

The English translation of the article "**L'Italia e la sfida della competitività nel mercato globale dell'arte**" – *Il Sole24Ore* – 15 April 2025

Italy and the Challenge of Competitiveness in the Global Art Market^{[1][SEP]} *Andrea Rurale, Bocconi University*

According to the Art Market Report 2025, the global art market closed 2024 with a 12% decline, dropping to \$57.5 billion. This marks the second consecutive year of slowdown after the post-pandemic peak, driven particularly by a sharp drop in high-end sales. Yet, the market is not in crisis but undergoing transformation: the number of transactions actually increased by 3%, reaching 40.5 million. This growth is fueled by the mid-to-lower market segments, where a new generation of collectors—more inclusive, curious, and often less conventional than traditional players—is emerging.

This shift is far from episodic: it occurs within the broader context of the largest wealth transfer in modern history. According to Bank of America, \$84 trillion will change hands over the next twenty years, with \$72 trillion going to Gen X, Millennials, and Gen Z—the direct heirs of the wealth accumulated by baby boomers. UBS's *Global Wealth Report* confirms a gradual redefinition of global financial balances. It's not just a generational change, but a true paradigm shift: 75% of millennial and Gen Z investors no longer believe superior returns can be achieved by investing only in traditional stocks and bonds. In this scenario, art—as an alternative asset, but also as an identity and cultural tool—can become a preferred destination for capital, provided it speaks the language of new generations: sustainability, authenticity, and impact.

In light of these global trends, the geography of the market is realigning. The United States remains the leader with 43% of global sales. The United Kingdom returns to second place, while China slips to third following a 31% collapse in 2024. In Europe, France leads with \$4.2 billion and a stable 7% share of the global market, despite a 10% decline. Italy, while still one of Europe's main markets, also recorded a similar contraction (-10%), worsened by an uncompetitive fiscal and regulatory strategy.

The comparison with our neighbors is telling. The EU Directive allows member states to reduce VAT on the import and sale of artworks. France has set the rate at 5.5%, Germany at 7%. Italy, however, decided in February 2025 to maintain the 22% rate, discouraging both operators and investors. Compounding this is the lack of updates to the value thresholds required for export licenses, which remain among the most restrictive in Europe. The result? A system that appears more punitive than incentivizing—especially when compared to countries leveraging the art market as a strategic development tool.

There are, of course, some encouraging signs: in 2024, the seizure of more than 80 artworks linked to organized crime, later exhibited in a Milan show, shed light on art's role in combating financial crime. The flat tax also helped attract capital and collectors. But it's not enough.

Italy continues to represent less than 1% of the global art market. This marginality weighs heavily, causing many galleries and dealers to accept with resignation their detachment from the American system—emblematic of a level of global integration that still feels out of reach in Italy. Our cultural strength—being the home of great artists, artworks, institutions, and expertise—does not translate into economic power, as it does in other "Made in Italy" sectors. What's missing is vision, investment, simplification, and a coordinated public-private effort.

Italy has every credential to play a leading role in the new global art landscape: heritage, know-how, creativity, international appeal. But it must choose to do so. A national strategy is needed that places the art market among the country's cultural and economic priorities: competitive taxation, streamlined regulations, value-enhancing policies, and—above all—a coordinated governance involving ministries, local authorities, foundations, and professionals.

The future of the art market will be increasingly global, generational, and values-driven. Italy can and must be part of it. But the time to remain spectators is running out.