

# A World of Words: Examining the Spread of Asian Languages

May 2023: Complimentary Abstract / Table of Contents



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## Background and objective

With globalization, businesses are expanding their operations to different parts of the world, and it is becoming increasingly important to communicate with customers in their native language. While English is broadly viewed as the lingua franca of business, global companies can expand their market reach effectively to different countries by operating in different languages. Over the past decade, the demand for Asian language speakers has increased manifold; however, availability for most of the Asian languages outside the Asian subcontinent is limited and hence, most firms need to leverage Asian markets to support delivery in any Asian language. Today, multiple Asian countries can support an array of Asian languages – primarily due to the increased globalization of the Asian bloc and increased bilateral trade relations among multiple countries in the Asian subcontinent. This has opened a gateway for enterprises and service providers, as they need not limit themselves to just the native Asian country for services delivery in a specific Asian language.

**This Everest Group handbook supports organizations in their efforts to identify the right locations for delivering services in Asian languages. It highlights the relative attractiveness of key Asian markets, based on a holistic and multi-faceted assessment. At an overall level, this handbook covers the languages delivery attractiveness assessed on the following parameters:**

### Parameters considered for assessment of overall language-location attractiveness



## Assessment framework (page 1 of 2)

### This handbook assesses the attractiveness of key locations for language-based services delivery

- **Language scalability potential:** reflects the potential number of global services professionals that can be hired over the next 12 months across all levels of seniority (in a typical delivery pyramid), on a market average basis, with a steady state market scenario and on the condition that other organizations are not starting to hire very aggressively in the local market
  - Actual numbers may vary based on company-specific factors such as brand positioning, attrition, salaries offered, career growth practices, and other policies
  - Estimates provided correspond to those at an overall global services level and not specific to any service line / industry; requirement of technical/functional skills with language skills will decrease scalability
- **Language proficiency:** ability of global services professionals in a country to use and understand a language at a certain level/degree. We rate the proficiency at the levels mentioned below:

Delivery language – levels of proficiency		Comments
A Basic user	A1 Beginner	<ul style="list-style-type: none"> <li>• Understand and use familiar, day-to-day expressions</li> <li>• Interact, provided others speak slowly and clearly</li> </ul>
	A2 Elementary	<ul style="list-style-type: none"> <li>• Understand sentences and frequently used expressions (e.g., personal or family introductions, shopping)</li> <li>• Use simple words/phrases to explain his/her background</li> </ul>
B Independent user	B1 Intermediate	<ul style="list-style-type: none"> <li>• Stronger understanding, can respond to standard scenarios encountered at work</li> <li>• Emerging ability to convey domain-specific information</li> </ul>
	B2 Upper-intermediate	<ul style="list-style-type: none"> <li>• Can understand complex/domain-intensive information in the field of specialization</li> <li>• Can interact with a good degree of fluency and spontaneity</li> </ul>
C Proficient user	C1 Advanced	<ul style="list-style-type: none"> <li>• Can communicate fluently and spontaneously</li> <li>• Use language flexibly and effectively for professional or social purposes</li> </ul>
	C2 Proficient	<ul style="list-style-type: none"> <li>• Can understand and summarize information from both written and spoken sources, reconstruct arguments, etc.</li> <li>• Coherent presentation of domain knowledge</li> </ul>



## Assessment framework (page 2 of 2)

### This handbook assesses the attractiveness of key locations for language-based services delivery

- **Salary premium over English language:** corresponds to typical market average salary premiums for supporting global services delivery in a non-native language – these premiums are applied over and above the English language delivery. Company-specific salary premiums may vary
- **Operating and business environment:** includes assessment of the broader set of external factors and conditions that directly or indirectly impact the day-to-day operations or overall performance and strategy of a business or organization
  - **Operating environment:** favorability of drivers impacting the global services enabling ecosystem:
    - ◆ General infrastructure: availability of basic infrastructure needed to support business operations; based on factors such as availability and transparency of real estate, ease of connectivity, and availability of utilities
    - ◆ Ease of remote working: current status of digital readiness, IT penetration, availability of co-working spaces, and innovation potential to scale services
    - ◆ Safety and security: susceptibility to natural disasters and business cost of crime and violence
    - ◆ Quality of life: ability to access favorable healthcare facilities, education system, and environment
  - **Business environment:** favorability of business-related considerations essential to support growth in the global services arena:
    - ◆ Macroeconomic stability: risks affecting the country's stability such as macroeconomic risks, financial risks, and country-credit risks
    - ◆ Geopolitical stability: risks affecting the country's stability such as external interventions and political risks
    - ◆ Regulatory environment and ease of doing business: legal and regulatory hurdles to business operations

## Scope and coverage



### Eight languages...

Hindi

Indonesian Bahasa

Japanese

Korean

Malay Bahasa

Mandarin

Thai

Vietnamese



...across 12 countries have been assessed in detail

### Asia-Pacific (APAC)



Bangladesh



China



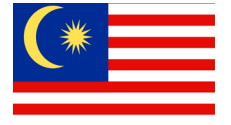
India



Indonesia



Japan



Malaysia



Philippines



South Korea



Sri Lanka



Taiwan



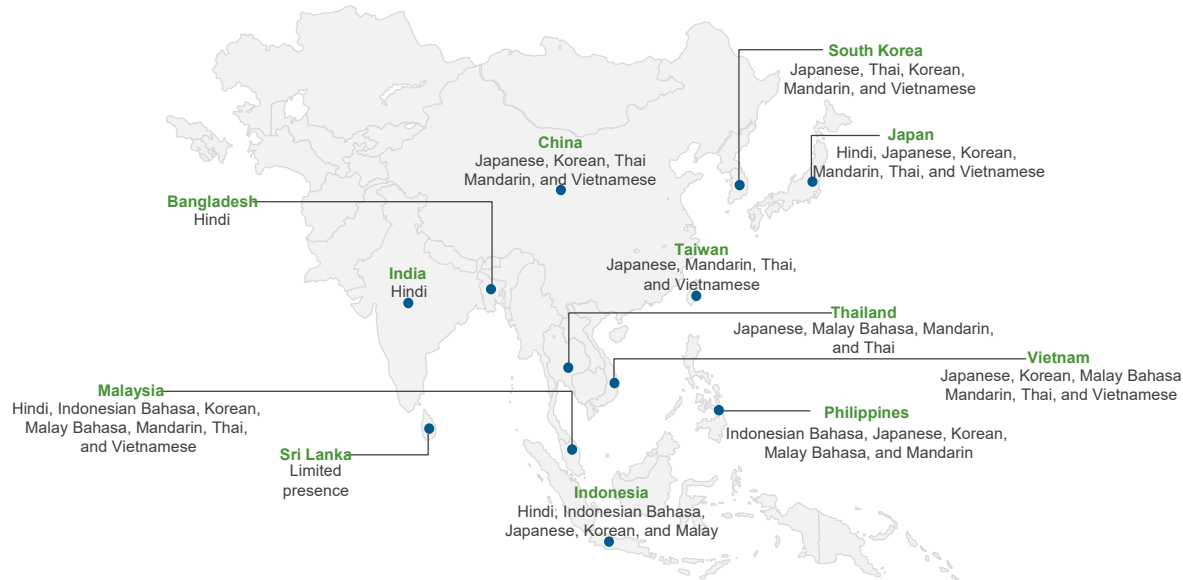
Thailand



Vietnam

# This handbook assesses eight Asian languages across 12 locations in Asia

## Overview of Asian languages availability across leading Asian markets



Notes: Languages with annual scalability potential of more than 40 FTEs have been included here; if a location supports small scale delivery (<40 FTEs) for a specific language, that language has not been listed under that country

## Language scalability, salary premium, proficiency, and business risk across leading Asian markets for Japanese language support

Location	Key cities	Annual language scalability			Business & operating domain	Language proficiency
		Scalability	Proficiency	Salary premium (% over English)		
Bangladesh	Dhaka	Low availability (<20 FTEs)	Low	>75%	Significant challenges	Low
China	Shanghai	High availability (>100 FTEs)	High	20-30%	Favorable, with some concerns	Moderate
India	Tier-1 cities	Medium availability (40-70 FTEs)	Moderate	50-70%	Favorable, with some concerns	Moderate
Indonesia	Jakarta	Medium availability (40-70 FTEs)	Moderate	30-50%	Favorable, with some concerns	Moderate
Malaysia	Kuala Lumpur	Medium availability (40-70 FTEs)	Moderate	40-60%	Favorable, with some concerns	Moderate
Philippines	Davao, Metro Manila	Medium availability (40-70 FTEs)	Moderate	50-70%	Favorable, with some concerns	Moderate
South Korea	Seoul	High availability (>100 FTEs)	High	10-20%	Highly favorable	High
Sri Lanka	Colombo	Low availability (<20 FTEs)	Low	>75%	Significant challenges	Low
Taiwan	Taipei	Medium availability (40-70 FTEs)	Moderate	20-30%	Favorable, with some concerns	Moderate
Thailand	Bangkok	Medium availability (40-70 FTEs)	Moderate	30-50%	Favorable, with some concerns	Moderate
Vietnam	Hanoi, Ho Chi Minh City	High availability (>100 FTEs)	Moderate	20-30%	Favorable, with some concerns	Moderate

- **China and South Korea** offer moderate to high language scalability potential with multiple instances of locals exhibiting C1/C2 proficiency levels
  - Across both the countries, around 15-25% of Japanese speaking locals have C1/C2 proficiency levels
  - For South Koreans, Japanese is the second most preferred foreign language to learn after English
- Proficiency levels in **Thailand** are expected to increase further given the influx of Japanese tourists and increased setup by Japanese enterprises leading to a surge in demand for Japanese proficient professionals
- **Vietnam** has experienced an uptick in the number of Japanese language learners with multiple Japanese enterprises leveraging Hanoi and Ho Chi Minh City to support Japanese operations
  - Japanese has also been introduced in secondary schools as a foreign language as many Vietnamese students want to pursue higher studies in Japan or work for Japanese companies
- While South Korea and China exhibit a better language proficiency level when compared to other peer countries, the ubiquitous nature of the Japanese language compared to other Asian languages results in an accent difference that is noticeable to the native ear
- There is limited presence of Japanese proficient working population in both Bangladesh and Sri Lanka
- Unlike English and other European languages, there is a lack of reliable Japanese translation tools and software – leading to higher salary premiums for the proficient population in Japanese



# Research calendar

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Published
  Planned
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Reports title	Release date
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