



# Art-world power shifts to China

Collectors, artists flex their muscles. NYC's galleries? Late to the opening

BY MIRIAM KREININ SOUCCAR

NEW YORK'S MAMMOTH ART MARKET has lost its longtime standing as the largest in the world.

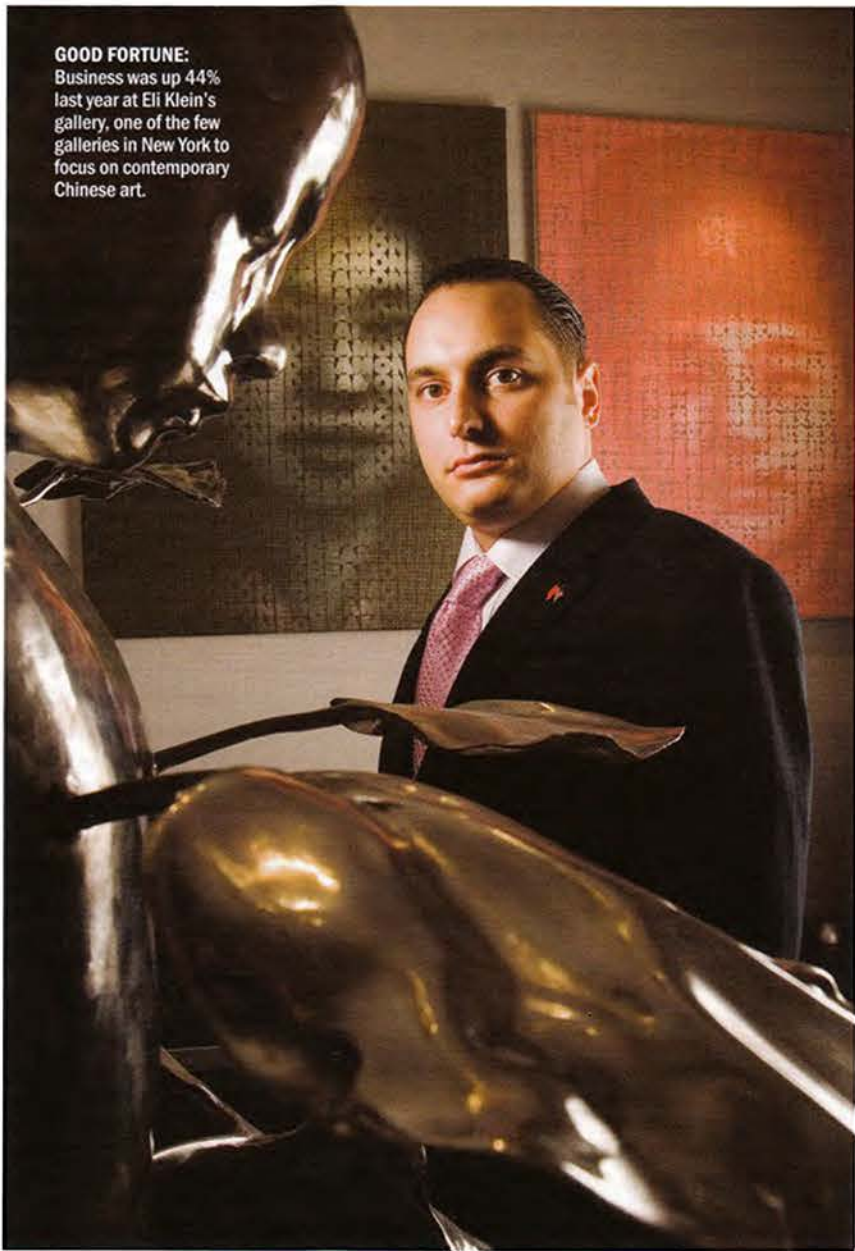
In a turn of events that has caught many art experts off guard, China has snagged the top spot, beating out the United States—where New York is the art industry's center—in terms of fine-art auction revenue, according to Artprice, an art market information service based in Paris.

Though China just became the second-largest economy in the world, after the U.S., its rapid rise as an art power has been astounding. It took just three years for China to jump from third place, previously occupied by France, to first place in 2010, with 33% of global fine-art sales stemming from auctions based there. The U.S. and the United Kingdom, the grand chieftains of the market since the 1950s, raked in 30% and 19% of the sales, respectively.

"The speed with which this evolution has happened is surprising," said Jonathan Stone, the Hong Kong-based managing director for Asia at Manhattan-based Christie's. "It's a historic and defining moment in the auction world."

It's not just China's newly minted billionaire collectors that are flexing their muscles, but artists as well. A number of Chinese artists, who are barely known in the West, turned up in last year's top global rankings.

Four Chinese artists made it into the top 10 ranked by auction revenue for 2010, See **WE'RE NO. 2** on Page 42



**GOOD FORTUNE:** Business was up 44% last year at Eli Klein's gallery, one of the few galleries in New York to focus on contemporary Chinese art.

BUCK ENNIS

## We're No. 2 in art biz

Continued from Page 3

up from just one in 2009, with Qi Baishi, believed to be the most popular 20th century painter in China, coming in second after Andy Warhol. In addition, more than half of the global top 10 contemporary artists are Chinese, compared with just three Americans—the late Jean-Michel Basquiat, Jeff Koons and Richard Prince, according to Thierry Ehrmann, chief executive of Artprice.

After downplaying the rise of the Chinese art market for many years, local dealers and auction houses are springing into action to capture a piece of the bounty. In the past few years, established New York-based galleries have started pursuing Chinese artists, with Marian Goodman signing Yang Fudong, David Zwirner signing Yan Pei-Ming; and Sperone Westwater snagging Liu Ye; to name a few. Mega-gallery Pace even opened an outpost in Beijing two years ago in the neighborhood equivalent to Chelsea.

### Christie's in Shanghai, Beijing

THE AUCTION HOUSES are ramping up their Chinese sales departments too. In December, Christie's—the first international auction house to open offices in Shanghai and Beijing—hired Xin Li as Asian business

development director to manage the auction house's private collectors from mainland China and Asia, and cultivate new ones. Ms. Li is just one of many hires focused on China.

"We are aggressively increasing our resources in China," Christie's Mr. Stone said.

Some observers say the New York art world isn't catching up fast enough, however.

Though the city's major museums, like The Metropolitan Museum of Art and the Museum of Modern Art, are starting to add Chinese artists to their collections and include them in their shows, experts say it's already hard—or at least more expensive—to snag the best work.

"Work is going to American museums, but at a very slow pace," said Larry Warsh, founder of AW Asia, a Manhattan-based firm that promotes Chinese art and helps museums looking to build their collections. "We're going to try to collect important Chinese art as a country, but it's hard to get the top work."

Eli Klein, who opened his Chinese contemporary art gallery in New York in 2007 and a branch in Beijing last year, said he is astounded that he doesn't have more company. Eli Klein Fine Art and one other, Chambers Fine Art, are the only two major Chinese art galleries in

New York, according to Mr. Klein.

"The mainstream Western art culture has not accepted the boom in Chinese art and has overlooked it vastly," Mr. Klein said.

Out of 274 galleries at The Armory Show, New York's largest art fair, there were only two European galleries that focused on Chinese art, said Mr. Klein, who applied to exhibit in the fair himself but was rejected.

### Enter the hedge funders

KATELIJNE DE BACKER, executive director of the Armory Show, said the fair has tried to include more Asian art in recent years.

"The dealers that do show at the fair represent part of the Asian market, but of course, we always encourage more dealers from the region to apply," she said.

Still, Mr. Klein is laughing all the way to the bank. Business was up a whopping 44% last year as hedge funders have started to tap into the Chinese art market. Demand has been so high that he has begun developing a contemporary Chinese art fund as an investment vehicle for a select group of private clients.

Mr. Klein's current exhibition of painter Zhang Gong's work, where prices range from \$5,000 to \$70,000, is three-quarters sold out after just three weeks, he reports. His other show, the New York premier of painter Wang Yang's work, which goes for \$3,200 to \$12,800, is half sold out. ■