

SOME DIFFERENCES BETWEEN THE VARIANTS OF ENGLISH

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An annual report with its financial statements is perhaps the most important public document a company issues each year. Normally, the people who read annual reports are mainly interested in what the figures tell them. When studying such reports, I didn't look at the figures but tried to find out whether there are differences between the ways the English language is used in them..

One survey of 100 companies engaged in international business revealed that between 95 and 99 percent of their business documents to other countries are written in English. Moreover, 59 percent of the respondents reported that the foreign documents they receive are usually written in English, although they also receive documents written in Spanish and French. Other languages are rare in international business relations. Because many international business papers are written in English, North American firms do not always have to worry about translating their documents. However, even when both parties write in English, minor interpretation problems do exist because of different usage of technical terms. These problems do not usually pose a major barrier to communication, especially if correspondence between the two parties continues and each gradually learns the terminology of the other.

An annual report with its financial statements is perhaps the most important public document a company issues each year. Normally, the people who read annual reports (e.g. shareholders, management, potential investors) are mainly interested in what the figures tell them. When studying three such reports, we didn't look at the figures but tried to find out whether there are differences between the ways the English language is used in these reports.

The reports we studied were published by the following companies:

1. International Paper, New York, USA an integrated, world-class paper and forest products company (referred to as IP in this paper)
2. Arjo Wiggins Appleton PLC., Hampshire, England parent company of one of the world's largest paper manufacturing and distribution groups (referred to as AWA in this paper)
3. Valmet Corporation, Helsinki, Finland a multi-national company producing e.g. paper machinery and process automation systems (referred to as Valmet in this paper)

All three companies operate in the field of pulp and paper industry or close to it, which makes it possible to compare the vocabulary used in their reports.

We found it interesting to include a Finnish company in this comparison, to see whether the English translation of its annual report consistently follows the American or British variant of English, or whether the translation is a mixture of both. We have grouped the differences I found in the reports into three categories:

1. General Style of Language
2. Spelling of Words
3. Vocabulary Used

1. General Style of Language

We found some stylistic differences in the way the reports are written, some of which are mentioned here.

IP emphasizes that its message is directed above all to its shareholders. This seems to be a general tendency of American companies. Titles such as *To Our Shareholders* and *Shareholder Information* are clearly visible in the contents of the annual report. The language of IP's annual report is simple and concise. Active verb forms are used, which also makes the style assertive. For example: *we honed our business plans, we have driven down costs and IP is poised for success in the 1990s.*

Articles are omitted in front of many words, a surprising feature, but made the reading fluent. Often IP uses very modern vocabulary, considering the fact that this report is from the year 1991. Examples: *robust economic growth, price levels continue to be under pressure, competitive edge, customer-driven.*

In the AWA report, the language used is more neutral. Passive forms of verbs are used almost all the time and the sentences are rather long. Example: *The rapid recovery in 1994 had been accentuated by stockbuilding by customers and end-users to pre-empt higher prices and ensure adequate supplies.* The language of the report is matter-of-fact and objectively describes the external and internal circumstances that had an influence on the Company's financial results.

In Valmet's annual report, the original text was written in Finnish. The English translation seems to use more articles and noun forms of verbs than the other two reports. Also passive verb forms are used a lot. Example: *This rationalization and the bringing of production nearer the customer will be continued according to an agreed program.* The report uses American spelling of words (many of the Company's important customers are in the USA), but there are some exceptions, some of which are mentioned on the next page.

2. Spelling of Words

In the three reports, differences between American and English spelling exist as expected. Some examples are mentioned below:

• AWA Report	IP Report	Valmet Report
• Colours	Colors	
• Favourable	Favorable	Favorable
• Labour agreements	Labor agreements	
• Programme	Program	Program
• Centre	Center	
• Fibre	Fiber	Fiber
• Capacity utilisation	Capacity utilization	Utilize
• Speciality papers	Specialty papers	Speciality (*)
• Modernisation	Modernization	
• Authorised	Authorized	Authorized
• Rationalisation	Rationalization	Rationalization
• Organisation	Organization	Organization
• Defence equipment (*)		

* As mentioned, Valmet's report uses American spelling. There are exceptions, however. Both speciality and specialty products are mentioned. Also, defence is spelled according to Standard British English.

3. Vocabulary Used

AWA's report is titled *Annual Review and Summary Financial Statement*, whereas the other two companies call their reports simply *Annual Report*. AWA refers to its sales or distribution network merchanting network, whereas the other two companies refer to distribution networks/businesses. AWA mentions trading conditions, while the other two reports refer to market conditions. IP and Valmet use the word *trading* only when referring to stock trading.

The words *shares* and *stock* are both used in the reports. *Common stock* is mentioned, but the *owners* are almost always called *shareholders*. In the Balance Sheet, all three reports use the term *Shareholders' Equity*.

In all three reports, market conditions are described using a variety of terms, such as *declining growth* and *fall in profits* (by AWA), *erosion of prices* (by IP), *economic slowdown* or *downtrend* (by IP) vs. *recession* (by AWA), or *drop* (by AWA) vs. *decline in demand*. As mentioned, the IP report

uses more active verb forms than the others: *it drives down costs*, whereas the others talk about *cost reduction program(me)s*.

When referring to price behavior, AWA's report mentions that *prices faltered*, whereas the IP report describes *erosion of prices* or states that the *prices were under pressure*. Also, as AWA puts it, *the margins were squeezed*. In IP's report, *the demand was soft*. It seems that the writers of the reports have found numerous euphemisms for the fact that the companies have had hard times.

The word *provision* is normally used in financial statements for an amount reserved for future expenses, but AWA's report also uses it when referring to investments.

Valmet is the only one of the three using the word *personnel*. The other two companies use the word *work force* (or workforce) or *employees*. Another word used by Valmet is *fiscal year*; whereas the others use the word *financial year*. Valmet also uses the word *revamp* when referring to a *major reorganization*.

When introducing the *directors*, AWA's report uses the title *chief executive*, whereas IP calls them *chief executive officers*. AWA also uses the term *non-executive director*, when referring to the board members who do not work for AWA. The word *directors' emolument* (meaning benefits or compensation) appears in AWA's report, but not in the other reports.

All three reports refer to investments in machineries and manufacturing plants. In IP's report, the machines are installed, whereas AWA's report refers to commissioning or decommissioning of equipment. In Valmet's report, a paper machine is inaugurated.

In AWA's report, the plural verb form is used in the sentence: The Board join me in thanking all. This form is not used by the others.

In IP's report, *forests* are also called *timberlands*. IP uses unusual words, like *gauging the customer expectations* (instead of measuring), and the word *ovenable* (instead of oven-proof) about packaging material.

Each report gives a lot of space to the company's financial figures. In IP's and AWA's reports, the financial statements follow the *GAAP (Generally Accepted Accounting Principles)*. Valmet follows the accounting concepts stated in the Fourth and Seventh Directives of the EU. The terms used are not identical, but the vocabulary is more or less standardized. An example of different terms used in *Statement of Earnings* used in IP's report, instead of *Income Statement*. The words *earnings*, *profit* and *results* are used in all three reports.

Although language and cultural differences are significant barriers to communication, these problems can be resolved if people maintain an open mind.

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