

Artprice: the Art Market heading towards billion-dollar auction prices.

Faced with an exceptionally large volume of requests, Artprice has been unable to respond to them all, and its Founding CEO, thierry Ehrmann, hereby confirms that its Annual Global Art Market Report (288 pages instead of 180) will be released exclusively through AFP Monde on February 26, 2015 and will be fully available as of March 3, 2015 online at Artprice.com and on the website of its institutional partner Artron (China).

This 13th Annual Global Art Market Report, the fruit of very in-depth research, required the full support of its publishing partner AMMA/ARTRON (Art Market Monitor of Artron), the only Chinese quasi-State institution allowing both partners to produce data that had never previously been processed due to a lack of completeness, resources and State authorization. Artprice has no qualms whatsoever in stating that so-called Western studies of the Chinese Art Market are based, at best, on fanciful assumptions. This report will finally allow a clear and transparent understanding of the Art Market in both the West and the East.

Artprice and Artron confirm the historic and irreversible transformation of the art market, a transformation that, among other changes, removes the specter of speculative bubbles. This report will highlight the phenomenal growth, in less than twenty years, of the number of participants, buyers and sellers in the art market, an evolution that can only be observed on a logarithmic scale.

For example, the Contemporary art market, which has grown by a factor of 10 between 2000 and 2014, perfectly illustrates the transformation of the Art Market. Similarly, the unsold rate, the most significant universal marker of a speculative or falling market, has remained perfectly stable in 2014.

During the same period (2000-2014), there have been more museums constructed than throughout the entire 19<sup>th</sup> and 20<sup>th</sup> century. It is important to emphasize that today museums have partially abandoned their State mission of building collections and are nowadays much more focused on what we now call “the museum industry” which is a global economy developing on all continents. This paradigm shift underlies the current rate of 700 new museums per year in the world.

This new industry is hungry for “museum quality” pieces. In effect, every museum needs at least 3,000 to 4,000 works and the very nature of Museums is to buy artworks to build their collections, and *not* dispose of their acquisitions.

The double-digit growth of the Art Market, in a world where economies and economic growth are faltering, is the perfect indication that a disruptive economy is at work. A detailed focus on Free Ports which are popping up on every continent, will allow the reader of Artprice’s Annual Report to understand the phenomenon of the growing virtualization of the art market.

The art market’s financial firepower keeps on changing scale. After stagnating at a top range of around \$10 million in the 1980s, the top prices of individual artworks reached the \$100 million threshold in the 2000s, and according to the *New York Times*, on 5 February 2015, a Qatari buyer paid \$300 million for a work by Gauguin.

Artprice believes this scale is fast heading towards the billion-dollar price range, an idea that has already been proposed by the famous Art Market journalist, Georgina Adam, in her book *"Big Bucks: The explosion of the Art Market in the 21st Century,"* in which she quotes Francis Outred, head of Christie's Contemporary Art department, as saying that he expects to see a Contemporary artwork fetch \$1 billion.

The exponential growth of the market is intimately linked to the amount of information available. For the record, the two world-recognized price guides that Artprice acquired in the 1990s (Artprice Index USA and the famous Enrique Mayer Guide) only provided, on average, over the period 1970-1990, ninety thousand auction results for the previous year, with a 9-month lag. Today, Artprice processes more than 18 billion free and paid information requests via the Internet per year.

According to economic wisdom, an opaque market grows exponentially when it is hit by a mass of transparent information. The art market is today an "efficient" market, i.e. it reflects, at any given moment, all the relevant information available.

One of the major conclusions that Artprice's annual report allows is that the Art market, for countries and for natural or legal persons alike, has rediscovered the Power of Art that reigned for more than seven centuries in Europe. The fierce competition, especially between China and the USA, is analyzed comprehensively in this Annual Report.

Lastly, the massive presence of Contemporary and living artists in the top 500 artists ranked by auction turnover (see Artprice Annual Report) is a totally new phenomenon in the history of the art market, which has never experienced a situation where a living artist, formerly destined to poverty, is an active player in his own market. Today the artist has become a powerful "Market Maker" – free from all tutelage.

### ***About Artprice:***

Artprice is the global leader in art price and art index databanks. It has over 30 million indices and auction results covering more than 570,000 artists around the world. Artprice Images(R) gives unlimited access to the largest Art Market resource in the world: a library of 108 million images or prints of artworks from the year 1700 to the present day, along with comments by Artprice's art historians.

Artprice permanently enriches its databanks with information from 4,500 auctioneers and it publishes a constant flow of art market trends for the world's principal news agencies and approximately 7,200 international press publications. For its 3,600,000 members (members log in), Artprice gives access to ads posted by members. This space represents the world's leading Standardised Marketplace® for buying and selling art. These sales take place under two systems: either fixed price sales or auction-sales (regulated by paragraphs 2 and 3 of Article L 321.3 of the French Code of Commerce).

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The 2013/2014 Contemporary Art Market Report is now online:

<http://imgpublic.artprice.com/pdf/artprice-contemporary-2013-2014-en.pdf>

Discover the Alchemy and the universe of Artprice <http://web.artprice.com/video>, which headquarters are the famous Museum of Contemporary Art, the Abode of Chaos

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