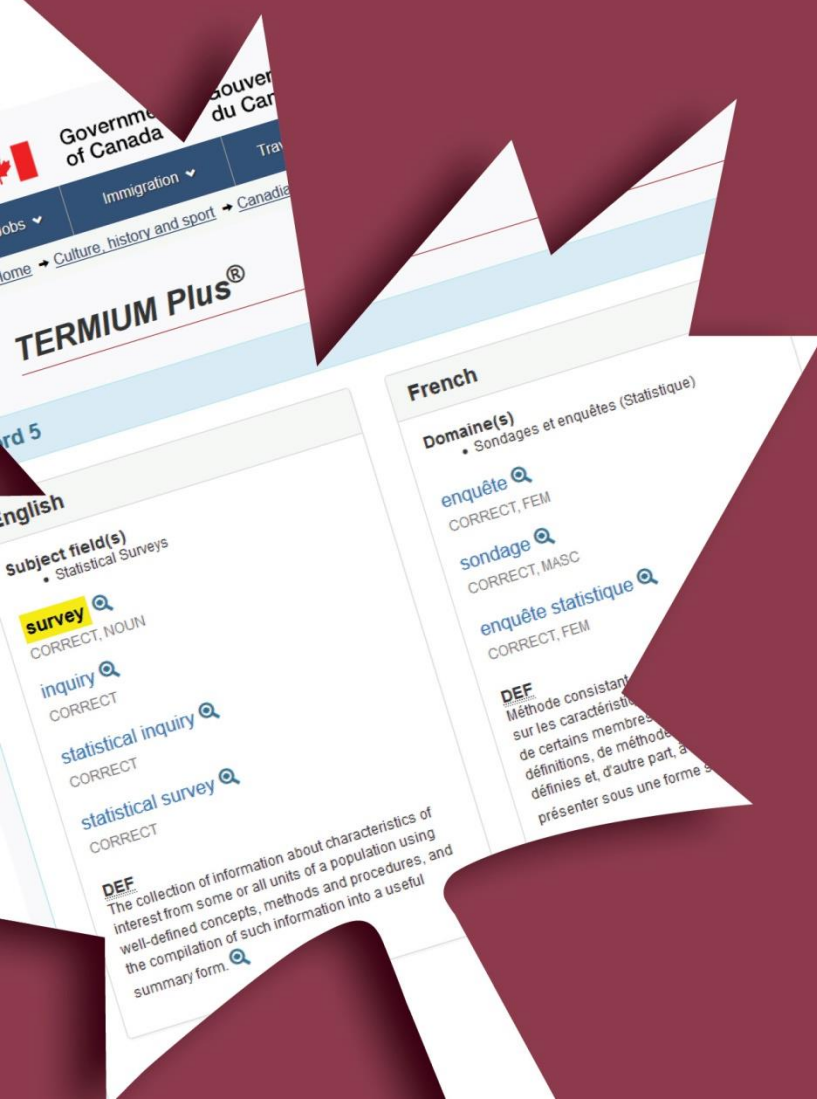


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# Profile of the Canadian Language Industry

Executive Summary

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## EXECUTIVE SUMMARY

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### Introduction

The Translation Bureau (the Bureau), a special operating agency of Public Services and Procurement Canada (PSPC), was founded in 1934 to provide translation and linguistic services to Government of Canada departments and agencies. As the centre of linguistic expertise in Canada, the Bureau is the exclusive provider of translation and interpretation services to Parliament.

The Translation Bureau required a profile of the Canadian language industry using data collected from language service providers (LSPs) across Canada. By conducting a comparative analysis of the industry from the data collected from a survey in 2004, emerging trends could be identified, and meaningful considerations could be provided to align with the Translation Bureau's objectives, mission statement and overall business plan. R.A. Malatest and Associates Ltd. (Malatest) was contracted to design and administer a survey to a range of LSPs across Canada, conduct a quantitative analysis and provide the findings to the Bureau. The total contract value was \$169,655.00, including professional fees and expenses (Harmonized sales tax (HST) extra).

The purpose of the project was to produce a profile of the Canadian language industry that is based on the following aspects of LSPs:

- Production capacity and service lines;
- Language combinations;
- Adherence to quality standards (certified or LSP's own quality assurance processes); and
- Use of technolinguistic tools.

### Methodology and sample

Malatest designed an online and telephone survey to assess the above elements. LSPs who were members of professional language industry associations and could speak about their LSP services (as a business senior, owner or freelance) were invited to complete the survey. A total of 6,001 LSPs were invited to participate, and a total of 628 surveys were completed. The response rate was 10.5%.

The 2016 survey results show that the majority (76 %) of LSPs surveyed identified themselves as sole proprietors / freelances compared with 5.8% in the 2004 survey. It is not possible to determine if this represents a change in the language industry as different recruitment strategies were used in 2004 that targeted businesses rather than freelances. To ensure an accurate comparison, sole proprietors / freelances were separated from the 2016 sample when comparisons were being made with the 2004 survey, where possible.

## **Overview of findings**

### ***Service offerings***

Similar to the 2004 study, most LSPs who completed the 2016 survey were located in Quebec (37.5%) or Ontario (26.8%). Similarly, clients of surveyed LSP businesses were primarily located in Ontario (49.5%) and Quebec (42.4%).

The majority (68.8%) of surveyed LSPs reported their main language industry–related area of business as being translation, and less than one-fifth (17.7%) reported their main service as interpretation. The language combinations primarily included English to French (48.6%) and French to English (37.3%). While translation was the most commonly identified primary service, many LSPs reported offering multiple language industry–related services. Almost half (46.2%) of those who identified translation as their main service also offered interpretation, and approximately one-sixth also offered terminology services (15.1%) and language training (17.3%). This is in contrast to the 2004 survey, which found that translation businesses rarely offered language training (slightly less than 5%). It is not possible to determine if these differences were due to changes in the industry or due to differences in sampling between survey years.

### ***Revenue and business markets***

Surveyed LSPs reported a total of \$70.4 million in revenue in 2015. Well over three-quarters (81.8%) of the total revenue was accounted for by incorporated companies / public corporations, with the majority of all revenues generated by translation services (96.3%). It is not possible to determine if translation was the main driver of revenue because those offering this service were overrepresented in the sample. The total reported revenue generated by LSPs increased over the years (+13% from 2011 to 2015) and was anticipated to continue rising in 2016 (+9%) through to 2020 (+19%). Similar trends were observed in 2004, where 41% of businesses anticipated an upswing in revenues.

Of the surveyed LSPs, almost all (99%) conducted their business in Canada, and, on average, the Canadian market accounted for a large proportion in language industry sales (88.8%). Less than half of LSPs reported working in international markets (40.1%), with the most common market being the United States.

Similar to the 2004 survey, over three-quarters (80.7% in 2016 and 78% in 2004) of surveyed LSPs reported that they provided services to private sector businesses and organizations. Also similar to the 2004 survey, well over half (62.9% in 2016 and 59% in 2004) of LSPs reported that they served individual clients.

### ***Clients served***

Over half (58.6%) of LSPs reported providing services to the public sector, with provincial sectors (37.9%) and federal (30.6%) sectors being the most common. Approximately two-thirds (63%) of LSPs who worked with the federal sector in the last two fiscal periods believed that working with the federal government was a challenge. The paperwork required to provide



services (66.6%) and the limited awareness of procurement opportunities (49.4%) were the most commonly reported challenges. When assessing the ability to handle secret or top secret Government of Canada documents, about one-third (31.7%) of LSPs reported having the facilities and employees necessary, and one-fifth (21.5%) reported having the clearance required.

### ***Human resources***

When assessing the employee base of the language industry, survey results show that surveyed LSPs had a total of 6,075 employees in the language industry in 2015, with the majority (76.3%) being employed on a part-time basis. Compared with the 2004 survey, the proportion of full-time employees decreased from 48.3% to 22.8% in 2015. This drop may be due to the large number of sole proprietors / freelancers in the 2016 sample, many of which identified themselves as being part-time employees (21.2%). Most LSPs were identified as being small businesses with only one to four employees. The proportion of small businesses was significantly higher in 2016 (93.3%) than in 2004 (55%).

When looking at the future of language industry employees, LSPs anticipated an increase (24.2%) in the total number of employees from 2015 to 2017. However, over half (n = 161, 60.8%) of LSPs with employees reported having difficulties recruiting qualified staff.

A total of 3,114 subcontractors were employed by surveyed LSPs in 2015, including 2,366 individual subcontractors and 748 contracted companies. The total number of subcontractors accounted for approximately half (51.3%) of the total number of employees (6,075). Compared with the 2004 survey, this is proportionally lower. Just less than half (48.9%) of LSPs reported using subcontractors in 2015, including approximately three-quarters (82.2%) of companies (incorporated companies, public corporations, partnerships, non-profits and co-operatives, as well as those identified as "other") and just over than half (56.8%) of sole proprietors / freelancers.

With regard to production, just over one-third (36%) of LSPs who provide translation services reported translating 1,001 to 2,000 words per day. The majority (n = 602, 95.9%) of surveyed LSPs reported being able to work outside normal business hours. Overall, approximately three-quarters (72.5%) of surveyed LSPs reported having quality assurance processes, and, of this group, almost three-quarters (73.6%) reported having more than one process in place. Fewer (42%) surveyed LSPs reported adhering to language industry quality standards.

### ***Tools and technologies***

The majority (79.3%) of LSPs reported that they stay aware of the latest tools and technologies to enhance their language industry services, with the most common method being the use of language association emails (60.7%). In the past five years, translation memory (TM) has been the most commonly reported tool/technology that was incorporated by LSPs (37.7%). Many LSPs (35.2%) hope to incorporate tools/technologies in the next five years to improve their language industry services to save time and improve the accuracy of their work.

## Considerations

The following considerations were formed from the survey results:

- Necessary language services could be promoted to support language duality
- Important quality assurance processes and certification standards could be promoted
- TM appears to be the most valued tool/technology by LSPs
- Some LSPs may not understand the requirements for secret and top secret security clearance required for confidential Government of Canada work
- A large amount of subcontractors are hired by LSPs
- LSPs believe that there are challenges to working with the federal government

## Conclusion


This study provides an overview of the Canadian language industry, focusing on the : size of the LSPs, geographic distribution, language combinations, service line, source of income, production capacity, adherence to quality standards and use of technolinguistic tools. Survey results were used in the development of considerations for the Bureau to help in the outsourcing of language industry services and the strengthening of ties between LSPs and the Bureau.

**Total contract value:** \$191,710.15 (Harmonized sales tax (HST) included).

## Political neutrality certification

I hereby certify as Senior Officer of R.A. Malatest and Associates Ltd. that the deliverables fully comply with the Government of Canada political neutrality requirements outlined in the Communications Policy of the Government of Canada and Procedures for Planning and Contracting Public Opinion Research.

Specifically, the deliverables do not include information on electoral voting intentions, political party preferences, standings with the electorate or ratings of the performance of a political party or its leaders.

A handwritten signature in blue ink, appearing to read "Jo Barry", written over a horizontal line.

Joanne Barry