

News Release

***The Art Basel and UBS Global Art Market Report 2024* reveals a slowdown in sales but overall resilience**

Despite economic and geopolitical instability, the art market remains resilient. In 2023, sales in the art market eased after two years of growth, decreasing by 4% to an estimated USD 65 billion, but surpassing pre-pandemic 2019 levels. Whilst the top end of the market saw a slowdown, transaction volume increased and online sales continued to thrive. The US market remains strongest, while the Chinese market moved against the overall trend to become the second-largest and the UK market shifted into the third place.

Zurich, March 13, 2024 – Art Basel and UBS publish today the eighth edition of *The Art Basel and UBS Global Art Market Report 2024*, authored by cultural economist Dr. Clare McAndrew of Arts Economics. The annual report provides a comprehensive, macro-economic analysis of the state of the global art market in 2023 and analyzes the impact of global economics and political landscapes on the art market, reviewing some of the main trends in the market over the last year.

Paul Donovan, Chief Economist, UBS Global Wealth Management, said:

“The art market continues to prove its resilience. Alongside the strength of financial markets, expected declines in interest rates, and weakening inflation, this offers hope for 2024. We are observing a shift in the luxury market away from goods purchases towards spending more on ‘having fun’– leisure travel, entertainment and socializing. Art is so much more than possessing physical objects and the events, experiences, and social networks associated with collecting should provide support for the sector.”

Key findings of this year’s edition of *The Art Basel and UBS Global Art Market Report* include:

Global Sales

In 2023, global art market sales adjusted to an estimated USD 65 billion, showcasing resilience despite a slowdown of 4% year-on-year but surpassing pre-pandemic 2019 levels of USD 64.4 billion. Although factors like high interest rates, inflation, and political instability contributed to slowing growth at the top end of the market, there was a notable 4% increase in transaction volume, totaling USD 39.4 million. This growth in buyer activity was particularly pronounced at lower price levels, creating a more buoyant trade environment for dealers and auction houses in these segments of the market.

Clare McAndrew, Founder, Arts Economics, said: “2023 saw a much-anticipated easing in sales in the art market after two years of strong growth after the pandemic. While high-end sales were thinner, activity held up at lower levels and the market continued its evolution along a dual path of offline and online sales. As in many other industries, rising costs were the key challenge for businesses in the art market in 2023, and profitability became a more closely monitored metric than sales. The focus for many in 2024 has shifted from rapid expansion at all costs to finding ways to achieve sustainable and profitable growth and stability as they continue to navigate an uncertain economic and political future.”

Leading markets

The US preserved its leading position in the global art market, accounting for 42% of sales by value, down 3 percentage points year-on-year. China surpassed the UK as the second-largest global art market with its share rising to 19%, while the UK moved back to third place with a 17% share. France retained its position as the fourth-largest art market at 7% of global sales.

- **The US:** After reaching a historical peak of USD 30.2 billion in 2022, growth slowed in the US art market with sales declining by 10% in 2023 to USD 27.2 billion. The US remained the key center for worldwide sales of the highest-priced artworks, with the contraction reflecting a decrease in sales at the top end of the market.
- **China:** Following the easing of pandemic-related restrictions, sales in the Chinese art market increased by 9% to an estimated USD 12.2 billion amid a strong surge of activity in the first half of the year, boosting China's position as the second-largest art market. Enthusiastic buyers capitalized on sales of postponed auction inventories from 2022 in Mainland China, while Hong Kong's major fairs and exhibitions returned to their full-scale programs in the first half of the year. In the latter half of 2023, the pace moderated, possibly influenced by projections of more gradual economic growth.

Adrian Zuercher, Co-Head Global Asset Allocation, UBS Global Wealth Management, said:

"In the wake of easing COVID-19 restrictions, China's art market has increased by 9%. This follows a similar pattern to the response we saw in other markets around the world in 2022, which reported an initial post pandemic boom followed by reports of slower sales and the pace of increase moderating. Like other regions, the luxury industry in Asia has also encountered a shift in spending on entertainment and experiences. This applies to the Asian art market too, where many art world fairs and events have resumed their full scale and visitors have returned with enthusiasm. From a wider economic perspective, growth in Asia is forecasted for 2024, driven by a shift in policy easing and a moderate expansion in regional exports."

- **The UK:** After showing resilience to economic and political pressure in previous years, sales in the UK decreased by 8% to USD 10.9 billion in 2023. The UK continues to serve as an important hub for high value transactions in the art market. The decline in these high-end sales, along with the reduction of art imports to the UK contributed to a fall of 11% in sales by value, leaving the market below its pre-pandemic level of USD 12.2 billion in 2019.

Sales channels and platforms

- **Online Sales:** Confidence in global online sales resurged in 2023 despite their decline in 2022, rising 7% year-on-year and reaching an estimated USD 11.8 billion. Although down from a peak in 2021 of USD 13.3 billion, sales remained almost double their level in 2019 or any year before that, and accounted for 18% of the market's total turnover.
- **Dealer Figures:** In 2023, after two years of consecutive growth, dealer sales slowed, with aggregate values easing by 3% to just under USD 36.1 billion. Unlike previous years where the top end of the market dominated, 2023 showcased that smaller dealers (turning over less than USD 500,000) experienced a significant 11% increase in average sales, while larger dealers (with turnovers exceeding USD 10 million) encountered a 7% decline, as some buyers were more cautious and sales were thinner at the high end.
- **Auction Figures:** The estimated total of public and private sales at auction declined by 5% to USD 28.9 billion in 2023, although still above pre-pandemic 2019 levels. Notably, the USD 10 million-plus segment in fine art public auctions saw a substantial decrease in value, while some middle and lower-priced segments continued to grow.
- **Art Fairs:** In 2023, the contribution of art fairs to dealers' sales was 29%, marking a 6% decline from the robust return observed in 2022, but still surpassing the levels seen in 2021 (27%). Despite the overall

decline, there is a positive outlook among dealers, with 39% predicting an increase in art fair sales in 2024, while only 14% anticipate a decline.

Noah Horowitz, CEO, Art Basel, said: "Although down year-on-year, core collecting audiences remained actively engaged with the art market in 2023 and helped support prices on balance – albeit through a more value-driven and quality-conscious lens. The ramp-up in participation from new and often younger global buyers, in tandem with gains in the online sector, underscores some critical green shoots in the market with substantial future potential. Overall, the reversal of trend at the high end of the market after years of compounded acceleration was one of the defining features of the art business last year, as it also creates an opening in the market for exciting new trends and narratives to emerge."

Outlook

Looking ahead to 2024, 36% of dealers expected an uptick in sales, while 48% expected sales to remain roughly the same, and 16% predicted a decline. Compared to the end of 2022 when the smallest dealers expressed the most optimism, in 2023 the largest dealers were most hopeful, with 54% expecting an increase.

Although 2023 was an easing year for growth in the art market, art collectors remained actively engaged through a more value-driven and quality-conscious lens. Through UBS Art Advisory & Collecting, UBS provides UHNW clients and their family offices impartial advice and execution services across the whole lifecycle of a collection, from strategic development and governance to making an impact through cultural philanthropy and the transition of collections into the next generation.

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About Arts Economics & Clare McAndrew

Arts Economics is a research and consulting firm focused exclusively on research and analysis of the fine and decorative art market for private and institutional clients. The company was founded by Clare McAndrew in 2005. Dr McAndrew is a cultural economist who specializes in the arts, antiques, and collectibles markets. She completed her PhD in economics at Trinity College Dublin in 2001, where she also lectured and taught economics for four years. In 2002, Clare joined US firm Kusin & Company, a boutique investment banking firm specializing in art investment, as chief economist. After three years in the United States, Clare returned to Europe in 2005, and continued her work in the art market in a private research and consulting capacity for a global client base. She set up Arts Economics in 2005 to focus her efforts on art market research and analysis and works with a network of private consultants and academic scholars in different regions around the world providing research and consulting services to the global art trade and financial sector.

About UBS

UBS is a leading and truly global wealth manager and the leading universal bank in Switzerland. It also provides diversified asset management solutions and focused investment banking capabilities. With the acquisition of Credit Suisse, UBS manages 5.7 trillion dollars of invested assets as per fourth quarter 2023. UBS helps clients achieve their financial goals through personalized advice, solutions and products. Headquartered in Zurich, Switzerland, the firm is operating in more than 50 markets around the globe. UBS Group shares are listed on the SIX Swiss Exchange and the New York Stock Exchange (NYSE).

About UBS and Contemporary Art

Global Lead Partner of Art Basel, UBS has a long history of supporting contemporary art and artists. The firm has one of the world's most important corporate art collections. UBS seeks to advance the international conversation about the art market through its global lead partnership with Art Basel, and as co-publisher of the 'Art Basel and UBS Global Art Market Report' and the 'Art Basel and UBS Survey of Global Collecting'. UBS also supports some of the world's most important arts institutions, events, and fairs.

About Art Basel

Founded in 1970 by gallerists from Basel, Art Basel today stages the world's premier art shows for Modern and contemporary art, sited in Basel, Miami Beach, Hong Kong, and Paris. Defined by its host city and region, each show is unique, which is reflected in its participating galleries, artworks presented, and the content of parallel programming produced in collaboration with local institutions for each edition. Art Basel's engagement has expanded beyond art fairs through new digital platforms and a number of new initiatives such as the Art Basel and UBS Global Art Market Report. For further information, please visit artbasel.com.

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