
The British Art Market

Opportunities for
the Future

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The art market is a prime example of how British excellence can compete successfully in the global economy.

The UK has a tradition of expertise and specialist knowledge that has helped to sustain its leading position in the face of growing international competition.

In 2016, the UK's art market was the second largest globally, with a 21% share, just ahead of China (20%), but well behind the US (40%).

The UK's success is founded on active international trade.

Art is mobile and markets can move with ease. The UK's status as a key art market hub depends on attracting the most valuable art for sale from throughout the world.

Increasing cross-border trade is therefore the key to the future growth of the art market.

The value of art imports in the three years up to 2016 ranged between £2.8bn and £4.1bn; exports reflected the scale of international trade, ranging between £4.8bn and £6.0bn.

A thriving art market brings major benefits to the UK.



Its 7,850 businesses support **41,700 knowledge-based jobs.**



The art market spent £3.3bn in 2016 on ancillary services (professional, conservation, advertising, IT, packing, shipping and insurance etc.) which supported an **additional 94,710 jobs.**



In 2016, an estimated **£1.46bn** was paid in UK taxes by the art market.



It plays a vital role in attracting **high-spending visitors to the UK** who come to major art fairs and auctions here.



It contributes to the **cultural life of the UK**, by fostering specialist knowledge and attracting works of art which might not otherwise be seen here.

Brexit and the Future

For decades, the UK has maintained a dominant position in the international art market, but there is no room for complacency. Global competition is increasing, particularly with the rapid growth of the market in China. Although the UK has managed to hold its own in the global rankings, in the ten years to 2016, UK art sales have nevertheless fallen by 18%, in a period when global sales advanced in value by 4%.

Brexit brings with it opportunities to create a more competitive environment for art sales, enabling the UK to increase its share of the global market.

- Customs procedures and costs should be streamlined, in order to facilitate more cross-border trade. Although the majority of our international trade by value is with non-EU countries, intra- EU trade is also very significant, accounting for some 15% to 20% of UK art sales. Satisfactory arrangements for trade with the EU will therefore be paramount.
- Maintaining and improving competitive levels of indirect taxation will be important for the UK to compete internationally. In particular VAT on art imports, introduced as a requirement of an EU Directive, should be re-examined. It raises very small amounts of revenue, it is complicated and expensive to administer and it creates an impediment to cross-border trade.

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- Brexit provides an opportunity to create a level playing field with our global rivals, by removing costs and regulatory burdens that have been imposed by EU legislation.
 - Small businesses dominate the British art market. The removal of unnecessary red tape and regulation will therefore have a major effect on future expansion.
 - As a global market, the UK needs to be able to draw on the most talented workforce from the EU and from around the world and it is vital to ensure that overseas customers can travel freely to the UK. This will mean efficient and speedy visa arrangements and work permits.

BAMF

British Art Market Federation

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