



Market Report

A Snapshot of your Market Sector

Translation & Interpretation

Cost of Doing Business Support

For information on **reducing the cost of running your business**, the [Find Business Support](#) website has links to advice, funding and regional support.

This pack has been designed to provide information on setting up a business in the **Translation & Interpretation** industry in Scotland, as well as helping to inform the market research section of your business plan. You can find more information on how to write a business plan from the Business Gateway website (www.bgateway.com/businessplan), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in **March 2023**. If you find the information contained in this document useful, tell us about it! Send us feedback [here](#); we will use your comments to help improve our service.

What do I need to know about the Translation & Interpretation market?

The following summary statistics have been taken from market research reports and reliable resources that the Information Service uses to compile industry information. They should give you an indication of how your industry is faring at present and whether there is demand for your type of business:

- ◆ The **global language services market** was valued at **\$51,863.79 million in 2021** and is estimated to grow to **\$72,703.05 million in 2026**. This will create an incremental growth opportunity worth \$20,839.26 million between 2021 and 2026, which translates to around 41% of the market size in 2021. (Technavio, *Global Language Services Market 2022-2026*).
- ◆ In 2021-22, **transcription services** are expected to account for **38.3%** of document preparation services industry revenue. The largest users of these services are lawyers and those from the medical profession (translations are vital for patients with foreign medical records). (IBISWorld, *Document Preparation Services in the UK*, February 2022).
- ◆ In an Autumn 2022 Pulse Survey of members, the Institute of Translation & Interpreting reported that only **45%** of respondents said that they were feeling positive about work and prospects. However, **64%** of respondents said they had **gained new clients** or business in the last 12 months. Reflecting external cost pressure, 50% of respondents had either implemented a **rate increase in 2022** or are planning to do so in the next 3-6 months. (ITI, *Autumn 2022 Pulse Survey* - tinyurl.com/6tuw5vrz).
- ◆ The Association of Translation Companies (ATC) estimate the current size of the language services market in the UK at between **£1.5 and £1.7 billion**. This is up from the £1.35 billion estimated two years ago. The UK is the largest single-country market for language services in Europe. (ATC - *UK Survey & Report 2021* tinyurl.com/72cjur5r).
- ◆ In a 2021 survey of members, ATC reported that **margins for translation services ranged from 20% to 77%**. The average margin was 47.1%. There was little differentiation in profitability of large and small language service companies when it came to translation services. **Margins for interpreting services** ranged from **10% to 67%**. The average margin was 33.5%. (ATC, *Language Services Industry UK, 2021* - tinyurl.com/2p8ud82j).
- ◆ In **2022, 28 thousand people** were employed in translation and interpretation activities in the UK. (Office for National Statistics (UK) 2021; Department for Digital, Culture, Media and Sport (UK); *DCMS Sectors Economic Estimates 2019*).
- ◆ The national organisation for this industry is the [Institute of Translation & Interpreting](#). Other industry bodies include [Association of Translation Companies](#), the [International Association of Conference Interpreters](#) the [National Register of Public Service Interpreters](#) and [SCILT \(Scotland's National Centre for Languages\)](#).

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Where can I find more information on my market?

The Information Service has access to a number of databases which can offer more detail on this industry. Some of these reports are listed below - if you would like to be sent extracts from any of these reports, please contact us on **0300 013 4753** or email info@bgateway.com.

- ◆ **Technavio – Global Language Services Market (2022-2026)**. Governments globally are making significant investments to mainstream the adoption of language translation and interpretation services. In the UK, there is a huge demand for language services from the public and regulatory departments. In May 2021, the UK Department of Health formed a joint venture worth \$177 million with Sopra Steria, a France-based consulting and digital service organization. The agreement included face-to-face interpreting, British Sign Language services, and telephone interpreting.
- ◆ **IBISWorld – Document Preparation Services in the UK (February 2022)**. Employment numbers are likely to face downward pressure as technology becomes more sophisticated in the longer term and more businesses become paperless. Improvements in speech recognition software due to developments in machine learning and established technology may reduce demand for transcriptionists from the healthcare sector, which currently accounts for 36.1% of revenue for this industry in the UK. However, this will only be possible when the technology reaches a level at which analysing medical jargon is done with ease, producing few to no errors in the document. At present, transcriptionists are still required to edit the electronic document, as the equipment is not yet sufficiently sophisticated to analyse medical vocabulary.
- ◆ **The Institute of Translation and Interpreting (ITI)** has a Language Services directory that can be searched by several criteria, including language, subject matter, and name of the individual or business (tinyurl.com/y65kn2t4). The institute has also published numerous podcasts, including *Pricing and business finances for freelancers* (January 2022) and *Insights from a Language Service Provider* (September 2021). (tinyurl.com/bds8kh9y).
- ◆ **ITI** has launched *Negotiating a new path* - its latest e-book on trends in the translation and interpreting sector, offering insights from industry experts and academics on how the industry is evolving. (tinyurl.com/fen4bvlc).
- ◆ **The Chartered Institute of Linguists (CIOL)** has a Scottish society which meets four times a year and runs a variety of professional development (CPD) events, benefiting both CIOL members and non-members (tinyurl.com/y4ycl865).
- ◆ **My World of Work** has career profiles for a number of industries – including translator (tinyurl.com/y6z3rw5u) and interpreter (tinyurl.com/y3krvqdy) – which show the average UK salary, number of people in the industry currently employed in Scotland, and a five year job forecast as well as other information on training, qualifications and operational environments.
- ◆ Other industry bodies that provide useful industry information are the [Chartered Institute of Linguists](http://www.ciol.org.uk) (www.ciol.org.uk) as well as [The Association of Sign Language Interpreters](http://asli.org.uk) (asli.org.uk).

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How can I find out about my competitors?

Business Gateway's online guide to [Competitor Analysis](#) explains how to find your competitors, how to research what they're doing and how to act on what you learn about them.

Immediate competition will be from other businesses in your local area. There are several online directories which can be used to find company information and generate lists easily and at no expense. Many Local Authorities also publish local business directories on the web. Below are some key web resources:

- ◆ General business directories such as [Yell](#) ,[Thomson Local](#) or [Google Maps](#)
- ◆ Trade specialists like [EuroPages](#) (European directory), [The Wholesaler](#) or [Free Index](#)
- ◆ Business to business (B2B) specialists such as [Kompass](#)

Likewise, your local Chamber of Commerce may publish a members' directory; find your local Chamber on the [Scottish Chambers](#) website.

Once you've identified who your competitors are, the next step is to gather information on the way they do business. Which services do they provide? How do they market themselves? How much do they charge?

To learn about your competitors:

- ◆ Look for articles or adverts in local newspapers, trade press and directories.
- ◆ Try to read their marketing material; if the company has an online presence, visit the company's website as a first port of call. Not only does it give you a better understanding of the company's activities, it can also offer a wealth of information such as a company history or staff biographies, as well as the company's partners or suppliers
- ◆ Search for information on limited UK companies via the [Companies House](#) website
- ◆ Gain an insight into your competitor's performance using credit checks and the accounts that limited companies are required to submit to Companies House each year.

We can provide credit checks free of charge; if you are interested in using this resource, or looking for us to help you find relevant publications, please contact us by emailing info@bgateway.com or by calling **0300 013 4753**



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What about suppliers?

[Choosing and Managing Suppliers](#) can help you decide what you need from a supplier, how to identify one and how to choose one to deal with.

Trade associations or industry specific organisations may also be able to recommend suppliers or contacts. You can also use the aforementioned resources for finding competitors to find suppliers.

Once you have decided on a supplier, we can run a credit check on the company to help assess their financial stability. We provide credit checks free of charge; if you are interested in using the resource please info@bgateway.com or by calling **0300 013 4753**.

Who are my customers?

Your business plan should include information about the customers you would expect. Business Gateway's guides on [Market and customer research](#) will help you to identify new trends, opportunities, customers and competitors.

It can be useful to group your customers by geographical location, age or lifestyle. The websites listed below are freely available and can provide most of this information. If you can't find what you're looking for from these website, please contact us and one of the team will be happy to help:

- ◆ Access the latest population estimates from the [National Records of Scotland \(NRS\)](#). NRS also offers demographic factsheets for each council area in Scotland, which can provide summary statistics for the area you will be based in.
- ◆ Information from the most recent census in 2011 is released via the official website. See in particular the [Census Area Profiles](#). Clicking on your area of interest will give the latest population figures, including estimates by age.
- ◆ [Understanding Scottish Places](#) has interactive profiles of towns and cities across Scotland. It can be useful for understanding the interrelationships and flows between towns, and also gives comparisons between two or more places.
- ◆ [Scottish Government Statistics](#) provide accurate and up-to-date statistics on Scotland, covering population, health, education and housing.
- ◆ [The Scottish Household Survey](#) provides information on the structure, characteristics, attitudes and behaviour of Scottish households, both at a national and local level.
- ◆ [Office for National Statistics \(ONS\)](#) is the recognised national statistical body for the UK. ONS covers a wide range of demographic, economic and social issues at a UK level.

How can you help me with other aspects of starting my business?

The Business Gateway website has guides, videos, online tutorials and tips on all aspects of starting up a business in Scotland. Follow the links below to explore each resource:

Accountancy

Institute of Chartered Accountants of Scotland's (ICAS) "[Find a Chartered Accountant](#)" tool

Funding

[Practical information](#) on finance and funding for starting and growing your business

Insurance

[Business insurance guide](#)

Legal Help

Gov.uk "[Licence Finder](#)" tool

Law Society of Scotland's "[Find a Solicitor](#)" tool

Pricing

Business Companion [Pricing & payment guide](#).

Please note: the most effective way to research pricing is to conduct your own research – visit wholesalers or suppliers to obtain price lists, find quotes from similar companies and work out what other businesses in your area are charging

Promotion

[BG guides to Marketing](#)

Training

[Skills Development Scotland's My World of Work](#)

[Funding for training](#)

[Small Business Bonus Scheme \(Scotland\)](#)

Your local Business Gateway can offer events, workshops and 1:2:1 support on all aspects of starting and developing your business. Call the helpline on **0300 013 4753** to find out what is available in your area.

We hope you find this Market Report useful and we'd love to hear your feedback [here](#).

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You must not rely on the information in the report as an alternative to advice from an appropriately qualified professional. If you have any specific questions speak to your Business Gateway Advisor or consult an appropriately qualified professional.

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