



Chapter I

# Global trends in the creative economy





# Global trends in the creative economy

**The creative economy encompasses creating, producing, and distributing goods and services that use creativity and intellectual capital as primary inputs. It includes diverse activities such as advertising, architecture, arts, design, music and movie production, publishing, and video games (for more on the definition and measurement of the creative economy, see Annex I). The creative economy is rapidly growing, offering opportunities for economic development and diversification. It generates cultural and societal values and supports economic objectives like economic growth and job creation. This sector is vital for some developing countries, though a recent UNCTAD survey highlights significant differences across countries. Digital creative content increasingly replaces physical goods like books, films, music, and video games. Digitalization also supports emerging business models such as streaming and digital platforms and fosters cross-industry collaborations (e.g., between video game companies, musicians, publishers, and film studios) and gamification across sectors. Additionally, demographic shifts in developing economies, with younger generations consuming more digital content, drive growth in creative industries.**

Creative industries exhibit wide variability in operations, value chains and revenue models globally and regionally. This diversity presents challenges in accurately estimating market size. Studies utilise varied metrics like industry revenues and sales, leading to inconsistencies in methodology and data sources and complicating analysis. Given these disparities, this chapter offers a synopsis of recent research and data on market trends across different creative industries. In the absence of detailed global industry data from international organisations for some creative sectors, the section uses recent reports from consulting and market research firms and associations. Data about creative industries in developing countries is scarce. However, the report presents such data whenever possible.

## A. Contribution of the creative economy to the global economy and employment

The creative economy is a significant driver of global and regional economic growth despite being amongst the most negatively impacted by the COVID-19 pandemic and susceptible to the challenges of a quickly evolving environment. Cultural and creative industries generate annual revenues of almost US\$ 2.3 trillion globally, contributing 3.1 per cent of the global gross domestic product (GDP) (UNESCO, 2022a, 2023). Among major G20 economies with recent data, the share of the cultural and creative industries from total value added spreads from 0.7 per cent in Mexico to 3 per cent in the United States of America (OECD, 2021).



In addition, UNESCO estimates that the cultural and creative industries account for 6.2 per cent of global employment (UNESCO, 2022a). However, there are significant differences across countries. The share of cultural and creative jobs in G20 economies is between 1 per cent in Türkiye and 2.1 per cent in Australia (OECD, 2021). According to modelled estimates by the International Labour Organization (ILO), the arts and entertainment sector accounts for 1.4 per cent of global employment (International Labour Organization, 2023a).

UNCTAD's 2024 survey on the creative economy, covering 36 mainly developing economies, confirms significant differences across countries. In economies where data is available from the past ten years, the creative economy contributes between 0.5 to 7.3 per cent of the gross domestic product and employs between 0.5 to 12.5 per cent of the workforce (see Figure 1). However, the data are not comparable because of differences in definitions (i.e., culture, cultural and creative industries, creative economy), what is being measured (i.e., contribution to GDP or value added) and reference years.

Many nations acknowledge the creative economy's beneficial economic and societal effects, implementing specialized policies to bolster the sector. The recent UNCTAD survey showed that each participating nation possesses at least one, frequently multiple, ministries or agencies tasked with supervising and supporting the creative economy. Furthermore, over 70 per cent of countries have implemented a national plan, strategy, or policy explicitly dedicated to fostering the creative economy. Annex II provides detailed information about the survey and the relevant national agencies and strategies for the creative economy.

## B. Trends in creative industries

Global data and studies about creative industries are rare, due to lack of information, especially in developing countries. PwC's 2023-2027 Global

Entertainment and Media Outlook (PwC, 2023) is among the more comprehensive studies, covering 60 economies across all continents, including 33 developing economies. According to this report, although the annual growth of the global entertainment and media industry, a vital component of the creative economy, has slowed since 2021, it maintains an overall steady global revenue growth, mainly from digital services (PwC, 2023).

Apart from industry revenues, data from collective management organizations (or CMOs, organizations managing copyrights and related rights on behalf of right holders) can also provide useful information on how creators worldwide earn a living from their work (i.e., music, audiovisual, visual arts, literature and drama). According to a recent report by the International Confederation of Societies of Authors and Composers (CISAC), bringing together 225 CMOs in 116 economies, global royalty collections reached a record US\$ 13.4 billion in 2022, with a year-on-year growth of 26.7 per cent. For the first time ever, digital was the biggest source of royalty collection for creators, accounting for 35 per cent of total collections, driven by continued growth of subscription streaming. Europe has the highest share of collections according to CISAC, accounting for 54.8 per cent of total, followed by North America (24.5 per cent), Asia Pacific (15 per cent), Latin America and the Caribbean (5.1 per cent) and Africa (0.6 per cent) (CISAC, 2023).

Trends in royalty collections show great potential in some developing economies, provided there are favourable conditions for collecting royalties in a digital environment. Although developed economies dominate royalty collections, it is some of the developing regions that are the fastest growing. For example, in 2022, Latin America was the fastest growing region with a year-on-year growth of 66.1 per cent. In addition, in a growing number of developing economies (Indonesia, Mexico, Philippines, Thailand, Vietnam, etc.), digital dominates the source of collection and continues to grow exponentially (CISAC, 2023).





**Figure 1**  
Recent facts and figures about the creative economy

 **China**

In 2022, China's cultural industry reached an operating income of 16.5 trillion yuan (US\$ 2.3 trillion). China's **cultural industry** reached **1.3 trillion yuan** (US\$ 180 billion) in total profit.

 **Costa Rica**

In 2019, Costa Rica's **cultural sector** accounted for **2.1%** of GDP and **2.1%** of **total employment**.

 **Dominican Republic**

In 2014, **cultural and creative industries employed 468,324** people, about **12.5%** of the total formal and informal workforce.

 **Egypt**

In 2020, the **cultural and creative sectors** in Egypt accounted for **3%** of GDP. In 2008, the sector was estimated to **employ 2 million** people.

 **Indonesia**

In 2021, Indonesia's **creative economy contributed** about **US\$ 82 billion** of to the GDP. In 2022, the **creative industry** employed **24 million** people.

 **Jamaica**

In 2019, the **film, animation, and music industries** made up **6.2%** of the country's GDP.

 **Japan**

In 2019, **culture** accounted for **1.9%** of Japan's GDP and **employed 1.3 million** people (1.9% of the workforce).

 **Mauritius**

In 2022, **creative industries** made up **2.4%** of the GDP.

 **Montenegro**

In 2022, the **cultural and creative industries** accounted for **3.4%** of GDP, **10.2%** of registered **business entities**, and **4.5%** of the **workforce**.

 **Nigeria**

In 2019, Nigeria's **creative industries** employed roughly **3.2 million** people or **6%** of total employment.

 **Peru**

In 2018, Peru's partially **copyright-based industries** accounted for **3.8%** of the national value added, and **703,654 jobs** (4.1% of total employment).

 **Philippines**

In 2022, the **creative economy** made up **7.3%** of the country's GDP and **employed 7 million** people.





 **Republic of Korea**

In 2020, the real added value by **copyright industries** was around **US\$ 160 billion**, and the sector employed 2.4 million people.

 **Slovenia**

In 2017, **cultural** and **creative industries** made up **3.5%** of gross value added (GVA) and **employed** around **7%** of the workforce (51,934 people). The sector accounts for **10.5%** (24,062) of all registered organizational units and **8.4%** of all active companies.

 **South Africa**

In 2020, the contribution of the **cultural** and **creative industries** to GVA was **3%** and in 2019, the sector **employed 4.1%** of the workforce (equivalent of 679,900 jobs).

 **United Kingdom**

In June 2023, **2.5 million** people were employed in the **creative industries**.

 **Uzbekistan**

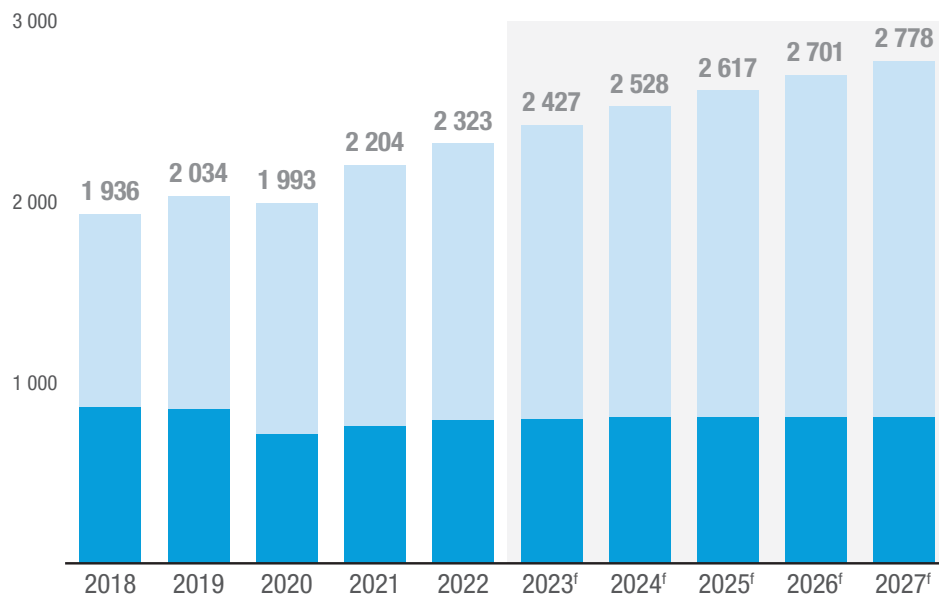
In 2014, **cultural industries** accounted for **0.5%** of the GDP. In 2020, creative industries employed **0.6%** of the workforce

Source: 2024 UNCTAD survey on the creative economy.



**Figure 2**  
**Global entertainment and media revenues**  
(US\$ billion)

■ Non-digital ■ Digital



Source: UNCTAD, based on PwC's Global Entertainment & Media Outlook 2023–2027.  
Note: f: forecast.



## 1. Advertising

Global advertising revenues were estimated to reach US\$ 806 billion in 2023, according to the consulting firm PwC. Due to the expansion of e-commerce and time spent on digital platforms, companies took steps to increase their advertising efforts and the avenues through which they do so to reach a broader consumer base. For instance, digital advertising contributed a 57.7 per cent share of global advertising spend in 2023 and will continue the upwards trend into 2026, when it is expected to reach more than a 60 per cent share for the first time (Dentsu, 2023). This is partially supported by the dynamic increase of advertising conducted through video games in recent years. Video game advertising is expected to grow from a global revenue of US\$ 70 billion in 2022 to US\$ 137 billion in 2027 (PwC, 2023), representing a greater growth rate than that of more traditional TV advertising, which is expected to increase from US\$ 157 billion in 2022 to US\$ 160 billion in 2027.

According to a recent report by Dentsu, North America is the largest market in terms of forecasted advertisement spend

in 2024 (with US\$ 327.5 billion), followed by Asia-Pacific (US\$ 240.9 billion) and Europe, Middle East and Africa combined (US\$ 158.7 billion) (Dentsu, 2023). The report, covering 58 economies, including several developing countries, also highlights that the share of digital advertising spend is the highest in the Asia-Pacific region, reaching 64 per cent of total spending.

## 2. Architecture

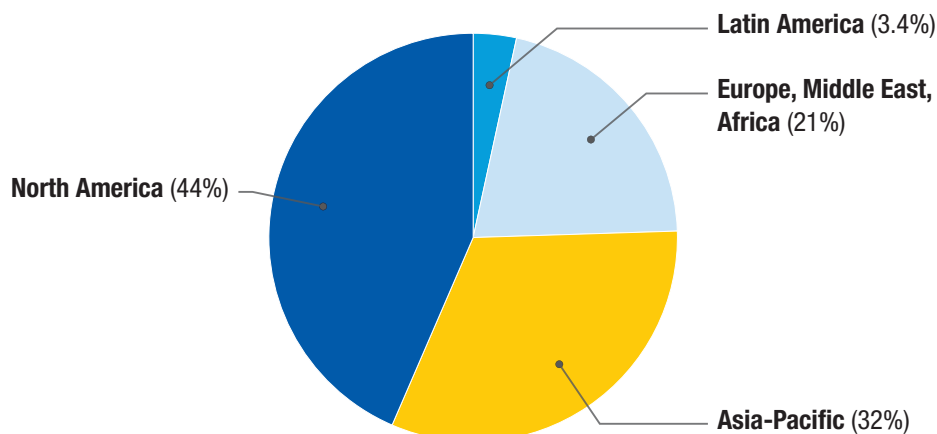
The architecture and interior design markets have experienced shifts in both positive and negative directions in recent years. For instance, while fees from architectural projects related to healthcare have made record growth, fees from architectural projects related to corporate office work have decreased, with 2022 fees decreasing from 2021 and below its forecast (*Interior Design*, 2023). According to business trends data on the industry's top global interior design firms, the total 2022 design fees of these 100 firms came in at US\$ 4.97 billion, an increase from US\$ 4.55 billion in 2021 and US\$ 4.5 billion in 2020 (*Interior Design*, 2023).



**Figure 3**

### Share from forecasted advertising spending by regions in 2024

(Percentage)



Source: UNCTAD, based on Dentsu (2023)





**Table 1**  
**Global top architecture firms by number of employed architects in 2023**

Rank	Company	Location	Architects employed	Fee income (US\$ million)
1	Gensler	United States	3,065	> 1,500
2	Arcadis	Netherlands	1,956	370-379
3	HDR	United States	1,544	700-799
4	Sweco	Sweden	1,504	170-179
5	Nikken Sekkei	Japan	1,347	500-599
6	Heerim Architects & Planners	Republic of Korea	908	180-189
7	Perkins Eastman	United States	824	270-279
8	Haeahn Architecture	Republic of Korea	768	140-149
9	HKS	United States	761	330-339
10	DLR Group	United States	734	380-389

Source: UNCTAD, based on Building Design (2024).

The world's top ten largest architecture firms are based in developed economies, but in the top 100, there are an increasing number of companies from developing countries like China (with 12 architecture firms in the top 100), Philippines (6 firms), India (5 firms), United Arab Emirates (4 firms), South Africa (2 firms), and Bahrain, Kuwait, Singapore, Thailand and Vietnam (1 firm each among the top 100 largest architecture firms world-wide) (Building Design, 2024).

While broad-scale industry developments are significant, looking at the architecture industry at the medium-size enterprise level is important, as it includes many creative fields and operations. Architectural design can be distinguished by building or interior design; hospitality, corporate, retail, government, healthcare, education, residential, cultural, or transportation sectors; and domestic versus international trade speciality. These different sectors and modes of design signal a wide variety of developments. For instance, on the one hand, challenges of high costs and skilled labour shortages within architectural services such as construction, project management, and urban planning are likely to lean the market towards implementing more emerging technologies such as virtual reality and artificial intelligence (Grand View Research, 2023a).

### 3. Audiovisual: film and television

After the theatrical and home entertainment industry plunged 18 per cent in consumer spending in 2020, the box office has recovered since 2021. However, through offering more convenient, tailored, and diverse viewing experiences, subscription video on demand (SVoD) and other streaming services ultimately had the most significant growth, increasing 2021 global streaming service subscriptions by 14 per cent (Motion Picture Association, 2022). Despite this, traditional viewing methods have not been wholly neglected and have actively bounced back from the COVID-19 pandemic dip. For example, cinema box office sales have had a year-on-year increase in revenue since 2020, with the box office revenues estimated to reach pre-pandemic levels by 2025 and eventually an estimated US\$ 48.4 billion by 2027. Figure 4 shows cinema box office sales compared to live music ticket sales.

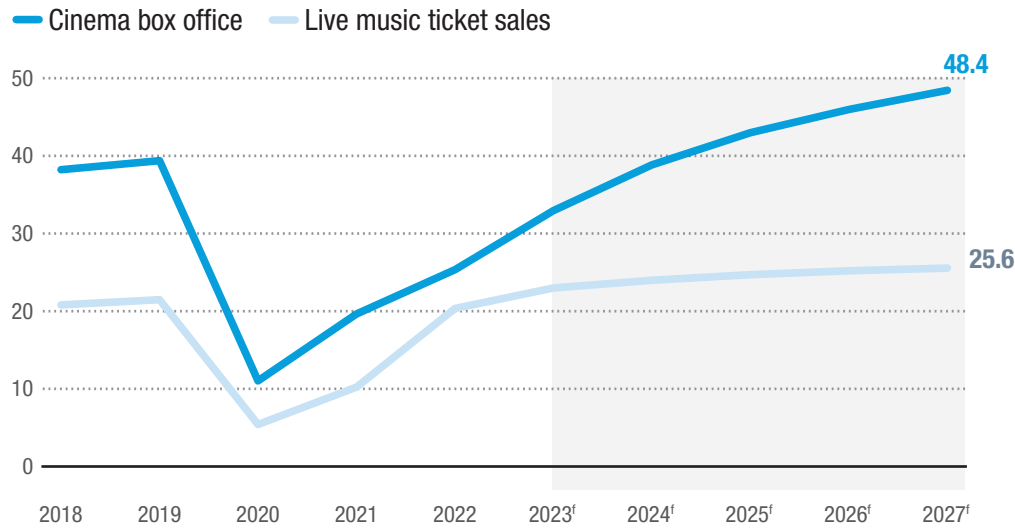
In 2023, the global box office reached an estimated US\$33.9 billion, a 30.5 per cent increase since 2022 (*Gower Street Analytics*, 2024). Asia-Pacific is the largest market, accounting for 39 per cent of global sales, fuelled mainly by China's individual contribution of 23 per cent point. North







**Figure 4**  
**Global live events revenue**  
 (US\$ billion)



Source: UNCTAD, based on PwC's Global Entertainment and Media Outlook 2023-2027  
 Note: f: forecast.

America is the second global market, contributing an estimated US\$ 9.07 billion or 27 per cent of global sales. Europe, Middle East, and Africa had a 25 per cent growth in sales, accounting for 27 per cent of the global box office. Finally, Latin America saw a 32 per cent sales increase, accounting for 8 per cent of global sales of which Mexico and Brazil contributed 3 per cent and 1 per cent point respectively.

Overall, developing economies including Argentina, Brazil, China, Mexico, Russian Federation, and Saudi Arabia were among the top 15 global markets by box office revenues (*Gower Street Analytics*, 2024). Not included in these studies, however, was India's film industry, with record box office revenues reaching around US\$ 1.4 billion in 2023 (FICCI, 2024).

According to a recent World Intellectual Property Organization (WIPO) report, 2022 saw the second-highest number of feature films produced, reaching a total of 8,748 films and representing a 15 per cent increase. The 2022 growth in film production was driven by both developing and developed countries. Overall, India held the top film producer position, contributing

29 per cent of the global volume while other developing economies such as Argentina, Brazil, China, the Islamic Republic of Iran, Mexico, Philippines, Russian Federation, and Türkiye were also among the top 20 film producing economies in the world (World Intellectual Property Organization, 2024). However, the WIPO report does not cover some large movie producer nations, like Nigeria. According to Nigerian national authorities, the country produced almost 2,600 movies in 2020 (National Bureau of Statistics of Nigeria, 2021).

As video-on-demand (VoD) and over-the-top (OTT) platforms and media services have gained considerable ground in the past couple of years, traditional television has fallen behind in terms of subscription numbers and revenue, with global revenues projected to decline from US\$ 231 to US\$ 222.1 billion from 2021 to 2026 (PwC, 2022). Over-the-top video, on the other hand, grew 35.4 per cent and 22.8 per cent in 2020 and 2021, respectively (PwC, 2022). There is a stark contrast between the growth projections of traditional television and streaming methods, one reason being a shift in focus towards advertising.



Advertising revenue from video-on-demand, such as free, ad-supported streaming TV (FAST) services, is expected to nearly double over the next five years (PwC, 2023). However, while video-on-demand advertising revenue is experiencing a steady rise, TV advertising is stagnating (PwC, 2023), making the shift towards streaming services even more palpable.

#### 4. Books and publishing

Through a publishing industry survey, the WIPO identified several issues involving the measurement of the global publishing industry, including fragmented response rates, a lack of standardised definitions and methodologies, and discrepancies in reported digital publication data. Despite these limitations, a slight yet recognisable increase in the global publishing industry's data availability collected from 2020 and

2021 still indicates the industry's likely trajectory. Based on several figures, such as total copies sold, sales revenue, and total ISBN registrations, the books and publishing industry has grown for the most studied countries (World Intellectual Property Organization, 2023).

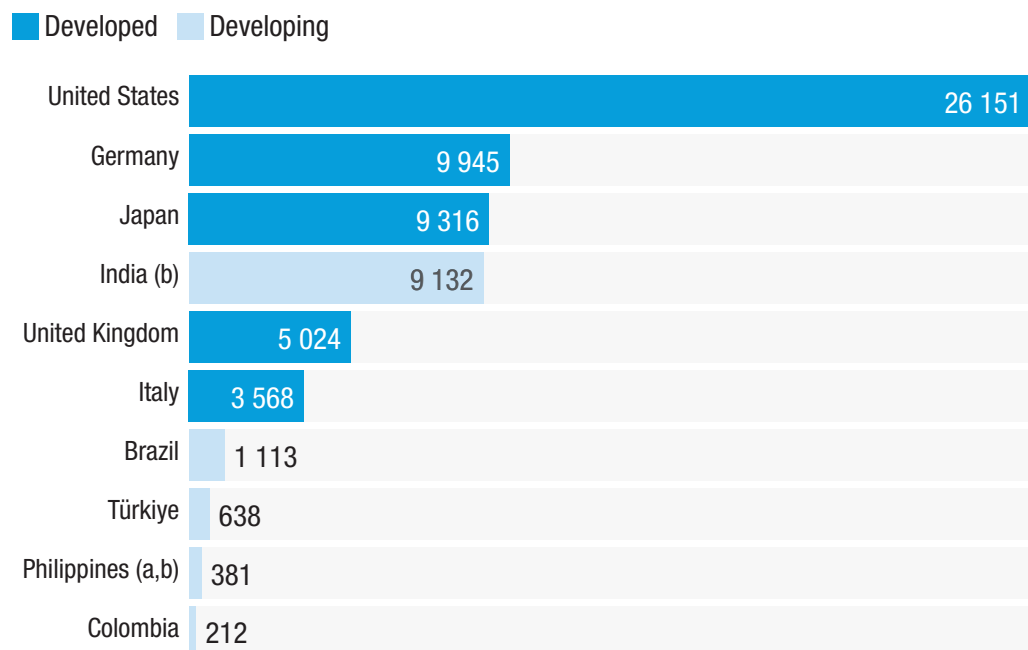
The growth of the books and publishing industries has been influenced by online social networks and the interconnected successes of digital streaming services and story adaptations. TikTok, for example, has affected part of the industry's consumer awareness and behavior. BookTok, TikTok's community of users who share views on books, has allowed individuals to leverage emotion and visuals to influence physical book virality and sales (*The Economist*, 2023). Digitalization has additionally shown its positive effect on the industries through TV series and film adaptations.



**Figure 5**

#### Top five developed and developing countries with the most significant total publishing industry revenue in 2022

(US\$ million)



Source: UNCTAD, based on World Intellectual Property Organization (2023).

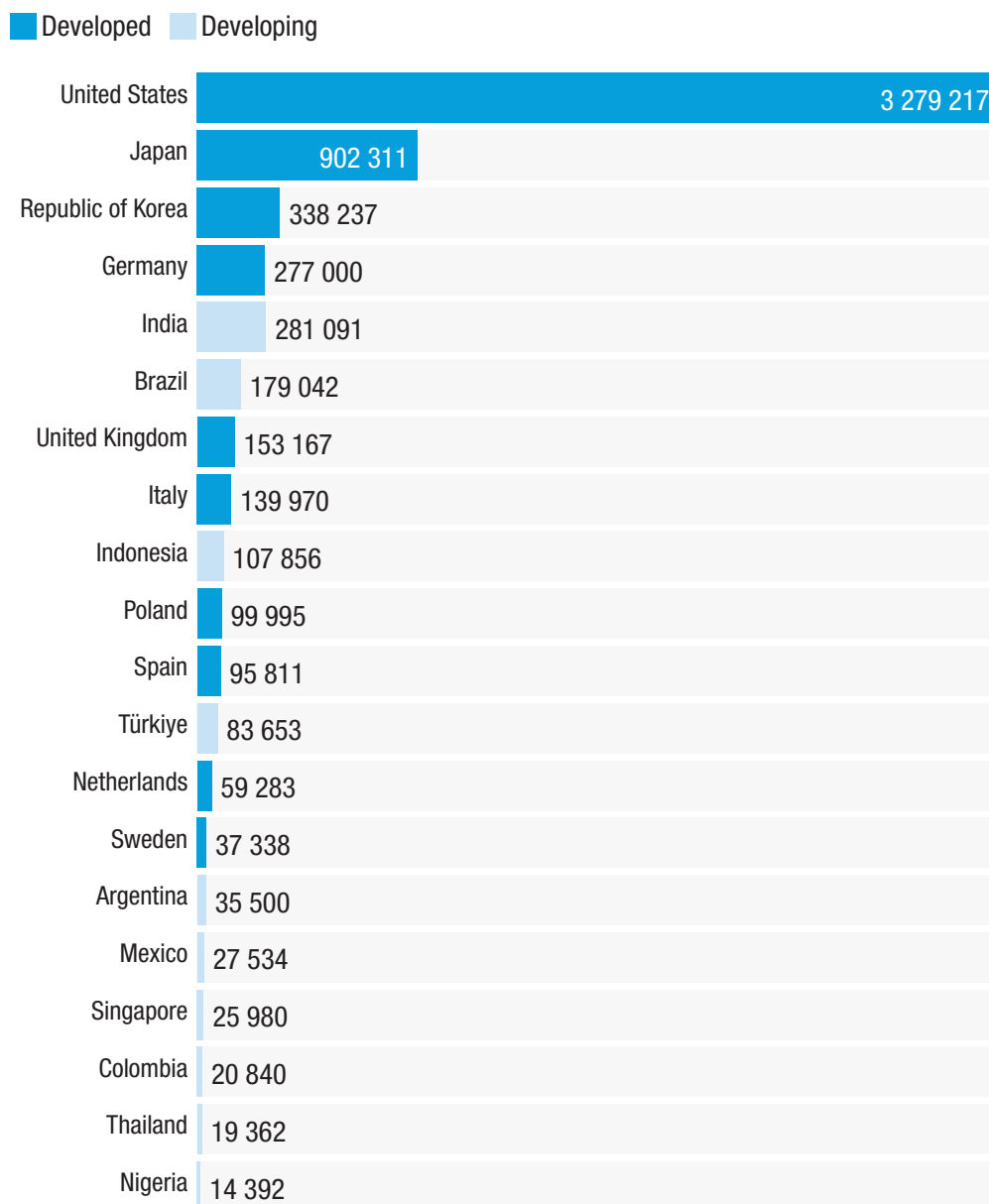
Note: a) trade sector only b) print format only.





**Figure 6**

**Top ten developed and developing countries with the highest number of ISBN registrations in 2022**



Source: UNCTAD, based on World Intellectual Property Organization (2023).

The reliability of literature as a source of content has spurred the steady increase of these literary adaptation deals that have subsequently driven book sales and the reviving of old titles. For example, according to data collected by The Atlantic, novels that become TV shows receive greater prestige and acknowledgement, garnering about four times as many ratings and twice the number

of citations in academic articles as novels that are not adapted (*The Atlantic*, 2021).

Another interesting case of the interplay between physical and digital markets, is the manga market, which in 2022 reached 2.5 times its previous sales peak in 2007 (*Publishers Weekly*, 2022). This growth is attributed in part to the availability of anime on digital platforms, which acts as a



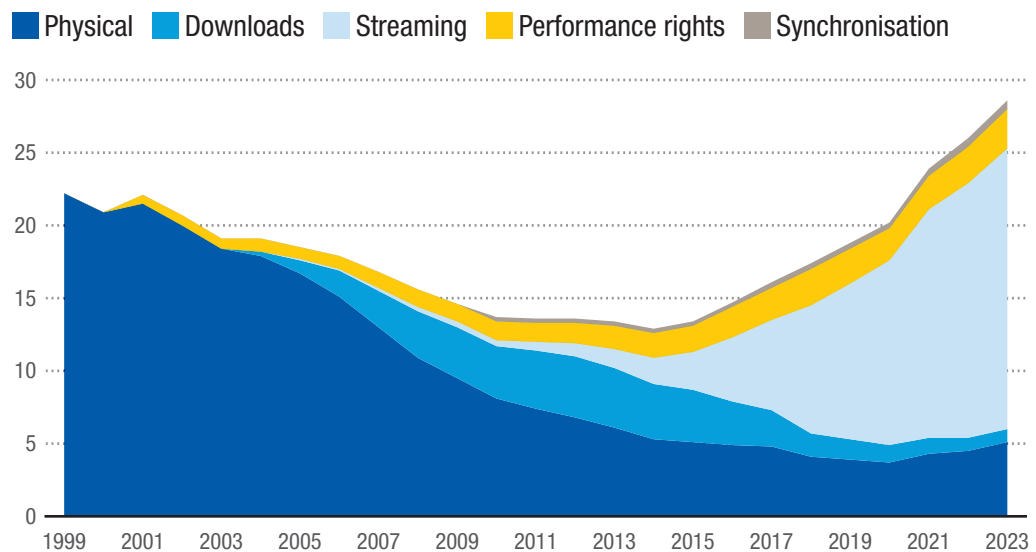
gateway to the original printed work behind many of the titles. For instance, *Attack on Titan*, Vol. 1 became the bestselling manga of 2021 despite being 10 years old. The rising demand to which paper and print industries are facing challenges in keeping up with, has subsequently expanded the market's sales channels by platform, genre, and geographical location. Digital manga publishing services, such as in the form of e-books, subscriptions, and mobile apps have also facilitated books and publishing industries' proliferation into other creative industries. Like the cross-industry trend of superhero comic book film and TV adaptations, the success of manga has led to collaborations between the books, publishing, and music industries. Ize Press, a new imprint dedicated to webtoons from the Republic of Korea, announced in 2022 a series of graphic novel titles from Hybe, a K-pop and webtoons collaboration featuring major Korean music industry artists such as BTS. The titles have since been released in 10 different languages and jointly accrued over 70 million views, revealing the potential mutual benefits of creative cross-industry collaborations.

## 5. Music

The recorded music market, including five revenue streams such as physical, streaming, downloads and other digital, performance rights, and synchronisation (the use of recorded music in advertising, film, games, television, etc.) experienced strong revenue growth in 2023. The value of global recorded music revenue hit a record US\$ 28.6 billion, an overall 10.2 per cent increase in its 9th consecutive year of overall growth. The composition of revenue sources has dramatically changed in the past decade. The physical sales segment that, for many years, had an overwhelming share of global recorded music industry revenues only accounted for 17.8 per cent in 2023. In the meantime, the share of streaming revenues increased by 10.4 per cent in 2023, accounting for more than two-thirds (67.3 per cent) of the total global market. Advances in technology offer higher-quality streaming experiences through AI-supported recommendation systems and faster data transmissions, propelling the streaming segment (International Federation of the Phonographic Industry, 2024).



**Figure 7**  
**Global recorded music revenues**  
(US\$ billion)



Source: UNCTAD, based on International Federation of the Phonographic Industry (2024).



According to the International Federation of the Phonographic Industry, music industry revenues are rising in every region. Developing regions have significant economic opportunities in the music industry, as all developing regions had double-digit revenue growth in 2023. Sub-Saharan Africa grew the fastest, with revenues rising by 24.7 per cent, fuelled by increasing streaming revenues. Revenues grew by 19.4 per cent in Latin America, 14.9 per cent in Asia, 14.4 per cent in the Middle East and North Africa, 10.8 per cent in Australasia, 8.9 per cent in Europe, and 7.4 per cent in North America. Streaming is a critical driver of revenues in developing regions. Latin America has the highest share of music streaming in the world, making up 86.3 per cent of the region’s revenues from music. In addition, the ten largest music markets in 2023 included two developing countries, China (5th largest market) and Brazil (9th largest market). Other countries on the list by decreasing market revenues are the United States of America, Japan, United Kingdom of Great Britain and Northern Ireland, France, Republic of Korea, Canada and Australia (International Federation of the Phonographic Industry, 2024).

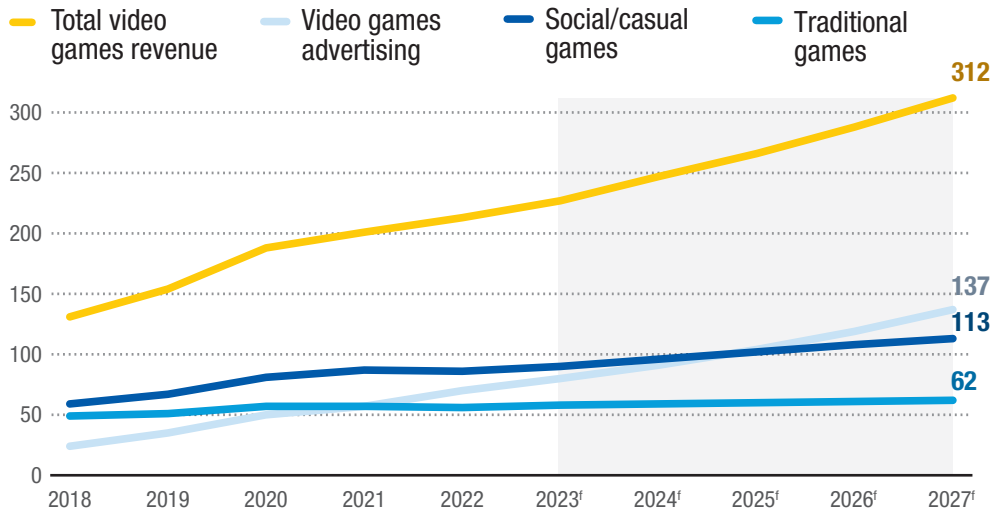
Live music and cultural events are also making a noticeable comeback, with 2023 revenues surpassing the 2019 pre-pandemic peak (PwC, 2023). However, this sector is not simply returning to its original operations. Virtual events and cross-industry experiences are further transforming the music industry. These include Taylor Swift’s film, *Taylor Swift: The Eras Tour* and “Block by Blockwest”, a virtual music festival hosted on the game Minecraft. Such performances and content represent innovative strategies to expand this market into different fields and revenue forms.

### 6. Videogames

The video game industry has reached noticeable highs in recent years, making more revenue than the film and music industries combined (Figure 8). According to PwC, the global revenues of the video game industry were estimated to reach US\$ 227 billion in 2023, growing from what had already been considered a new high of US\$ 213 billion in 2022 (PwC, 2023). E-sports (competitions involving video games) have also experienced a sharp increase in their event ticket sales,



**Figure 8**  
**Global video games revenues**  
 (US\$ billion)



Source: UNCTAD, based on PwC’s Global Entertainment and Media Outlook 2023-2027.  
 Note: f: forecast.



jumping 100 per cent and 150 per cent in 2021 and 2022, respectively (Figure 9).

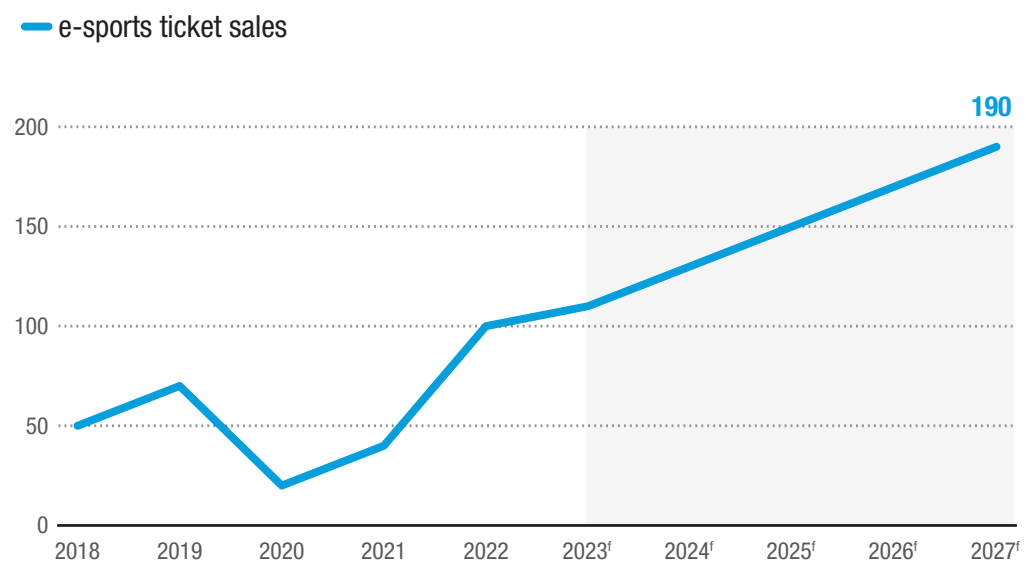
Fuelled by technological advances and social demand, the industry has seen a rise in game releases, games sold, and flexible gaming options. It has further become a key cross-border and cross-disciplinary industry. More and more video games are finding themselves at the intersection between multiple creative sectors, influencing content creation and dissemination. For instance, Nintendo's classic Super Mario Bros. franchise inspired the first film based on game intellectual property to make the list of the top 20 highest-grossing films (PwC, 2023). Additionally, video games have become a popular platform through which other creative and cultural content is marketed and experienced. The industry has, for example, been recently highlighted through virtual music concerts and brand-name collaborations. A DJ's performance in the game Fortnite amassed an audience of 10 million people (Billboard, 2023b). Thus, through its broad reach and dynamic impacts, the video games industry has

positioned itself as a leading component of the entertainment and media industry, consistently increasing its global market figures, including its total global revenue.

Video games contributed 6.1 per cent of entertainment and media sectors' global spending in 2017 but are projected to rise to a 10.9 per cent share in 2026. In terms of regional distributions, China and the United States of America were the major players in the global market in 2021, accounting for roughly half of gaming and e-sports revenues. However, developing economies such as Türkiye were predicted to expand the fastest in this domain with an average annual growth of 24.1 per cent between 2021 and 2026, followed by Pakistan's 21.9 per cent growth and India's 18.3 per cent (PwC, 2022). Other developing countries, like Saudi Arabia, actively invest in the games industry by attracting gaming companies and organising global e-sport events (Financial Times, 2023b).

Video game subscription services such as cloud gaming, which are accessible through multiple gaming devices and locations with

**Figure 9**  
**E-sports events revenue**  
(US\$ million)



Source: UNCTAD, based on PwC's Global Entertainment and Media Outlook 2023-2027.  
Note: f: forecast.



Internet access, are expected to largely contribute to industry growth (*Taiwan News*, 2022). Cloud gaming is expected to grow at a compound annual growth rate of 45.5 per cent between 2023 and 2030, where it will account for roughly US\$ 20.93 billion of the industry’s revenue (Grand View Research, 2023b). In terms of regional trends, S&P Global Market Intelligence estimated 2021 global cloud gaming revenues based on a combination of market research, public reporting, and survey data. In these estimates, North America accounted for 32 per cent of the market, Western Europe 26 per cent, and Asia Pacific 23 per cent, where Asia Pacific is expected to continue growing its share through cloud services expansion (*S&P Global*, 2022a). For example, earlier in 2024, China’s Tencent Cloud became the official provider of multiplayer game servers in Palworld, a game that attracted 25 million players in just its first month of release, furthering its global cloud service reach (*PR Newswire*, 2024).

motivations, including aesthetic or personal pleasure, social motivation, as a passion, to continue family traditions, to support artists and culture, or as a financial investment. Information about low-value transactions in flea markets, small and informal art fairs, local galleries, or online art galleries is limited. However, some valuable data is available through databases and surveys of major auction houses, art dealers, galleries, and high-net-worth individual collectors.

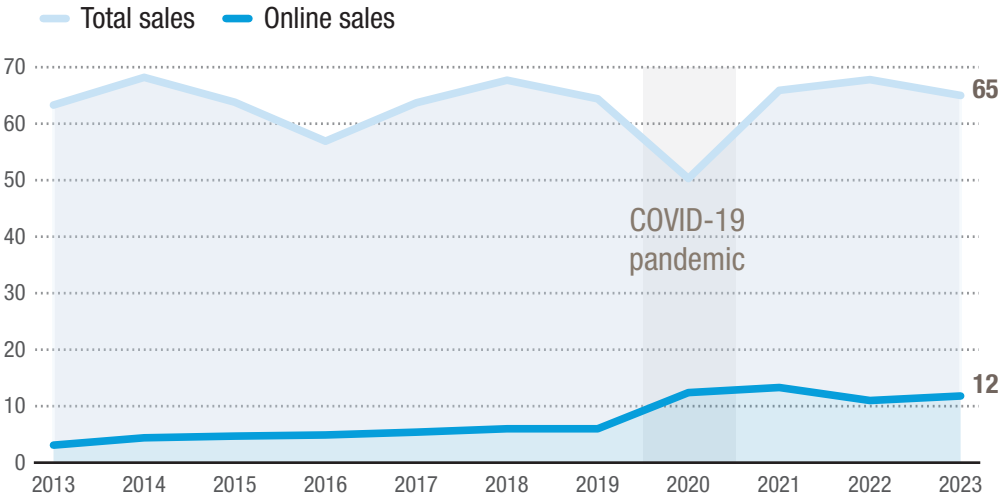
A 2023 Art Basel and UBS survey including over 2,800 high-net-worth individuals shows that an increasing number of art collectors are now based in a few developing economies, especially in the Asia-Pacific region. Italy, France, Germany, Japan, the United Kingdom of Great Britain and Northern Ireland and the United States of America are home to many of the world’s art collectors, but developing economies like Brazil, China, Hong Kong (China), Singapore, and Taiwan Province of China also show an increasing demand for collecting art (Art Basel and UBS, 2023).

The art market has faced constant fluctuations in sales value over recent years. Following two years of post-pandemic growth, sales in the global art market slowed

**7. Visual arts**

Individuals worldwide collect visual arts such as paintings, sculptures, installations, photography or digital artworks for various

**Figure 10**  
**Sales in the global art market by value**  
 (US\$ billion)



Source: UNCTAD, based on Art Basel and UBS (2024)

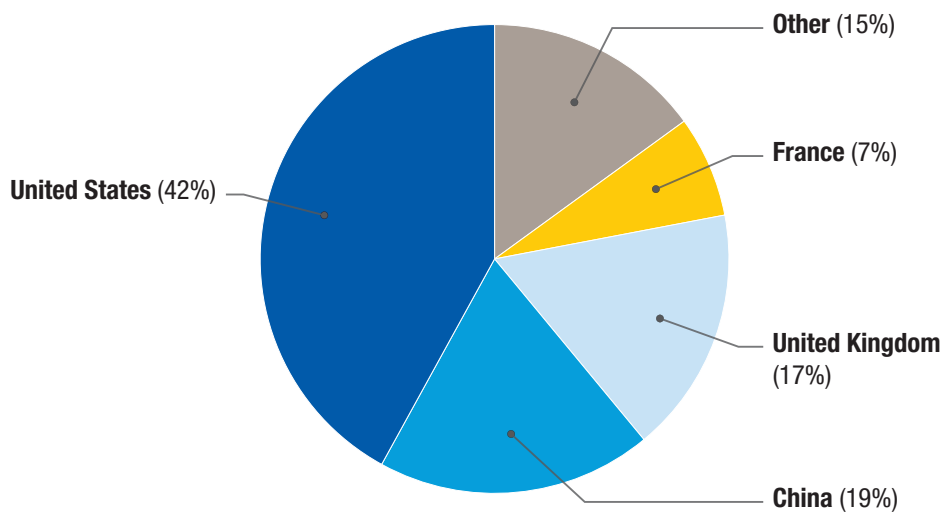
in 2023 due to high interest rates, inflation, and geopolitical instability. Sales fell by 4 per cent year-on-year to around US\$ 65 billion. The United States of America kept its position as the world's largest art market, accounting for 42 per cent of sales by value. At the same time, China (together with Hong Kong, China) became the second largest market for the first time, accounting for 19 per cent of global art market sales. In 2023, the most significant art markets were in the United States of America, China, the United Kingdom of Great Britain and Northern Ireland, and France, making up 85 per cent of total sales (Art Basel and UBS, 2024).

Despite being a volatile market, art has an enduring appeal as an investment and a social and cultural asset. Driven by more accessible digital trading platforms, the potential for profitable investment, and the engagement of media and entertainment industry stars, the art market has outperformed the traditional stock market in recent years. The global advisory and art finance firm, The Fine Art Group, estimates an annual 14 per cent return on investments (*The Fine Art Group, 2023*) versus the Standard and Poor's 500's (S&P 500) 11.9 per cent annualized rate of return (*Fortune, 2023*).



**Figure 11**

**Countries with the most significant art markets by value of sales in 2023**



Source: UNCTAD, based on Art Basel and UBS (2024).

