Trends, expectations and concerns of the European language industry

16:00 Welcome, housekeeping rules
16:05 Opening words by Christos Ellinides, Director-General for Translation, European Commission
16:20 Presentation of the ELIS 2024 results
17:20 ELIS 2024 discussion panel – what do the results mean for the industry?
18:00 Closing words by Heike Leinhäuser, president of EUATC
ELIS 2024 Results

- ELIS 2024 – a record edition
- Global market evolution & industry mood
- Segment-specific results
  - Language service companies
  - Language departments
  - University staff and students
  - Independent language professionals
- Conclusions
ELIS 2024 – a record edition!

1776 answers
- 919 independent language professionals
- 257 language companies
- 78 language departments
- 170 university staff members
- 352 students

55 countries
15 countries with representative numbers of language company answers
22 countries with representative numbers of language professionals
NOTE: 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.
Both language professionals and companies report zero or even negative growth in 2023. They expect 2024 to be better, but confidence is clearly lower than in previous years.

As in 2023, the average activity level hides strong national differences, even within the same European region (ex. -24% for LSCs in Germany vs +47% in France).

Only university staff maintain bullish market activity expectations for 2024.

The other segments (including students) still expect the industry to grow but tone down their expectations due to disappointing activity levels in 2023.
After a modest price increase in 2022, 2023 data show a price stagnation or even price drop. Expectations for 2024 are extremely cautious.

2023 price evolution, combined with high inflation levels, has a negative impact on company profitability and staffing (first negative results since start of ELIS) and on the financial situation of language professionals.

All segments agree on the sales price evolution and expectation, but language company data show an increase of buy-in rates (net 25% of participants), while language departments report a drop in buy-in rates.
Industry sentiment - not in the mood

LSC investment mood is at its lowest level since 2018. Significantly fewer owners are interested in acquiring (19% vs 33% in 2023) and more in selling (26% vs 21% in 2023).

All indicators that describe the financial position of independent language professionals are deteriorating. 69% of new entrants (< 2 years activity) are still confident that freelancing can give them a sustainable future. However, only 51% of the more senior professionals (the vast majority of participants) disagree (still 63% in 2023).
A career in the language industry?

Language company respondents still consider their industry as a reasonably good place to work. Work-life balance is on par with other industries and salary satisfaction is only a few percentages off. Industry stickiness (non-owners only) is even on an absolute high, maybe due to uncertainty about the general state of the economy. Independent professionals however are considerably less positive about their situation and are questioning the viability of their activity.

Students indicate that their top career choice is a language position in a language company, which represents roughly 30% of LSC positions and is the #2 recruitment target after project management.
Industry trends – no doubts

Artificial Intelligence dwarfs all other trends, including MT, and is primarily seen as a negative trend.

AI, MT, Pricing and Global economy are the only trends that are prominently present in the answers of all segments.

Trends are largely dependent on the industry segment. A trend may have a strong impact in one specific segment and be insignificant for another (ex. Role diversity), and a positive trend for one segment may be perceived as negative by another (ex. LSC participants see consolidation mainly as a positive trend, while it is clearly a negative one for independent professionals).

Even within the same segment, participants may have different opinions (positive or negative) about a specific trend (ex. pricing, competition).

On average only 8% of independent professionals answer Don’t know to the trend question, compared to 14% of language department participants, 33% of LSC representatives, 46% of university staff and a staggering 75% of students.

Detailed tables for the individual segments are included in the survey report.
Technology implementation and actual use continue their steady increase, although some technologies are reaching their ceiling in certain segments.

Language companies and professionals report a significant growth of actual MT use. The status quo among language departments hides differences between different types of organisations. At this pace, MT is expected to be used in a majority of professional translation work by next year.

In general, language departments use machine translation more for translation work that is handled inhouse than for the work that is outsourced to language providers.

The survey report contains more detailed information about technology use and challenges, including lists of popular tools for the various types of technology.
The perception and the difference between implementation and actual use of AI are very similar to MT findings in 2021.

According to both university staff and students, AI usage is already very much part of the training programmes, although 68% of staff indicate that implementation is a major challenge.

Generative AI is currently mainly used as an alternative for NMT, for editing and quality control, as well as for content creation. Other uses include terminology extraction, audiovisual localization and research.

16% of independent professionals indicate that they have already had AI-related issues with intellectual property rights.
LANGUAGE SERVICE COMPANIES
2023 was not a good year for small and medium-sized language companies below 10 M€ revenue. All indicators are negative or close to zero. Especially the stagnation in the main size segment (1 – 5 M€) is worrying.

Despite these findings, the average revenue per participating language company continues to increase. Whether this results from M&A activity (higher number of participants with venture capital backing or public listing) cannot be confirmed. A drop-out of smaller companies may have contributed.

The data confirm the gender bias in company performance that was already noticed in the 2023 edition, which is particularly visible in Profitability. The underlying cause is unclear (despite the bias in sales rate evolution), since profit margins, FTE figures and other parameters do not show such bias.
Language companies are more positive about AI (and MT) than independent professionals but less than language departments. Language companies see consolidation mainly as a positive trend.

The lower concerns about talent recruitment and retention, growth pains, quality management and time pressure are unfortunately in line with the drop in activity and staffing. The lower cost control score however is not consistent with low profitability.

The increase of emerging new services was expected due to the rise of AI, but we had expected to see a higher score for technology implementation (like we see in the results from university staff).

The absence of such a higher score may mean that language companies take advantage of AI functionality that technology providers have integrated in already existing technology environments.
After staff size declining in 2023 language companies lower their recruitment plans for all positions except language data & AI.

The drop in project management is not surprising given the lower activity level.

Reduced recruitment plans in sales, marketing and vendor management seem to follow a generalised cost cutting scheme rather than meant to address the revenue and profitability challenge.

A majority of LSC participants reports a return to the office, but the hybrid model is firmly established (70%).
Growth plans are less ambitious for the most popular services, with the exception of MT services. Post-editing is again the main target although its 4% bigger piece of the pie (from 13% in 2022 to 17% in 2023) did not meet the high expectation set by 2023 growth plans.

Surprisingly, the growth of post-editing does not seem to have come at the expense of traditional human translation but rather of other activities such as transcreation, localisation and audiovisual.

The client domain ranking remains largely unchanged, with a few exceptions such as Software dropping two ranks. Construction has been added as a new domain, which explains the drop in Engineering. Tourism has met its considerable growth expectations but LSCs expect more from the Entertainment sector, now that the Hollywood strike is over.

LSC participants report the same average level of subcontracting business as in 2022 (25%).

The data show a strong inverse correlation between working as a subcontractor and 2023 performance, in particular profitability.
Outsourcing behaviour has not changed significantly, with an average of 59% compared to 61% last year.

Outsourcing increases with company size, but is already at 39% in the smallest segment (below 100 K€).

75% is subcontracted to freelance resources, which is more than in 2022 (71%) but the same as in 2021.

The use of automated workflows in outsourcing has not increased.

Actual technology use continues to gradually increase in all types of technology except translation management which seems to have reached a ceiling.

AI tools have made their entry with a modest 11% actual use.
The 2024 mix of organisation types differs a lot from the one in 2023. This impacts the results and makes a comparison with 2023 data more difficult.

Apart from actual translation and post-editing, language departments consider language management tasks such as language asset and terminology management as well as language QA as their prime focus. The intention to outsource those tasks is very limited.

SEO has dropped to the bottom of the activity ranking.
Outsourcing levels remained fairly constant in international public agencies (-4%) but dropped by 17% in national agencies and private companies.

The answers regarding changes in outsourcing practice are completely dependent on the type of organisation. National agencies only indicate a wish to work more with single language vendors. International agencies tend to consolidate outsourcing and work more with agencies, while private companies intend to do the opposite.

With 40% of the language department answers, the ISO 17100 standard is well established as a certification requirement.
Language departments consider AI as a major concern, especially when used without the necessary knowhow, but are at the same time excited about the opportunities it offers in areas such as efficiency, QA and terminology extraction.

Interesting to see that role diversification, which is often presented as a positive side effect of MT and AI, is mentioned by only a small number (3%) of participants.

Budget and staff restrictions continue to be high on both the trend and challenge list, in combination with increasing workload, which is primarily considered a challenge among participants from international public agencies.

Challenge levels of national or local public agencies are lower than in 2023, but this can be the result of the different mix in organisation types.
Focus is strongly linked to organisation type. Private companies score consistently higher in all but one category, but especially for Growth. The scores are lower than in 2023, which is due to the new high score option ‘Main focus’. The new category ‘Product or service quality’ is one of the main focus areas.

Training is important for all types of organisations, with an average of 30 hrs of personal development in 2023, an average of 35 minutes per week. Trainings cover a wide variety of subjects, but almost half of them focus on technology and internal processes.
Evolution and expectations

Estimates of 2023 industry growth and pricing, and expectations for 2024 exceed those of other stakeholders. Students show lower expectations, but are less pessimistic than language companies and independent professionals regarding the number of companies and professionals in the 2024 market. University staff report a continued deterioration of student numbers and budgets but expect (hope?) that these will stabilise in 2024.
Academic challenges have not significantly changed since last year, except for implementing generative AI, which university staff are immediately putting at the top of their list.

40% of student participants agree that implementing generative AI is a major challenge, but they are considerably more worried about their professional future, even more so than in 2023.

The necessity to combine their studies with professional activities and the time pressure that this entails, continue to cause major headaches, as well as finding suitable internships.
Training landscape

Programme foci numbers are slightly below the 2023 numbers. This is due to a lower number of institutes reporting the combination of a combined Translating & Interpreting programme with individual Translation and/or Interpreting programmes.

The data do not show meaningful differences in specialisations.

The language ranking is roughly the same as in 2023, with minor shifts below the top 8. University staff does not report any further decline of the number of languages offered.

Student number averages confirm the small but continued decline in both starting and graduates.
Virtually all types of professionalisation activities continue to increase, but the data show a clear difference between EMT and non-EMT institutes.

In the company simulations we notice that the acceptance of commercial assignments in company simulations remains at the level of last year, when we saw a significant decrease.

The trend to make internships – both domestic and international – compulsory rather than optional continues this year. Unfortunately, language companies indicate a drop in the acceptance of internships, especially international ones.
Skills

Staff and students estimate that graduate skill levels are very much in line with the estimated importance that they expect employers to attach to the individual skills, with staff being slightly more critical than students.

These academic estimates are not in line with the opinions of language companies and language departments about graduate skills that require improvement.

LSC opinions show partial resemblance with the academic data, but are generally more pronounced (ex. the strong opinion about translation technology) and occasionally completely different (ex. target language skills).

Language department data do not match the academic or the language company opinions. Their erratic nature is caused by the low number (the question was only asked to those who hired Master graduates in 2023).

The discrepancies may be partly linked to differences in support structure between small and large organisations and the expected role of the new hires (different focus on language, technology, project handling skills), but also indicate that different employers require different skill combinations.
Technology

Reported implementation levels of all types of technology are considerably higher in institutes that are part of the EMT network.

Based on the ‘Implemented’ and ‘Planned’ answers, Generative AI will be implemented in the majority of training programmes in 2024. But 20% of respondents state that they do not plan to implement the technology.

The data show less need for technology training and support. Whether this is due to better support or to improved ease of use is not clear.
INDEPENDENT LANGUAGE PROFESSIONALS
Not surprisingly, demographics have not changed since last year, with women accounting for 79% of the participating independent professionals.

We do however notice a significant change in main role, with 4% of translation-only participants shifting towards the mixed activity of translation and interpreting. The pure interpreting fraction remains unchanged at 6%.

For a 70% majority of the participants, freelance language work is their full-time activity. For two thirds of the 30% that work freelance on a part-time basis, freelance language work is their main occupation.

Based on this year’s data, full time professionals are more likely to select a single main activity (translation or interpreting) rather than combining both.

Also, full time activity increases with years of activity, with part-timers representing 41% of the most junior category (< 2 years activity), compared to only 29% in the most senior one (> 10 years).
Independent professionals report negative growth in 2023. Net 4% report a loss of activity. This is not as bad as the Covid year 2020, but it does represent a dramatic drop compared to 2022. Expectations for 2024 are reviewed downward, with only net 14% expecting an increase of activity.

Pricing shows a similar evolution, with net 2% participants reporting a price decrease and expectations for 2024 dropping by 14% to net 3%, which is as good as a status quo.

Closer analysis of performance figures shows a clear correlation between performance and the percentage of direct clients in a professional’s business. Apparently, this has not gone unnoticed. While the average direct client percentage remained unchanged at 41% in 2023, 28% of participants intend to increase it in 2024, against only 7% who want to decrease it.
Rates and the economic climate continue to dominate the stress factor chart (free text comments show an extreme sense of urgency), but technology has become a much bigger concern than in 2023 as confirmed by the trend data. Time management scores much lower as a stress factor, which would not be positive if linked to the loss of activity.

Participants fear that general acceptance of AI will *legitimize* the replacement of humans by technology, although some professionals expect (or hope) that AI flaws will bring new opportunities and a new appreciation for high level human quality.

The level of confidence in the future has dropped from 64% last year to 53%, with the most senior participants showing the lowest level of confidence.
Relationship satisfaction levels are slightly below the 2022 levels. A more significant drop in flexibility was expected. Opinions about PM practices do not show major changes except a small increase in non-native or non-specialist review.

The top client domains are partially returning to their 2021 level. Entertainment and audiovisual suffered from the Hollywood strike. Automotive/manufacturing, energy and Electronics lost votes to the new Construction category. The Other category contains mainly references to art and education. These domains will be added in the future.
Training

The data show a small but steady increase in the number of CPD events but also a slightly lower return on investment, with 5% more Below expectation answers (21% vs 16%) and less (4% vs 6%) Above expectations.

Technology has taken over the top position in CPD subjects, no doubt due to the rise of MT and AI. Sales and marketing continue to be rather low in the ranking, despite their importance in times of reduced activity.

According to participants, technology training in general needs to be improved. The satisfaction score dropped by 10% from 49% last year to 39% in this edition.
Finances are by far the biggest concern for all types of independent language professionals. With zero or negative rate increases, the shift from translation to post-editing and an ever increasing cost of living, the number of participants that earn enough as a freelance is decreasing year after year.

Among those who combine translation and interpreting, typically more junior professionals, almost half of the participants has to top up their revenues with a different activity.

Insurance and retirement plans show the consequences of this financial erosion. Insufficient reliable income remains the strongest reason for a the lack of retirement provision.

In terms of work-life balance, 2023 scored slightly higher than 2022 (54% vs 51%), though still substantially lower than the other stakeholder types. While this seems a positive evolution, it may reflect the lower activity level in the same way as the lower stress score of time management. Participants name proper time management and being selective in the work one accepts as the best ways to achieve a good work-life balance. Low rates and the necessity to accept work when it is available on the other hand are identified as the worst enemies of a good work-life balance and a rewarding career.
Participants report significant increases in technology use throughout 2023, in particular in machine translation, interpreting and audiovisual technology. And obviously also in artificial intelligence, which is the #1 in first time use and investment plans.

Professionals continue however to invest also in mature technologies such as translation memory and terminology management.
What do the ELIS 2024 answers tell us?

- The market is holding its breath. Growth figures are much lower than expected, with negative growth and price evolution in all small and medium-sized company segments as well as among language professionals. Expectations for 2024 are toned down in view of uncertain economic and political developments, which also has a negative effect on staffing and investment levels.

- Strong performance differences between individual countries reveal a strong dependence on local economy.

- Language professionals report a further deterioration of their financial position across all types of profession and levels of seniority, and start questioning the sustainability of their freelance activity.

- Universities report a small but continued drop in student numbers, but have hopes that the numbers will stabilize.

- Skill gaps continue to exist, but are difficult to manage due to the differences in skill requirements among different types of employers.

- Translation technology continues to make its way throughout the entire industry. At the current pace, it is expected that by 2025 machine translation will be used in a majority of professional translation work.

- AI has taken the trend discussion by storm. Many do see the potential of this technology to increase efficiencies, but many more consider it as a potentially bigger threat to the future of human translation than machine translation ever was. The reason for this fear is the almost instant society-wide acceptance of the technology, which has the side effect of legitimizing the use of automated translation.
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 2024 report can be downloaded from the elis-survey.org repository (registration required)

Comments and suggestions are welcome at research@elis-survey.org
ELIS 2024 discussion panel – what do the results mean for the industry?

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- Inkaliisa Vihonen
  - LIND - DGT
- Geoffrey Bowden
  - EUATC

Panelists
- Alexandra Krause
  - EMT
- Allison Ferch
  - GALA
- Arianna Paradisi
  - Student
- Heike Leinhäuser
  - EUATC
- Jill Goldsberry
  - Women in Localization
- John O'Shea
  - fit Europe
- Klaus Fleischmann
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