

Chinese Contemporary Art Market Expanding

The Chinese Contemporary art market has expanded rapidly in the past few years. In 2004, Christie's and Sotheby's realized \$22 million combined in the Asian contemporary sales. In 2006, those sales grew to \$190 million, most of it Chinese. The auction houses were both surprised by the upturn and quickly set up specialist departments.

China was opened to the rest of the world in 1978, and soon after their artists began to use western techniques and cautiously address the Cultural Revolution. The political crackdown after Tiananmen Square, combined with the country's quick transformation into a diverse market economy soon shifted the artistic focus to more consumerism driven subjects.

Artists struggled through the nineties, and those who sold works for \$100 ten years ago are now millionaires. Artists one year out of school are selling \$10,000 photographs. A painting by Liu Xiadong sold at auction in 2006 for \$2.7 million, the record for a Chinese artist who began working after 1979. This sale put the artist in a very small group of living artists to reach \$2 million at auction. Zhang Xiaogang's work has realized \$500,000 or more at auction 16 times, and is now being collected by Charles Saatchi.

Hundreds of new studios, galleries, art fairs and museums are opening across the country. Galleries that once focused on traditional Chinese ink paintings have switched to contemporary. Many are beginning to wonder if the market can sustain current levels. Critics suggest that the artists are overly concerned with prices and that the work is becoming repetitive. Some artists are also selling directly to auction, instead of to collectors first, which is internationally considered to be a serious misstep.

Lorenz Helbling, director of ShangART Gallery specializes in Asian art, said in a *NYT* interview, "Things are much better than they were 10 years ago. Back then many artists were commissioned to simply paint dozens of paintings for a gallery owner, who went out and sold those works. Now these artists are thinking more deeply about their work because they're finally getting the recognition they deserve."

JSIS Insurance, January 2008