

HONG KONG

THE PEAK

MARCH 2009

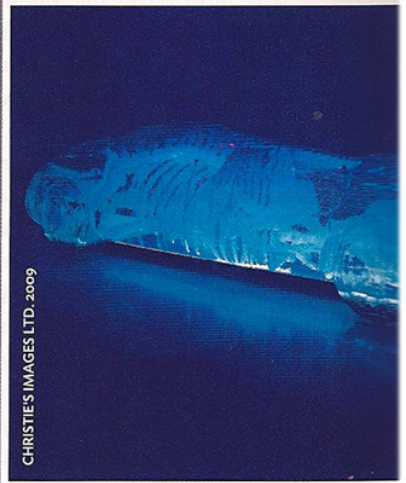
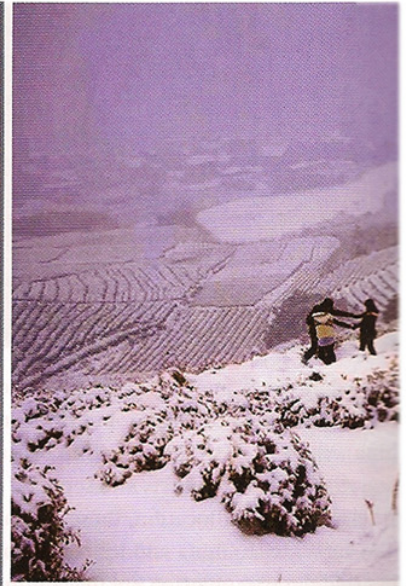
SCHOLARLY PURSUITS

The aesthetic endeavours of
Sotheby's Asia CEO Kevin Ching



HK\$40.00





down, but **not** **Out**

Auction houses shift their emphasis as the contemporary art market softens

TEXT ELLE KWAN



Life-15 (far left) by Yue Minjun, whose works skyrocketed in value during the boom

Clockwise from top: Works by Zheng Duanxiang, Yayoi Kusama and Li Hui could eclipse the once big names in Chinese contemporary art

didn't make reserve. Similarly, pieces by contemporary giants Yue Minjun and Zhang Xiaogang, whose sales had soared to new extremes in the last few years, saw rapid drops. Most blunders were caused by extreme estimates, judged wildly off scale by a public whiplashed by the economic crash.

That was then...

Today, you'd be forgiven for thinking that fall's blowout never happened. Speak to any gallery owner or auction house in town, and talk is of roses. The speculators, now long gone, perhaps busy licking their wounds, are the stuff of disdain. Forget that they built the craze that paid the rent or reaped the profits. Serious collectors are art's Big New Hope. Foretold is a return to romance, of true collectors, long pushed out of the market as prices escalated, returning to the fold to purchase art for its quality and meaning. Under those promises is a shift in strategy.

It is time to woo back collectors and auction houses have to work harder. Discerning collectors have collections to assemble, rather than investments, and are not swayed by the latest trends. "There is a sea-change, they are not interested in the glib or the clever," says Sundaram Tagore, who has galleries in Hong Kong and New York. "They want to access what is beautiful, eternal. If it is cool it becomes dated," he says.

Filling auction catalogues can be tricky when times are tough and everyone is gunning for the same names. "Right now is a challenge," admits Benjamin Chen, speaking from Taipei where he was on a sourcing trip for the upcoming spring



The trouble kicked in when Lehman Brothers collapsed last September, just in time for auction season. As a tidal wave of uncertainty hit, prices plummeted, or pieces simply did not sell at all. Panic ensued. The two largest houses, Christie's and Sotheby's, announced final results well below estimates and seemed stunned by the fallout.

None suffered so badly under the hammer as Chinese contemporary art. Just six months before at Christie's, one of the movement's highest selling artists was making record prices for himself and the house. Zeng Fanzhi's Mask Series 1996 No.6 went for HK\$75.36 million dollars in May. By November, another work by the artist, Mao 1: from the Masses, to the Masses was being touted as "one of the most sought-after" pieces of the season, yet on the night



auctions. Chen is in charge of business development for Bonhams, the international auction house that set up in Hong Kong early in 2007. "There is competition over who can get what," he says "It's a headache."

This could still be a time for bargains, as prices are adapted to the market condition, which didn't happen in November and December sales. "Lots of galleries and collectors are bringing out the best pieces for liquidity. In a heated market you'd never get that," says Tagore, who believes that buyers can scoop prized pieces at 50 per cent reductions.

Competition kicks in

Many in the art world say that in addition to the financial crash, fall sales achieved lower results in Hong Kong due to increased competition. An influx of new auction houses debuted in the city, no doubt tempted by the heady highs gained

by Sotheby's and Christie's during the boom. Newcomers Bonhams, Japanese auction house Est-Ouest and Korean outfits SeoulAuction and K Auction all held sales in Hong Kong at what seems in retrospect a monumental error in bad timing.

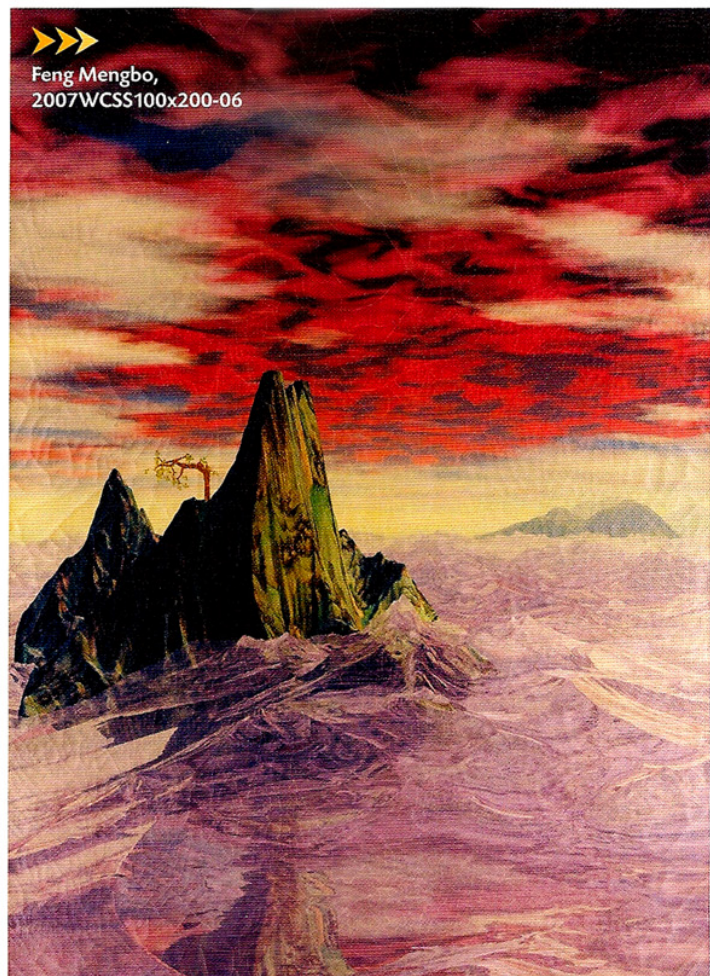
Yet none of the houses has cancelled spring sales, hinting at long-term staying power. Sotheby's is first off the bat, beginning the season next month, and the rest follow in May, alongside the second Hong Kong Art Fair. Sales will be slimmer, consolidated to attract collectors whose general tastes are broad and yet more concentrated, and the hope is, that better quality pieces will be offered.

China calling

But what exactly will be going at the gong? For most, it's too early in the year to tell as the houses' experts and specialists are still out sourcing while others may be keeping

quiet, chastened by the slump. Many new trends have been bandied as Chinese contemporary's successor, including Japanese and Korean contemporary art which have enjoyed a steady rise at auction but is said to have further room to grow. Another is Indonesian art which still flew out of the blocks in November. Sotheby's says that Indonesian works will form 63 per cent of the Southeast Asian sales, and Christie's' Asia president, Andy Foster says that it's a good opportunity for the Southeast Asian market as a whole to gain momentum. Although he admits that in the rocky climate there aren't many guarantees. "All bets are off," he says.

Not that anyone dares to believe Chinese contemporary is out for the count. New York was once seen as the apex of the art world, but the steady shutting of gallery doors seems to echo a new age — China. While he doesn't rule out more volatility, Foster believes the resources that the mainland has to boost art is impressive and the country is more than ready to push art, compared with the United States senators who voted to exempt arts from the country's stimulus package. Bolstered by a belief for future demand in the mainland, auction houses



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Feng Mengbo,
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have their beliefs and their budgets firmly invested in the East. Est-Ouest only added its Chinese contemporary arts strand in 2005, but director, Takashi Seki, says they will continue showing, and Bonhams says it will add a Chinese contemporary category within the next two years "when it's safer," believing that China, particularly Beijing, still has strong buyers.

Artists to watch could include relative newcomers. Li Hui's conceptual work bucked the trend in December reaching almost double the highest estimate at Christie's for his work Amber, which sold for HK\$1.58 million. Others are sure to follow.

The glory days might be over for now, but it would seem it is business as usual for auction houses. After all, until China comes to the rescue, the serious collectors are back.