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The Art Basel and UBS Global Art Market Report: Key Findings

Art Basel and UBS today launched the first Art Basel and UBS Global Art Market Report. *The Art Market 2017* analyzes today's international art market. Written by renowned cultural economist Dr Clare McAndrew, Founder of Arts Economics, the report covers macro-economic trends within the industry, spanning the dealer and auction markets as well as the online sphere. The full report is free to download as of today on the Art Basel website.

A continuation of Dr Clare McAndrew's extensive research into this field, the report begins with a discussion of estimated global sales, including the key benchmark statistics on global transaction values, volumes and geographic market shares. It then continues in successive chapters by analyzing the dealer and auction segments, online sales, art sectors (by periods), as well as global wealth trends and economic impact metrics. This new report places a large emphasis on the gallery sector, covering areas such as primary versus secondary sales, profitability, debt, exhibitions and art fairs.

Please click [here](#) to download the full Art Basel and UBS Global Art Market Report for free.

Key findings of The Art Basel and UBS Global Art Market Report include:

- **Globally:** The art market achieved total sales of an estimated \$56.6 billion in 2016, down 11% from 2015.
- **Leading Markets:** The top three markets – United States, United Kingdom and China – cemented their dominant position in the global art market in 2016, with a combined 81% of estimated sales by value. Despite a substantial decline in sales, the United States was again the largest market by value with an estimated market share of 40%. The United Kingdom was the second largest with 21%, followed by China with 20%.
- **Dealer Figures:** In 2016, there was a slight increase in sales in the dealer sector – up 3% year-on-year to an estimated \$32.5 billion.
- **Auction Figures:** The value of sales at public auctions declined 26% year-on-year, reaching on aggregate an estimated \$22.1 billion.
- **Leading Auction Market:** Due to the fall in United States auction sales and relatively stable performance in China, the Chinese market led the auction sector with 34% of sales by value.
- **Private Auction Sales:** All of the top-tier auction houses engaged in private sales, and these rose in 2016 to a weighted average share of 16% of their turnover.
- **Art Sectors:** The largest sector of the public fine art auction market in 2016 was Post War and Contemporary art, accounting for 52% of the market by value and 37% of transactions.

- **Online Sales:** Sales of art and antiques online were estimated to have reached \$4.9 billion in 2016, an increase of 4% year-on-year and accounting for almost 9% of the global art and antiques market by value.
- **Art Fairs in the Global Art Market:** Art fairs continue to be a central part of the global art market, with aggregate sales estimated to reach \$13.3 billion in 2016, up 5% year-on-year and an increase of 57% since 2010. Art fairs accounted for estimated 41% of dealer sales in 2016.

Due to the complex nature of the art and antiques market, data included in the report had to be collected and studied from a range of different sources. All of the data is gathered and analyzed directly by Arts Economics from dealers, auction houses, art and antique collectors, art price databases, financial and economic databases, industry experts and others involved in the art trade. The auction data included was sourced from Collectrium, Art Market Monitor of Artron and directly from auction houses.

To compile data on the dealer sector, Arts Economics sent an anonymous online survey of approximately 6,500 dealers from the United States, Europe, Asia, Africa and South America in 2017 with a participation rate of 17% (or just over 1,100 dealers). This was supplemented by a series of interviews with dealers in different sectors and countries to gain important in-depth insights on the art market. Exhibition data was sourced from Artfacts.net, whose database contains information from 750,000 exhibitions, and over 30,000 galleries, museums, and art fairs providing an authoritative record of exhibitions. Research on the online sector was informed by a survey on 50 businesses selling art and antiques online, supplemented by one-on-one interviews.

In collaboration with UBS and its Chief Investment Office, Clare McAndrew and her team were also able to gather fresh insights on the collecting behavior of US-based high net worth individuals. The survey conducted for the report found that an estimated 1.1 million high net worth individuals in the US had purchased works of art or antiques in the last two years, with 12% having spent over \$50,000 in the global market in that period, and 3% spending over \$1 million.

Clare McAndrew, Founder, Arts Economics said: "2016 was a challenging year for the art market with uneven performance across regions and sectors. An uplift in gallery sales prevented a deeper decline in sales overall, with dealers gaining share of the global art trade. However even within this sector, performance differed between segments, with the best results reported for dealers operating at the high end of the market. Auction sales experienced a steep drop in value in 2016 and unlike previous years, it was the highest end - sales over \$10 million – that suffered the greatest decline."

Marc Spiegler, Global Director, Art Basel said: "As the industry grows larger and more globalized, it becomes ever-more important to add granular data into our thinking, combining it with personal experiences in forming our views on the art world and its potential futures. Clare McAndrew's report has taken a strong step in that direction, widening her research and focus, so we are very proud to support the continuation of her in-depth analysis."

Mark Haefele, Global Chief Investment Officer, UBS Wealth Management said: "As longstanding patrons of the arts, UBS is pleased to collaborate with Art Basel to publish the premier research on the global art market. Alongside our own art services offerings, institutional patronage, and well-known art collection, the work of Dr Clare McAndrew corresponds closely with our ongoing commitment to research and analysis of financial markets and economic data for our clients."

As part of the afternoon Salon program during the Hong Kong fair on Thursday, March 23, 5pm to 6pm, Clare McAndrew will introduce the first Art Basel and UBS Global Art Market Report, in conversation with Jan Dalley, Arts Editor, Financial Times; and Adrian Zuercher, Head Asset Allocation APAC, Chief Investment Office WM, UBS AG; moderated by Alexandra Seno, Head of Development, Asia Art Archive.

NOTES TO EDITORS

About Arts Economics and 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 US, 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 and Contemporary Art

UBS's long and substantial record of patronage in contemporary art actively enables clients and audiences to participate in the international conversation about art and the global art market through the firm's contemporary art platform. In addition to the Guggenheim UBS MAP Global Art Initiative, UBS's extensive roster of contemporary art initiatives and programs currently includes: the UBS Art Collection, one of the world's largest and most important corporate collections of contemporary art and the firm's long-term support for the premier international Art Basel shows in Basel, Miami Beach, and Hong Kong, for which UBS serves as global Lead Partner. These activities are complemented by a number of regional partnerships with fine art institutions including the Fondation Beyeler in Switzerland, Galleria d'Arte Moderna in Milan, the Nouveau Musée National de Monaco, the Louisiana Museum of Modern Art in Denmark, and the Art Gallery of New South Wales in Sydney, Australia. UBS also provides its clients with insight into the contemporary art world through the free art news app Planet Art, collaborations with the Swiss Institute; and the online resource Artsy; as well as through services offered by the UBS Art Competence Center and the UBS Arts Forum. For more information about UBS's commitment to contemporary art, visit ubs.com/art.

About UBS's Chief Investment Office

UBS's Chief Investment Office (CIO) oversees the investment strategy for USD 2.1 trillion in client assets across UBS's wealth management businesses globally. CIO is headquartered in Zurich and has strategists and analysts located in major financial centers worldwide, including New York, London, Hong Kong, and Singapore. CIO's expertise spans a full range of investments, from equities, bonds, currencies and commodities to alternative and impact investment funds.

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, and Hong Kong. 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 a number of new initiatives. In 2014, Art Basel launched its Crowdfunding Initiative, in collaboration with Kickstarter. This initiative presents jury-selected art projects to potential benefactors, which include Art Basel's vibrant audience and the Kickstarter community. The initiative has catalyzed much-needed support for outstanding non-commercial art projects worldwide and so far has helped pledge over \$1.4 million to creative projects around the world. For Art Basel Cities, launched in 2016, Art Basel is working with selected partner cities to develop vibrant and content-driven programs specific to the individual city. Connecting them to the global art world through Art Basel's expertise and network, Art Basel Cities supports its partners to develop their unique cultural landscape. For further information please visit artbasel.com.

Partners

UBS, global Lead Partner of Art Basel, has supported the organization for more than 20 years. As Art Basel's global network expanded, UBS increased its lead partnership to include all three shows: Basel, Miami Beach and Hong Kong.

Art Basel's Associate Partners, supporting all three shows, are Davidoff – the prestigious Swiss cigar brand, whose Davidoff Art Initiative encompasses residencies, art dialogs and grants; Audemars Piguet – the independent high-end watch manufacturer, whose expanding activities in contemporary art include the Audemars Piguet Art Commission; and NetJets – the world leader in private aviation. BMW, the renowned car manufacturer, has co-developed with Art Basel the BMW Art Journey, enabling the winning artist to design a journey of creative discovery. Additionally, Art Basel is supported globally by Ruinart, Official Champagne Partner, and Sennheiser, Official Audio Partner.

Art Basel's Media Partner is The Financial Times. For further information about partnerships, please visit artbasel.com/partners.

Upcoming Art Basel shows

Hong Kong, March 23-25, 2017

Basel, June 15-18, 2017

Miami Beach, December 7-10, 2017

Media information online

Media information and images can be downloaded directly from artbasel.com/press. Journalists can subscribe to our media mailings to receive information on Art Basel.

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