

Edited by Kevin Kwong kevin.kwong@scmp.com



The good times may be over for Beijing's commercial galleries, but a few owners see a bright side to the bad times, writes **Kristina Perez**

# Running on empty

Critics might wonder whether Beijing's commercial arts scene is grinning through the recession. There are signs of the economic downturn throughout the sector, but gallery owners sound doggedly optimistic as the slump bites.

Eyebrows were raised in the scene when one of its mainstays, Red Gate Gallery, decided to close its 798 annex in the Dashanzi district last December. However, the main reason for the shutdown was the rise in rent in the old factory space "at the wrong time", says its director, Brian Wallace. Sales remain "pretty good, but not like in 2007", he says.

Pace Beijing, the first international gallery from the US-based PaceWildenstein, shut shortly after its only show at the end of last year, and there was also talk that Long March Space would reduce to one-quarter of its size in the 798 complex. But Long March Space deputy director Zoe Butt says the gallery is only undergoing a "reconfiguration" of space.

Even so, local website and quarterly art magazine Artzinechina.com says about 36 galleries have closed in the capital.

Emerging artists such as Liu Gang, 26, a photographer trying to break into the scene with his

absurd blow-ups of real estate advertisements, are already feeling the pinch. "There aren't as many galleries out there. And those that are around aren't looking to sell new work for now," he says.

Liu was given a solo exhibition in March, an honour for an artist just out of school, but says he has yet to make any sales. "I just depend on myself, or I borrow a bit from my parents to keep on doing my work," he says.

Although few operators will admit to hard times, two gallery directors – who declined to be identified – say sales of Chinese contemporary art have plummeted between 30 per cent and 50 per cent from the peak in 2007.

Henri Benaim, director of Seoul-based PKM gallery's Caochangdi outpost, is more forthcoming. The market has shrunk, he says. "There are fewer people ... buying and the auctions in September and October showed that certain prices won't be achieved again for a very long time," he says. "It's hard to reverse the downward trend."

Guo Xiaoyan, curator of the Ullens Centre of Contemporary Art, a non-profit gallery in the capital, echoes the sentiment: "It used to be that if you staged an exhibition, you'd be able to make some sales. These good days couldn't continue."

According to research company ArtTactic's Chinese Art Market Confidence Indicator in February, the drop in Chinese contemporary art prices could last for at least another six months as economic worries continue.

Prices have also faltered at auction, analysts say. In December, an oil-on-canvas by Zeng Fanzhi,

Everyone – whether it's the auction houses or the art galleries or the artists – needs to ... focus all of their energy ... on quality

Meg Maggio, owner, Pékin Fine Arts gallery

*Mao I: From the Masses, to the Masses*, was called in at Christie's Hong Kong sale because the last offer of HK\$28 million didn't meet the reserve price. Yet the painting's twin, *Chairman Mao II*, also dated 1993, fetched £2.17 million (US\$3.1 million) at a London auction on June 29. At Christie's Hong Kong

sale in May, a Zeng painting set a Chinese contemporary art record of HK\$75.4 million.

The market's consensus is that it is "very quiet in Beijing" and mid-level works valued between US\$10,000 and US\$100,000 are the most affected by the downturn, says China Art Projects director Tony Scott.



Red Gate Gallery closed its 798 annex (above) in December. Pace Beijing (top) plans to re

"Cheaper and younger art is still selling okay and the big names with sophisticated sales and curatorial teams behind them are still moving but more slowly and they are smart enough to not undercut themselves and their galleries," he says.

Some galleries see the bright side of any recent decline in sales and

prices, however. The slowdown may benefit artists, spaces, museums and auctioneers, "giving [them] time to think more deeply and reflect more quietly on this explosive growth in the art market [over] the past five to 10 years", says Meg Maggio, the owner of the Pékin Fine Arts gallery.

Galleries are paring their curatorial programmes in an effort

to cut costs and re-evaluate their direction, owners say.

"Less is best [now]," says Maggio. "Everyone – whether it's the auction houses or the art galleries or the artists – needs to pull back at this moment and focus all of their energy and attention on quality. And forget about the market place."

This focus on their star artists, says Don, director of produce may not "there w effort, p intent" l The o

vanity g riddanc Other future o market. expandi of Art Be He says financia



## Way to cross the political divide

### Sylvie Briand

US artists have launched a show in Cuba aimed at bridging the gap between the two countries in the largest such exhibition since the 1959 communist revolution.

The group show, *Chelsea Visits Havana* – a reference to the famed New York art district – features 39 works by 33 US artists from 28 New York art galleries, says National Art Museum curator Abelardo Mena. It will run until May 17.

“It is the biggest exhibition by US art galleries in Cuba [since Fidel Castro’s 1959 revolution],” says Havana Biennial organiser Alberto Magnan, who left Cuba when he was five years old and now owns a gallery in Chelsea.

He says the exhibit took 2½ years to organise. “I hope it’s the first step towards US-Cuban relations,” Magnan says.

The works represent a wide range of views. Some reference the history of the US, notably the war in Iraq. Others focus on Cuba and its past, including the famous portrait of Cuban Marxist revolutionary Che Guevara that was made to look like a jigsaw puzzle.

“One can see the difference from the Cuban art, which is more linked to tradition, to the collective identity,” says Abelardo Mena, the show’s organiser. “American art is more individualistic.”

“Visual art can be interpreted in different ways,” says Cuban art lover Antonio Reyes, standing in front of a painting by Walton Ford. The painting shows a macaw parrot, an extinct species in Cuba, which has

somehow managed to survive and, borrowing a phrase from Castro, happily proclaims that “history will vindicate” him.

The favourite piece of Reyes, who came to the exhibit with his adolescent son, is a “make-believe” nuclear missile launch site.

“This reminds us of the cold war, of something that is well known” in Cuba, an ally then of the now-defunct Soviet Union.

The young creator of this engineering marvel, Doug Young, says he is “delighted” to participate in this first exhibit in Cuba, which has lived under an American trade embargo for 47 years. The embargo forbids American citizens to visit Cuba as tourists.

However, 15 American artists and gallery owners did come to the island, says Magnan.

Artist Duke O’Reilly, 36, who

made a film about a fictitious Saint Patrick’s Day parade in the streets of Old Havana, says “it is impossible to organise such an exhibit without slipping into politics”.

But “art is what brings people closer, and this is the reason why this exhibit is very important, especially at this moment”, when US President Barack Obama favours relaxing the embargo, he says.

Although artists need visas to come to Cuba, works of art can circulate freely, not being subject to the embargo system which is increasingly being challenged in the US.

“The United States does business with China and communist Vietnam,” says Magnan, who hopes to be able to organise a similar show next year in Chelsea and invite Cuban artists to participate. *Agence France-Presse*



A worker paints the wall behind New York artist Padraig Tarrant’s sculpture, *Castrobama*, part of the *Chelsea Visits Havana* show in Cuba. Photo: AP

## On the block Scott Reyburn

### California

A 1939 Auto Union car may fetch US\$8 million, a record for a Grand Prix racer, when it comes up for auction in California in August. The 320km/h D-Type will be offered in Bonhams & Butterfields’ August 14 sale of collectors’ vehicles.

The silver rear-engined 485-horsepower racer was produced by the quartet of Horch, DKW, Wanderer and Audi. Helped by subsidies from the Nazi government, the Silver Arrows of Auto Union and its rival Mercedes dominated European motor racing from 1934 until the outbreak of the second world war.

“These cars appear so rarely. It’s a bit like a Leonardo,” says Simon

Kidston, a Geneva-based classic car adviser. “They’re a bit out of fashion, but for a museum or really serious collector it’s as good as it gets. Whoever buys this car will have to be a big-hitter financially and in terms of car culture.”

The market for vintage and classic cars has been less volatile than the art market. Selling rates at auctions have remained stable, and even the prices of 1960s and 1970s Ferraris – one of the market’s more speculative areas – have not dropped by much more than 20 per cent over the past year, dealers say.

“This is the 100th anniversary of the Audi brand,” says Rupert Banner, a New York-based Bonhams & Butterfields car expert. “So it’s a logical step to bring it to market this year.”



In February 2007, the Silver Arrows was catalogued as being chassis number 21, the winner of the 1939 French Grand Prix, and was expected to fetch at least US\$12 million, a record price for any car at auction. But four days before the event, its sale was “postponed”, pending “exploration into the car’s race history, in collaboration with Audi Tradition”, Christie’s said in a statement.

Banner confirms it is the same car that is up for sale in August. Further information has been supplied by Audi Tradition, the heritage wing of the carmaker, he says. Audi identified the chassis as number 19, raced by Austrian driver Hans Stuck, finishing sixth in the 1939 Grand Prix.

The D-Type is unlikely to break the record auction price for any car, dealers say. This was set in May last year when British television and radio host Chris Evans paid €7 million (HK\$71.76 million) plus fees for a black 1961 Ferrari 250 GT SWB California Spyder.

“The market for pre-war single-seater racing cars is narrower,” Kidston says. “And you need guts to drive a car that goes nearly 200mph [321km/h] on 5-inch [12.7-centimetre]-wide tires without a seat belt.” *Bloomberg*

**Auto Union’s 1939 Silver Arrow may sell for US\$8 million at auction**

rationale allows galleries to more on the promotion of... of talent, says Katherine... director of Beijing art map... Red Box Studio. There... be so many exhibitions but... will be hopefully be a lot more... promotion and sincere... behind them, she says... downturn has also closed



open in May

galleries, and “good...”, Don says. ...ers remain upbeat about the... of China’s commercial art... The mainland is still an... ing market, says the director... Beijing fair, Dong Menyong... the full weight of the... l crisis has yet to be felt

in Beijing. “There were too many galleries before the financial crisis because people thought art was a big market so they kept opening,” Dong says.

“And they collapsed because they didn’t know the core of their business.”

Art Beijing is finding it harder to fill its 100 booths with international galleries these days, Dong says. “This time we’re focusing on Chinese galleries because [their] international [counterparts] have many considerations and they don’t want to come here. But we still have a few to come.”

This year’s exhibitors are thinking more long term, expecting to meet, cultivate and educate customers rather than simply to make money at the April 26 event, Dong says.

Pace Beijing plans to reopen its renovated 20,000-sq ft space in May, but its president Leng Lin says artists now have more time to focus on their creations, rather than produce for the demands of the rising market over the past two years.

“So this is the big question for everyone involved with the art circle – the collector, the gallery, the artists, editors, critics, museum operations: What is art?” he says.

*Additional reporting by Bloomberg and Reuters*