

## **COCKTAILS WILL BE SERVED: OBSERVING THE DYNAMICS OF THE SOUTHEAST ASIAN ART MARKET**

RogueArt are Beverly Yong, Adeline Ooi and Rachel Ng. From 2000 to 2008 we ran Valentine Willie Fine Art, a Kuala Lumpur-based gallery specialising in Southeast Asian modern and contemporary art as managing partner, curator and manager, with founding partner Valentine Willie, an art-collecting lawyer who began VWFA in 1996 with a big vision of 'joining the dots', bringing together 'the best in Southeast Asian art' as part of a broader regionalist outlook.

The early years were a struggle, and we were largely supported by a local market gradually emerging out of recession, while we went on doggedly pursuing large regional ambitions. Much of our work was about educating a new breed of collectors and the general public in art appreciation, while we ourselves were constantly learning the pleasures and exigencies of the gallery business.

We held on average 18 exhibitions/projects a year, both promoting and managing Malaysian artists and inviting established and emerging regional artists to show in Kuala Lumpur. We had the honour of working with the likes of Tang Da Wu, Agus Suwage, Natee Utarit, Geraldine Javier, and Eko Nugroho, even if for the first few years it was hard to convince our collectors to buy the work of non-Malaysian artists. We probably overstretched ourselves on madly ambitious projects like Faith + The City, a survey of contemporary Filipino art which toured five cities in the region with barely any sponsorship, a gallery in Bali, and towards the end, putting together two Southeast Asian Contemporary sales for Borobudur Auction, among other offsite initiatives.

We would like to think that we grew with the region's market development - we certainly shared in its early struggles and towards the end reaped some of the fruits of the short 2007-2008 boom. We left VWFA in 2008 to set up RogueArt, since the gallery business in the region as a whole seemed to be doing so well. We felt we had done our share of wheeling and dealing and cocktails at openings, and that, while the marketplace can be exciting, what we loved most about our work at VWFA was the sense of having a hand in a growing art scene. The exponential growth of the market between 2006 to 2008 was frankly overwhelming and perhaps a little too hasty, leaving numerous gaps in the development of art infrastructure, outreach, research and discourse - we hope now to channel our experiences and the relationships we have built to help contribute in these less glamorous areas.

As gallerists who weathered the ups and downs of a capricious market, we were privileged with an insider's perspective, first-hand experience of how the market changed over the years. As consultants we can now afford to take a step back and try to make some sense of and hopefully shed some light on the changes.

At VWFA, new collectors would ask us questions like, "Will this artist's price go up?", "Is this artist worth buying?", "Who are the young artists worth collecting now?", or business magazine journalists - "Is art a good investment?"

Such questions are symptomatic of a larger problem we have in the regional art industry - a superficial understanding of how the industry works. We thought it would be more useful to ask ourselves the following questions, looking at some of the factors that have steered the regional market:

## **1. PUBLIC AND PRIVATE: A LOPSIDED EQUATION?**

Art institutions in Southeast Asia were established during different junctures of our respective nations' histories, depending on the arts and culture policy at the time. The National Art Gallery of Malaya (1958), The Cultural Center of the Philippines (1966) (Imelda Marcos' interpretation of The Lincoln Center for the Philippines) and Taman Ismail Marzuki (1968) in Jakarta are among the oldest institutions in this region.

However, regional art institutions in general may seem almost invisible (to both local and international markets especially) for lack of funding or direction, except in the always exceptional Singapore, which has been pouring money into the development of art infrastructure since the formation of the National Arts Council in 1991. Unlike Australia and Japan who take cultural literacy very seriously, plotting art centers across states and prefectures as creative nodes for communities, ASEAN's fast-developing nations as a whole do not seem to share this vision and have taken something of a back seat in addressing the social agenda.

As a result, Southeast Asia's nascent art scene is somewhat lopsided, dominated by market forces. Some may even venture further to say that art values in this region could be unstable, with baffling tales of excessive hype especially during the frenzy of the boom years (2007-8), and artworks assessed based on their price tags, with an influx of new collectors and speculators inflating prices of artworks to seemingly exorbitant amounts.

Following the collapse of the Asian economy in the 1997, a new crop of galleries and collectors began to emerge with fresh strategies and interests. Weak institutional presence and support for artists meant that private galleries would become the most visible platforms for artists to showcase their art – a large part of the region's art calendar revolves around the commercial scene, with painting becoming the dominant media due to its saleable nature. The role of private collectors in making (and breaking) the careers of artists would also become increasingly powerful as they became the tastemakers of the region. The popularity of an artist among collectors might affect the visibility of an artist's work. The lack of institutional funding and active collection policies –with the exception of institutions in Singapore and Malaysia – has also meant that art is collected and valued somewhat differently than in more established art scenes. A number of important private collections have emerged in this region, and key collectors may act as advisors to institutional collections due to their extensive knowledge and contacts.

The late 1990s also witnessed the emergence of alternative structures in the form of artist initiatives and artist-run-spaces, particularly in Indonesia, Thailand and the Philippines with another 'scene' developing under the commercial mainstream radar. Leading the way is Cemeti Art House in Yogyakarta, which has been in existence since the mid 1980s,

Selasar Sunaryo in Bandung, Big Sky Mind and Surrounded by Water in Manila as well as Project 304 and About Studio/About Café in Bangkok, all breeding grounds for conceptually engaged artists keen on experimentation and exploration across different disciplines and media.

The rift between ‘commercial artists’ – who make saleable art and tend to show in the private gallery circuit – and the ‘biennale artists’ – who make ‘difficult’ works such as video, performances or ephemeral art became more pronounced as Southeast Asian art began to draw the attention of international curators from public institutions and cultural funding bodies overseas. With a few exceptions, these two groups of artists would orbit around different centers, with the latter spending more time overseas on artist-in-residence programmes, surviving on international fellowships and grants, and artist fees for special projects and commissions. Their absence from the commercial realm and also from their home ground meant that some of these artists remained virtually unknown to the private collectors of their respective countries but became increasingly popular in the international realm. Their works would be seen in prominent exhibitions such as the Venice Biennale and at a number of important travelling exhibitions. The meeting of the two worlds, ie. the commercial and ‘alternative’, would eventually take place during the mid 2000s as the alternative misfits became young mainstream hotshots. A number of their careers flourished during the boom years and continue to dominate the market with healthy auction record prices and sell out exhibitions.

### **Who are the public and private collectors in Southeast Asia?**

The three pioneering public institutions that have been steadily building up focused collections of contemporary Southeast Asian art are Fukuoka Asian Art Museum (FAAM) in Japan, Queensland Art Gallery (QAG) in Australia and Singapore Art Museum (SAM); these collections began during the 1990s. Since 2006, under the direction of Fumio Nanjo, Mori Art Museum has begun to build up a Southeast Asian collection.

Local institutions as well as some corporate collections – mainly banks and petroleum companies – have also amassed works by local artists in their respective countries. Of national institutions in the region, the National Art Gallery of Malaysia and Singapore Art Museum are perhaps the only truly active collectors. Corporations that have attempted to build a SE Asian art collection include UBS, BHP Billiton, Deutsch Bank (Indonesia), ABN-Amro/RBS (Malaysia) and Bank Negara Malaysia.

Some core private collectors today have been steadily collecting in their respective local scenes for some time, some as early as the 1980s (this is not to discount an earlier generation of collectors from 60s-70s on the Filipino, Indonesian and Malaysian/Singaporean scene).

There are perhaps a handful of collectors who began to collect ‘pan-regionally’ in the 1990s – notably Marjorie Chu, Valentine Willie, Karim Raslan and Iola Lenzi, coming from Singapore and Malaysia - mostly from professional or arts fields.

Younger collectors began to emerge around the region post-1997, many from the financial world. For some, art collecting might be weighted towards sound investment, or a lifestyle choice, yet such younger collectors are also keen to learn more about what they are buying, with an interest ‘to grow with their artist’, so to speak.

We noticed ‘cross-buying’ (eg. Singaporeans/Indonesians buying Filipino art works, Hong Kong collectors building SE Asian collections) around the end of 2005 into 2006. One also saw the emergence of the erudite expatriate collector, buying cautiously with a strong research base.

Market ‘fryers’ or speculators emerged during the so-called boom years. Indonesian artists differentiate between the *kolekdol* (those who buy to sell) and the collectors (those who buy to keep) ie those who follow the bandwagon.<sup>[1]</sup>

In some local markets we came across “trawlers” – buyers who buy-up an entire show. This sort of heavy-handed patronage has been less possible on a regional level, where geography and sheer numbers (in terms of collectors and pricing) help to check any monopolization.

Last to enter has been a sprinkling of “international” collectors – Taiwanese or European, some of whom seem to have very swiftly turned into gallerists.

### **What drives public collections, and why an ASEAN agenda?**

Geographical position and cultural exchange are among the driving forces of FAAM, QAG and SAM. Institutions are constantly trying to carve niche positions for themselves through specialist information and knowledge. The commitment to such interests is often reflected through the strength and uniqueness of their collections.

Fukuoka has been at the forefront, leading the way since the 1980s with its Asian Art Shows series to promote cultural exchange and interaction with different Asian cultures. In 1999, Fukuoka Asian Art Museum opened its doors with the 1st Fukuoka Triennale (or the 5th Asian Art Show) and became the first museum in the world to systematically collect and exhibit modern and contemporary Asian art.

In an effort to engage with Asia, Queensland Art Gallery initiated the Asian-Pacific Triennial (APT) in 1993 to begin an ongoing dialogue between Asia and the Pacific islands. While the first three APTs focused on the diversity in contemporary practice from the Asia-Pacific countries, recent APTs have expanded their scope while maintaining an interest in Asia. Over time, QAG’s focused selection of Thai and Indonesian works have formed a substantial portion of its contemporary Asian Art collection.

Singapore Art Museum, which holds the National Heritage Board’s (NHB) collection – the world’s largest public collection of modern and contemporary Southeast Asian art, reflects Singapore’s aim to become an art hub for the region. It is to date the only public institution in Southeast Asia with an extensive collection of modern and contemporary artworks from this region. Incidentally Singapore is also one of the few cities in Southeast

Asia with a large number of public art works, thanks to the Public Art Tax Incentive Scheme (PATIS) where new public developments must spend 3% of their development funds on public art.

### **What informs public collections?**

Strong public collections take a strategy of long-term research and development, undertaken by an in-house curatorial team. With the relative paucity of accessible publications and the pace of art scene development, institutions such as SAM, FAAM and QAG also send out curators on regular trips around the region to do on the ground research.

FAAM's and QAG's collections in particular are closely related to their programming. One of the unique elements of the APT series is the commissioning of new works in tandem with an acquisition program for QAG's Permanent Collection.

QAG and FAAM seem to research particular artists whose work they wish to acquire, only then approaching possible sources for these works, also commissioning artworks.

SAM seem to have a more general approach - identifying specific art works within and outside of their programming, vetting proposals from galleries, and also going on "shopping trips" around the region.

Such institutions also build relationships through their curators within a regional network of artists, curators, specialists, engaging in or even activating discourse through dialogues and conferences.

Institutions are important in setting parameters for the appreciation of art in the region. The 'museum pieces' they seek must have a particular significance, for example within an artist's body of work, or within the context of the development of art practice in the region. They therefore have to be careful and focused. At times acquisition can be a time-consuming process – involving paperwork, bureaucracy and board meetings, which in turn can hamper opportunities. However museums 'stay ahead' of the private market by knowing more, offering prestige and also investing in groundbreaking works or even artists the private market might find 'difficult'.

Occasionally institutions may hire art consultants to source and manage public project commissions.

### **What drives private collectors?**

What we might call core collectors would have started collecting art out of what magazine features often call "a passion", and perhaps also in the spirit of cultural support. As art prices rise and rise, however, it is impossible for even these collectors to overlook the investment prospects in art collecting.

There are those who collect purely for investment, both speculative and long term,

although we do not seem (yet) to have the equivalent of the private art funds set up for international or even Chinese and Indian art investment.

There are also the rare few who are driven by the ambition to create landmark collections, building private museums or with a view to doing so in the future.

Art collecting in the region seems to be quite a male-dominated pursuit. Growing competitiveness in the market (between buyers) and the steep rise in auction prices has driven up adrenaline and testosterone levels. Collectors are spurred on by “the thrill of the chase”, the excitement of acquiring the impossible-to-get, a phenomenon which certainly contributed to the fever of the boom years, and arguably the “boom” itself.

### **What informs private collectors?**

With the low level of general awareness of art practice in the region, and the seemingly rapid development of the market, private collectors have limited ‘neutral’ information resources.

Newcomers on a regional level often rely on auction catalogues and results, or online art price indexes which filter results, as an indicator of artists’ market performance, or which artists to buy, which to sell. Collectors may also turn to auction house specialists for more in-depth advice.

While such market-oriented sources may give some overview of regional art activity, they are necessarily limited by their market context. Online, gallery websites giving information about their exhibitions and stockrooms may afford a wider and deeper insight to current goings-on. The most pro-active regional private collectors will make a point of travelling to visit galleries, talking to gallerists, curators and artists, collecting exhibition catalogues, while local collectors have easier access to such opportunities.

There is a growing number art magazines covering art in the region, from the pioneering Asian Art News to the more recent C-Arts Magazine, although the latter places some emphasis on tracking market phenomena. General books and monographs on art in the region are few and far between, although publishing seems to have begun to flourish as a side effect of the boom.

Collectors themselves are perhaps the most influential source of information. Word-of-mouth among artgoers can easily create a market buzz, or a lull, and ‘leading’ collectors such as Dr Oei Hong Djien in Indonesia, or Pakhruddin Sulaiman in Malaysia exert a certain influence on local collecting trends.

Private art consultancy is not yet popular in the region, although collectors may turn to informal advisors for guidance.

### **What has been the effect of public collecting on private collecting?**

In general, we might bemoan the lack of influence of institutional collecting on the private

market. Regional collections like that of FAAM, QAG and SAM are a crucial safeguard for the region's visual art heritage. Their groundbreaking efforts in the 90s certainly gave confidence to the few early collectors collecting on a regional level.

However, with the possible exception of SAM, not enough is known about these collections in the regional market for them to 'lead' it in any way. Artists who have been collected or exhibited by major institutions do give private collectors a sense of assurance and confidence (and auction catalogues acknowledge such details), but not in a deep and meaningful way as, say, in the West.

On a local level, only Malaysia and Singapore can really claim to have active national institutions collecting contemporary art, leaving a real gap in bigger art scenes in Indonesia, Philippines and Thailand. While these latter markets seem to do pretty well without institutional leadership, in the long run a lack of local public institutions means that art works become almost inaccessible to public audiences except through temporary exhibitions, and the fate of artworks, and perhaps even artists, is left in private hands. Besides the fact that there are then no institutional benchmarks in many local contexts (we cannot at this point in time gauge the impact of this vacuum), this is also a significant setback for public outreach, research and education, all crucial to the development of any art scene.

It should be noted that SAM and Malaysia's National Art Gallery do reach out to the private commercial sector, with SAM working with certain private galleries on major solo exhibitions in their space (presumably with the private galleries providing financial or logistical support), and the NAG even considering a policy to encourage the "creative industry" through supporting art fairs and collaborating with commercial galleries, and valuing their own artworks to be published as a benchmark for local art prices. Such moves may seem to detract from the objectivity proper to national institutions.

### **What has been the effect of private collecting on public collections?**

In the most direct instances, private collections help to shape local public institution collections through the endowment of artworks or entire collections. SAM has held exhibitions of or around key endowments, most recently an important group of Latiff Mohidin drawings from a private collector.<sup>[2]</sup>

More generally, some argue that private collectors have crowded local institutions out of the market, particularly in Malaysia, due literally to their speed and aggressiveness to buy, as well as perhaps their strong relationships with galleries and artists. However, foreign institutions with solid reputations tend to fare better as they tend to go for more difficult works, and artists are more willing to hold out for international institutions even if the process is time-consuming.

Private collectors really do appear to be setting the agenda for the art market, through their demand for certain artists, creating 'popular' artists whose prices then rise because of demand. However what might appeal to private collectors' taste might not necessarily be as significant to art development in general. Many exciting and internationally

recognised but less commercially viable artists ‘fall through the cracks’ in a private collector-led market, which in a way creates greater opportunities for public collections to acquire their work.

Even if private collectors do often sit on boards of local national institutions, private ‘taste’ however does not seem to have significantly affected public museum acquisition policy.

One or two private collections in the region have themselves ‘gone public’, set in private museums or viewing galleries open to the public or by appointment.

## **2. AUCTION HOUSES & GALLERIES: A TUG OF WAR?**

Private galleries and auction houses are the two most active players in Southeast Asia’s market-dominated art scene. Following a Western model, the most established private galleries are generally primary dealers who work closely with artists, building and managing their careers by marketing their works in exhibitions and art fairs, holding firm control over artists’ prices. Gallerists were the primary marketing conduits for contemporary artists in the region, until the big auction houses began to give space to contemporary art in their Southeast Asian ‘picture’ sales in Singapore about six years ago. Has it been good for everyone?

An increasing shortage of high quality works by Southeast Asian modern masters and colonial period artists in tandem with a growing contemporary market ultimately propelled contemporary art works into the forefront of Southeast Asian sales. Christie’s introduced contemporary works in their Southeast Asian sale in 1997, but it was only in 2004 that the contemporary section became a consistent part of their sale. As Asia’s bullish economy (from the mid 2000s onwards) continued to swell, the two major auction houses –Christie’s and Sotheby’s– centralised all Asian sales in Hong Kong, and the prices of Chinese artworks soared to unaffordable astronomical amounts, contemporary Southeast Asian artists and their works began to take the limelight being hailed as the ‘to watch’ darlings of the art market. In 2008, Sotheby’s and Christie’s featured contemporary works on the cover of their Southeast Asian Spring sale catalogues for the first time in the history of Southeast Asian art auctions. Regional auction houses have proliferated, holding sales in Hong Kong, Singapore, Jakarta and even Amsterdam.<sup>[3]</sup>

The big auction houses have long shed their role as a second-hand marketplace for trade and are now the world’s glamorous arbiters of taste and a widely accepted barometer of the art market. The art community in Southeast Asia has reacted with mixed feelings to the growing hegemony of the auction house, since the auction market revolves around the saleability of artists and their works, as opposed to deeper and longer-term concerns such as art practice development, putting evaluation and appraisal before deeper considerations. Due to the pressure of the public eye –with record-breaking prices tending to make headlines, auctions also have the potential to make or break an artist’s career simply due to the ‘performance’ of his/her work at a sale.

The pressure of collectors’ demand for more works during the boom years meant that

galleries, auction houses and artists were working on overdrive. The time lag between a work leaving the studio and when it hits the auction floor became shorter and shorter as auction houses began working directly with artists, including new works in their sales, against standard practices. Artists were rushing to meet increasing deadlines for shows, art fairs and private commissions. Galleries were busy promoting their artists locally and abroad through shows and art fair presentations.

### **Are galleries and auction houses in competition?**

Yes and no. During the contemporary boom, the rush for art works meant that galleries and auction houses were competing to get quality artworks from artists. Auction houses began to go straight to artists for existing or new paintings.

However the principle has always been that galleries work with auction houses – for example to promote their artists and prices in a bigger market. Auction houses in principle act as a market indicator – particularly in Southeast Asia where domestic markets are scattered, and are therefore very important to galleries with regional ambitions.

### **How have galleries and auction houses worked together?**

In any field of collectibles, auction houses have always worked with trade to source pieces, with auction houses giving trade commission rates to galleries. Galleries and auction houses do share intelligence, and, of course, their clientele. The relationship is interdependent.

Regionally, there have been special instances of “compacts”, for example Valentine Willie Fine Art “curated” the first ever Southeast Asian Contemporary sale for Borobudur Auction in 2007. Gallerists have also acted as consultants to auction houses.

### **Who buys from auction, who buys from galleries?**

While there is a substantial crossover between gallery and auction house clientele, auctions have a special bracket of clients who do not keep in touch with the gallery scene. Auction audiences tend to be more regionalist, and the big auction houses would have a higher quotient of wealthier clients.

Buying at auction might be likened to a “one-night stand”, where buyers go after specific artworks, framed not in the context of a body of work or artistic movements (although auction specialists do their best to provide background information about artists) but in the marketplace and its history. Trade relationships, artists and artworks are essentially heavily commodified at auction, with star lots at auctions leveraged on rarity or excitement value, and certainly success at auction means greater visibility for a given artwork (while failure at auction offers a sourer tone of limelight). The argument here is that the best works, selected by auction specialists from what is on offer, are eminently resaleable.

Buying from galleries usually presupposes a more long-term relationship. Regular gallery clientele tend to be locals, simply because of geography. Serious collectors build very long-term relationships with galleries and even artists, which helps to give them priority in the queue for works by sought-after works. A collector's commitment means a great deal to both artists and galleries. We would maintain that buying from exhibitions is the most rewarding experience – catching an artwork in the framework of the artist's scheme and time of making means a better understanding of a purchase, even if collectors take more of a risk. On the other hand, auction houses provide opportunities for those who cannot secure works at exhibitions at a premium, but after the fact of an artwork's or an artist's success.

### **Is the auction house a primary or secondary market vehicle in Southeast Asia?**

It has become both. There has been much complaint about the immaturity of the regional market and even a question of whether direct sourcing by auction houses from artists is "ethical". Because of exponential growth, the scarcity of good available secondary market contemporary works has meant that 1) prestigious auction houses like Sotheby's or Christies have had to go straight to artists to get good works; 2) "big ticket items" have circulated round and round the auctions, big and small, at an alarming rate, 3) auction houses, especially smaller local ones, have tried to promote younger unknown artists in an attempt to stimulate new names and pad out their sales.

The influence of market speculators makes it difficult to ascertain the true character of the secondary contemporary art market, but time is beginning to paint a clearer picture now as collectors release works bought 5-6 years ago. In response to the sometimes rapid turnaround of works, galleries have begun to include lock-down clauses in their transactions, holding collectors to keep the works they have bought for at least 3 years, for example.

### **How has this affected the pricing of artworks?**

Traditionally, practicing artists raise their prices incrementally in tandem with their development and general inflation. However, the auction boom and exponential demand have driven prices up often well beyond such pricing strategies. A successful work at auction in 2007 might have fetched for example ten times the gallery price of an equivalent work in that year. An artist's gallery price might then be adjusted to take such a success into consideration, but not to the extent of the record price. Still, a discrepancy is created, with some gallerists/artists maximising on the rapid rise and others being more conservative in keeping artists' prices rising incrementally with a longer view.

### **How has this affected the careers of artists and standards of practice?**

In some cases, there has been something of a Svengali effect, with relatively young artists outstripping major modern pioneers in terms of pricing.

Some artists have become very rich, having been wise enough to keep control of their

artworks or in their choice of representation. In many cases it has made artists take a more professional approach in their dealings with galleries, more cautious, and more selective with collectors and trade. For successful artists, high prices in fact mean less pressure and more money. Some have invested in larger studio practices, employing staff to help, especially in Indonesia, meaning an improvement in quality of materials and fabrication and time for these artists to play, experiment and grow.

On the other hand, some artists have gone boom and bust, with quick success going to the heads of young artists particularly. Expectations are much higher for these young artists, whereas their predecessors would have taken more time to reach success, making their commitment to their careers more resilient to the caprices of the market. The so-called ‘bust’ seems to have helped to separate the wheat from the chaff, so to speak.

### **3. LOCAL-REGIONAL-INTERNATIONAL: TOO BIG FOR OUR BOOTS?**

#### **How did local art markets develop?**

In Indonesia, local patronage lead to the first art ‘boom’ for pioneer modern works during the 1980s, heroizing the likes of Affandi, Hendra Gunawan and S. Sudjojono. At this point, contemporary art practice was largely under the radar, due to the often politicized content of works and censorship issues in the New Order era. By the mid 1990s, the contemporary art market largely relied on international public institutions and certain savvy collectors with a regional interest.

Contemporary artworks were very affordable during the late 1990s to early 2000s. It should be noted that, aside from one or two pioneer contemporary galleries, most contemporary works were to be seen in alternative spaces - artist-run galleries and independent initiatives. From early 2000 onwards, new galleries began to appear, mainly in Jakarta. Also around this point, some regional galleries began to pick up Indonesian artists, showing them aboard, eg, VWFA (Malaysia), Patrick Chouinard Gallery (Hong Kong), Gajah Gallery (Singapore), and Taksu Gallerie (Malaysia). Prices continued to rise steadily until the 2006. And then the auction boom took off, leading to a huge resultant boom in the Indonesian art market, heralding the arrival of local auction houses, speculators, and the mushrooming of art galleries.

The Philippines has had a long history of corporate and private contemporary art patronage, dating back to the 1950s/60s. Imelda Marcos was the greatest art patron of the golden years, establishing The Cultural Center of the Philippines (1966), the 13 Artists Awards and the National Artists Award to raise the prestige of the Filipino artist. Modern Filipino artists have appeared in the auctions since their inception in the 1990s. The Filipino art market is made up of well-informed local buyers as well as the Filipino-American diaspora, all very patriotic in their tastes. Discourse in Filipino art is strong and long-standing galleries such as Finale Art File have launched and followed generations of artists through their careers. From 2000 to 2002, VWFA toured Faith + The City, a major survey of contemporary Filipino art around the region. Pinoy artists began to be picked up by Singaporean and Malaysian galleries. The Philippines remains a steady

market with a fair-sized collector base with many consistent collectors. However, the local art market has changed – Filipino success at auction has boosted the confidence of buyers and the ambitions of galleries. Galleries have expanded, but the major players (ie gallerists) remain the same.

Malaysia enjoys a small and growing healthy domestic market, by and large quite patriotic and insular. The first stirrings of an active market could be seen during the early 1990s with serious galleries and collectors appearing. The National Art Gallery and big corporations such as Petronas and Bank Negara have consistently collected local art. Following the 1997 crash, a new wave developed with younger artists and new galleries steadily growing with the economy (housing boom). Malaysian art has never been a major presence in the auction market although a handful of Malaysian collectors do buy regionally.

Since the mid-1990s, Singapore has positioned itself as the regional art hub with government incentives for private galleries and auction houses, bringing Christies and Sotheby's to the region, as well as art fairs. Singapore Art Museum has also led the way as a benchmark for regional art. Singapore-based collectors (both locals and expatriates) are more exposed to Southeast Asian art and help to drive the boom, whereas local art practice is more geared towards public/site-specific/non commercially viable artworks. Most recent developments in art market infrastructure include the Freeport and the Fine Art Storage service offered by Christie's.

Thailand has relied on a largely well-informed, serious-minded expatriate-driven market for some time, with interest from overseas public institutions and curators, while corporate and The Queen's patronage of the arts have been the mainstay of local patronage, as well as a handful of committed local private collectors. Pioneer gallerist Numthong Sae-Tang has been key in promoting most of Thailand's key contemporary artists since the mid-1990s. The Thai art market flourished in the mid 2000s as the regional market flourished, and a number of new powerful Bangkok galleries emerged. Meanwhile, a thriving tourist market has now given way to a more serious interest in contemporary Vietnamese art, led perhaps by Hanoi's Art Vietnam gallery. The market for contemporary Vietnamese art market has been largely foreign made up of European and American buyers, with the establishment of various galleries following the return of Vietnamese from overseas, such as Galerie Quynh.

### **How did the regional art market develop?**

As mentioned above, certain savvy collectors began setting a regional agenda in the early 90s. Concurrently institutions such as QAG, SAM and FAAM were also building regional collections as part of their Asian collections. A number of early galleries in Singapore represented regional artists, such as Marjorie Chu's Art Forum, Shenn's Fine Art, Cicada, Artfolio, and Plum Blossoms. In 1996 Valentine Willie Fine Art opened in Kuala Lumpur with an ambitious Southeast Asian agenda, curating large-scale regional exhibitions such as Figuring the Contemporary Body and ASEAN Masterworks, and the touring Filipino survey, Faith + The City. Despite these early efforts, the regional market was quite slow to take off while domestic art markets in the Philippines and Indonesia

grew from strength to strength. The opening of Sotheby's and Christie's in Singapore in the mid-1990s might be held largely responsible for opening up awareness of a regional market, initially for colonial period and early modern Indonesian, Filipino and Vietnamese masters.

As the auction houses began to introduce contemporary works into their sales, and with the inception of Singapore's Asian Art Fair, as well as galleries working together cross-regionally, interest from new collectors began to grow steadily as more information became available. Initiatives like the Singapore Tyler Print Institute (STPI) residencies also helped to lend cachet to artistic practice. New wealth post-1997 crisis fast-tracked lifestyle development in terms of design and aesthetics, making contemporary art more of a glamorous proposition. By the early 2000s new galleries were cropping up in Jakarta, Bangkok, Singapore and Kuala Lumpur, notably Nadi Gallery, The Drawing Room, Gajah Gallery, Tadu Art Gallery and Atelier Frank & Lee (now defunct), creating a greater competitive edge.

New auction houses emerged, and the big auction houses finally started prioritising contemporary works, driving prices higher and more viable for the auction market. The boom might be said to have been largely driven by Indonesian and later Chinese/Taiwanese collectors at auction, supported by a range of other players. The phenomenon of the Chinese art market boom was an influential factor, at first eclipsing the contemporary local market in Indonesia but quickly inspiring interest in Southeast Asian contemporary art as the new rage, as Chinese art went through the roof and became less affordable to local collectors/investors as well as international punters with an Asian interest. International periodicals like Time Magazine, Asiaweek, International Herald Tribune, Financial Times began to cover Southeast Asian contemporary phenomena.

In the past three years we have seen the proliferation of new regionalist galleries, including Chinese/Taiwanese/Hong Kong players Soka Art Center/Soka Contemporary Space, Eslite Gallery, Osage Gallery, Art Seasons and Sin Sin Gallery bringing Southeast Asian artists to China and Taiwan (raising prestige), as well as the expansion of existing galleries such as VWFA, Linda Gallery and Vanessa Art House. Galleries have expanded their client base through art fairs and cross-regional collaborations. The rise of budget air travel in the region has made intra-regional relationships more affordable, while the internet has greatly enhanced accessibility to galleries and information for both trade and collectors.

### **Are we now part of the international market?**

Not really. We feel Southeast Asia remains a niche market for international buyers despite market growth, By far the greater part of Southeast Asian art is collected by those living in Asia despite growing attention from international media and certain European public institutions. For sure, there is more exchange between Southeast Asia and the rest of Asia as well as the rest of the world but this is still quite small scale in comparison to what is happening in the international realm. The difference between now and 10 years ago is that the market has grown substantially but it is largely a regional market with new

collectors from China, Taiwan and Hong Kong. (Even if Southeast Asian art has broken several record prices between 2006-2008, the value of regional works is still relatively low and the fact that none of the galleries qualify for Art Basel is an indication that we are not quite there yet.)

### **What is the effect of regionalism and internationalism on local markets?**

There is the latent danger that prices of artworks with an international cachet may become too expensive/unaffordable for local markets. Many local collectors who used to collect certain artists' works already find that they can no longer afford them. This also applies to institutions with limited acquisition budgets. The sudden price increase is due to galleries and artists pegging prices of artworks to match international rates. To check this problem, there was even a time in Manila when galleries/artists would sell works at 'local price' to local buyers and at 'overseas price' to foreign buyers who purchase works outside of the Philippines.

Collectors who can no longer afford 'their' artists might look for younger ones to pursue. Even then, the average price of works of younger artists has increased tremendously. For speculators and those focusing on the investment potential of art, these sudden leaps in prices can have a negative effect as they are false guarantees of the sustainable value of artworks. Not only that, you see speculators 'dumping' works at various local auctions. At times, an artwork can reappear in the auction circuit twice or three times in a year.

### **Has the Southeast Asian art boom been just a passing phase?**

The frankly short-lived bubble seems to have burst, or at least deflated. Buying certainly slowed down during the first half of 2009 in comparison to the height of boom in early 2008, but sales have resumed to a fairly healthy level in galleries and auctions despite a few 'burnt' victims. You will witness certain artists maintaining a particular demand/price at galleries and auctions while there are others who have been quickly forgotten.

The Southeast Asian art boom may have shaken up local markets such as Manila, and the steep rise in prices made us wonder if certain vital sectors of local markets were in danger of becoming cut off. We believe that developing local audiences and collectors is crucial for most artists in building a sustainable career, as well as an art scene that is engaging, progressive and relevant.

However, market regionalism has generally been great for exposure and exchange, and, of course, for local market confidence, feeding lots of new activity, spurring competition and in the best scenarios, strengthening standards of practice both for galleries and artists. Market Internationalism may still be something of a pipedream, and perhaps even something to be cautious of, if we feel it is important to keep local and regional support of our artists. We already witness a small number of well-known international Thai and Vietnamese artists who seem essentially to "belong" to the international market, with little awareness of their work on native ground.

### **How has the boom impacted on artists' practice?**

Its impact has been two-faced. There are some artists who became less willing to take risks and experiment during the boom, their works becoming entrenched in a particular style/treatment/look due to enthusiastic demand. Since money is good during boom times, artists can get too comfortable and/or dependent on the steady income. The quality of works was also affected, with many artists perhaps tending to rush through their work, with less thought, trying to meet the demands of shows, auctions, art fairs, which created a production line effect. Some ran into the danger of overproducing. Others got burnt out. Works began to seem no longer fresh or challenging.

Conversely, there have been artists who have consciously gone against the grain, who tend to think beyond the conventional commercial exhibition model and for whom the 'boom' offered an opportunity to challenge market demands and acceptance. These might include Jayson Oliveria, who consciously makes ugly/difficult/unsaleable works to see how much he can get away with, or similarly, Eko Nugroho, Agus Suwage, and Handiwirman Saputra, all market darlings, purposely making difficult 3-d/installation pieces as a challenge to collectors. As a result, the market has become a bit more open to other media such as photography and 3-d objects/mixed media installations.

The scale/size of works has also become more ambitious. Showing in China has affected the works of many Indonesian artists as space is not a constraint in warehouse-style Beijing galleries. In fact, big is better. Project-based presentations at art fairs has also encouraged scale, Agus Suwage made the giant 'skeleton' installation, "Offering to Ego" for CIGE in Beijing.

### **How has the boom impacted the galleries?**

The most obvious impact of the boom has been the emergence of numerous new galleries around the region in the past couple of years. Existing galleries have also become more active but also more territorial. Reluctant to share their artists/work with other galleries – each wants larger share of the pie. Stiff competition, highly suspicious of each other's motives. Some now impose exclusivity deals on artists, or demand a percentage of the commission if artists show off home base. Certain gallerists/dealers were on the verge of milking their artists dry during the boom period, insisting on more solo or group shows, and more works for stockroom sales, art fairs and auctions.

Waiting lists for exhibitions and artists became the norm as collectors clambered over one another trying to get to high-demand works, forcing galleries to think more carefully about handling collectors. Galleries have had to do more to appease/please disappointed collectors, as well as stay wary of speculators. Some galleries have taken a more pro-active stance in allocating artworks to collectors, determining "who gets what", and what constitutes a 'deserving' collector.

Galleries have had to compete with each other to gain the trust of artists trust, some going to great lengths to prove their commitment to their artists – aggressive promotion at art fairs, more ads taken out in magazines, more publicity, or even promising to limit their

'stable' of artists, in order to guarantee more attention to each member. Some have helped to organize grand scale solo exhibitions at prestigious venues such as Galeri Nasional Jakarta/8Q at Singapore Art Museum to reaffirm their artists' worth. So one very positive effect of the boom has been that some galleries have been forced to be supportive of their artists. Galleries have had to step up, become more professional, improve on their exhibition space, make payments on time, strategise the promotion of their artists more carefully, produce better catalogues, and be less limiting on artists and the sort of works they want to make, even supporting less commercially viable projects by their artists both within and outside the gallery.

### **Has the "bust" impacted on artists' practice"?**

Artists are now forced to take stock of their activities of the past few years, dealing with the hangover so to speak. The apparent bust has led to artists to slow down and reconsider their career strategy. 2009 has seen a number of serious review exhibitions, and the return of alternative/non-profit art spaces and the presentation of more thought-provoking challenging works at these sites. Artists and audience are beginning to appreciate and respect the presence of such spaces, which were somewhat sidelined during the boom years.

Those who benefited from the boom are taking time to 'give back' through various efforts - from acting as mentors/patrons, to building spaces of their own, initiating programmes for research and development, and documentation. In Jogjakarta, Putu Sutawijaya has set up Sangkring Art Space, and Jumaldi Alfi is working on a residency space, Sarang, while Agus Suwage has been actively supporting young artists' works. There is an awareness among these artists that there have to be spaces for exploration/experimentation, creating opportunities for younger artists that do not necessarily involve commercial selling.

### **How do we build a sustainable regional market?**

The Southeast Asian art boom has basically fast-tracked market growth across the board, ahead of other infrastructural areas such as the development of institutions and education.

Our worry is that exponential growth without parallel developmental growth can lead to a precarious market, fuelled by a largely uninformed sense of confidence.

The wealth and excitement created by strong art sales has been crucial in stimulating activity and awareness, and competition has raised standards of practice and encouraged responsible artist management. However, the heavy commodification of contemporary art has sidelined deeper considerations such as long-term value and sustaining and encouraging artistic practice through the caprices of boom and bust.

The so-called bust, even if only psychologically, has certainly proved a check and balance to what seemed to be the start of unmitigated growth, perhaps helping to settle prices and

knock some sense into speculators. However, a price-check alone cannot resolve more overwhelming discrepancies.

To use market-speak, we need to build value beyond the context of commodification, to understand that the value of art, even in market terms, cannot depend in the long term on hype and price escalation. Historically, artistic value has hinged on such broad and hazy considerations as the appreciation of talent, the recognition of genius, a relevance to, and engagement with art development/historical moments/social reality/human experience. In short, a bigger story of art and its social context.

There should, of course, be better education in the market, looking beyond "who to buy", and initiatives like Sotheby's Institute making Singapore its Asian base, and the increasing prominence of art talks are important steps toward this. We should also wish for more institutions to balance private collecting, in order to ensure some public ownership of and access to art in the region for posterity, and also the existence of collecting agendas driven by research and long-term ambitions beyond the individual which can help to create narratives or contexts for the making of art in our societies. Alas, this may prove a rather longer project.

The most important thing, though, is to support the development of artistic practice, through collecting the works of artists who do sell their work and affording them a career, yes, but also through non-commercial initiatives that encourage experiment and discourse, and public engagement, exchange and education, allowing artists to work and be seen outside of market considerations if need be.

We should be deeply inspired by the efforts of the artistic community itself, especially in Indonesia, to help lay the foundations for a more sustainable, and exciting future. It is this spirit that the community at large - art workers, collectors, gallerists, culturally-minded social and corporate bodies, the public - should perhaps seek to emulate if we are to deserve a stake in it. The market should learn that it cannot operate for very long in a vacuum and that it is only one mechanism in a very special, if often chaotic, 'industry'.

## Endnotes

1. The term *kolekdol* is an abbreviation of “*koleksi buat “didol” atau dijual*” which means a collection for sale. This term was used widely during the boom years, especially among artists and critics about the boom in the Indonesian art market to distinguish the speculators from the serious collectors.

2. Latiff Mohidin is one of the most well respected Modern masters from Malaysia. Somewhat of a reclusive man, his work is well known around the region especially during the 1960s and 1970s, transcending national borders and recognised as ‘Southeast Asian’

3. I Nyoman Masriadi’s *Sport News* (1998) graced the cover of the Christie’s Spring Sale catalogue. This is the first time a contemporary artwork is featured on the catalogue cover. Similarly, Sotheby’s Spring Sale catalogue also featured, for the very first time, a contemporary artwork as the cover image. They chose Rudi Mantofani’s *Cakrawala Warna #3* (2005-2007)