


DON'T HOLD YOUR BREATH, DECISIONS AWAIT

A Snapshot of the
UK Language Services
Market in 2025



The last couple of years haven't been easy for language services companies in the UK and globally. And this may be an understatement.

We are at the confluence of multiple trends that, each on their own, considerably influence industry activity and have the potential to alter LSCs' fortunes. Combined, they make for an incredibly challenging mix of market conditions.

The industry is flying without instruments, and visibility is often limited to a few feet in every direction. LSCs rely on muscle memory and years of experience overcoming adversity in various forms to (re)discover pathways forward.

It's tough out there, but it's not all bad, and that is because LSCs aren't powerless. Attitudes are shifting, and there are decisions to be made. The word on the street from UK LSCs is that they are (once more) finding ways to overcome adversity.

This is a period of forced and accelerated transformation. The only two choices are to close shop or take a deep breath and get on with it. Our research shows that this is not a choice at all.

As for the ATC, we are revamping our reporting on the UK market to help our audience make informed decisions. The data and insights in the following pages result from quantitative and qualitative research we conducted in March 2025 with LSC leaders and decision-makers to determine the reality of the UK language services market and how it fits in the global ecosystem.

Raisa McNab
Chief Executive Officer



The size and state of the UK language services market

Since our 2023 research (LSCs reporting on 2022 revenue) and adjusted for inflation, the UK language services market's performance has been flat.

Today, we estimate the UK language services market to be **between GBP 1.9 and 2.1 billion***, without much change from 2023 to 2025.

So, what did change in two years?

- AI has arrived and is here to stay, affecting everyone, with a forced shift towards tech-centric discussions and solutions, and UK LSCs are no different.
- Price (AI forcing it down) and cost (inflation pushing it up) leave little room for LSCs to manoeuvre. You can have price- and value-oriented discussions with *existing clients*, but *winning new business* is increasingly difficult and takes longer, with extreme price sensitivity.
- Diversification comes with a cost (especially if tech is involved), or the return on investment may take time to materialise.
- Geopolitics create a volatile backdrop for business: No one knows what tomorrow may bring or how language work may be affected.

*Estimate based on LSC performance and revenue figures and historical data reported by Nimdzi Insights (Nimdzi 100) and Slator (LSP Index) as well as the ATC's own market sizing.

The UK language services market: key figures



Nominal year-on-year growth **+7.25%*** (outpacing global industry growth), but reality is more nuanced



Growth is unequal and the SME market is struggling: +14% for top 10 UK LSCs, only +1.82% for top 11–20 and +4.5% for top 21–35 LSCs*



UK is a top-heavy market (i.e., the top three LSCs dominate the market) with little movement in the top 10, but big LSCs (e.g., RWS) are not immune (YoY growth -2.1%*)



The UK language services market is predominantly made up of **micro-entities and SMEs, which are particularly vulnerable in the current climate.**



LSC margins remain steady**, suggesting good reflexes and the ability to adapt

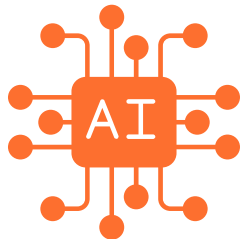
* LSC performance and revenue figures and historical data reported by Nimdzi Insights (Nimdzi 100) and Slator (LSP Index)

** Margin data reported by ELIS 2025: 38% for translation and 24% for interpreting, in line with historical data reported by Nimdzi Insights.

Not directly verified with UK interview participants.

Flying without instruments: the trends shaping the industry

AI



Everyone agrees on AI: whether you see it as an opportunity or a threat, AI is the period-defining influence.

Public Sector



The UK's public sector remains a significant source of language work, particularly for interpreting services. The sector's attitude towards AI and its adoption is one to watch.

Business Environment



Policy decisions (e.g., on employment) have an impact when times are already lean, particularly for the SME market.

That said, the immediate niche or domain in which the LSC operates remains the strongest indicator of changing fortunes.

Geopolitics



The UK is part of an interconnected world. Policy decisions along the US-EU-Russia-China axis have ripple effects and are creating volatility.

Fortunes will largely depend on which industries LSCs serve. Inward-focused industries (e.g., legal or public sector work) are less affected than export-oriented industries.

Flying without instruments: the trends shaping the industry (continued)

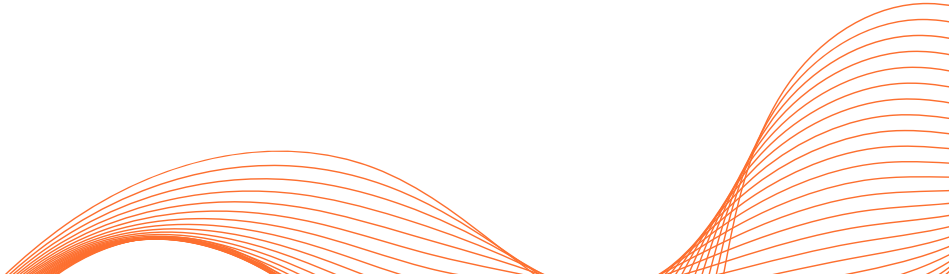
Let's examine in further detail how these trends are affecting the UK language services market:

The **push toward AI is coming from the client side**. LSCs have little room to manoeuvre and must adapt, adding AI-enabled services to their portfolios. This happens across the board, regardless of the LSC's size category.

The reported **impact of AI is uneven** and will depend on the following factors:

- Nature of the activity: single-service companies or those operating in specific segments are more vulnerable than those with a broader offering.
- Translation-centric businesses are more affected than those in interpreting or creative spaces such as advertising. Translation, many LSCs' bread and butter, is the service most at risk of being displaced by AI.
- LSCs with a strong tech-enabled offering or LSCs that were tech-first before GenAI arrived are capitalising on their head start and are adapting more quickly.

Paradoxically, **AI seems less uncertain than geopolitics** (and that's saying something). By now, UK LSCs seem to have largely decided whether to adopt AI or not.



Flying without instruments: the trends shaping the industry (continued)

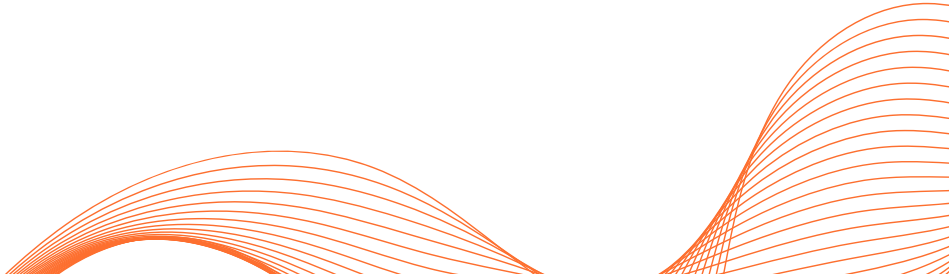
LSCs that weren't ready for the arrival of GenAI are split across two lines:

- LSCs that recognise they cannot compete in developing their own AI tech and are instead focusing on specialisation/diversification.
- The agile LSCs recognise they need to have a tech-enabled solution to clients' demands and are taking steps to add tech (and tech-savvy workers) to the mix.

LSCs report many more consultative, value-based, and outcome-driven discussions with clients. **Redefining the value of LSCs in the supply chain has become a pressing concern.**

In non-AI-related news, Brexit is firmly in the rear-view mirror by now. In hindsight, its effects are much less pronounced than the current AI-induced transformation, with LSCs adapting their operational models and relying less on EU workers (non-EU immigration and layoffs at bigger UK LSCs have helped in this regard).

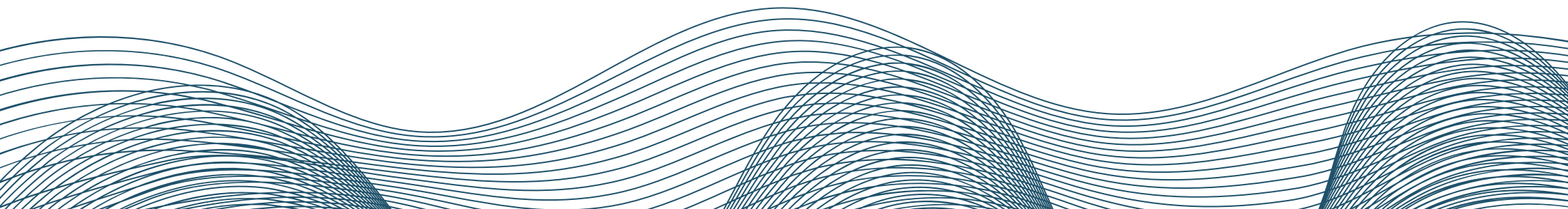
We always knew the pandemic was going to end. With AI, LSCs realise that it is here to stay. So, when closing shop is not an option — as decision-makers are too invested in their companies — **what is there left to do?**



Sentiment, decisions, and more decisions

Acknowledging the reality for LSCs globally is essential — we're navigating a challenging market, and linguists and SMEs especially have their work cut out for them. This is a time of contrasting fortunes: ELIS, for instance, has been reporting on the existential problems European LSCs are facing and their rather pessimistic outlook. On the other hand, sources such as Nimdzi Insights, CSA, and Slator still talk about opportunities and growth (albeit slow) if you dare to seize them. What should we make of this, and where do UK LSCs stand?

Our research shows that UK LSCs, compared to their continental peers, lean towards cautious optimism. While their fortunes will vary, the UK LSCs we interviewed have all demonstrated different levels of initiative to get unstuck. The consensus in the room is that **now is the time to be proactive. Decisions await**, and UK LSCs are resolutely moving forward, even with limited visibility.

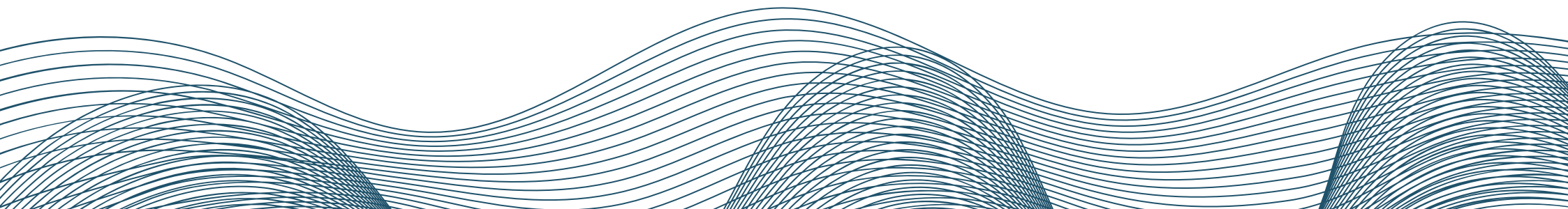


Decisions, and more decisions: how will they look?

So, what exactly are the decisions UK LSCs are facing?

Unsurprisingly, there is no surefire strategy, as each company's situation is unique. What is important is to move. Here is what stands out from our research:

- **Specialisation** and **diversification** remain valid pursuits — it all comes down to the value you articulate to your customers. In the age of 'AI-can-do-it-all', having human specialists to cover clients' bases is far from obsolete. As for diversification, content remains up for grabs in various industries, and language expertise is easily transferable.
- LSCs are increasingly aware that **a human-only proposition may no longer be enough** to sway the client (though this will vary). It is essential to determine your unique mix of human expertise and technology without delay.
- AI is a fickle mistress — enticing at first but quick to reveal its limits. **LSCs report that clients rush in on AI only to find that they still need expert LSCs to fix the output.** Be ready if/when it happens, and have your success stories and dos and don'ts at the ready.
- It is essential that LSCs **learn to explain AI**: what AI can be used for in language work, where to use it, what to expect from it, when working with humans might be preferable, and so on. **A strategic consultant layer is emerging for LSCs.**
- LSCs report that they've been able to use AI to restructure their tech stack and processes. **Time and cost efficiencies can be gained by reassessing the tools you use, looking for improved (and often AI-enabled) integration** — CAT tools or TMS, CRM, marketing suites, HR platforms, and project management tools.



Where are we headed?

This remains an open-ended question. There is no one-size-fits-all approach to safeguarding a business in 2025. Every LSC has a unique mix of services, language offering, and client or industry portfolios, and we're seeing companies try different things.

What is certain, however, is that the current market is driving a shift in attitudes. By and large, UK LSCs are showing up. Reacting to client demand may have got them this far, but **shaping your fortune proactively is now essential.**

LSCs have a responsibility: first and foremost to themselves and their staff, then to their customers, and to the linguists they work with. Existential questions abound. But beyond the immediate challenge of survival, there are deeper concerns around sustainability and securing the future of the profession. These may not affect the bottom line today, but they will tomorrow. There's work to be done to prevent that.

AI is not a zero-sum game. Its impact is uneven, but there are also real examples of businesses making it work.

AI is pushing the language services industry onto a new path. At the ATC, we'll keep mapping its twists and turns to improve visibility for all.