2025 Market Sizing: Year End Update

Quick Take by Arle Lommel *December 2025*

Market sizing has been a perennial topic since CSA Research started tracking it in 2009. For many years, the language services and solutions industry grew at a consistently high rate, even during economic downturns, but after 2019, it has trended downward in real terms. This report provides our latest market sizing estimate and predictions for the future. These show a continuation of the decline, accelerated by shifting customer expectations, the effects of generative AI/LLMs, and economic uncertainty. In this update on market size based on data from our series of 19 quarterly confidence surveys, we examine the likely future of the language sector and its potential as it transforms into the global content sector.

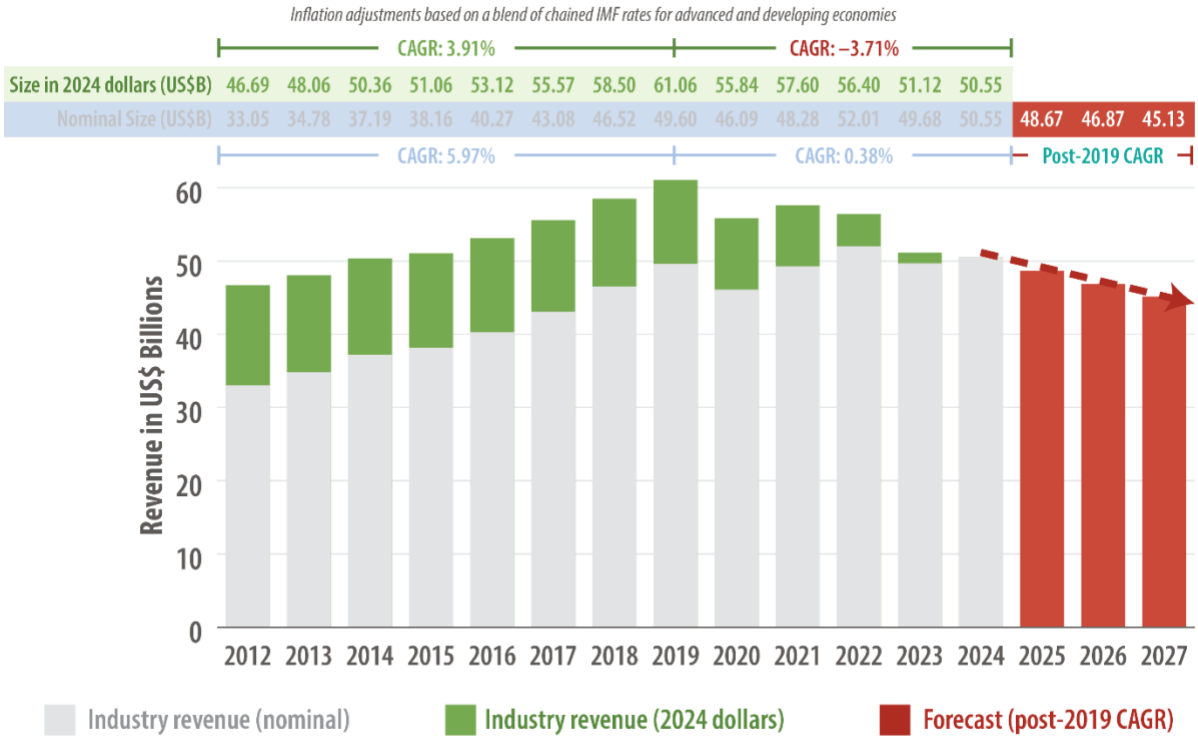
The Bear Market for Language Services Continues

Based on the results of our annual market survey and quarterly confidence updates, we found that the language services and solutions sector grew 1.8% from 2023 (US$49.68 billion) to 2024 (US$50.55 billion) in nominal terms, but this growth becomes a 1.1% decline when adjusted for inflation. Preliminary figures for 2025—including our Q3 2025 confidence survey—suggest that this contraction has accelerated, with a nominal forecast of US$48.67 billion, a 3.7% decrease from 2024 (Figure 1). In constant dollar terms, based on a projected inflation rate of 2.7%, this represents an additional 6.3% decline and a cumulative five-year contraction of 17.5%.

Since 2019, three years showed nominal growth, but only 2020–2021 experienced inflation-adjusted increases, largely driven by post-COVID rebound spending. These declines, however, are not uniform: The share of industry revenue derived from translation fell from 79.36% in 2019 to 47.25% in 2024 (Figure 2), and we predict it will drop to 40.06% by 2026. Over the same period, revenue from non-translation sources has grown substantially (Figure 3). This profound industry transformation is generating effects that will continue to unfold for years.

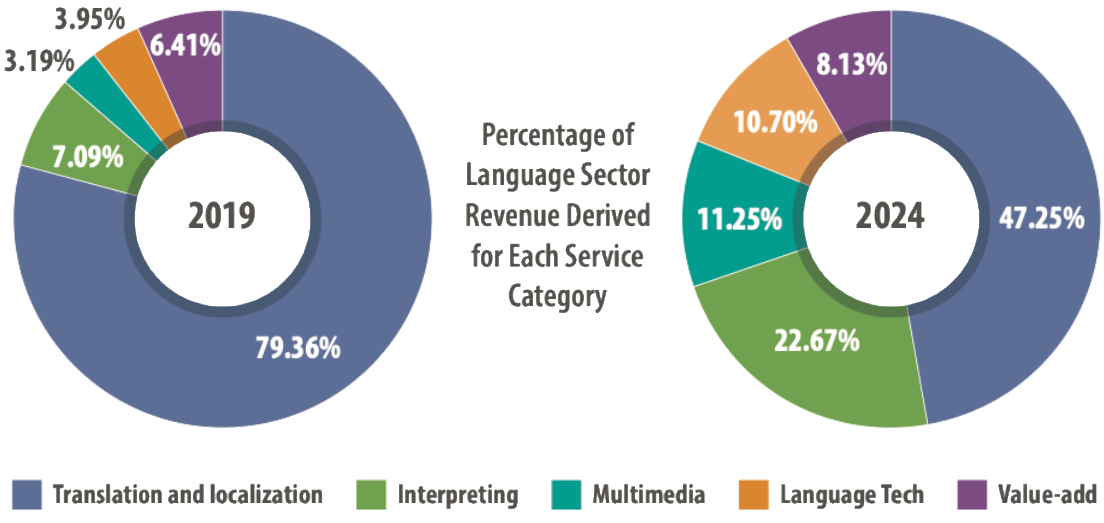
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Figure 1: Language Services and Solutions Sector Market Trends, 2012–2027



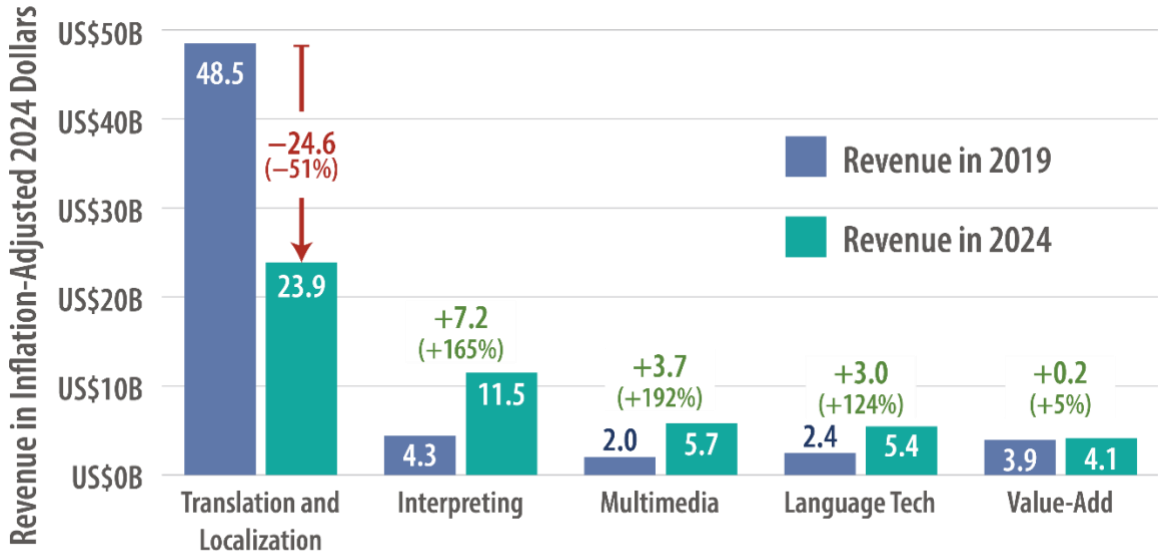
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Figure 2: The Industry Has Experienced a Profound Shift in Services since 2019



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Figure 3: Translation Has Lost Over Half Its Value Since 2019



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As challenging as this picture is, CEOs from translation-centric LSPs consistently told us over the course of 2025 – particularly in the fourth quarter – that the decline in revenue had accelerated beyond what our forecasts indicated. Those active in other areas – interpreting in particular – generally reported better performance, but overall optimism as measured in our quarterly confidence surveys continued to fall, reflecting softening revenue positions for most companies.

The following factors all contribute to the general decline in revenue:

- **Low-cost AI services are displacing human offerings.** Neural machine translation (NMT) and large language models (LLMs) have increased pressure on translation costs. Overall volumes are exploding, but automation has driven prices down faster than demand has increased. Although we expect to see the pendulum shift some distance back toward human-centric solutions, prices will remain lower than they were prior to 2019 ("10 Predictions for 2026").

- **Enterprises are rethinking how they deliver global content.** The sector has seen multiple rounds of lay-offs and downsizing as enterprises slash their localization teams in favor of AI-enabled platforms that promise to "solve" translation. Even

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though these organizations find that AI is not a panacea, their approaches are shifting and they tend to focus on translation as a risk-management activity rather than a primary business function. We anticipate this attitude will shift, but its short- and long-term implications point to softening demand.

- **Economic and political concerns lead to retrenchment.** Localization has long suffered from a perception problem: Buyers of language services and solutions see them as a pure cost rather than an investment in customer experience. As such, they tend to cut spending during times of economic and political turmoil. Chaotic economic policy in the United States has an outsized effect on the rest of the world, and many companies adopted a "wait and see" attitude toward spending on global content in 2025. This position is unlikely to change unless the global economy shows measurable improvement in 2026.

The Future of the Global Content Sector Lies in New Solutions

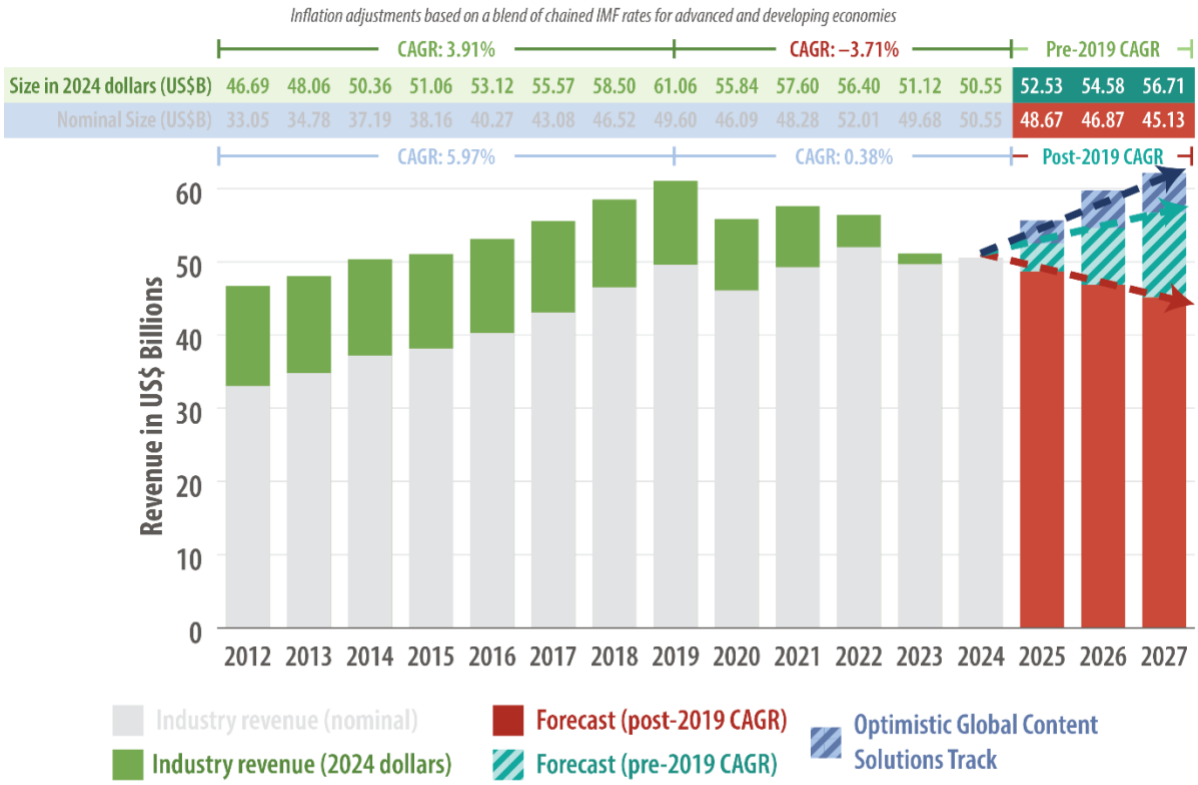
Is there hope for better returns in the future? Yes, but not from the language sector as it existed prior to 2019. Instead, a sector that focuses on delivering value-driven solutions to enterprises' urgent needs for customer engagement and user experience has strong potential. Revisiting the market sizing numbers from above, even if the industry could go back to its pre-2019 performance, it would take years to overcome the effects of the recent downturn, but new solutions hold the key to resumed growth (Figure 4). Achieving this potential will require LSPs to reinvent themselves and focus on delivering value-focused global content solutions ("ROI-Driven Solutions for Global Content"). As they do so, they will progress along the paths charted in CSA Research's Metrix 2.0™ maturity model ("The Global Content Solutions Journey: Metrix 2.0™").

The needed transformations will require both providers and enterprise localization teams to rethink their value proposition and move out of their comfort zones to find new ways to enable global customer and user experience. AI will play a vital role, but with a redefined expectation for human expertise as a controlling and core aspect ("Augmented Translation"). As our regular analyses of content volumes demonstrate, the total volume of content translated by the language sector today is just a drop in the bucket compared to what is arguably needed ("The Calculus of Translation"). If providers and enterprise groups can weather the storm and turn to face new demands and

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technologies with a mindset and business model that focuses on delivering global content solutions, they can .

Figure 4: Growth Potential Will Come from New Solutions



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Chart showing inflation-adjusted decreases in language sector revenue since 2019 in inflation-adjusted terms with revised forecasts for 2025 through 2027 reflecting growth potential from new solutions.

Related Research

- "The Global Content Solutions Journey: Metrix 2.0™"
- "ROI-Driven Solutions for Global Content"
- "10 Predictions for 2026"
- "A Practical Guide to Building the ROI Case for Localization"
- "The Global Content Market: 2026" (coming January 2026)

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