

Erika Baker asks translators working between Britain and Europe about the impact of Brexit on them so far, and their concerns for the future

**M**ore than 18 months after the British vote to leave the European Union and the country appears to be heading for a hard Brexit. There is a possibility that we may leave without a deal and revert to trading under World Trade Organization rules, making Britain the only country in the world to have no bilateral or multilateral trade agreements, with the exception of Mauritania.

This seemed a good time to ask colleagues and clients in the translation industry about their post-referendum experiences and their expectations for the future. I also wanted to know what translators and commercial companies were doing to future-proof their businesses against a likely recession and possible trade barriers after the UK leaves.

*From growth to decline*

My informal survey involved 47 translators: 21 from CIOL TransNet and 26 from a Facebook group of translators working in the UK and Europe. A small number stated that they had experienced no change in their work, that they were not expecting any and that they were not making any preparations.

On the other end of the spectrum, some colleagues in Britain are so concerned that they are taking precautions including setting up a branch of their business in the EU,<sup>1</sup> moving to an EU27 country or applying for dual nationality. Leaving the UK is harder for translators who are nearing pension age and cannot afford to live on their British pension entitlements in the EU. Continuing uncertainties regarding details such as access to medical services and regulations for paying pensions to Brits living in the EU, are making it hard for them to predict and plan.

The majority of colleagues have experienced a change in their work, but that



# Leaving EU: for

has been different depending on the sectors they work in. There has been increasing work from financial institutions, pharmaceutical companies and banks from Germany, the US, Austria and Switzerland, as well as a rise in legal work. At the same time, the overall client base has decreased for some. For translators working largely for direct clients, the focus of work has shifted. Companies are less forward-looking, there are fewer website translations, fewer new product portfolios, fewer long-term agreements. Many of the texts include provisos that points cannot be finalised until the terms of Brexit are known.

There are more translations in connection with staff/office relocations to the EU; more

analyses of existing contracts with a focus on termination clauses and dispute resolution; and more translations of personal documents for relocation, permanent residence and naturalisation. Translations of qualifications and personal documents for relocation to the UK are dropping. Large international companies have tended to put major investment decisions on hold for as long as possible.

*The falling pound*

The biggest change has been due to the falling value of the pound. Most British translators working for EU clients report that although they are earning more, they are also paying more for books, software and



## *better or worse?*

conferences, etc. A colleague in Germany lost two British clients immediately after the referendum because they could no longer afford to pay in euros and are now using translators in the UK. At the same time, translators in Britain are trying to increase their EU clients.

In Norway, a translator who works predominantly with British agencies reported an exchange-rate-related loss of income of 30% because the agencies are not willing to pay higher prices, citing Brexit worries as a reason. British colleagues living in the EU and drawing a state pension say they will have to work longer because the value of their pension has fallen alarmingly.

In terms of expectations for the future, most translators in the UK believe that the current exchange rate will not benefit them for long. Agencies relying on outsourcing to non-UK translators will have to pay more and raise their prices for end clients. This is likely to impact the workflow and rates for all translators on their books. And while the exchange rate may make the UK cheaper, additional red tape, tax and tariff implications could still make it too costly or complicated for EU clients to use British translators. It is also expected that EU clients will want to cash in on the exchange-rate-related windfall and that they will put pressure on prices for translators in the UK.

In the short term, most colleagues expect a surge in Brexit-related work, with an increased need for translations of personal documents and certificates as people negotiate their immigration status. Some translators believe their workload will remain stable because many EU companies use English for internal communications, so translations will still be required. They also expect work for the international English market to be stable. This assumes that regulations will stay the same post-Brexit, and that, in the longer term, work from EU27 countries will not be increasingly given to those based within the EU.

### *Greatest fear*

The biggest worry among survey participants is that no one knows what cross-border invoicing and payment arrangement between the UK and EU27 countries will be like after Brexit, whether VAT arrangements will change, what kind of proof of fiscal residency will be required and, for translators who operate through service companies, what proof will be needed of the company's incorporation and the powers of its directors. While there will be solutions, colleagues know from their experience with changes in VAT legislation that not all EU company accounting processes are set up to deal with freelancers who fall outside the norm, and that it will be easier for many small companies to look for translators within the EU, rather than adapting to rules that will be specific to Britain.

Other major concerns focused on whether the UK will keep data protection laws in line with the EU, and even whether the UK will receive Article 29 equivalent status (relating to data protection). Some colleagues fear that Britain will no longer be the most important EU country for the pharmaceutical industry, which could lead to a loss of work. Others working in the same sector believe that a slight increase in medical and pharmaceutical translations is likely if drug companies have to make separate applications for marketing authorisation to the UK MHRA (Medicines and Healthcare Products Regulatory Agency).

A bigger question is what will happen to the industries currently established in Britain which are likely to move to the EU, or which have already started to relocate. The loss of passporting rights is causing banks to set up headquarters for their EU business in EU27 ▶

countries; and the loss of large EU agencies could mean that jobs move there too in the long-term. Translations will then be required within the EU and could be outsourced to translators based in EU27 countries. Just-in-time manufacturing and shipping work is also expected to change considerably. Companies with UK-based manufacturing facilities are already moving their entire operations to EU27 countries. The demand for translations may remain the same, but regulatory difficulties could make it harder to place that work with translators in Britain.

### *Future-proofing your business*

A number of colleagues are beginning to alter their balance of British and EU clients, while some are actively looking for new clients in the USA. Some are adding specialist subjects to their portfolio in the hope of shifting the focus of their work from perceived high-risk sectors, such as marketing, to lower risk ones. A few said they are learning another language. Many commented that the key to survival was to improve and maintain standards so that clients would continue to work with them even if red tape made this more difficult.

By and large, translators believe that Brexit could benefit colleagues working in non-EU languages, especially in countries where Britain is likely to sign trade agreements, such as China. UK-based translators working in predominantly EU languages, in particular between English and German, are far less sanguine about their future.

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### *What clients think*

Opinions about the likely impact of Brexit vary widely among translators. The question is whether those who remain unconcerned are being complacent, or whether those who are worried are panicking unnecessarily. I asked five of my direct clients for their assessment of the impact of Brexit on their business. Only one reported no change: as a long-term intermediary between Russian and German companies, they not do expect any change and will remain loyal to their long-term translators. Only minimal change has been experienced by a client that sells British heritage memorabilia to museums. They have, however, curtailed their exploration of the EU market, focusing instead on the US, for which they do not require translation work.

One of my clients noted that the way the political negotiations are being conducted is putting pressure on his business. He is also seeing a move within Britain towards using British products and components, rather than

imported ones, and that is affecting his contact with his German partner company. The others, especially companies that import basic materials from abroad and then sell a value-added product on the international market, have put further expansion into the EU on hold, or scaled down their plans, and will focus on other countries until the regulatory framework is clear. This affects all translations, but especially translations into EU languages.

These companies are particularly worried about leaving the Single Market. Leaving the customs union, or incurring any additional tariffs and duties, would hugely affect their customer base. At present, all they can do is watch and hope. In the meantime, they are concentrating more on the UK market and, again, on the US market. They haven't forgotten about the EU, but they are ensuring that they have something to fall back on, should drastic changes occur within the EU.

It seems that translators are not panicking unnecessarily. We are responding to the signals our clients give us. And, like them, all we can do is prepare for difficult times ahead while hoping for the best.

### Notes

1 This article uses 'the EU'/'EU27 countries' to refer to the states that will remain part of the EU post-Brexit

### PLANNING AHEAD

*Some translators are drawing up new business plans or considering new business models*

