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The French Art Market in 2010

**Prepared for:
Sotheby's**

**By:
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THE FRENCH ART MARKET

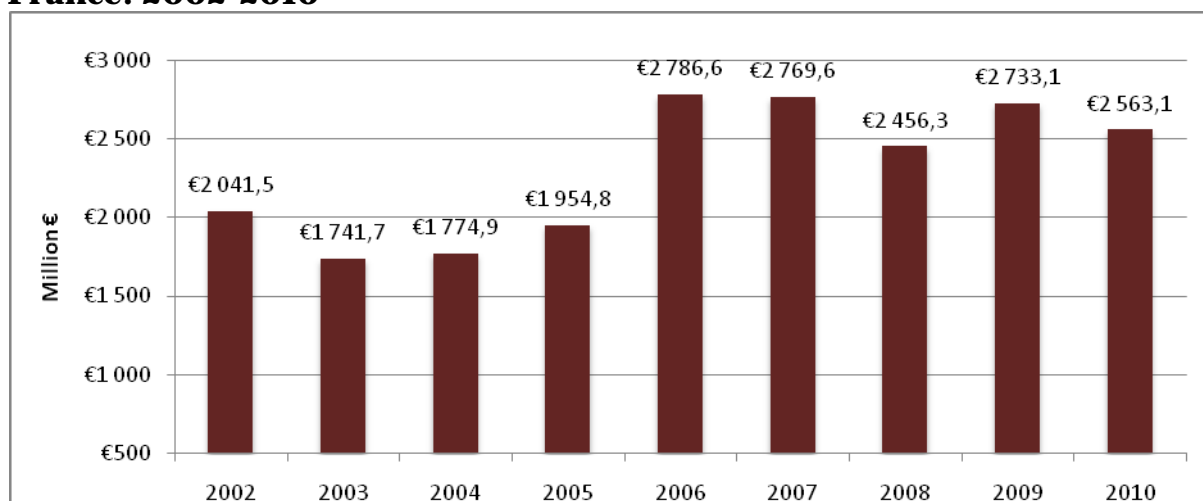
SUMMARY

- The French art and antiques market generated €2.6 billion in sales in 2010, down 6% on 2009 values.
- France is the second largest art market in the European Union, and fourth largest internationally. France held a 6% share of the global art trade and 16% of the EU art trade in 2010.
- In 2010, 59% of the value of the fine art market came from works of art priced at greater than €50,000 although these made up only 3% of transactions.
- In 2010 France was a net exporter of works of art and antiques, with exports of €717 million and imports of €433 million.
- The French art market has grown by 89% in the 15-year period from 1995 to 2010, with the largest year-on-year growth between 2005 and 2006. At its peak in 2006, the market was more than double its value in 1995.
- France's global market share has remained relatively stable over the decade at around 6% despite gains in new markets such as China. This is due in part to the opening of the market to competition and the addition of sales by Christie's and Sotheby's from 2002.

1. Art Market Sales

In 2010, the French market for art and antiques reached €2.6 billion in total sales, (including fees and commissions). The market fell 6% year-on-year after a strong year in 2009, particularly in the Modern sector at auction, however the market as a whole has grown in value by 47% since its lowest point in 2003. The strongest year-on-year advance in the period was from 2005 to 2006 when the value of the market grew 43% to its highest nominal point in recent history of just under €2.8 billion.

Figure 1. Aggregate Dealer and Auction Sales of Art and Antiques in France: 2002-2010



Source: Arts Economics (2011)

The decline in the value of sales in 2010 was in contrast to other major global art markets such as the US and UK, which recovered from a very poor year in 2009, and China, which continued to boom, outpacing growth in all major markets globally.

Table 1. Global Art and Antiques Market Share

COUNTRY	2002	2003	2004	2005	2006	2007	2008	2009	2010
Germany	3.0%	3.4%	3.2%	3.8%	2.9%	2.1%	2.4%	2.6%	2.2%
France	9.2%	9.3%	7.3%	6.8%	6.4%	5.8%	5.8%	9.0%	6.0%
Italy	3.0%	3.7%	3.7%	3.5%	2.8%	2.1%	2.7%	3.2%	1.3%
Netherlands	1.4%	1.7%	1.3%	1.2%	1.1%	0.8%	0.7%	0.7%	0.6%
Sweden	1.1%	1.3%	1.2%	1.0%	1.0%	0.7%	0.7%	0.8%	0.8%
UK	28.8%	28.1%	26.5%	28.1%	26.8%	26.7%	33.7%	29.6%	22.0%
Switzerland	1.8%	1.5%	1.4%	1.8%	1.9%	1.4%	1.4%	1.3%	2.0%
US	43.4%	40.9%	46.0%	42.9%	45.8%	37.6%	34.8%	31.1%	33.8%
China	na	na	3.2%	5.8%	5.1%	9.5%	10.0%	13.9%	22.9%
Rest of World	8.4%	10.2%	6.2%	5.2%	6.2%	13.3%	7.8%	7.8%	8.4%

Source: Arts Economics (2011)¹

Table 2. Average and Total Growth 2002-2009 and 2002-2010

Growth	Average Growth 2002 -2010	Average Growth 2002 -2009	Total Growth 2002-2010	Total Growth 2002-2009
Austria	9.3%	13.6%	81.3%	129.2%
Belgium	1.9%	4.5%	-5.1%	13.6%
Germany	5.8%	6.9%	40.8%	43.7%
France	4.1%	5.6%	25.5%	33.9%
UK	10.8%	5.8%	46.6%	0.5%
Italy	0.6%	2.0%	-18.0%	-9.9%
Netherlands	0.9%	-0.7%	-8.8%	-19.0%
Sweden	7.7%	4.2%	43.2%	8.0%
EU27	7.5%	4.3%	41.0%	8.6%
Switzerland	13.9%	10.6%	104.4%	49.1%
US	11.8%	4.0%	49.6%	-10.0%
China	40.0%	30.5%	530.3%	236.5%
World	12.5%	7.0%	91.9%	27.3%

Source: Arts Economics (2011)

From 2002 through 2009, the French market grew by 34% while the aggregate global market grew 27% during the same period. The EU grew only 9% in the, primarily due to a very poor year in 2009 for the UK and many other smaller markets. The average growth rate in this period in the EU was 4%, with the UK and France both averaging approximately 6%. The average and total growth rates in France were influenced by an exceptional year in the market in 2009 in France (while many other markets contracted), with the Yves Saint Laurent & Pierre Bergé auction alone totalling €342 million.

Looking at the period from 2002 to 2010, total sales in the French market were 26%, lower than the EU average of 41%. While most of the major art markets around the world recovered from a poor year in 2009 with the US and UK advancing by 66% and 46% year-on-year respectively, the Chinese market continued to boom with growth rates of over 87% year-on-year and total growth of over 500% in the eight-year period. France on the other hand experienced a contraction in total sales of 6%, with sales reverting to levels just above those experienced in 2008.

In 2010, an estimated 3 million works were sold in France, representing 9% of the volume of art and antiques sales globally. The volume of transactions actually rose by around 4% year-on-year despite sales values falling, indicating that there were a higher volume of lower value works coming on to the market than in 2009.

Art and antiques sales in the France are divided into auction and dealer sales. While the global share between these two sides of the market was estimated as 51% dealer sales and 49% auctions², in France the dealer share was estimated to be slightly larger at 55%.

¹ Global figures for 2010 are from Arts Economics (2011) The Global Art Market in 2010: Crisis and Recovery. TEFAF: Helvoirt.

² Arts Economics (2011) *ibid*.

Turnover in the French auction sector reached an estimated €1.2 billion in 2010, down 30% from a high of €1.7 billion in 2009. The French auction market turned over a relatively high volume of transactions in 2010, with around 14% global share of auction lots sold in 2010.

There are over 600 auction businesses in France, including regional offices and online sales. The top three houses, Sotheby's, Christie's and Art Curial account for around 40% of the market. Sotheby's and Christie's alone account for 30% of auction sales of art and antiques (at around €350 million), with Christie's in premier position in 2010 with a small margin. Drouot, which represents more than 70 French auction companies, reported sales of €444 million in 2010, up 7% on 2009, and representing an estimated 38% of the auction market. Drouot's share of the auction market has dropped from a high of close to 60% in 2005 as the two major international auction houses have gained share. The largest auction houses within Drouot in 2010 were Piasa (with sales of around €45 million), Tajan (whose sales in Paris were €31 million), and Pierre Bergé & Associés (with €25 million in French sales).³

The dealer sector in France is made up of over 9,000 dealers in fine and decorative art and antiques. Sales in the dealer sector in 2010 reached an estimated total of €1.4 billion, relatively stable on the previous year. According to a survey of French dealers from the SNA, 60% of dealers felt their sales would be somewhat or significantly better in 2011 than 2010 (while 20% felt they would be the same and 20% felt they would decrease.)

Although many French dealers are focused on domestic markets, others have a relatively internationally focused business model. Of the dealers surveyed, on average 52% of their sales take place overseas and 48% locally. Dealers reported that 30% of sales in 2010 were made at international art fairs and 10% at national fairs. E-commerce remains relatively low compared with other industries, with only 6% of dealer sales on average made online.

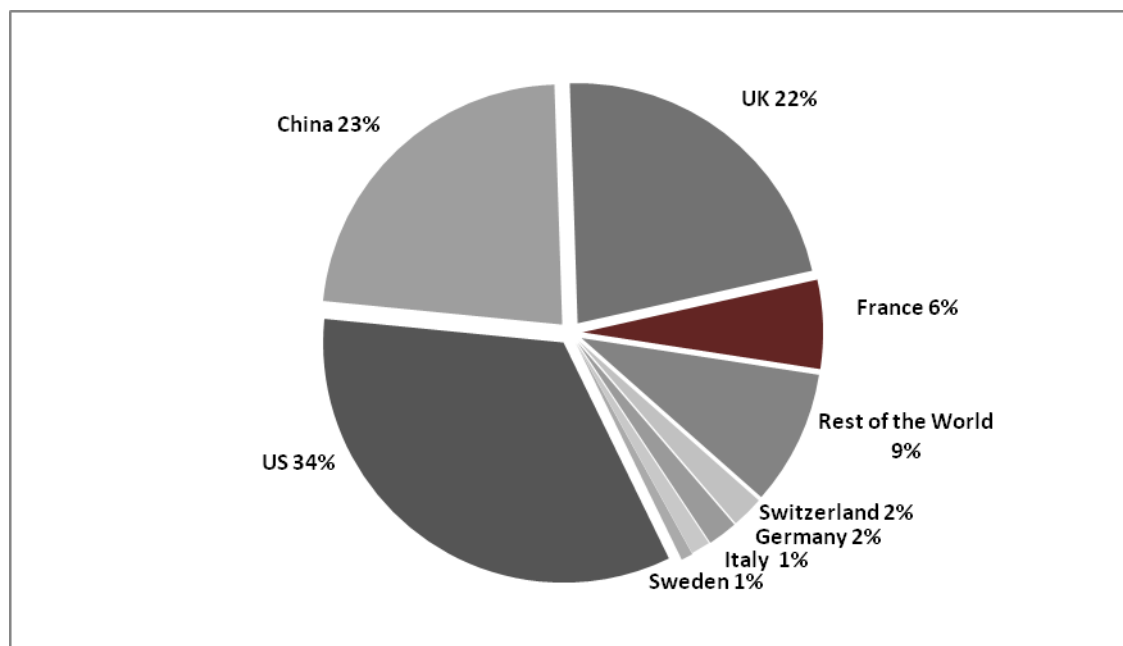
³ These figures do not include Tajan's Monaco sales of €8 million and Pierre Bergé & Associés €21 million in Belgium.

2. Art Market Shares

Globally, the US continued to dominate the art market in 2010, with a share of 34%.⁴ Despite retaining market leadership, its margin has narrowed in recent years, falling over 12% from a high of 46% in 2006. China has consistently gained share in the global market since 2006, and in 2010 it moved into second place with 23% of the market, overtaking the UK for the first time. The UK's share in 2010 was 22%, a fall of 5% from 2006, largely due to the advance of the Chinese art market.

In 2010, France retained its position as the second largest art market in the European Union, and fourth largest internationally. However, its relative share in both markets decreased year-on-year from 2009. France lost its position as the third largest global market in 2007, when China gained significant ground and this trajectory continued over the three years that followed. Figures 2 and 3 show France's market share of the global and EU art markets in 2010. France share of the global art trade slipped from just under 10% in 2009 to 6% in 2010, primarily due to gains in the Chinese and US markets. Within the EU, France's share of EU sales fell from 18% in 2009 to 16% in 2010.

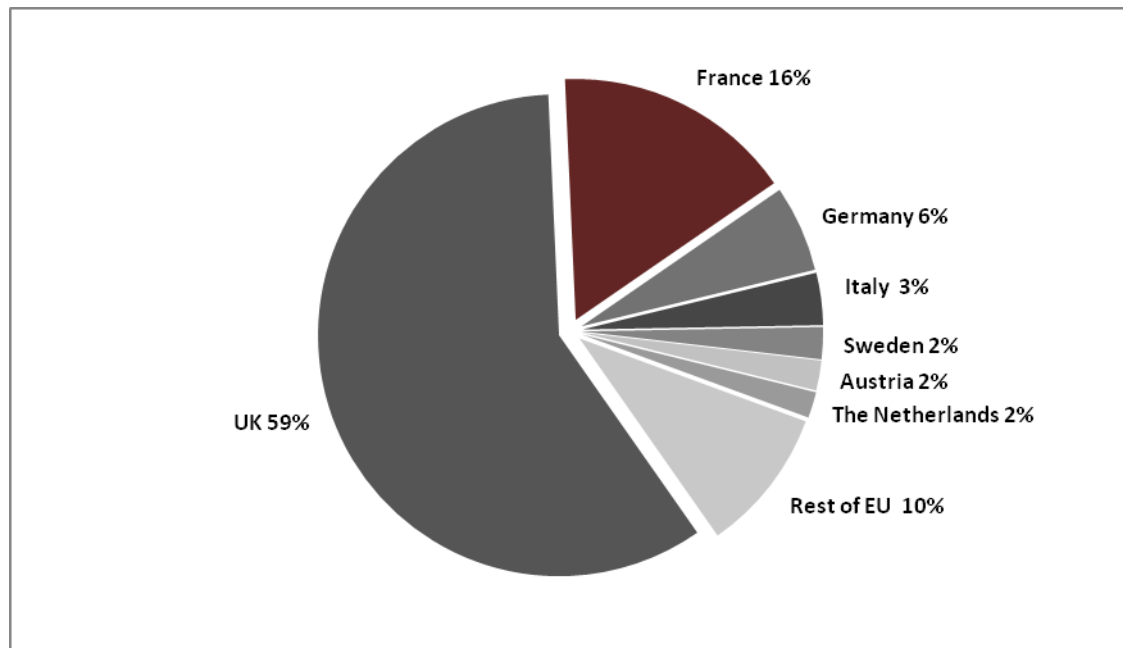
Figure 2. The Global Art Market Share in 2010



Source: *Arts Economics* (2011)

⁴ All figures for global share are from Arts Economics (2011) op cit.

Figure 3. The EU Art Market Share in 2010



Source: Arts Economics (2011)

Table 3 shows the changing share of the French art market from 2002 to 2010. In 2010, France lost share globally and in the EU year-on-year, however 2009 was an exceptional year for the French market, and in 2010 market values have reverted to a more equilibrium level. Its share of the EU trade has gained marginally in the five year period from 2005, however global share is falling gradually over time, as Europe generally sees more sluggish growth than the US or China.

Table 3. Share of the French Art Sales in the EU and Globally

Year	Share of EU Art Market	Share of Global Art Market
2002	18.1%	9.2%
2003	17.8%	9.3%
2004	15.2%	7.3%
2005	14.0%	6.8%
2006	14.5%	6.4%
2007	14.2%	5.8%
2008	11.9%	6.0%
2009	18.3%	9.6%
2010	16.1%	6.0%

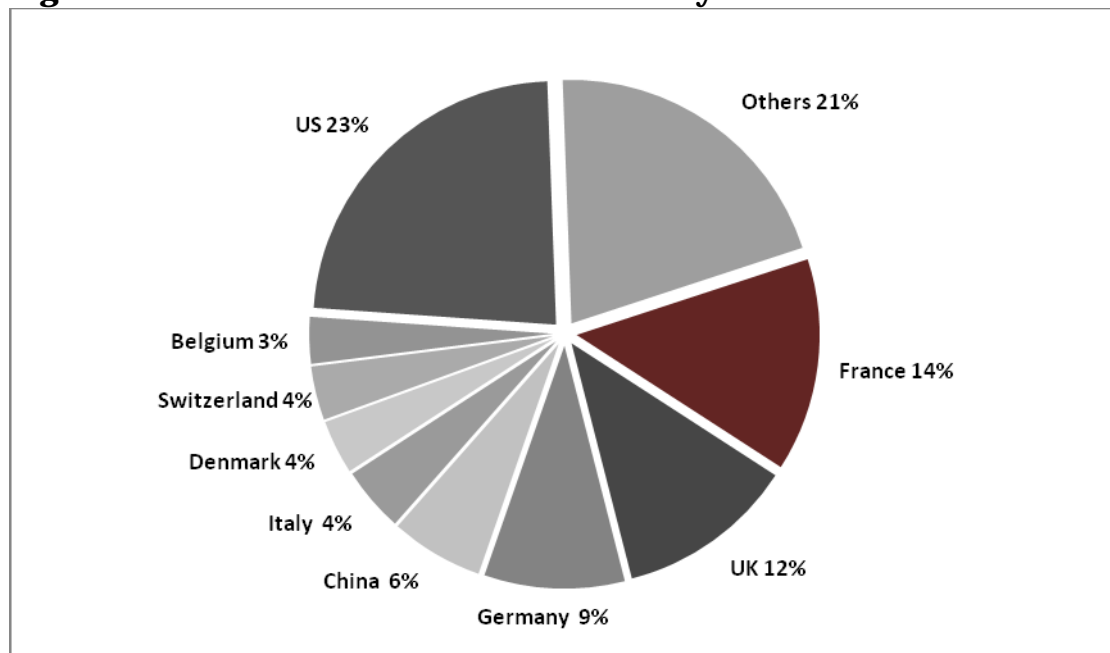
Source: Arts Economics (2011)

The volume of transactions in the global art market is more diversified than value. Figure 4 examines shows the share by volume of the fine art auction market in 2010. In this sector of the market in 2010, France has the second largest share of transaction worldwide at 14%, while the US had the highest national share at 23%. The UK was in third place with 12%. The share of global

fine art auction transactions in France has dropped by 4% from 2008 when it reached a high of 19%.

The EU's share in 2010 was 58% and within it, France had the highest share with 24% of transactions followed by the UK (20%) and Germany (16%). China's share of fine art transactions was just over 6%.⁵

Figure 4. Fine Art Auction Market Share by Volume 2010



Source: Arts Economics (2011) with data from Artnet (2011)

⁵ For consistency, the volume of all national fine art transactions quoted here is based only data from Artnet. This understates the actual volume of fine art transactions in China as it only covers only the major auction houses, and only those in Mainland China and Hong Kong (with Taiwan reported in the "Others" figures). Data from Chinese art auction database Artron indicates that when all smaller auctions of lower value works of calligraphy, paintings, scrolls and other objects classified as fine art are included, the number of transactions could be as much as ten times greater than that indicated in the chart, giving China a much larger share of market transactions.

3. Average Prices

Along with the UK, France is one of the main international hubs for art sales in Europe. While the UK generally attracts the highest priced sales in Europe, the French art trade is based on a higher volume of lower value sales. This higher volume of lower value sales means that average prices in the French art market are substantially lower than its major competitor markets of the UK, US and China.

Table 4 examines average prices for fine art at auction net of all fees and commissions. After experiencing an unprecedented increase of 145% in 2009, average prices in France contracted by 32% in 2010, although remained higher than in any previous year in the last decade at €11,055. The UK had the highest average prices in the EU as it has had over the last decade. Average prices reached €48,512 there in 2010, which was over four times that of France and nearly eight times German averages.

Average fine art auction prices in the US advanced 67% in 2010 and remained slightly lower than the UK for the third year in a row. Chinese averages were much higher than in the EU and grew 86% year-on-year in 2010.

Table 4. Average Hammer Prices at Fine Art Auctions in Major Art Markets 2002-2010

Country	2002	2003	2004	2005	2006	2007	2008	2009	2010
France	€6,180	€6,446	€5,083	€5,501	€6,378	€9,095	€6,629	€16,271	€11,056
Germany	€2,963	€3,259	€3,216	€4,145	€4,127	€7,001	€4,249	€5,417	€6,070
			€23,06	€25,77				€31,74	€48,51
UK	€25,516	€21,656	7	2	€33,135	€59,990	€56,450	6	2
								€13,53	
Italy	€7,682	€7,486	€8,227	€7,837	€9,048	€9,539	€7,969	2	€7,895
Switzerland	€6,765	€4,245	€5,425	€7,584	€9,776	€13,808	€7,848	€8,321	€14,318
			€38,94	€35,50				€22,68	€37,94
US	€47,398	€35,410	5	5	€47,826	€84,683	€51,550	3	6
				€12,63				€14,99	€27,82
China ⁶	*	*	€6,486	2	€12,138	€14,515	€16,247	5	0

Source: *Arts Economics (2010 and 2011), Artnet (2011) and Artron (2011)*

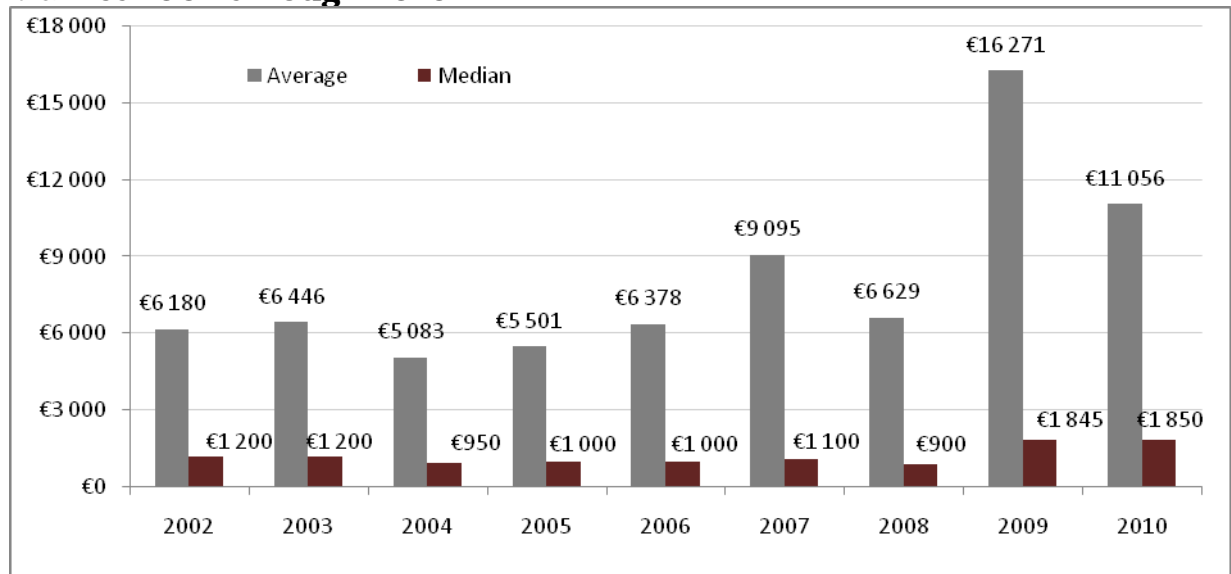
In France, as is the case in many larger art markets, average prices are skewed upwards by a smaller number of very highly priced sales. The median price or middle price is therefore also a useful comparative measure and is analysed in Figure 5.⁷ This shows that the median price in France is consistently much

⁶ Data for China in this table comes solely from the Chinese art database Artron. The Chinese art and antiques market share includes Mainland China, Hong Kong, Macao and Taiwan. Artron cover more Chinese auction houses than Western databases such as Artprice or Artnet and include more a much higher volume of lower value regional sales, hence report lower average prices.

⁷ The median is a measure of central tendency that is used when distributions are skewed to get a better idea of where the middle of market is. The median price is simply the price separating the higher and lower halves of the distribution of prices: if prices in the art market were arranged from

lower than the average, indicating that a smaller number of high value sales have an upward bias on averages, while much of the trade happens at a much lower level. It also shows that medians vary less over time than averages, indicating that market trends in average prices can be just as much driven by a small number of highly priced sales (or the lack of them) than fundamental shifts in the prices levels of a market.

Figure 5. Average and Median Prices in the French Fine Art Auction Market 2002 through 2010



Source: *Arts Economics* (2010, 2011) with data from *Artnet* (2011)

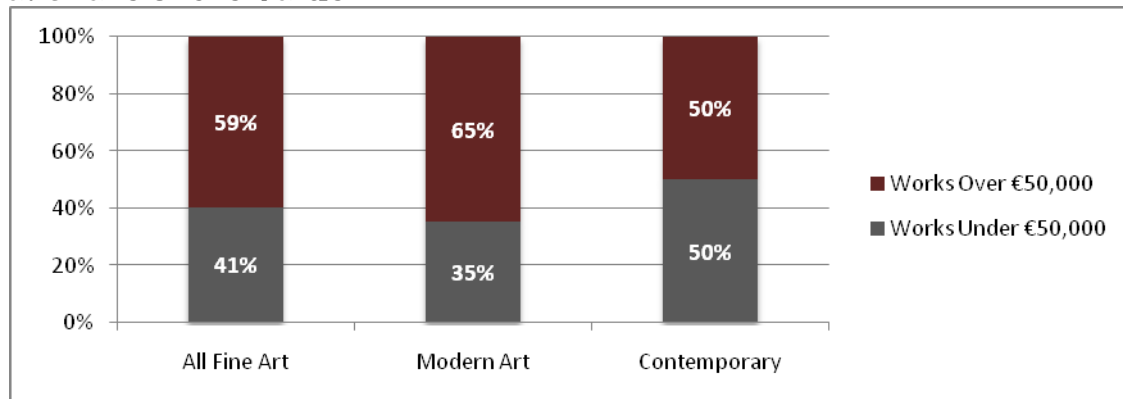
Another way to analyse the price distribution in the French art market is to look at the number and value of transactions in different price brackets. Figure 6a and 6b show the value of sales and lots sold in the French fine art market and two of its main sectors in 2010, dividing works sold under €50,000 and over €50,000. These show that the majority of the value of the market comes from sales of works of art priced at over €50,000. In the fine art market as a whole these account for 59% of the value of the market and this is even more marked in the largest sector of Modern art at 65%. This is a common feature of larger markets: in both the US and the UK, the share of the value of sales in the higher bracket was 87% in 2010. In some of France's smaller counterparts in Europe, sales over €50,000 are lower, for example only 39% by value in Germany.

lowest to highest, the median price is the middle price or centre point along the spectrum. The median can differ from the average, as the distribution of prices may not be evenly spread around the average. If the median is less than the average, it indicates that averages are being pulled upwards by a small proportion of higher value sales. As has been the case in nearly all markets and all countries over the last decade, the median price is lower, and in many cases significantly lower, than the average, indicating that prices in the fine art auction market are not symmetrical but heavily biased by a few very high prices which pull averages upwards, while the majority of lots are sold at the lower end of the price range.

Although these sales make up the bulk of value in the French market, they represent only a very small number of sales. In 2010 in the aggregate fine art market, lots sold for over €50,000 were only 3% of all auction transactions. Again, this indicates that while high value lots are important for increasing sales totals, the bulk of trading in the art market in France is in the lower and middle market of sales less than €50,000.

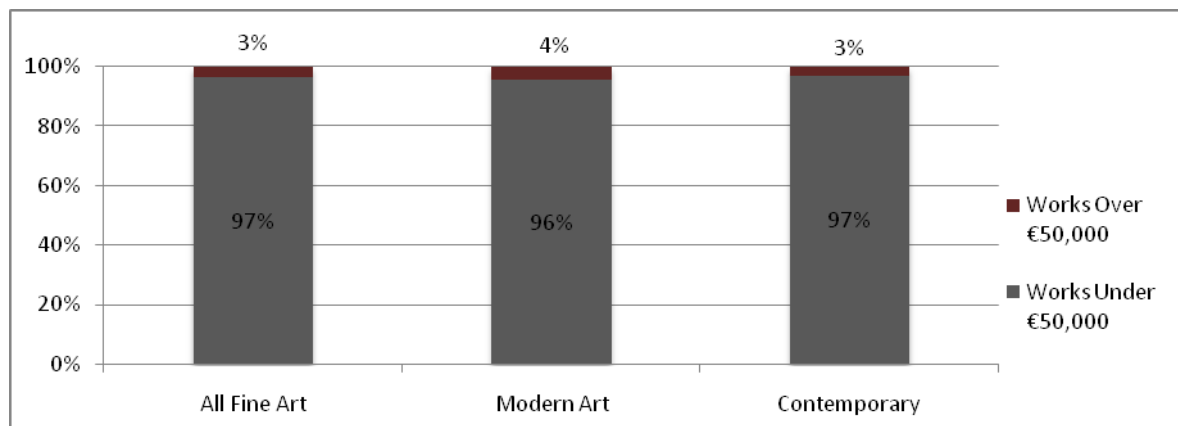
Figure 6. French Fine Art Sales and Lots Under and Over €50,000

a. Share of the Value



Source: Arts Economics (2011) with data from Artnet (2011)

b. Share of Transactions (Number of Lots Sold)



Source: Arts Economics (2011) with data from Artnet (2011)

The same holds for other sectors of the auction market and generally for dealers. However in 2010, according to polling carried out by Arts Economics, dealers in France reported that roughly 40% of sales they carried out were priced below €50,000, and 60% above. Of those sales above €50,000, most (82%) were priced within the range of €50,000 to €500,000. The sampling of dealers from SNA membership however may bring an upward bias into these results, as dealers within the organisation tend to be well established, and deal in older and high value sectors of the art and antiques market. Globally in

2010, a survey of CINOA dealers showed that 77% of sales by dealers are below €50,000.⁸

The Contemporary⁹ sector as defined makes up 13% of the value of the fine art market and 19% of transactions and the Modern¹⁰ sector makes up over 68% of its value and over 55% of all transactions. The Modern sector is by far the largest sector in the French fine art market, accounting for 68% of its value alone in 2010, and where many record prices are achieved.

Table 6. The French Modern and Contemporary Sectors in 2010¹¹

Sector	Total Auction Sales (€m)	Lots Sold	Average Prices
All Fine Art	€ 397.8	35,887	€ 11,056
Modern	€ 269.2	19,598	€ 13,736
Contemporary	€ 51.6	6,655	€ 7,759

Source: Arts Economics (2011) with data from Artnet (2011)

⁸ From Art Economics (2011) op cit.

⁹ Contemporary is defined here as sales of works by living artists in France.

¹⁰ Modern art is defined as works sold by artists born between 1875 and 1945.

¹¹ Sales and prices are net of fees and commissions in this table.

4. Trade

In 2010, as with each year in the past decade, France was a net exporter of works of art and antiques, with exports of €717 million and imports of €433 million. The French art trade generated a trade surplus of €284 million in 2010, which shows that sales in the art market outweigh domestic demand. This surplus fell by 38% year-on-year as exports declined for the second year in a row (by 18% in 2009 and 17% in 2010), while imports returned to moderate growth (after falling 18% in 2009, imports grew by 8% in 2010).

Table 7. Imports, Exports and Net Exports of Works of Art and Antiques from/to France

Year	Imports (€m)	Exports (€m)	Net Exports ((€m)
1999	€191.9	€530.4	€338.50
2000	€274.9	€831.3	€556.40
2001	€217.5	€707.8	€490.30
2002	€241.8	€640.7	€398.9
2003	€266.7	€684.0	€417.3
2004	€323.8	€671.7	€347.9
2005	€307.9	€715.5	€407.6
2006	€353.8	€900.2	€546.4
2007	€390.6	€855.7	€465.2
2008	€489.3	€1,054.3	€565.0
2009	€401.1	€860.7	€459.6
2010	€432.8	€717.0	€284.2

Source: Arts Economics (2011) with data from Eurostat (2011)

France was the second largest importer of art and antiques in the EU in 2010, with a 14% share of EU imports (next to the UK's 50% share and Germany's 10%). Imports have risen by a total of 126% in the 11-year period from 1999 to 2010. The biggest increase in imports was from 1999 to 2000 when imports rose 43%. This coincides with the opening of competition in the auction sector, which could have increased the demand for imported works of art by international companies that set up in Paris in that period, although sales at Christie's only started at the end of 2001. The main sources for the country's imports of works of art in 2010 are other large global markets such as the US and Switzerland and China, with 83% of all imports of works of art and antiques coming into France from outside the EU. The UK and Italy are the main sources of the remaining 17% of imports inside the EU. These sources have not changed significantly over the last 11 years apart from China escalating in importance and some other European countries such as Germany and Belgium becoming less important sources of imports.

France was also the second largest exporter in the EU in 2010. Its share of EU exports was 17%, with the UK having a 61% share and Germany the next largest to France at 8%. Exports of art and antiques have had a more volatile path of growth over the last 11 years. From 1999 to 2010, they rose by just 35%, but this was after two years of decline in 2009 and 2010. From 1999 to their peak

in 2008, exports increased in value by nearly 100% to just over €1 billion. Like imports, the highest year-on-year growth was experienced from 1999 to 2000, when exports grew by 57%. The top two destination countries for France's exports of art and antiques are the US, both in 2010 and in 1999. However, while Japan and Germany were also important for trading in 1999, now the UK and the Middle East (the UAE and Qatar) have risen in importance. Overall, in 2010 just over 90% of the value of France's exports of art and antiques were to destinations outside of the EU.

The bulk of both imports and exports is trade in fine art, that is paintings, sculptures and collages. In 2010, 74% of all imports of art and antiques were fine art and 68% of exports. The dominance of trading in fine art is a global phenomenon: works of art in this sector are often more portable than some antiques and decorative pieces, but more importantly, they also often traded relatively freely and without restrictions. In France, there has been restrictions on the export of cultural goods in place since 1887. In 1921, total prohibition of exports was introduced where every work of fine art required a permit to leave the country, and those deemed part of the French national patrimony could be banned from export. Although this law was abandoned a year later, it was introduced by the Vichy government in 1941 and remained in place until 1992. It was refined in the late 1980s to include only works by French artists or created in France, and has been modified in subsequent rounds of legislation in 1992, 2000 and 2004. Now, most works less than 100 years old that are not national treasures are relatively easy to export.

The rise in both imports and exports of art in France over the last ten years demonstrates the markets increasing importance as a centre for international trade. As noted above, the rise in imports has been much greater over the period than exports, although the trade surplus has remained positive. This indicates the increasing importance of international buyers in the market in France and a demand for art over and above the domestic market.

5. The Auction Market from 1995 to 2001

As noted above, although France has maintained its position among the top markets worldwide, its share has been under threat by the growth of newer art markets, most notably China. Once the centre of the global art trade, France lost its premier position in the 1950s and 1960s as London and New York began to dominate, largely due to their established bases of wealth and economic power, and because of the introduction of a new system of taxes on art sales and other regulatory deterrents that drove both buyers and sellers away from France to more liberal trading regimes.

In a drive to keep France an important global centre for trading art, the auction market was opened to international competition in 2000, being previously restricted to only French companies. International companies such as Christie's and Sotheby's opened bases in Paris and started sales in 2001/2002, bringing with them the interest of international collectors and sellers to the French market.

While many of the smaller auction houses in France are more domestically focused, these larger international houses tend to have a more international mix of buyers: at Sotheby's France in 2010 for example, only 33% of its buyers were of French nationality, with 39% from other parts of Europe, Russia and Switzerland and the remaining 28% from the rest of the world, including 14% from the US and 6% from Asia. Also, in 2010, one third of lots sold in Paris by Sotheby's had foreign provenance.

At Christie's in 2010, 39% of buyers were French, with 35% from other parts of Europe, 14% from the US, 10% from Asia and 2% from the Middle East. In the previous year the share of foreign buyers was even more marked with 42% from the US and just 22% from France (including purchases made by French museums from the Yves Saint Laurent / Pierre Bergé sale).

These international companies have also attracted higher priced works to the market. In 2010, the average price for the over 4,350 lots sold at Sotheby's sales in France was €39,685 while at Christie's it was €24,240 for over 6,500 lots.¹² The average price at Drouot on the other hand was reported as €500.¹³

Christie's and Sotheby's also sell more of the multi-million Euro lots in Paris. A good example in 2010 included Modigliani's *Tête* which sold for €43.2 million (with fees) at Christie's, which was the record price for any work sold in France. During the year Christie's sold 33 lots for over €500,000, nine of which were over €1 million. Sotheby's Paris sold 15 lots over €1 million, and 50 for over €500,000. In comparison, there were also nine lots in total of over €1 million in all of the auction houses within Drouot in 2010, with the highest lot being €5.5 million for a Yongzheng period Famille Rose Vase at Piasa.

¹² Both average prices include buyers' premium. Christie's average price omits one November sale totalling €5.2 million but which lot information is not published.

¹³ Figures for 2009 from CDV(2010) Annual Report 2009. CDV: Paris.

Table 8 shows the size of the French art market from 1995 to 2010 along with the percentage change year-on-year during this period. The market has grown by 89% in the 15-year period, with the largest year-on-year growth between 2005 and 2006. As noted earlier, at its peak in 2006, the market had doubled in value in just over 10 years.

Table 8. Sales and Growth in the French Art Market 1995 to 2010

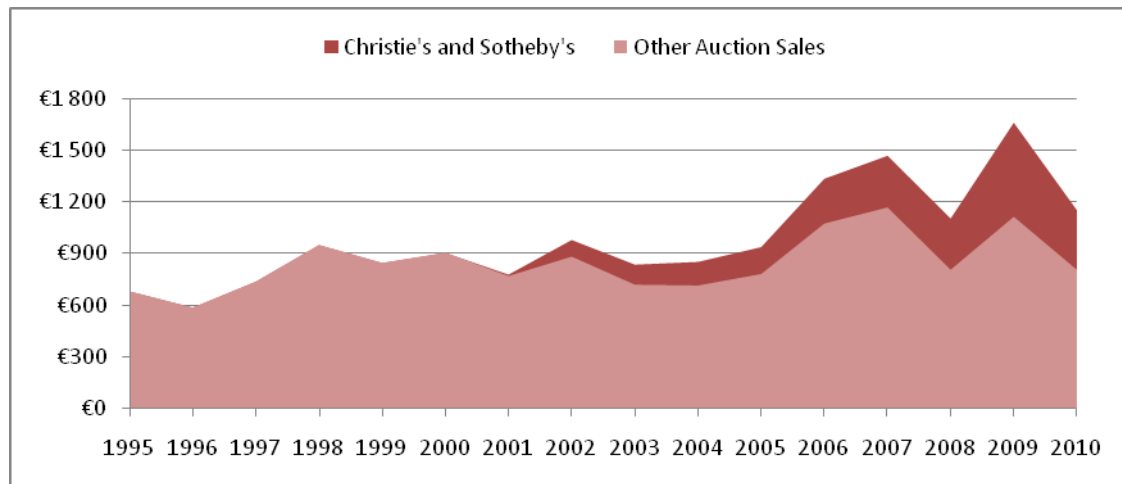
Year	Value of Sales (€million)	Years	Growth
1995	€1,358.4	1995-2010	88.7%
1996	€1,168.3	1995/96	-14.0%
1997	€1,472.0	1996/97	26.0%
1998	€1,898.9	1997/98	29.0%
1999	€1,690.0	1998/99	-11.0%
2000	€1,808.3	1999/2000	7.0%
2001	€1,555.1	2000/01	-14.0%
2002	€2,041.5	2001/02	31.3%
2003	€1,741.7	2002/03	-14.7%
2004	€1,774.9	2003/04	1.9%
2005	€1,954.8	2004/05	10.1%
2006	€2,786.6	2005/06	42.6%
2007	€2,769.6	2006/07	-0.6%
2008	€2,456.3	2007/08	-11.3%
2009	€2,733.1	2008/09	11.3%
2010	€2,563.1	2009/10	-6.2%

Arts Economics (2011) using data from Arts Economics (2010, 2011), Artnet (2011), Kusin (2002) and Chambre Nationale des Commissaires Priseurs (2011).

The growth in the market since opening to competition in the auction sector can be tracked from 2001 when the international auction houses set up in Paris and began regular sales. The market grew strongly from 2001 to 2002, with sales increasing in value by 31% as Christie's and Sotheby's injected almost €100 million into the auction sector in their first full year of sales. The years from 2002 to 2003 represented a period of contraction for the global art and antiques market with sales worldwide with sales falling by 16% and the French market followed this trend, decreasing in value by 15%. From this low point in 2003 to 2010, the market has grown in total by 47%.

It is interesting to note the effect of Christie's and Sotheby's specifically on the art market in France. Figure 7 shows the growth of auction sales in France, with sales from Christie's and Sotheby's shown separately.

Figure 7. Auction Sales in the French Art and Antiques Market 1995-2010



Source: Arts Economics (2011)

The auction market exclusive of Christie's and Sotheby's actually declined by 11% in value in the period between 2000 and 2010, returning to levels just below those in 1997. Including sales at Christie's and Sotheby's, the market rose by 28% in the same period. From its low point in 2003, the market rose 12% to 2010 without these two international houses and 38% with them included.

Table 9 and Table 10 examine France's relative position in the global art market from 1995-2001 based on its share of the fine art market at auction. During this six-year period, the global fine art market grew relatively strongly advancing by 39% in terms of aggregate values after a recessionary, post-boom period in the early 1990s. The French market also grew, but at a more moderate 14%. Growth during this period was driven by a smaller number of higher value lots coming onto the market, as the volume of transactions actually declined, both globally (by 18%) and in France (by 11%).

France maintained its position as the third largest market globally during this period and its relative share was stable between 5% and 6% of the value of global sales. During this period, Chinese sales (as measured by sales in Hong Kong and Taiwan) made up around 0.5% to 1% of the market's value. The main changes in share during the period related to gains and losses of the relative shares of the US and UK, although the US maintained a comfortable lead with around half or more of the markets value throughout.

France maintained a higher share of the volume of auction transactions during the period, averaging 12%, and with much less of a margin from the market leaders of the UK and US.

Table 9. Global Market Share of the Fine Art Auction Market by Value

Global Market Share of:	1995	1996	1997	1998	1999	2000	2001
France	6.5%	6.1%	5.6%	6.9%	5.2%	5.5%	5.3%
Germany	3.6%	3.5%	2.8%	3.0%	3.2%	3.3%	3.1%
Italy	1.8%	1.7%	1.0%	1.7%	0.5%	0.9%	1.6%
Switzerland	2.0%	2.0%	1.1%	1.1%	1.3%	2.1%	1.6%
UK	25.7%	30.7%	27.4%	25.2%	30.0%	26.2%	27.8%
US	52.4%	48.6%	57.4%	55.8%	53.7%	55.1%	53.5%

Source: Arts Economics (2011) using data from Artnet (2011)

Table 10. Global Market Share of the Fine Art Auction Market by Volume

Global Market Share of:	1995	1996	1997	1998	1999	2000	2001
France	11.6%	12.0%	14.3%	12.1%	12.6%	11.9%	12.6%
Germany	10.6%	11.9%	12.8%	13.8%	15.6%	12.8%	13.5%
Italy	2.3%	3.3%	4.7%	5.6%	1.0%	1.6%	2.3%
Switzerland	3.2%	3.8%	3.7%	3.0%	3.5%	3.8%	4.2%
UK	21.0%	19.6%	20.0%	20.5%	19.2%	28.9%	18.9%
US	29.3%	28.6%	26.7%	26.8%	28.8%	22.9%	26.8%

Source: Arts Economics (2011) using data from Artnet (2011)

Looking at the entire period from 1995 to 2010, it is clear that despite increasing in absolute value, the share of the French market in the global trade has not advanced or fallen in any significant way, remaining at 6% in 2010. Given changes in the global art markets landscape over recent years, the opening of the French market to competition in the auction sector appears to have been critical in helping France not lose ground in an increasingly competitive global market. If Christie's and Sotheby's sales are taken out of the French market in 2010, France's share drops down to 4%, indicating the importance of these international companies in generating a significant proportion of the country's highest sales.