

ARTS AND ENTERTAINMENT

Strong spend in mainland China lifting global art market: UBS, Art Basel

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While the overall luxury landscape is returning to pre-pandemic norms, art collectors' spending is maintaining its peak. Image courtesy of Art Basel

By ZACH JAMES

High-net-worth individuals (HNWIs) are continuing to spend on paintings, sculptures, antiques and all art in between, according to a new report by Art Basel and wealth management firm UBS Global.

Lending insights into high-net-worth collector attitudes and activities, findings from [The Art Basel and UBS Survey of Global Collecting in 2023](#) showcase a market bolstered by big spenders in China. Though general art market sentiments have cooled following pandemic highs in interest, collectors' spending for the first six months of the year has already matched that of the entirety of 2022; a potentially massive a year-over-year increase over 2022's record figures, is possible if the momentum continues.

"2022 was marked by an extraordinary surge in consumer spending on higher priced goods, as pandemic restrictions ended," said Paul Donovan, chief economist at UBS Global, in a statement.

"For higher-income consumers, this included the personal luxury goods market," Mr. Donovan said. "The art market, sharing a consumer base with the luxury sector, also benefitted from this trend.

"However, a palpable shift is underway; in 2023 consumer spending growth has pivoted from goods toward services."

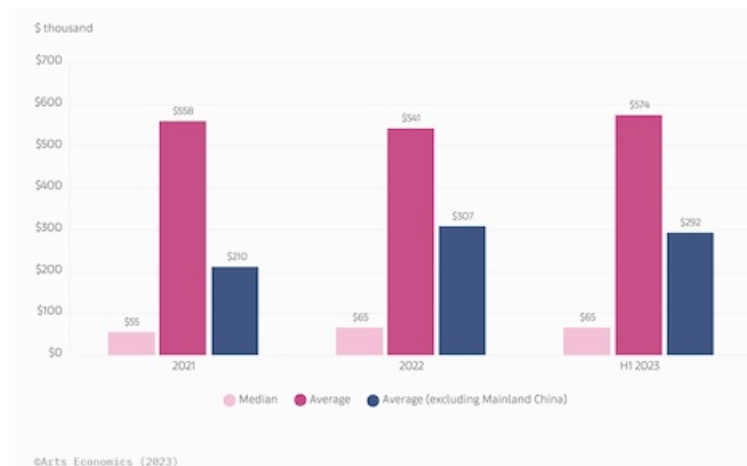
For the report, Art Basel and UBS combined proprietary insights, annual survey statistics and government data with the findings of a variety of outside firms, such as Bain & Company, Arts Economics, and Forbes, among many others. The survey sampled more than 2,800 art collectors across 11 markets, including Brazil, mainland China, France, Germany, Hong Kong, Italy, Japan, Singapore, Taiwan, the United Kingdom and the United States.

Continued success

Art collectors' spending is maintaining its peak as the overall luxury landscape slowly returns to pre-pandemic norms.

While economic instability looms over the entire luxury bubble, most are already adversely affected, including French luxury conglomerate Kering ([see story](#)). Regardless, spending in the first half of 2023 has remained sturdy, with median expenditures on single pieces of art remaining the same compared to last year and the average price of a lone piece rising by \$33,000 to \$574,000, up from \$541,000 in 2022.

Without Chinese collectors, this year's average would fall to \$292,000, a \$15,000 drop-off from last year, meaning China is directly responsible for the market remaining strong. The inverse is true in the majority of other cases in the luxury market ([see story](#)).



Median costs remained at \$65,000 per piece. Image courtesy of Art Basel

"This year's Survey of Global Collecting suggests that high net worth collectors may reasonably be taking a more careful approach to their spending, amid volatile economic and geopolitical conditions," said Noah Horowitz, CEO of Art Basel, in a statement.

"Nonetheless, HNW collector confidence remained strong, with spending in the first half of 2023 already matching the whole of 2022 and with Chinese collectors recording the highest," Mr. Horowitz said. "The remarkable success of our shows in Hong Kong, Basel, and Paris thus far this year bears out this dynamic, with these fairs being propelled by the continued resurgence of in-person buying even as collectors exercise greater selectivity in their event attendance.

"Looking ahead, the majority of collectors surveyed remained optimistic about the art market's performance, reflecting the resilient demand for art in the largest global markets."



The market's performance is resilient, tied directly to affluent Chinese collector's spending habits. Image courtesy of Art Basel

Nearly across the board, major regions are increasing their spending this year as well, with the U.K. and Taiwan both seeing 30 percent jumps. Other countries are experiencing more moderate gains, such as the U.S. with a 5 percent boost year-over-year.

Global imports of art and antiques reached record levels in 2022, hitting \$30.7 billion. While 2023 has not seen the same leaps and bounds, Hong Kong, the U.K. and the U.S. all saw tremendous growth of 50 percent, 38 percent and 15 percent, respectively.

Alongside this, in-person purchases are still rising in popularity post-pandemic, with 86 percent of HNWI's buying from dealers. Pieces coming from galleries account for 84 percent of this, an 11 percent increase from 2022 that follows similar trends in the overall luxury space ([see story](#)).

Outpacing expectations

Women are gaining an increased amount of importance within the global art market.

Forty percent of survey respondents identified as female, with the majority of these collectors located in Asian markets such as

Hong Kong and Japan.

In terms of median sale prices, women spent \$72,000 per piece, a figure that is \$7,000 more than the overall median, which was mostly determined by the purchase habits of male collectors.

Despite this, because of the gap in numbers between genders in art collection circles, fewer women, on average, invested more than \$1 million in art in 2023.

Male artists are also favored within collections, as the percentage of female artists included in private assemblages has fallen for the first time in five years, from 42 percent in 2022 to 39 percent in the first half of 2023.



Women have an increased presence in the art world compared to previous years. Image courtesy of Art Basel

Although numbers have stumbled in that regard, collectors are optimistic for the future of the market, as reflected by the 77 percent of those surveyed who state so. On par with sentiments last year, over half plan to acquire more art in the next 12 months, and this number increases to 68 percent among APAC nations, Brazil and Italy.

While the luxury industry is in an uncertain place financially due to underperformance in China and other countries in the region, the same cannot be said within the art segment.

“Economic and political uncertainty has been looming over the art market in 2023,” said Clare McAndrew, author of the report and founder of Arts Economics, in a statement.

“Self-focused motivations including self-identity and the personal pleasure one derives from owning art remained the biggest drivers for buying in 2023,” Ms. McAndrew said. “And though only a small minority of collectors consider themselves investors, many are highly aware of the financial impact of their collecting activities, actively using leverage and credit as well as reselling works from their collections.”