

ART IN A TIME OF RECESSION

During a time of market mayhem the contemporary art market stays afloat. **Anna Brady** looks at the Middle Eastern art market's rises and falls

WAKING EACH MORNING to news of spiralling oil prices, stumbling stock markets and global instability, it's a wonder that art, apparently such a superfluous luxury, can survive as a viable investment market. Yet it is a resilient thing, seasoned in morphing and mutating to ride out turbulence in the world's economy. Though some peer through their fingers waiting for a crash, so far the market holds up, albeit in a more sober fashion than the feverish spending of 2013/14.

London's Impressionist, Modern and Contemporary art sales series in February, the first major auction test of the year, were buffeted by jittering financial markets with totals at Christie's and Sotheby's lower than the equivalent of 2015 sales. The questionable practice of auction guarantees, rife at the top of the market in the past few years, are

suddenly a rare thing. Sotheby's is still licking its wounds after the \$500m guarantee on the A. Alfred Taubman sale in New York last November cost them \$12 million, contributing to their fourth quarter loss of USD\$11.2 million in 2015.

"Market correction" is the diplomatic term du jour as buyers, spooked by global uncertainty, hold out for lots where quality, rarity and provenance align, such as Rodin's 1890-91 bronze *Iris, Messagère des Dieux* which sold for £11.6 million at Sotheby's in February.

However, when auctions soften, the private market can strengthen. In the wake of February's circumspect sales came *Bloomberg's* report of "one of the largest private art deals ever", around \$500 million paid by billionaire Ken Griffin for two Abstract

Expressionist paintings by Jackson Pollock and Willem de Kooning in late 2015. There's still life in the market yet.

In their 2016 forecast, analysts ArtTactic predict a "neutral-positive" outlook as stock market volatility is "likely to trickle down and dampen the confidence in the global contemporary art market." However, while they expect a plateauing modern and contemporary art market in the US and Europe, ArtTactic predict further growth in the local Middle East market, despite an acute awareness of the risks from war, terrorism and geo-political tensions.

Such fears have not deterred increasing competition in the region among international auction houses and galleries. This March, Stéphane Custot of London gallery Waddington Custot, will become the latest to

open an outpost in Dubai's burgeoning industrial cum cultural district Al Quoz which Custot describes as "Like Chelsea in New York 30 years ago."

While most galleries in Dubai still concentrate on local artists, Custot will show international names. He chose Dubai because Continental Europe was too close to home and Hong Kong too far and too expensive. "I already did a lot of business in Dubai and also the Louvre is about to open," he says. "When a museum like that opens it brings the market mechanically, it creates a social, artistic and economic buzz."

Two years ago when he chose to open here the Middle Eastern economy was, admits Custot, more bullish. "But it can come back. Everything is cyclical, it goes up, it goes down," he says defiantly. "Today is not brilliant but it doesn't worry me."

Also a believer in the UAE's resilience is William Lawrie, who opened Lawrie Shabibi gallery with his partner Asma Shabibi in Al Quoz in 2011, showing contemporary artists from the broader region. "Everyone said it was the end in 2008, but Dubai bounced back stronger," says Lawrie. "It's too early to say whether the drop in oil prices will have an effect as there's always a time lag. As for conflict and terrorism, the UAE is thousands of miles away from this turmoil and it has distanced itself from the instability. Obviously everyone is a bit nervous but we just get on with it."

Lawrie was formerly at Christie's which celebrates a decade of sales in Dubai this year. Hala Khayat, head of sale at Christie's Dubai, believes the Middle Eastern market is healthy, relatively unaffected by recent humanitarian and oil price crises. "The regional art market is only 10 years old and still represents a field driven by passion and

acknowledgement rather than investment," she says. The relative affordability of this young market, thinks Khayat, also appeals to western collectors and she has "observed lately a staggering interest from the West in our sales," fuelled by international museum shows of Middle Eastern art and the fostering of regional artists by some galleries.

Last November, Iranian-born Leila Heller, who has promoted Middle Eastern artists at her New York gallery for more than 30 years, opened the largest gallery on Al Quoz's

Alserkal Avenue, masterminded by her son Alexander.

Falling oil prices, says Alexander, have not greatly affected the gallery, aside from "a few isolated situations" and the past six months have been "fantastic" in terms of sales.

Since the lifting of international sanctions in January, Heller is one of many watching Iran keenly, foreseeing "significant growth in the market for Modern and Contemporary Iranian art in the coming year," a frontier market for the more open-minded western collectors. "This is not surprising as Iran has a fantastic artistic tradition and arguably has produced the majority of celebrated artists from the region," says Heller. "I expect Iranian art to be received by the international art market in the same way that Chinese art was received about ten years ago, which gives me great faith in our new business in Dubai."

Sotheby's head of Contemporary Arab and Iranian art, Ashkan Baghestani, thinks it is "too soon to tell" what the lifting of sanctions will mean for the Iranian art market but is sure it will have "a big effect as Iranians are big collectors and Tehran already has over 100 galleries. There is strong interest in Iranian modern artists and the country is opening up."

Encouraged by the success of artists from the region in last year's 20th Century Art sale, Sotheby's will re-launch their Modern and Contemporary Arab and Iranian Art sales in London this April as part of their first Middle Eastern art week. Like Sotheby's, Bonhams hold their modern and contemporary Middle Eastern art sales in London, since abandoning auctions in Dubai in 2011. Head of sale Nima Sagharchi believes the market has become so international that it is "becoming less and less relevant where auctions take place, particularly as Middle Eastern clients at the top level are so mobile."

Conflict has, unsurprisingly, killed off domestic markets in Iraq and Syria but last year, Bonhams held a successful £1.2 million sale of modernist Iraqi art in London, the first dedicated to the field. This April's themed sale is devoted to the Lebanon, another country where "there is a strong modern art movement that has not been reflected in the market." Unlike western art, "the modern period from the 1920s to the 1980s is still relatively unearthed," says Sagharchi.

As the established international modern and contemporary market faces correction, the tough young market in the Middle East appears relatively undeterred in the face of adversity. "I've seen works with bullet holes in them that have come out of conflict zones," says Sagharchi. Time will tell if the market is as resilient as the artworks. ■

"IT'S TOO EARLY TO SAY WHETHER THE DROP IN OIL PRICES WILL HAVE AN EFFECT AS THERE'S ALWAYS A TIME LAG"

Al Abidin. *Warqaa*. 2013. Suspended light-ened sculpture tinted to a tomised stone. x 600 x 400 cm. Editions of three plus 1 artist proofs. Courtesy of the artist / Lawrie Shabibi, Dubai. Photo: Farhad Moshiri. Titled (From the 'series'). 2001. Yllc and glue canvas. 178.5 x 3.5 cm. Estimate: 10,000-150,000. Courtesy of the artist / Sotheby's

