

The Art Market Adjusts: How global art transport and storage businesses are operating during limited mobility

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One of the major topics of discussions that I have been having over the last month has been about the interruptions to art shipping and access to art viewing rooms. When it comes to art market economics, we are all acutely aware that art shipping is a vital component necessary to complete transactions. In a matter of months, canceled art fairs, auctions, and exhibitions globally have brought many planned art shipments to a pause, leaving no segment of the art industry unaffected. Even though some collectors are still looking to relocate art, the ease of moving art is becoming increasingly difficult as the virus moves across the globe, and this is, unfortunately, affecting private sales as well. While logistic solution businesses are considered essential businesses and allowed to operate, they warn there will be extra time and measures needed for moving and storing art in this environment.

In this Q&A, I spoke with Fritz Dietl, President of Dietl International, a fine art and logistics solutions provider about the impact on art transport and art storage as the movement of art and people pause because of the coronavirus.

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Diana: Fritz, we have had a number of conversations lately about shipping logistics – about when, how and at what cost. Can you explain how the measures taken globally to slow the spread of COVID-19 have had an impact on art transport?

Fritz: It has absolutely had an impact on many different levels. The combination of canceled art fairs, canceled auctions, canceled gallery shows, and closed museums has basically brought the entire industry to a complete standstill. If you add the lost freight capacity (a lot of airfreight moves in the belly of regular passenger flights) and the increased cost and bottlenecks of the remaining freight space, as well as, confusing government restrictions of what is or is not allowed to move on the streets, you quickly realize that it has become almost impossible to continue business in any form right now.

We have clients who still want to move some art, for whatever reason, but we have to caution everyone to allow extra time and not expect the usual levels of service.

Diana: Have you encountered any of these types of transport hurdles before?

Fritz: We briefly encountered this after 9/11, but that was a local event, and at least the logistics world quickly came back to normal, albeit with new sets of security regulations, which are in effect to this day.

We certainly also felt the recession of 2008, however, that was just a brief loss of confidence in the market, and especially the art market quickly rebounded.

This event certainly feels a lot different from anything we have ever experienced before.

Diana: As the virus has moved across the globe, how does the transportation situation compare in the different regions?

Fritz: Logistics companies are still allowed to operate in the US thus we can still put trucks on the road, but it is becoming increasingly difficult to find fine art truckers still willing to operate under the current circumstances.

Inner European transports have largely stopped for the time being since borders are closed. Thus if we can't find a direct flight (as mentioned

earlier, this is increasingly difficult as well), then we may not be able to move shipments to their final destination until the current restrictions are lifted.

In Asia, we see some signs of life, but with the limited flight capacities continue to be a challenge to service clients in that region as well.

Diana: In addition to art shipping, art storage has also been affected. How is your Delaware Freeport storage facility handling the current situation?

Fritz: We, of course, implemented all the necessary steps to keep our staff safe, including regular cleaning and disinfection of surfaces, as well as limiting access to our facility to all outside personnel. Outside vendors who deliver or pick up property are required to stay outside while our personnel handles the receive/release & safe loading of property.

We have a very small staff working inside our warehouse, and almost all functions in the warehouse can be performed while maintaining proper social distancing. Our crew is equipped with masks, goggles, and latex gloves thus whenever they do have to work closely together, they are still protecting themselves and each other.

All of our office staff are working from home for the time being to further reduce the number of personal interactions in our warehouse.

Diana: Are clients permitted to access their storage units?

Fritz: It is rare that clients personally come to our warehouse in Delaware (though we have regular visits from conservators; photographers & registrars), but with proper notice we will continue to set up and display their property in our viewing rooms. We encourage our clients to let us handle all necessary services in house with our on site team, but if it is critical we will continue to give access to clients, conservators, photographers and registrars with proper social distancing and protective gear protocols in place.

Diana: What advice do you have for collectors and art businesses who may want or need to move or store art during the next several months?

Fritz: 1. Some of the smaller operators may have a hard time surviving this crisis. The cash run rate of many art storage/ handling companies already forced many of them to lay off most of their staff (after only 2 weeks of lost business), so be careful whom you trust with your property. Will the warehouse where you have your valuable collection be able to keep their doors open and their lights on? If you already got notice that the facility is closed and you won't have any access to your property, then you should at least ask a few pointed questions and get enough assurance that the temporary closure is indeed just temporary.

2. You may be able to negotiate some relief with your storage providers, but keep Point 1 in mind if your storage provider is out of business, you may have a hard time getting your property back. So continue to pay your storage bills and follow Diana's advice about protecting your art from creditors, just in case.

3. If you need to move art now, don't expect business as usual. While we can and are still putting trucks on the road (logistics companies are deemed "essential" and allowed to operate even in NY), we may not have access to your property if your warehouse is closed.

Also, expect that movements may be more expensive than usual. We book such few jobs currently that almost every transaction comes with a "full day rate" for truck & crew.

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