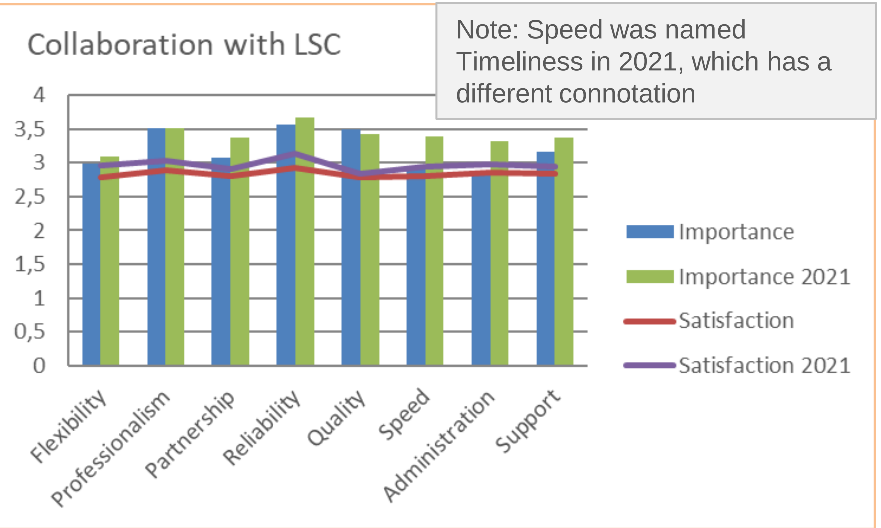
Relationship with language service companies

Overall results – both Importance and Satisfaction – are scored slightly lower than in 2021. The gaps are comparable to those in 2021.

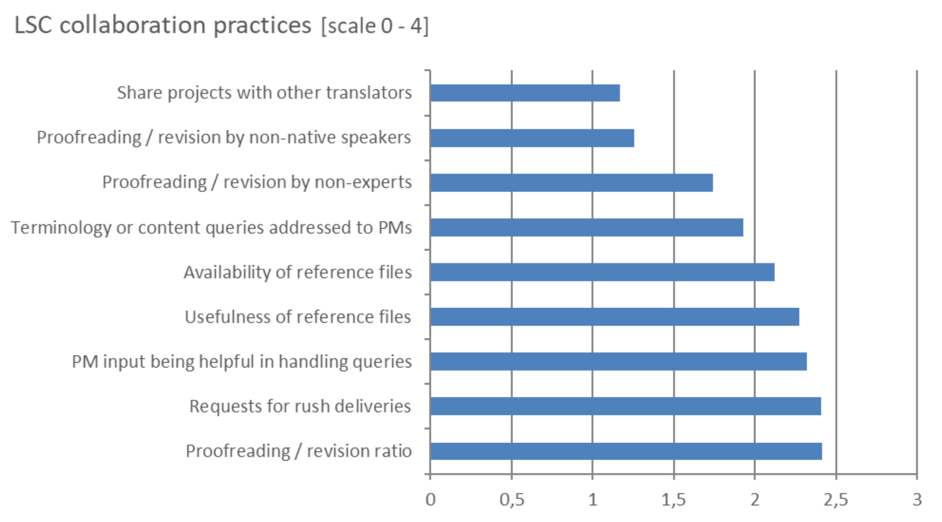
Outsourced projects are more often reviewed than not.

Rush or short deadline deliveries are common.

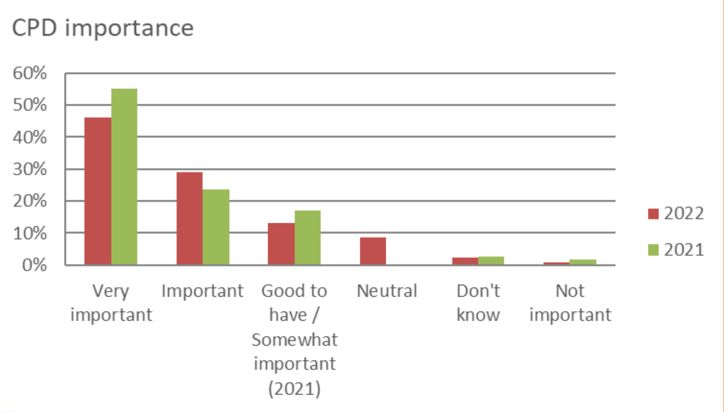
PM input is often helpful.

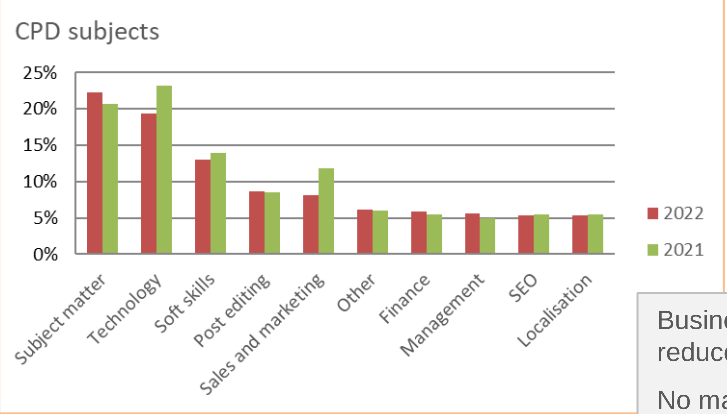


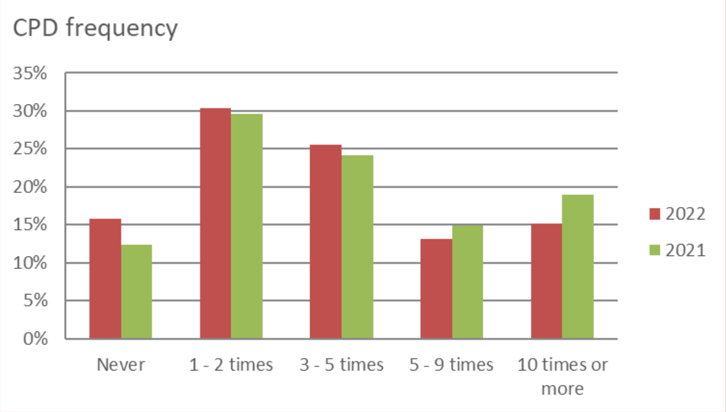
Note: Speed was named Timeliness in 2021, which has a different connotation

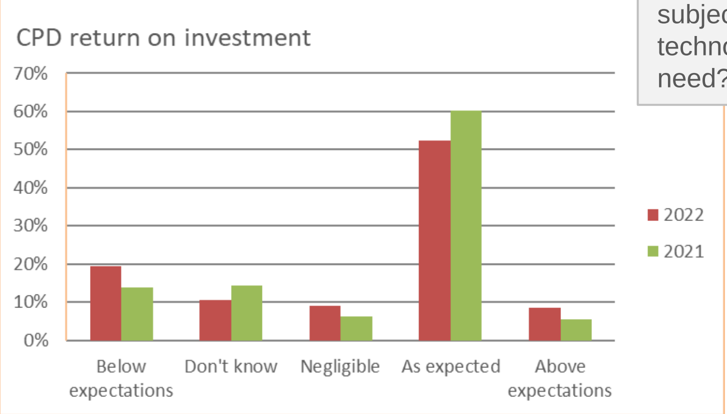


Continuous Professional Development (CPD)





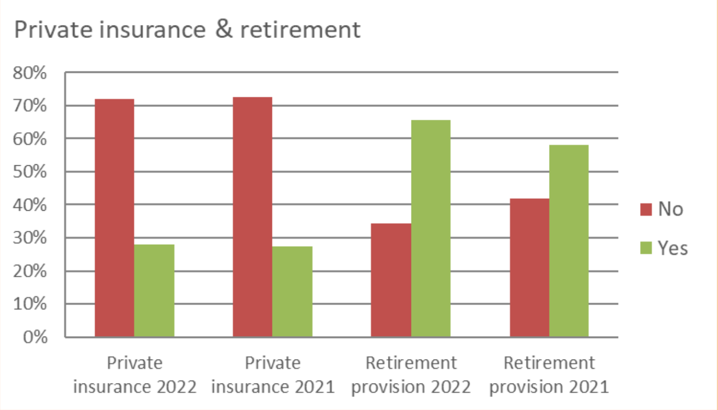


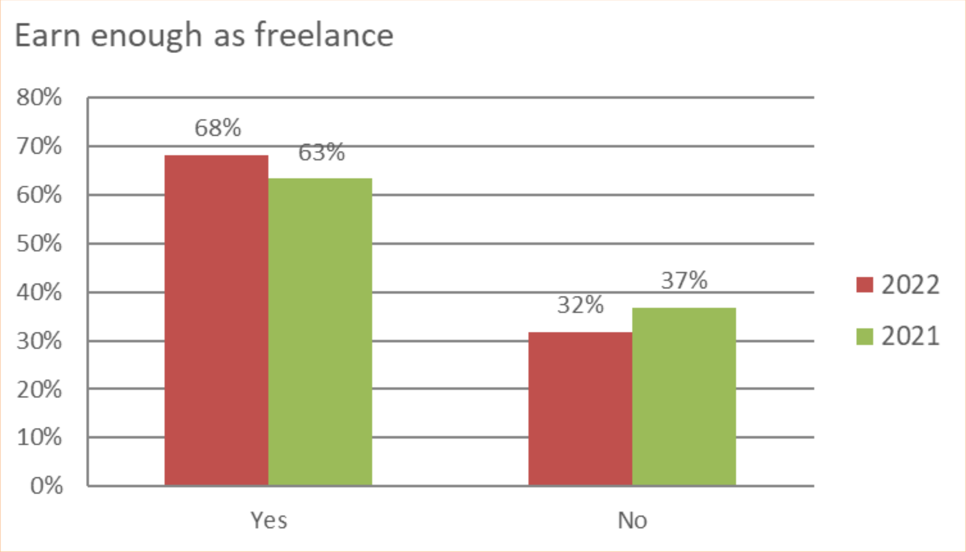


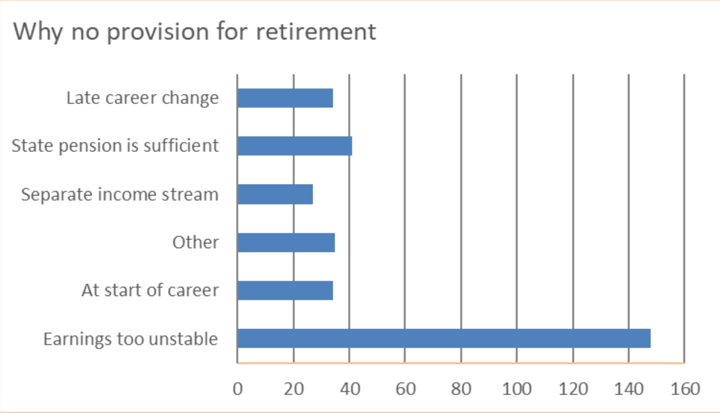
Business rebound slightly reduced CPD activity.

No major changes in subjects, except for technology and sales (less need?).

Finance & career



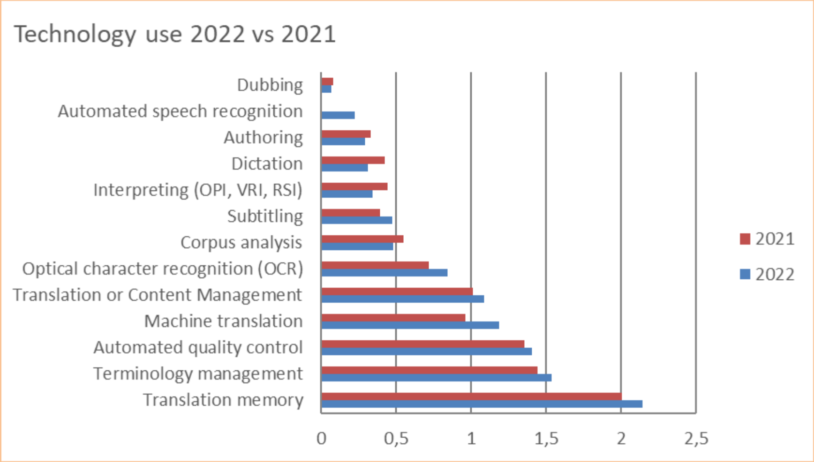


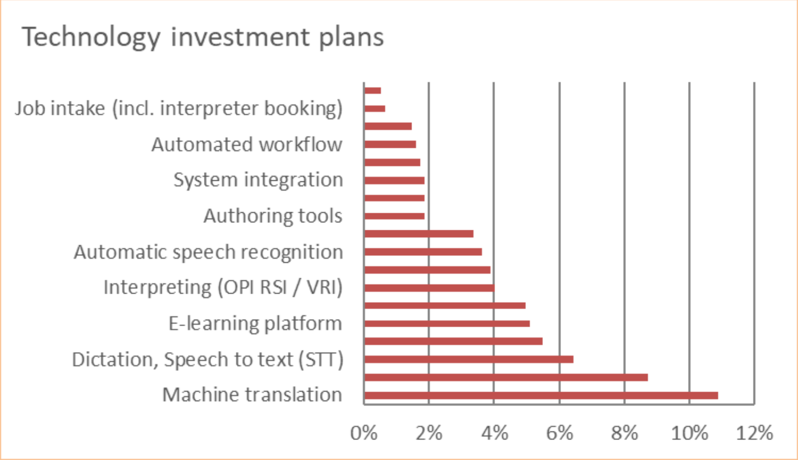


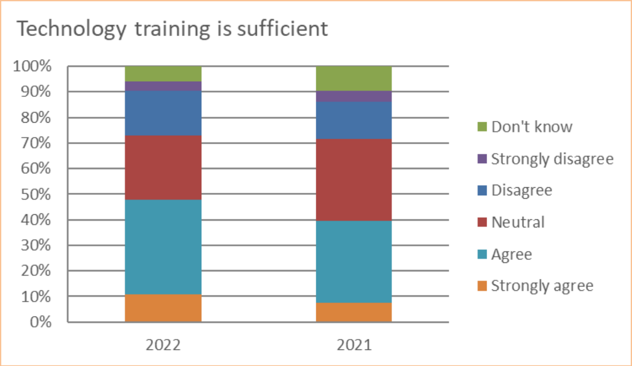
Higher percentage of respondents do not need a second source of income.

Significant further increase of provision for retirement (already increased between 2020 and 2021).

Technology







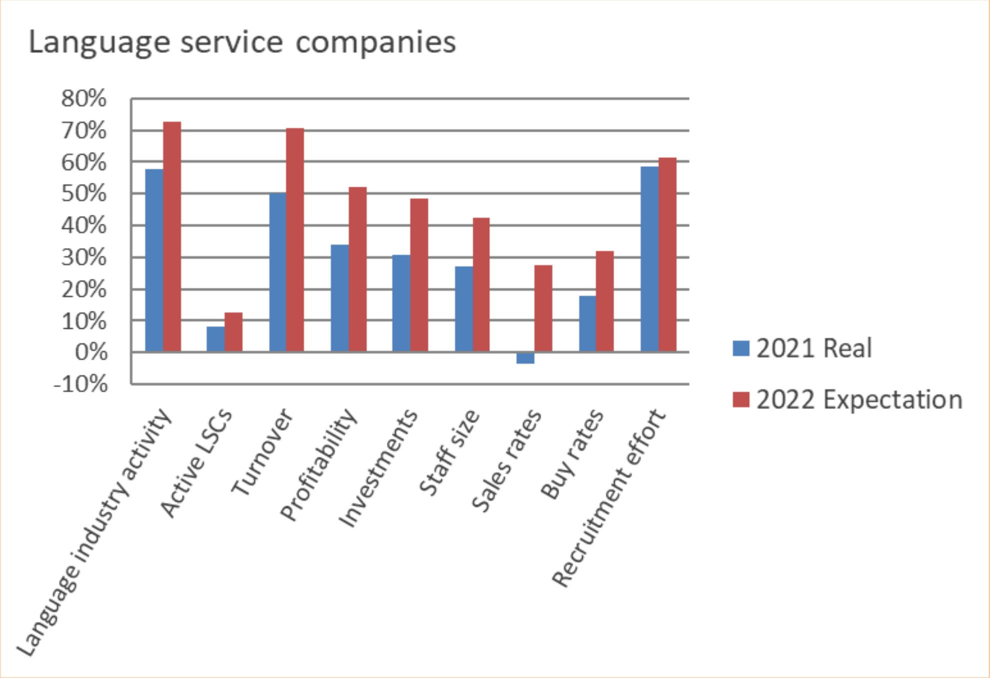
Machine translation shows the highest growth rate, but is still far behind translation memory, which is the only technology that reaches the ‘regular use’ (level 2) mark.

Less than 10% of respondents plan to invest in technology, with the exception of MT (11%).

Independent professionals report an improvement in technology training compared to 2021, but 21% still see (much) room for improvement.

LANGUAGE SERVICE COMPANIES

2021 reality vs 2022 expectations



Language companies had a good 2021, with a net 50% reporting growth and a net 34% also increased profitability.

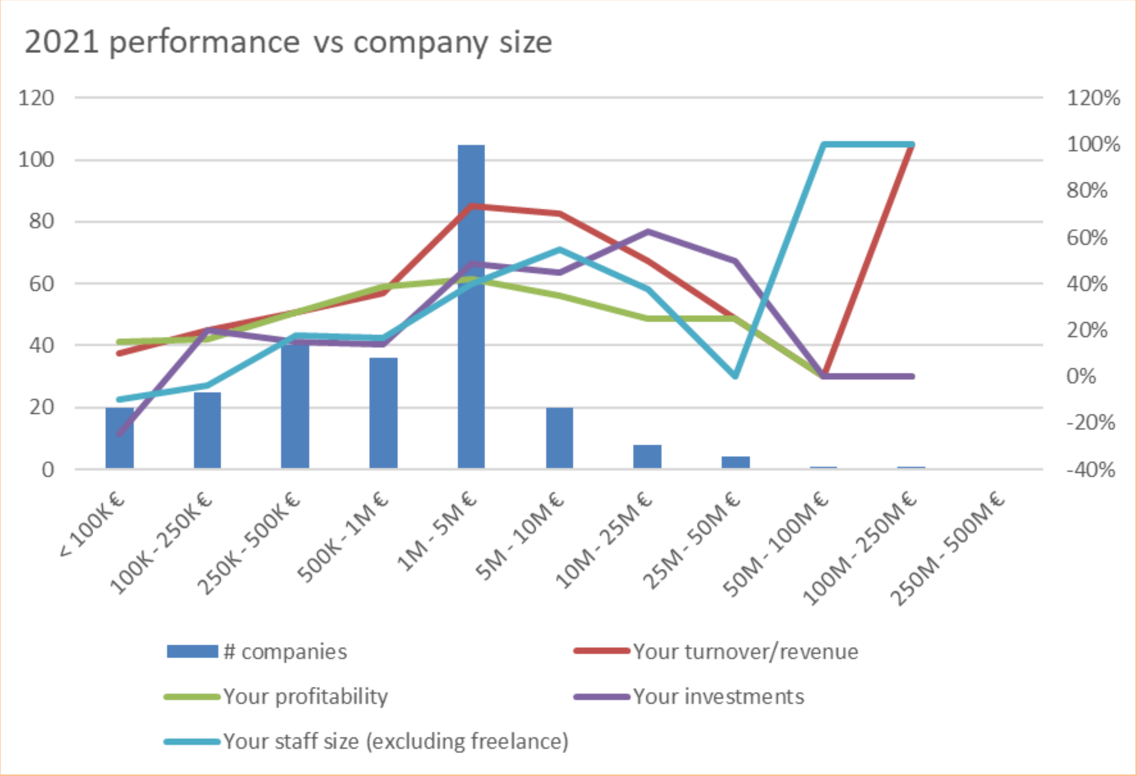
For the first time, a majority of participating language companies reported a turnover of more than 1 M €.

Investment (net +31%) and employment (net +27%) followed the same trend.

All expectation indicators for 2022 are significantly higher than 2021 reality, which confirms the strong employer confidence that was already visible in the Mood table.

The only *negative* side-effect of this bullish sentiment is an increased effort to recruit the required talent.

Performance vs language company size



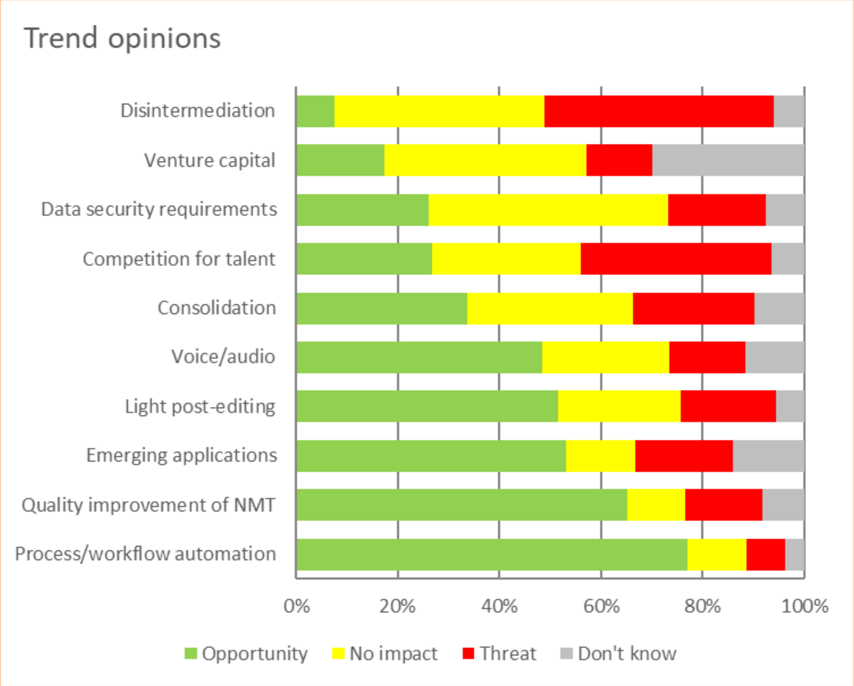
The ‘sweet spot’ hypothesis based on the ELIS 2021 results cannot be confirmed.

While still outperforming most other size segments, the 1-5M € segment is not the only one to show strong 2021 results.

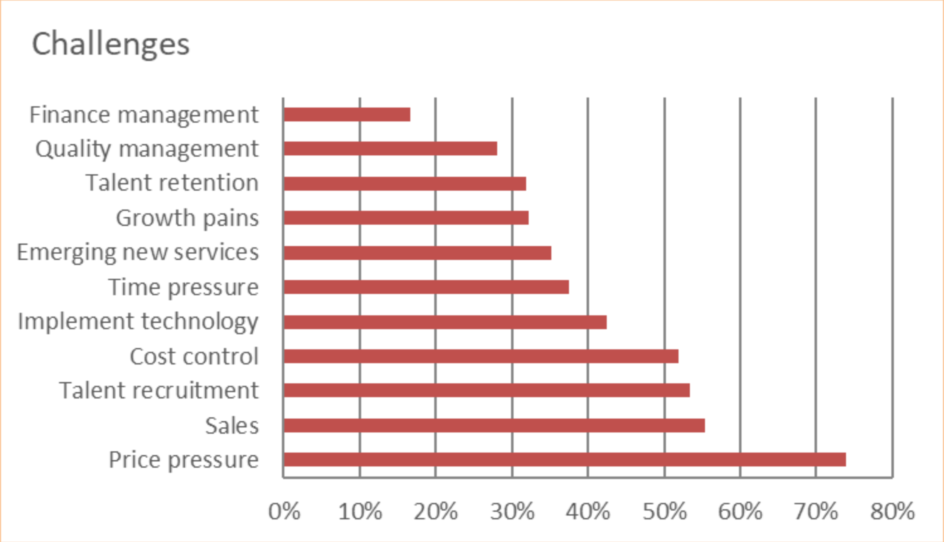
Contrary to the Covid-related activity drop in 2020, which hit specific parts of the industry much stronger than others, all size segments and specialisations seem to have benefited of the 2021 rebound.

CAUTION: results of large companies are not representative due to the small number of answers.

Trends and challenges



Other trends identified include accessibility requirements and an increased integrationof language services and content creation.



Talent recruitment is recognized as a major challenge, which is confirmed by Competition for talent being identified as the 2nd largest threat.

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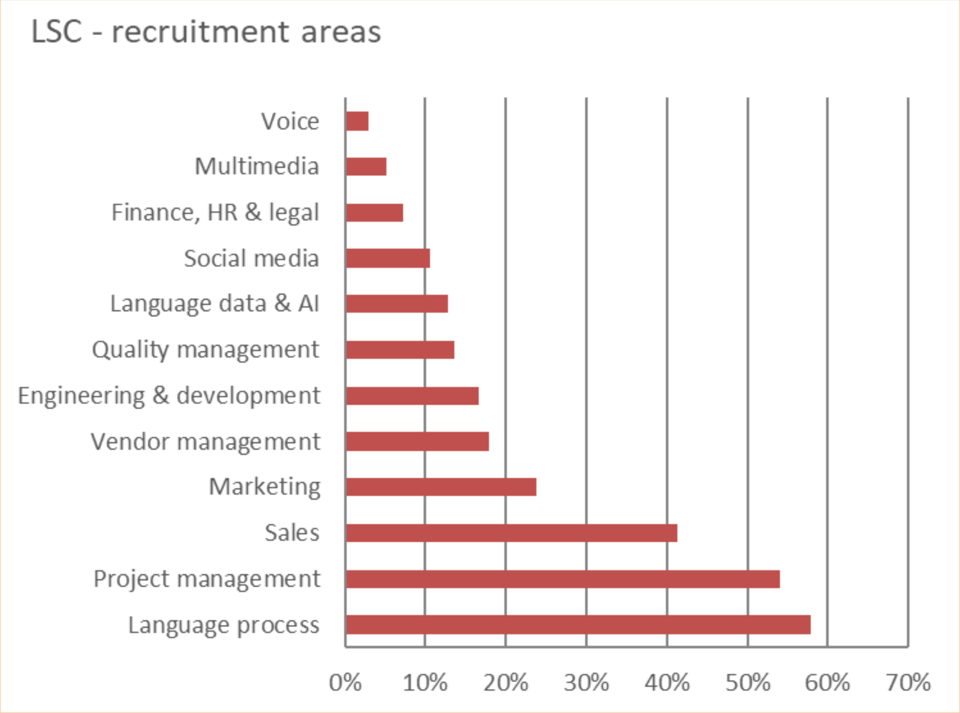
Staff and recruitment



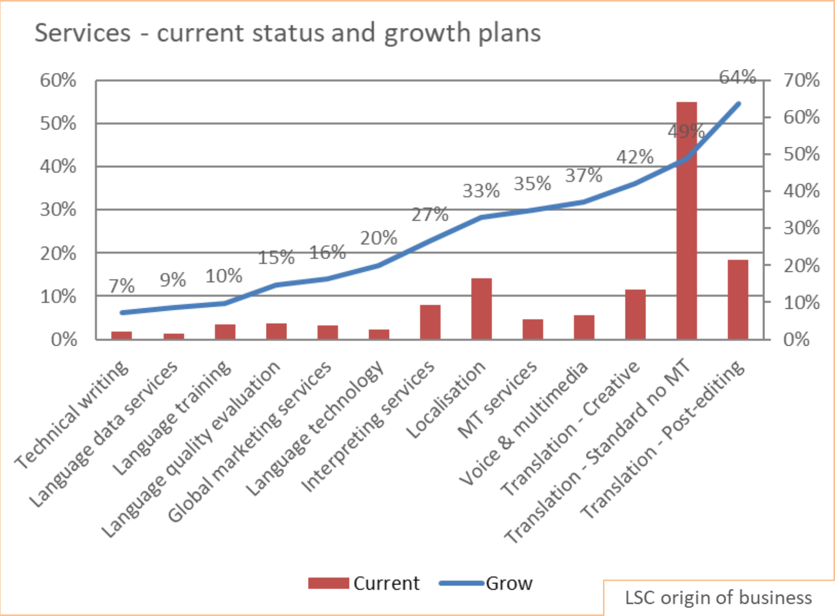
According to LSC respondents, 28% of their staff have project management roles, 21% language roles, and 24% a management or administrative support role.

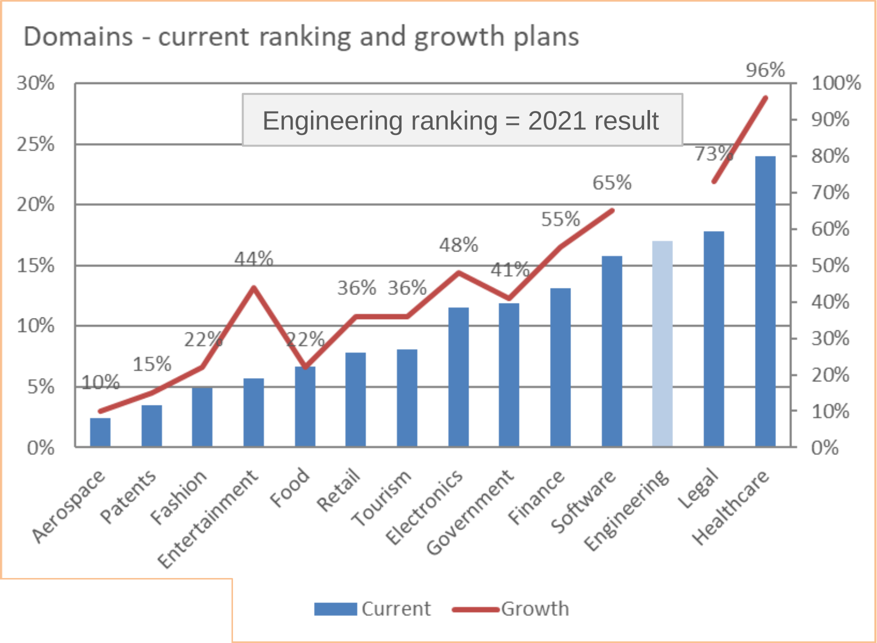
2022 recruitment plans are mainly focused on language, project management and sales profiles.

Despite the current high attention to language data business and voice, recruitment intentions for related profiles is modest to almost inexistant.

On average, LSC respondents are fairly likely to stay with their current employer. Salary levels and career opportunities however are judged just average. The vast majority of respondents reports that the gender pay gap is virtually inexistant.

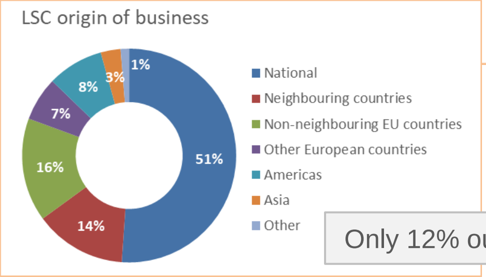
Services, domains and origin of business





Post-editing and creative translation are the strongest growth candidates.

Voice & multimedia growth intentions are not supported by recruitment plans.



Only 12% outside Europe

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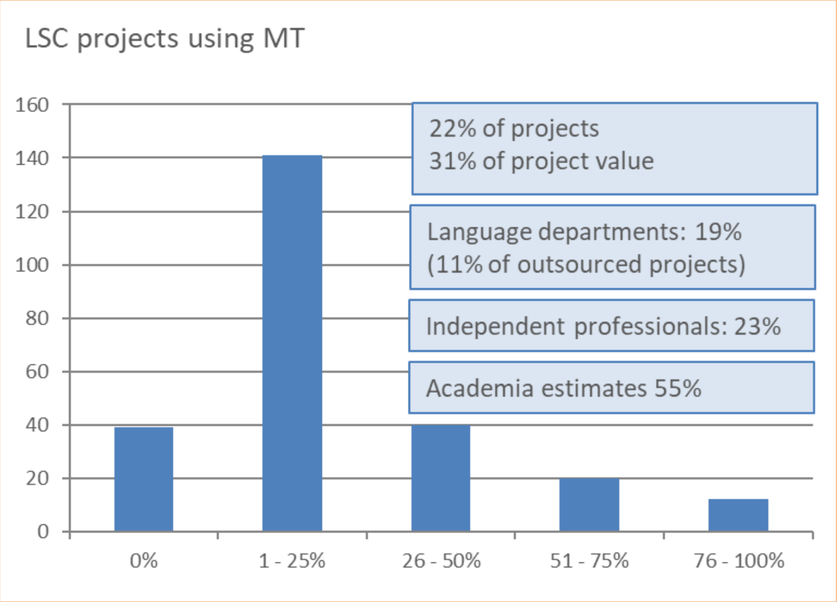
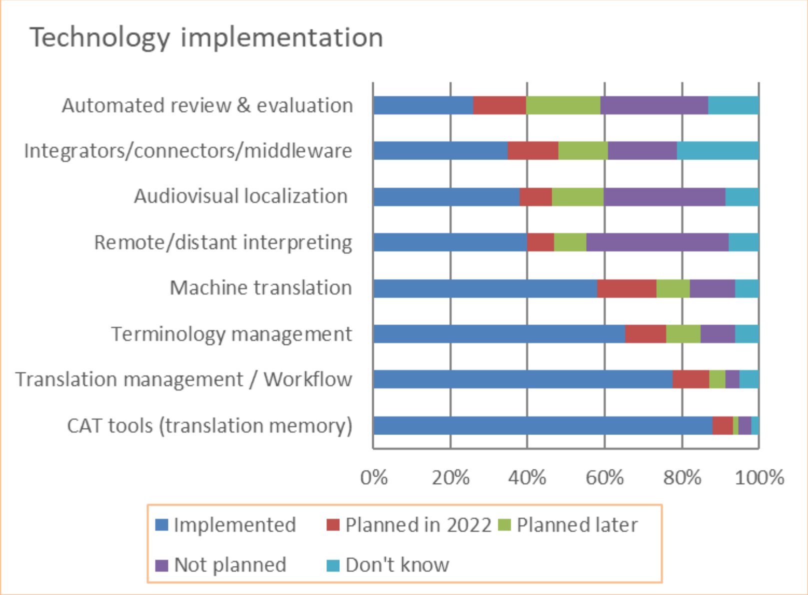
Technology





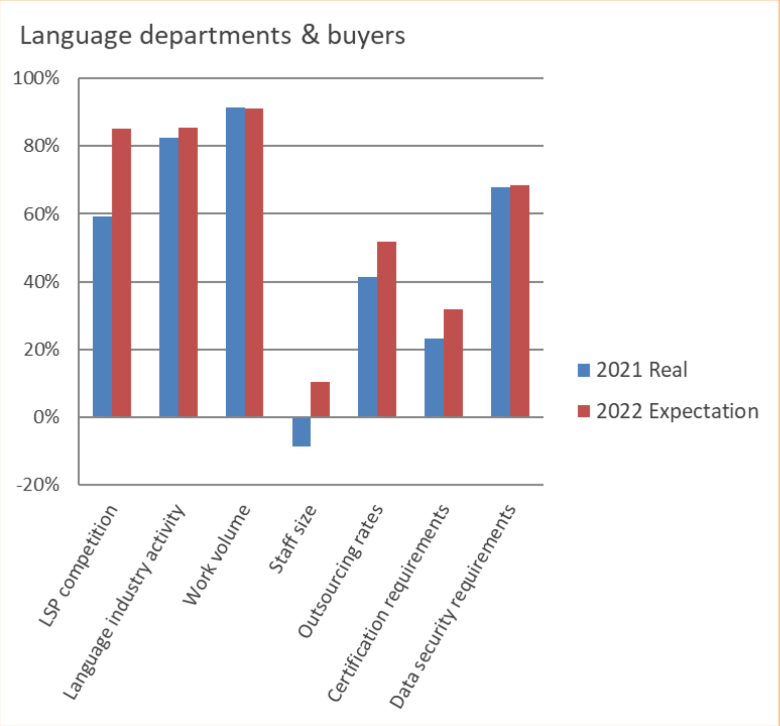
ELIS 2022 confirms that most language stakeholders have implemented MT, but cannot confirm that MT post-editing is already the dominant model for professional translation. Actual reported usage is between 20 and 25% of translation projects, depending on the type of organisation. DeepL is by far the most widely used MT product.

Academia estimates correspond to MT implementation rate, but not to actual MT usage.

In only 18 months of Covid crisis, RSI seems to have filled its potential niche among the language companies.

LANGUAGE DEPARTMENTS & LANGUAGE SERVICE BUYERS

2021 reality vs 2022 expectations

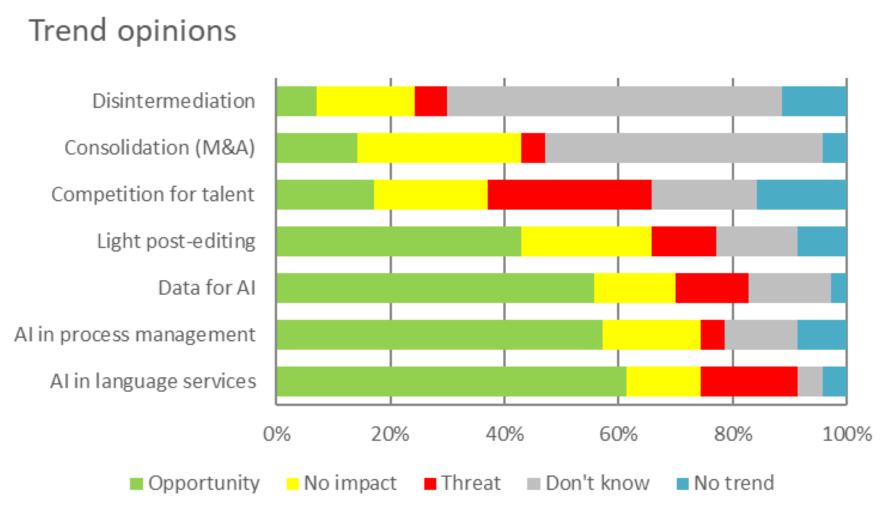


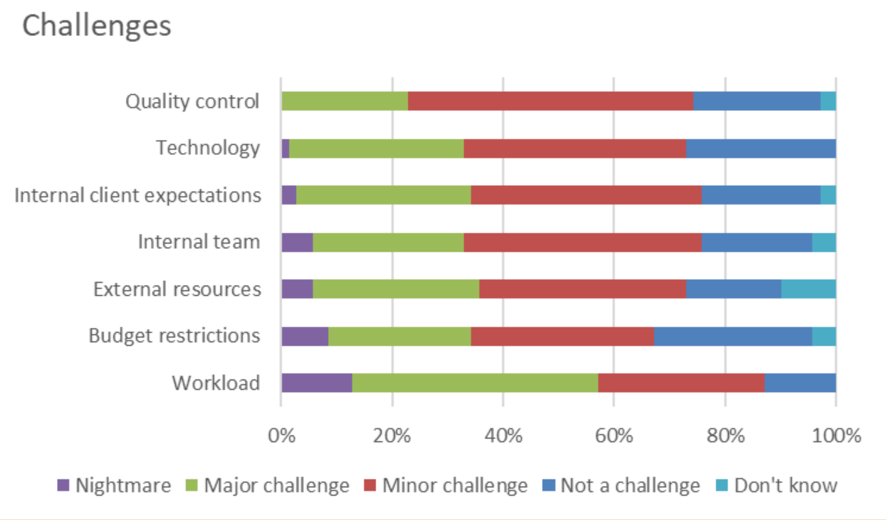
Language departments and language service buyers expect a further increase of data security requirements, much more than requirements for certification.

Despite the expected increased competition among language service providers, buyers report that the outsourcing rates did increase in 2021 (which is not consistent with responses from language companies and independent language professionals) and expect this increase to continue in 2022.

The main concern of this segment however continues to be the increase in work volume to be handled by the language department, even more so than in 2021, combined with the lack of internal resources to handle the workload.

Trends and challenges

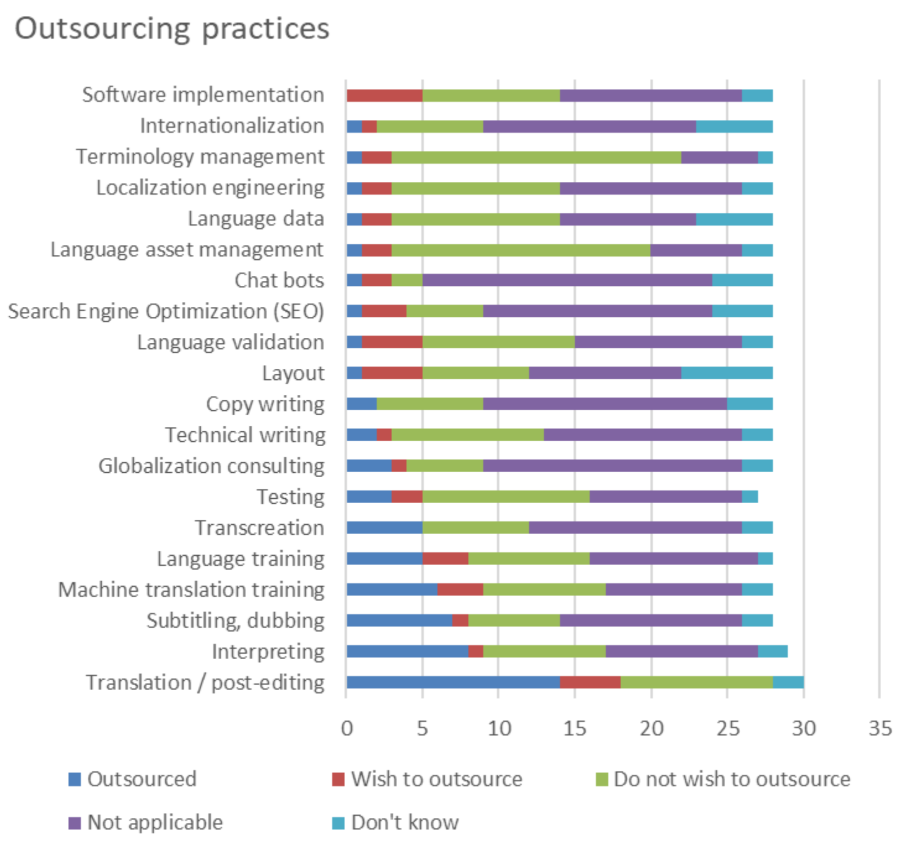


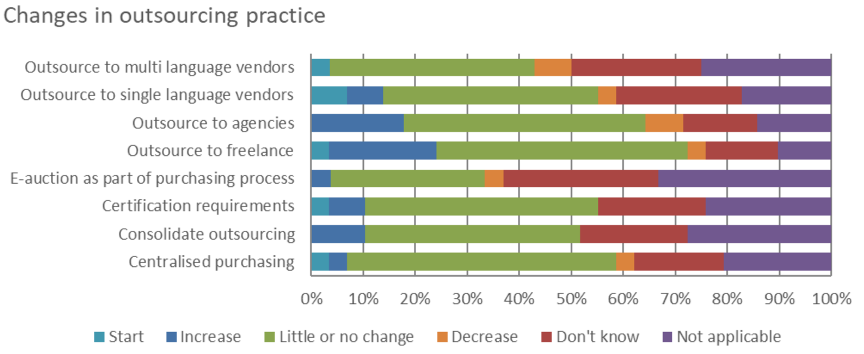


Language departments see AI, both for language services and process management, as a major opportunity. The expected competition for talent is considered as a major threat. Their main challenge however remains the workload combined with the existing budget restrictions.

Quality control is seen as a challenge, but one that can be managed.

Outsourcing





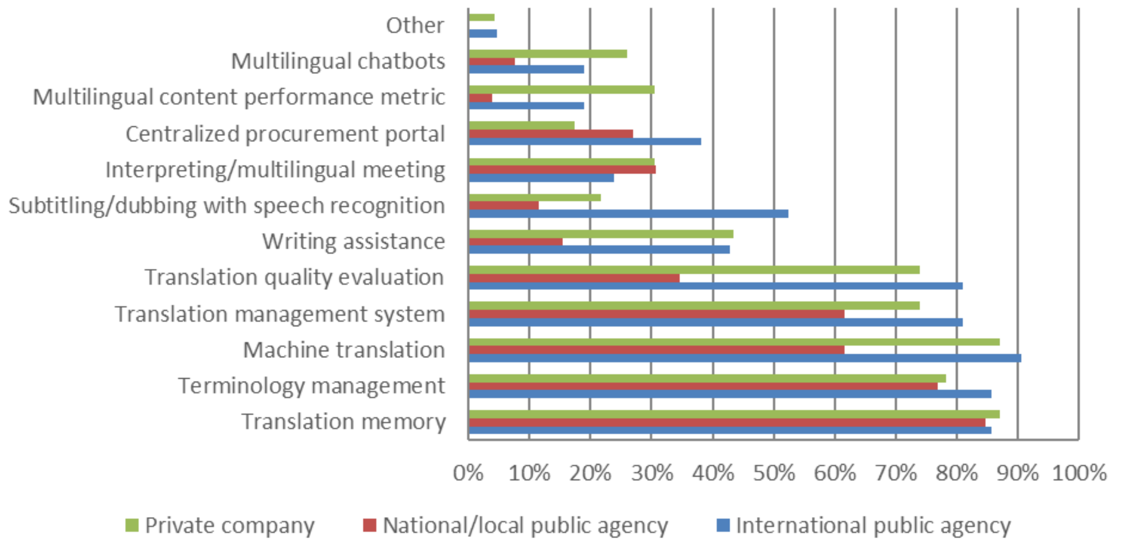
No significant changes in outsourcing practice expected.

Outsourcing focus remains on traditional outsourcing activities. No plans to outsource activities such as SEO or even terminology management.

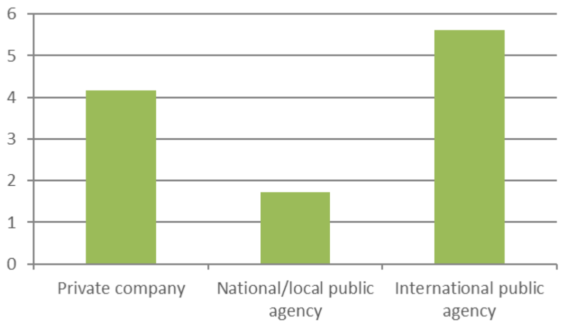
Public agencies tend to outsource less than 50% of their language work (private enterprises more than 75%).

Technology

Technology implemented or planned



Proprietary technology

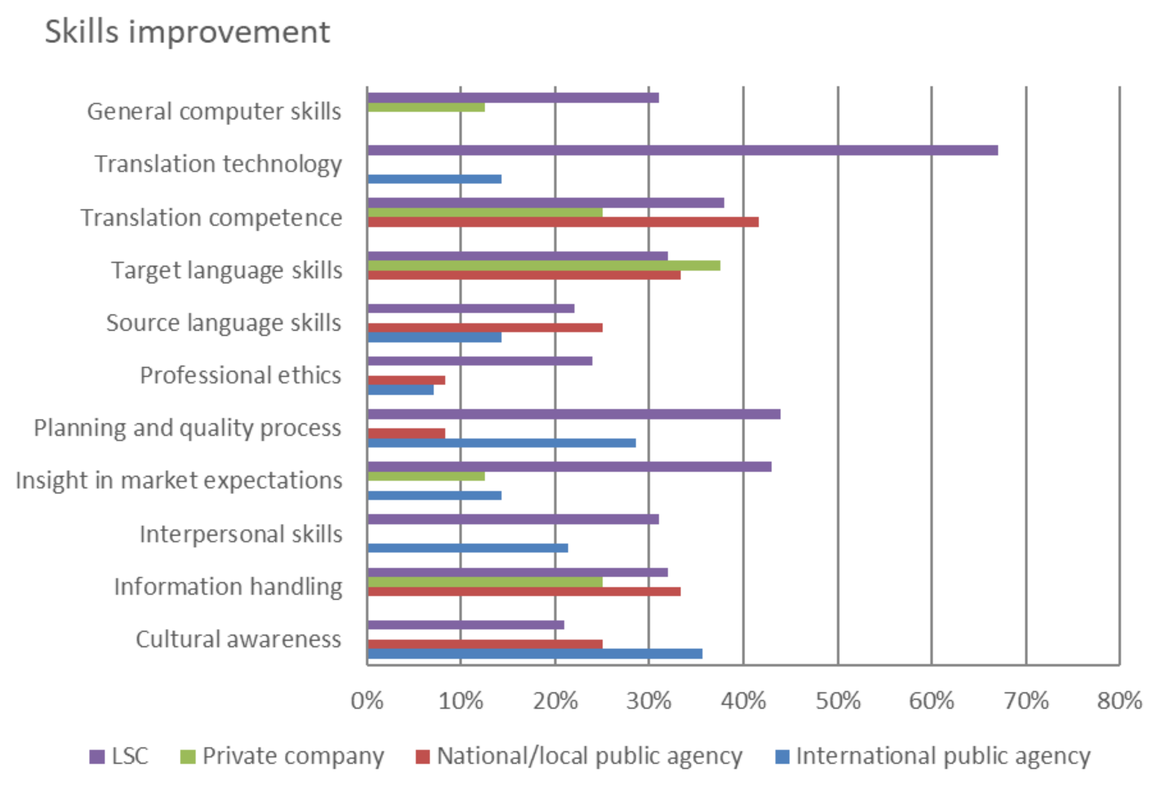


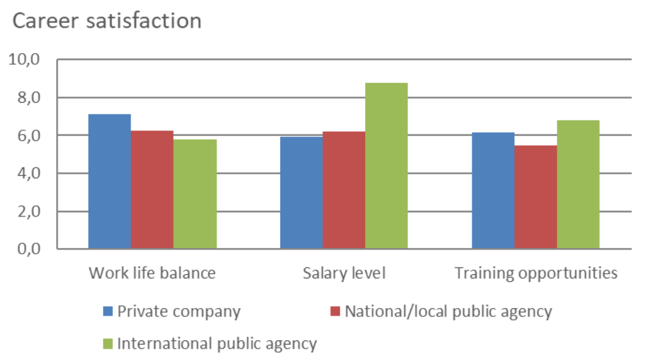
On average, national agencies are technologically less advanced than their international or private colleagues, both in implementation and in internal development.

Language departments are more advanced than LSCs in automated quality evaluation, but less in RSI.

43% of language departments ask external providers to use the same tools as they do, or give them access to their technology.

Working in a language department





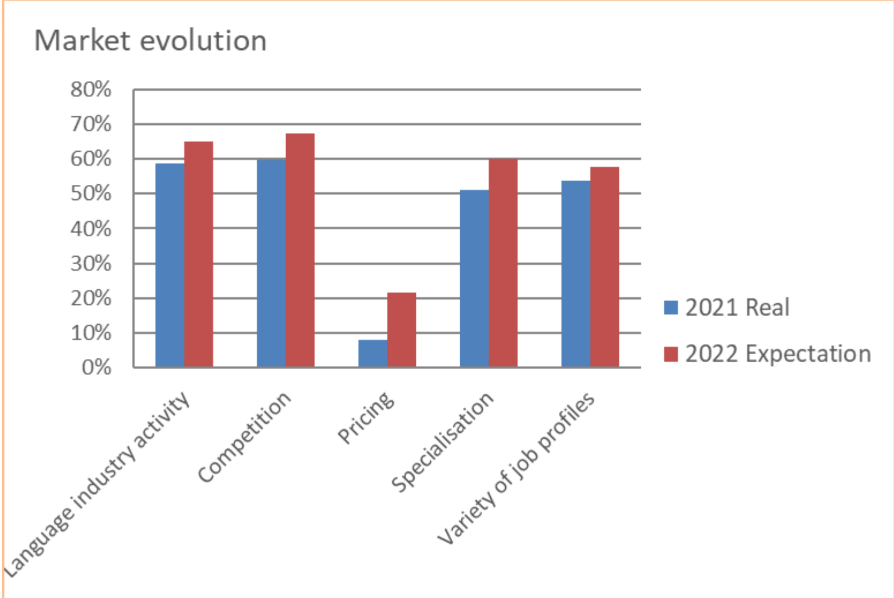
Considerable differences between LSCs and language departments, but also between different organisations.

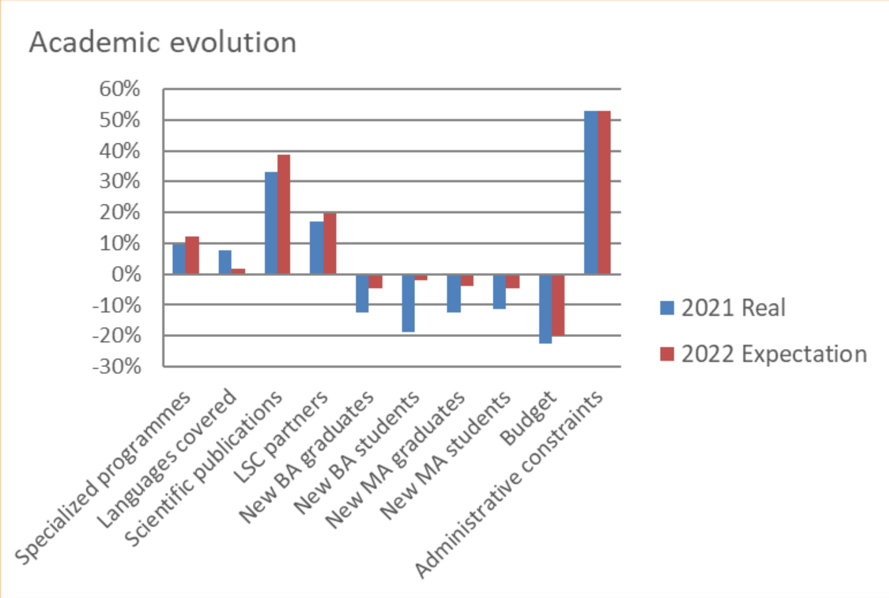
May be linked to differences in selection process.

No clear correlation with organization size.

TRAINING INSTITUTES

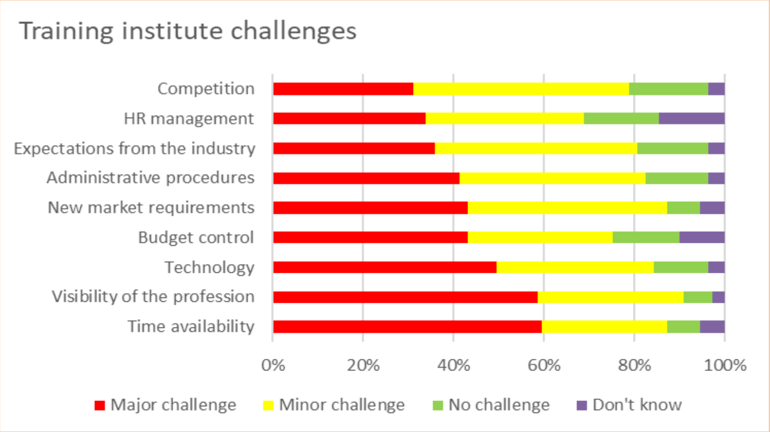
2021 reality vs 2022 expectations

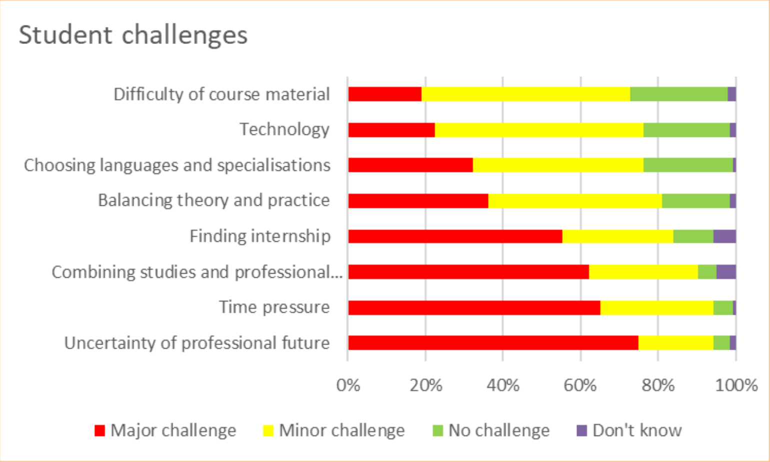


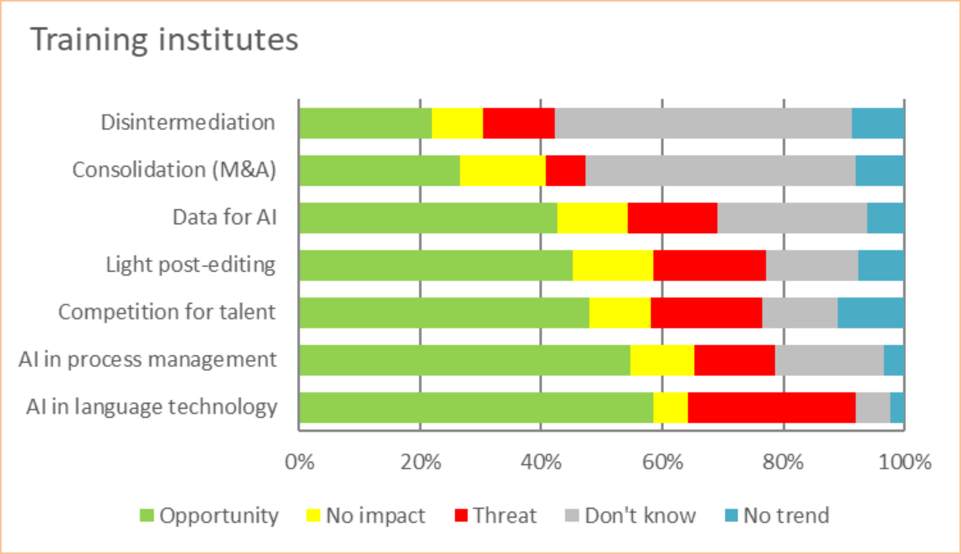


Training institutes share the other segments' optimism concerning the language industry development. They do however express serious concerns regarding the declining number of students (contrary to last year's expectations for 2021) and budget, combined with the increase of administrative constraints.

Trends and challenges





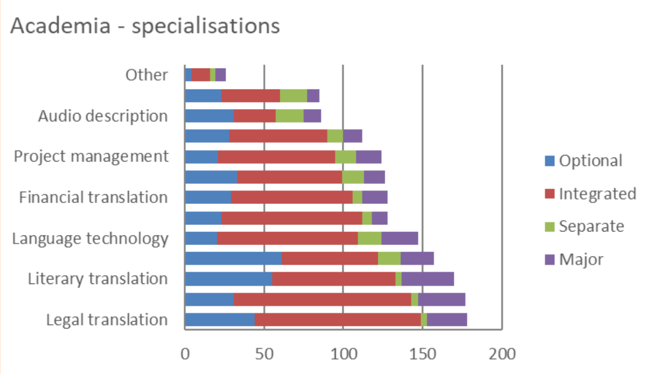


Training landscape – where are the gaps ?

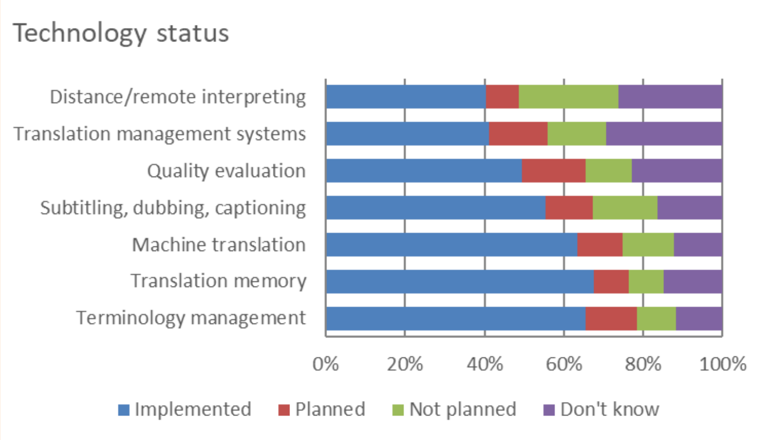
Programmes	Austria (41)	Belgium (12)	Bulgaria (14)	Croatia (2)	Czechia (28)	Estonia (5)	Finland (2)	France (21)	Germany (7)	Greece	Hungary (2)	Ireland (2)	Italy (11)
Technical writing													
Creative writing													
Interpreting													
Multilingual communication													
Other													
PSIT (Public service interpreting and translation)													
Technology driven translation													
Terminology													
Translating & Interpreting													
Translation													
Green = 10 or more answers, Yellow = 5 - 9 answers, Red = less than 5 answers													

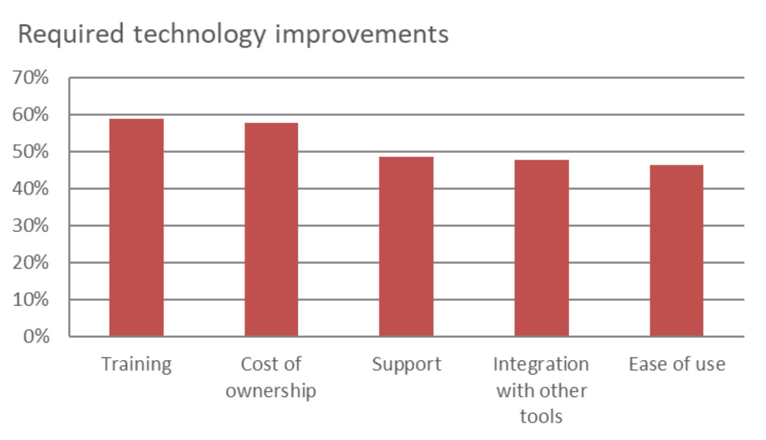
	Austria (41)	Belgium (12)	Bulgaria (14)	Croatia (2)	Czechia (28)	Estonia (5)	Finland (2)
Academic bachelor							
Academic EMT Master							
Academic Non-EMT Master							
Other							
Professional bachelor							
Professional EMT Master							
Professional Non-EMT Master							

Training languages		Arabic	Bulgarian	Chinese	Croatian	Czech	Danish	Dutch	English
		30	15	43	23	38	5	22	200
Austria	41	L1, L2	L2	L1, L2	L1, L2, L3	L1, L2	L3	L2, L3	L1, L2, L3
Belgium	12	L1, L2		L1, L3			L1 ?	L1, L2, L3	L1, L2, L3
Bulgaria	14		L1, L2, L3	L1, L3	L2	L2	L2		L1 ?
Croatia	2				L1				?
Czechia	28	L2, L3		L2, L3		L1, L3	L2	L2, L3	L1, L2, L3
Estonia	5								L1, L2
Finland	2								L2
France	21	L2		L1, L3				L3	L1, L2, L3

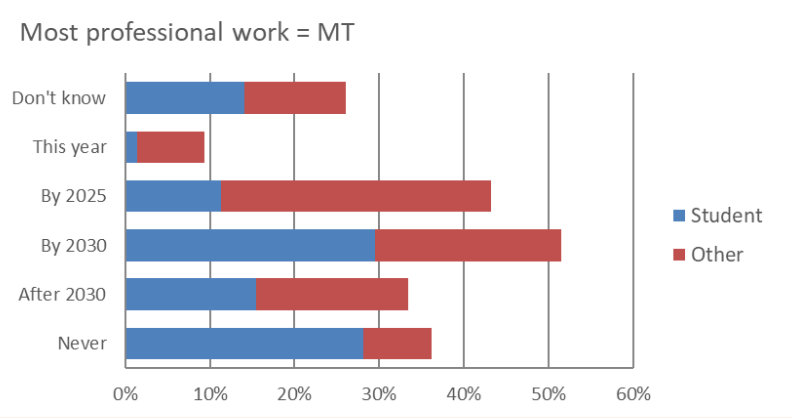


Technology





Note: academia respondents estimate that 58% of professional translation work is already done using MT, while LSC, independent professionals and language departments report less than 25%



CONCLUSIONS

What do the ELIS 2022 results tell us ?

- 2021 gave the language industry the breathing space that it needed after the Covid disruption.
- Without unforeseen upheavals, 2022 is expected to give language industry stakeholders strong opportunities for growth and development
- As a side effect of industry growth, strong talent management will be a key element in language company success, since the numbers of new graduates are not expected to be able to meet the increased demand
- Due to the generalised growth of activity, the industry is at risk of losing the sense of urgency which fueled the accelerated technology and process innovation during the Covid crisis
- Skill gaps are not closing and recruitment plans are not in line with training programs. A closer cooperation between academia and industry is critical.

ELIS survey partner websites

euatc.org	EUATC (European Union of Association of Translation Companies)
elia-association.org	Elia (European Language Industry Association)
gala-global.org	GALA (Globalization And Localization Association)
fit-europe-rc.org	European regional centre of the International Federation of Translators
ec.europa.eu/info/resources-partners/european-masters-translation-emt_en	EMT (European Master's in Translation) network
ec.europa.eu/info/departments/translation_en	European Commission - DG Translation (Lind group)
womeninlocalization.com	Women in Localization

Thank you

This presentation and the ELIS 2022 report
can be downloaded from the elis-survey.org repository
(registration required)