

ARTS AND ENTERTAINMENT

# Global art sales decline 4pc in 2023: UBS, Art Basel

March 22, 2024



Increased interest rates are a factor in the overall decline. Image credit: UBS

By ZACH JAMES

The Chinese art market is growing, at a time when other dominant consumer sectors are stagnating or tumbling, according to new findings from Art Basel and wealth management firm UBS Global.

In ["The Art Basel and UBS Global Art Market Report 2024,"](#) it is revealed that worldwide sales declined by 4 percent year-over-year (y-o-y), falling to \$65 billion in 2023. The United States still dominates the sector in market share, but China is a rising force, overtaking the United Kingdom to gain the second-place position.

"2023 saw a much-anticipated easing in sales in the art market after two years of strong growth after the pandemic," said Clare McAndrew, founder of Arts Economics and author of the report, in a statement.

"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," Ms. McAndrew said. "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."

Created in collaboration with Irish art consultancy Art Economics, the eighth annual edition of the publication sources information from dealers connected with the firm, UBS and Art Basel, auction houses, art fairs, art and antique collectors, art price databases, NFT platforms and aggregators, financial and economic databases, industry experts and other professionals within the industry. Data is taken from a variety of public sources, as well as surveys of art dealers from different markets conducted by Art Economics.

## Big picture

High interest rates are blamed for the decrease in financial returns during 2023, a factor extending far outside of the art world.

Despite this, activity in the sector was up, with the number of transactions increasing by 4 percent compared to 2022 ([see story](#)), as sales in the lower-priced segments of the market spurred. High-end art pieces sold at a slower pace than in previous years, likely due to brokers and auction houses seeing their art sales decline as well.

Figure 1.1 Sales in the Global Art Market 2009–2023



Transaction volume is on the uptick despite lower sales totals. Image credit: Art Economics

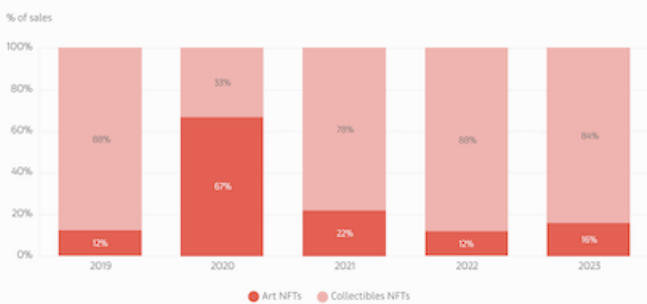
Auctions saw their art sales drop by 7 percent y-o-y, while private dealers saw decreased business but were not impacted as severely, falling by 3 percent to \$36.1 billion.

The resurgence of online sales could be to blame, as consumers stayed home to buy works 7 percent more than in 2022, totaling \$11.8 billion below its peak of \$13.3 billion in 2021, but still doubling the top-end of any pre-pandemic figures.

Despite this, sales of digital art and art-related NFTs fell by 51 percent in 2023 to \$1.2 billion, less than half of the all-time record reached in 2021. The subsection of art-related tokens makes up 16 percent of the overall market, with collectibles dominating the rest of consumers’ attention.

In the report, NFT transactions are left out from regional and overall totals, striking a differentiation between physical works and digital images.

Figure 1.8 Share of Sales by Value of Collectibles Versus Art-Related NFTs 2019–2023



NFTs are continually shifting toward community engagement over artistic intent. Image credit: Art Economics

“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,” said Noah Horowitz, CEO of Art Basel, in a statement.

“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,” Mr. Horowitz said. “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.”

### Regional shifts

In the United States, which has the largest art market in the world, sales are on the decline.

Representing 42 percent of all sales, with \$27.2 billion, the country is still the top dog by far, but saw its share fall by 3 percent y-o-y. Affluent collectors in other countries, such as France and China (see story), are cutting into the dominant region.

In 2023, China surpassed the UK as the second-largest global art market, with its share rising to 19%.

Click through to learn more and discover more insights from The Art Basel and @UBS Art Market Report 2024:

<https://t.co/AoFvFSFuj9> [pic.twitter.com/HQFVZgBsju](https://pic.twitter.com/HQFVZgBsju)

Art Basel (@ArtBasel) March 14, 2024

The latter country overtook the U.K. as the second-largest global market, now accounting for 19 percent and 17 percent of sales, respectively. Together with the U.S., the big three hold more than three-quarters of the market share.

China's sales are up 9 percent compared to 2022, surging post-pandemic, while others, such as the U.S. and U.K., struggle or stagnate, as in the case of the U.K., which has remained mostly steady over the past decade.

"In the wake of easing COVID-19 restrictions, China's art market has increased by 9 percent," said Adrian Zuercher, co-head of global asset allocation at UBS, in a statement.

"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," Mr. Zuercher said. "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."

Figure 1.5 Sales in the Major Art Markets 2009–2023



France remains the fourth-largest art market on Earth. Image credit: Art Economics

Diving further into the global art market's condition, Ms. McAndrew, Mr. Horowitz and columnist Melanie Gerlis **conversed** on current trends and expected shifts coming this year.

Looking forward, around half of the dealers surveyed foresee the market remaining mostly the same throughout 2024, with larger brokers remaining slightly more hopeful than upstart names. Just over a third 36 percent are optimistic for growth, joining a majority of affluent individuals expecting portfolio appreciation this year (**see story**).

Keeping a keen eye on China is necessary, as the overall luxury market is expected to slow in 2024 (**see story**), leaving the art world in an awkward position if estimates prove true.

© 2024 Reliance Relocation Services, Inc. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your **feedback** is welcome.