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News Release

Art Basel and UBS Global Art Market Report: Online sales reached record highs in 2020, doubling in value

- **Global sales of art and antiques were an estimated \$50.1 billion in 2020, down 22% on 2019**
- **Online sales doubled in value to 25%**
- **Strong drive by collectors to support the arts with female collectors spending the most**

Zurich, 16 March 2021 – Art Basel and UBS announced today the publication of the fifth Art Basel and UBS Global Art Market Report, authored by renowned cultural economist Dr Clare McAndrew. The report integrates insight from a recent survey of 2,569 high-net-worth (HNW) collectors, conducted by Arts Economics and UBS Investor Watch, across ten markets: the United States, United Kingdom, France, Germany, Italy, Hong Kong, Taiwan, Singapore, Mexico, and for the first time Mainland China, as well as data from UBS Evidence Lab. A comprehensive and macro-level analysis of the global art market in 2020, the report analyzes how the COVID-19 pandemic has impacted the market and identifies key trends that will shape the market in 2021 and beyond.

The findings include:

- **Global Sales and Leading Markets:** Global sales of art and antiques were an estimated \$50.1 billion in 2020, down 22% on 2019, but still above the 2009 recession low, when sales fell by 36% to \$39.5 billion. The US market retained its leading position, with a share of 42% of global sales values, with Greater China and the UK on par at 20%. However, Greater China overtook the US to become the largest public auction market, with a share of 36% of sales by value.
- **Online Sales:** Despite the contraction of sales overall, aggregate online sales reached a record high of \$12.4 billion, doubling in value from 2019. The share accounted for by online sales also expanded from 9% of total sales by value in 2019 to 25% in 2020, and notably the first time the share of e-commerce in the art market has exceeded that of general retail.
- **HNW Collector Survey, conducted by Arts Economics and UBS Investor Watch:**
 - **Increased interest:** 66% of the collectors surveyed felt the pandemic had increased their interest in collecting, 32% reported it had significantly done so. HNW collectors will be active in the market in 2021, with the majority (57%) planning to purchase more works for their collections.
 - **Instagram as a key channel:** Social media continued to be a key channel used by the art market and roughly one third of collectors purchased art using Instagram in 2020.
 - **Gender:** Female collectors spent more than men in 2020, with their median expenditure rising by 13% year-on-year and even higher in the US, UK, France and Mainland China.

- **Generational trend:** Millennial HNW collectors were the highest spenders in 2020, with 30% having spent over \$1 million (versus 17% of Boomers).
- **Art fairs:** Despite the high number of events being cancelled, 41% of collectors reported that they made a purchase at an art fair in 2020, while 45% reported making one through an art fair's online viewing room (OVR).
- **In-person preference:** Around 90% of all HNW collectors surveyed had visited a gallery or art fair online viewing room (OVR) during the year, however, the majority (66%) still preferred to attend a physical exhibition at a gallery or an art fair to view works for sale.

In addition to the UBS and Arts Economics research collaboration on the HNW collectors survey, the report includes UBS Evidence Lab insights on: US consumer confidence and travel, and a foot traffic index comparing commercial galleries, retail and museums in the US. The data illustrates early indications of renewed visits to commercial galleries in 2021, but a steeper path to recovery for museums.

Christl Novakovic, CEO UBS Europe SE, Head Wealth Management Europe and Chair of the UBS Art Board said: "The year 2020 marked a turning point for digital innovation in the art market. The shift to online platforms enabled collecting, increased transparency, and bolstered the market even when national lockdowns forced gallery, live auction, and museum closures. The pandemic proved that we need art to lift our gaze above hardship, to express our views and emotions, and to find levity in trying times. Collectors remained passionately engaged during the hardest moments and devoted to collecting with purpose and a long-term plan."

Clare McAndrew, Founder, Arts Economics said: "The art market was uniquely placed to struggle with the realities of the COVID-19 pandemic in 2020 as it is populated by mainly small businesses that rely on discretionary purchasing, travel and personal contact. The fall in sales was inevitable. But the crisis also provided the impetus for change and restructuring, the most fundamental shift being the rollout of digital strategies and online sales, which had lagged behind other industries up to now. The art trade showed incredible resilience in how it adapted to some of the new realities, and although businesses are still figuring out how to balance the new more online-based market with the shared experience and excitement of offline sales and events, few see these shifts as transient. One of the most worrying impacts of the pandemic will be its effects on employment, and this economic fallout is likely to extend well into 2021."

Noah Horowitz, Director Americas, Art Basel said: "The findings from Clare McAndrew's latest annual report are critical – not only in terms of the insights they provide into one of the most unusual and challenging years the global art market has ever endured, but also in regards to what they portend for the future of our industry. While the market contracted sharply across all sectors in 2020, with declines in both value and volume of sales for dealers and auction houses alike, the resilient interest in collecting throughout it all was profound, as the year also marked a transformative period of innovation, restructuring, and new consumer behaviors, especially online – all of which have the potential to significantly redefine the shape of the art business in the coming period."

Download the report and more at: www.ubs.com/art

Note to Editors

About UBS

UBS provides financial advice and solutions to wealthy, institutional and corporate clients worldwide, as well as private clients in Switzerland. UBS's strategy is centered on our leading global wealth management business and our premier universal bank in Switzerland, enhanced by Asset Management and the Investment Bank. The bank focuses on businesses that have a strong competitive position in their targeted markets, are capital efficient, and have an attractive long-term structural growth or profitability outlook.

UBS is present in all major financial centers worldwide. It has offices in more than 50 regions and locations, with about 30% of its employees working in the Americas, 31% in Switzerland, 19% in the rest of Europe, the Middle East and Africa and 20% in Asia Pacific. UBS Group AG employs over 68,000 people around the world. Its shares are listed on the SIX Swiss Exchange and the New York Stock Exchange (NYSE).

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 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 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 new digital platforms and a number of new initiatives such as The Art Basel and UBS Global Art Market Report and The BMW Art Journey. Art Basel's Global Media Partner is The Financial Times. For further information, please visit artbasel.com.

About UBS and Art Basel

The relationship between UBS and Art Basel began in 1994 when the Swiss financial services firm began serving as lead partner for the original edition of the show in Basel. In 1999, the partnership was extended to include Art Basel's Unlimited exhibition platform – which enables artists to realize highly original and ambitious projects – and, in 2002, the inaugural edition of Art Basel in Miami Beach. In 2014, UBS became involved with Art Basel in Hong Kong, officially assuming its current role as global Lead Partner of Art Basel for all three of its acclaimed international venues. In June 2016, it was announced that Art Basel and UBS would partner to commission a comprehensive, new annual art-market report by renowned cultural economist Dr. Clare McAndrew.

About UBS and Contemporary Art

UBS has a long history of supporting contemporary art and artists. The firm has one of the world's most important corporate art collections and 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'. UBS also has partnerships with fine art institutions including the Fondation Beyeler in Switzerland, the Garage Museum of Contemporary Art in Russia and the Art Gallery of New South Wales in Australia. UBS provides its clients with insight into the art market, collecting and legacy planning through its UBS Collectors Circle and UBS Art Advisory.

For more information about UBS's commitment to contemporary art, visit ubs.com/art.

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