

insight

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A mild sense of disappointment hangs over the market for modern Indian art. This June, Saffronart, the bellwether for the market, raised a little over \$9 million against a healthy \$15.9 million in December 2006.

Although the results compare favourably with those of its main rival, Christie's, there is little doubt that the market for modern art is slowing down.

Indeed, there has been a steady climb-down since the last quarter of 2006, when the three main auctioneers comfortably raised between \$14 and \$17 million per auction and sold well over 90% of their consignments. The first indication of a shakeout came in March at Christie's. Confirmation came in May at Sotheby's London, when the Gaitonde on the catalogue cover failed to sell and the auction total plummeted from \$15 million in March to \$5.6 million only two months later.

It can be argued that London was not the right venue or that import VAT and timing were deterrents. Resident Indians who are increasingly active in the international auctions are typically on holiday in May – buying art may not have been foremost on their minds. Moreover, with a new stand-alone auction of modern and contemporary Indian art at Bonhams, there were perhaps too many sales and a degree of auction fatigue among collectors.

Saffronart timed its sale well, pushing it back from May to early June, when schools reopen in Mumbai and most businessmen are back at work. The sale also benefited from a significant number of lots available in Indian

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rupees, including the top lot, Tyeb Mehta's *Kali*. Because the rupee has been strengthening against the dollar, the currency appreciation gave local buyers a distinct advantage. Hopes were high.

Unlike the international auctioneers, Saffronart puts together safe sales of desirable modern Indian artists. Their recent sale contained no contemporary Indian art, miniature paintings, or art from neighbouring Sri Lanka and Pakistan, all of which can distort the overall success of an auction. Modern art from India stood on its own for the first time since the highs of December 2006. But it failed to capture the imagination of buyers. So what ails the market and how can it be revived?

Quality is clearly not the issue.

(The overall quality of art coming to auction has in fact improved as collectors are tempted by high prices.) On the cover of Saffronart's catalogue this June was the largest and most powerful of Tyeb Mehta's paintings to emerge at auction since *Celebration*. It struggled to make a million dollars, raising Rs 3.95 crore including premium. In a healthy market, *Kali* should have breached the \$1.5 million (Rs 6.95 crore) mark achieved by *Mahisasura* in September 2005.

Some blame the finance minister of India and the taxman for the health of the market. By making profits from art subject to capital gains tax, Mr. Chidambaram has discouraged potential vendors from selling. Recent visits by the income tax officials to leading art auctioneers and dealers in Mumbai

and New Delhi have dissuaded collectors from spending large sums of money. They worry that their source of income and tax returns will be scrutinised.

While this may have some effect, the truth is that the market for modern art has stagnated as a consequence of narrow categorisation and unimaginative marketing. Presented as an asset class to Indian investors – both resident and non-resident – with little public debate of its aesthetic or historical conditions, modern Indian art is often seen as the preserve of Indian buyers.

When sold at auction, it is sold alongside classical Indian works of art and when presented in exhibitions abroad, it is rarely presented alongside international modern or contemporary art.

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Recent exhibition titles such as 'Indian Summer' and 'Made by Indians' betrays this bias, presenting art from India as an exotic curiosity. For its market to grow, modern art from India needs to be aggressively cross-marketed and brought to the attention of a wider audience.

Christie's have made a small effort in this direction. They have provided a unique context for *avant-garde* Indian artists by including them in sales of contemporary Asian art in Hong Kong, a category that brings together Chinese, Indian, Japanese, Korean, and Pakistani art.

According to Christie's spokesperson in India, 75% of the Indian works in Hong Kong were sold to non-Indians as compared with 20% in London. Last year in Hong Kong, twenty works by

South Asian artists resulted in a 100% sale and this year records were set for 11 artists.

If the best modern artists from India were presented in the post war auctions in London or New York – they would likely benefit from the exposure. If they were included in survey shows of modernism, their unique contribution to the history of modernism could be better understood. For the moment, however, modern Indian art remains in danger of being little more than an asset class for rich Indians worldwide.

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