



Publication: TIME Magazine

Date: Jan 14 2008

Headline: Hammering Away

FINE ART

## Hammering Away. Upstart Asian auction houses are vying for a slice of the region's booming art market

BY NEEL CHOWDHURY

IF YOU WERE ASKED TO GUESS JOHN Andreas' profession, the words "fine-art auctioneer" would probably not come to mind. There's no bespoke suit or Etonian comportment. Instead, the burly Andreas sports cheap slacks, an off-the-rack polyester shirt and the mercantile mannerisms of a hard-bitten trader. Yet the former Indonesian shipping agent happens to be the founder and CEO of Borobudur Auction; in October his four-year-old company fetched \$6.89 million at a Singapore sale of contemporary and modern Southeast Asian art. The figure was just \$200,000 less than the highest figure taken at similar sales by venerable auctioneers Sotheby's. "I do break even and have a profit," says Andreas with a lopsided grin. "Otherwise why should I do it?"

He isn't alone. Auction houses are emerging across the region, capitalizing on the growth of an Asian art industry that is becoming too big for the traditional duopoly of Sotheby's and Christie's to control. The new firms are moving into vacated markets (when Sotheby's shifted its Singapore sale to Hong Kong in the hopes of finding wealthier buyers, Borobudur gladly picked up the slack), or they are targeting new ones. China Guardian, for one, focuses on the Chinese domestic market. Osian's does the same in India. For now, most of the new players are sticking to the art market's lower and middle tiers to avoid competing with Sotheby's or Christie's. "We're just filling a vacuum in the market," Andreas says. But others are spoiling for a fight. "My dream is for Asia to have her own Christie's and Sotheby's," says Daniel Komala, CEO of Jakarta-based auctioneers Larasati. He says that the firm will open salesrooms in Hong Kong, Amsterdam and Dubai within five years. Bangalore-based Bid & Hammer plans to open offices in Dubai and New York City this year.

The millions being spent on Asian art are a potent lure. In 2004, Christie's grossed \$179 million from its Asia-based

sales, but took \$466 million in 2007—a jump of almost 160% in just three years. Sotheby's notched up over \$345 million last year. Such numbers are being driven not so much by traditional buyers from Europe and the U.S. but by big-spending Chinese and Indian collectors, alongside other wealthy new players, from Russian oil barons to Middle Eastern magnates. They are united in what Jonathan Stone, Hong Kong-based business director of Asian art at Christie's, describes as a cultural fascination with China—an enchantment the auction houses hope to extend to the rest of Asia. "The

proficiency of Christie's or Sotheby's. Borobudur, for example, refuses to handle Chinese porcelains because, Andreas says, "we don't have the experts."

The second concern is one of artist valuations. The temptation for smaller houses is to cash in on rocketing prices by flooding the market with the work of as many artists, new or old, as the market will bear. But how many of those artists have international staying power? "Globalization has persuaded collectors that local Asian artists will become globally important," says the director of the Singapore Art Museum, Kwok Kian Chow. At the same time, the critical literature with which the long-term importance of those artists may be evaluated is, in many cases, nonexistent. "There is a need for a parallel development of museums and art historical knowledge. That will balance the market somewhat," Kwok says. That applies as much to older artists as to new ones.



globalization of the art market is greater than it ever has been," Stone says. Observes Malaysian lawyer, author and collector Karim Raslan: "Christie's and Sotheby's increasingly realize their niche is cross-selling globally, between, say, Europeans and Chinese, whereas auction houses like Borobudur and Larasati are cross-selling between Filipinos and Indonesians."

Even so, the new Asian auction houses must allay a couple of concerns. The first lies in the area of authentication. Some firms invest heavily in expertise—Bid & Hammer has Sotheby's former head of South Asian art on its staff, as well as a historian. But most of the new firms simply cannot match the seasoned in-house

"The real issue is how do you handle the auctions—do you put in as many works as possible, or are you more selective?" says Jasdeep Sandhu, owner of Singapore's Gajah Gallery. For art professionals, letting the market set an artist's worth is unsettling. "The reason is because if an artist crashes at auction, people lose confidence in the artist and art," Sandhu explains.

In other words, the new auction houses face a tough call: they must act with restraint at a time when the Asian art market is at its most inviting. They need, in fact, to learn the haughty connoisseurship of Sotheby's and Christie's. And then, who knows? Maybe one day we'll see the likes of John Andreas in a bespoke suit after all. ■

**'My dream is for Asia to have her own Christie's and Sotheby's.'**

—DANIEL KOMALA, CEO OF AUCTIONEERS LARASATI

ILLUSTRATION FOR TIME BY KEVIN BLOCH