



A Glimpse of Indian Art Market from 2007-2017

Ms. Usha

(HOD), Assistant Professor

Department of Fine Art

SBBSM Girls College, Sukhanand, Moga

India has a highly developed culture of art which led to a long tradition of patronage for art. Till eighteenth century king was only prime buyer for the artists. King was the only available market for art. Most of the kings in history bought art for art sake only. It was the emotional and social values those counted for king while paying for art. In the late nineteenth early twentieth century rural artist settled in the city (Calcutta) in search of a new market. They had adapted their skills to meet the demand of an urban patronage.ⁱ Most of these artists were once artist of the court.

Artists were trying hard to find his market, patron and then in 1947 India's independence forever changed the market of art for artist. Market for art which was starting and ending up only in the court of king, it is now ending up only on internationals. Form of art market has also changed. In today's world art market has its two distinctⁱⁱ- commonly known as primary market and secondary market. Now he, the artist has many ways to go.

Galleries, auctions and collectors plays important role to build art market. Critics, curators, museums, consultants, art fairs, nonprofit foundations, publishers of art books and magazines, restorers also play important role for art world and help the secondary art market.

From past some years market for Indian art is gradually developing in a positive manner. Growing as an upcoming superpower is the reason behind this positive growthⁱⁱⁱ. If there is economic growth and development in the country it will leave its effect on art also. This growth is also changing the perception of western countries for India. From 2005 to 2007 it was a boom in Indian art market.



According to the various art market surveys in May 2007 showed significant level of optimism in the Indian contemporary Art Market. But survey flagged up risk of fluctuation in art market.^{iv} People were focusing on short term returns from art market. This short term return attracted many people for investment as a result number of art funds increased in the market.

In 2007 number of active auction houses in India was seven and in 2014 we were having only four active auction houses in our country. “We should have at least another ten auction houses. This will create healthy competition and expand the market.”^v A reason for slow growth of Indian art market is that Indian art and artist were still having undervalued price.

At the same time, auction houses, museums, galleries, dealers, collectors and scholars alike have been closely tracking the development of the secondary markets for modern and contemporary Indian art. Results showed encouragement in art market for both. Sales were conducted in new locations like Dubai, Paris and Hong Kong, and several contemporary Indian artists, including Atul Dodiya and N.S. Harsha, crossed the critical US\$500,000 mark for the first time in 2007 after a surge in demand from collectors. At the same time, as institutional collectors began to enter the market and modern masterpieces by senior Indian artists like Tyeb Mehta and S.H. Raza continued to attract prices at auction that exceeded the US\$ 1 million.^{vi} Inclusion of the work of Indian artists like S.H. Raza, Subodh Gupta and Raqib Shaw in international auctions was heartening. Sale of their artworks shattered all previous records of sale for Indian artist at auction.

Indian art market received a great deal of attention in 2007. Individual artists and collectors also won much media exposure and critical acclaim for their efforts in the development of the field. During this time Subodh Gupta was listed in 100 Most Powerful People in Art.^{vii} He was frequently referred to as Delhi's Damien Hirst.

In 2007 one of the world's art capitals, New York, showed keen interest in Indian art. Many galleries and museums were hosting a number of events that spread awareness of the field. Many galleries in the city have begun to represent Indian artists and collaborate with Indian galleries to show the work of painters and sculptors like Sudarshan Shetty, Subodh Gupta, and



Bharti Kher along with their other artists. In addition, galleries and institutions sponsored several educational panels on collecting and appreciating Indian art. This effort brought modern and contemporary Indian art closer to New York audiences.

But in the next year 2008 the global economic situation is considered as the denial period for art market. This had an impact on the overall sentiment in the art market, which fell 13%.^{viii} This crisis also affected the Indian art market. Most of the contemporary artists had easily come down to 20-25% to their peak prices. For example, Subodh Gupta's canvases used to sell for USD 800,000 to USD 1,000,000 easily in the peak time of the market.

Despite this, both the Modern and Contemporary Indian Art Market confidence indicators climbed further and showing continued optimism in these markets. Several new artist records were set at auction, including for modernists M.F. Husain and Ram Kumar at Christies in New York. Both crossing US\$ 1 million, and Husain's 'Battle of Ganga and Jamuna: Mahabharat 12' topping Tyeb Mehta's 'Mahishasura' to become the most expensive Indian art work publically sold at US\$ 1.609 million. Younger artists like Surendran Nair, Bharti Kher, Shibu Natesan and Jagannath Panda at Saffronart's Spring Online Auction of Contemporary Indian art also notched a total sale of US\$ 7.2 million.^{ix}

The Indian gallery sector has had time to establish itself ahead of the other South Asian art markets. The Indian art market boom between 2005 and 2008 opened door for significant investment in gallery infrastructure. This later laid down the foundations for the gallery sector which is seeing today.

Though, the focus of market has noticeably shifted to Contemporary Indian art. Works of Indian modernists were showcased at important exhibitions in 2008.

2008 had witnessed the emergence of several new auction houses in India. Number of sales for Modern and Contemporary Indian art was increased. The inclusion of Contemporary Indian art in international sales by auction houses like Sotheby's increased results. Interestingly, the focus on Contemporary Indian art has also filtered to charity auctions like the one hosted by Concern India, where a majority of lots on offer were by younger artists.



Year 2009 indicates as the downturn for Indian Art Market. According to the market research Indian Art Market confidence indicators for May 2009 fell 63% from the last reading in October 2008. The confidence in the top-end of the Indian art market disappears. New York auction for Indian Modern and Contemporary art in March 2009 fall 42%^x below the low pre-sale estimate. Although in this year Colombo Art Biennale was inaugurated.

2010 is considered as the recovery year for the Market of Indian Art. According to various survey Indian Art Market confidence indicator has staged a strong recovery since May 2009. This has largely been on the back of the recovery in the secondary market and auction market for Modern Indian art. However, New York auction sales in September 2010 showed signs of fatigues, as the overall total for Sotheby's, Christie's and Saffron art came in 20% below the low pre-sale estimate.

Year 2011 seems as the false alarm for Indian art market. The overall Indian art Market confidence indicator drops 28% as the confidence in Indian economy drops by 69%.

Despite this, market experts were positive about the Indian Modern art market. Stats saw a huge amount of growth and development in the contemporary Indian art in the first decade of the 21st Century. But this development slipped backwards after 2010. During the boom years (roughly 2003-2009) the market was made up with short term returns, which attracted number of art funds. But this downfall of the market left with only the serious art lovers. Primarily these art lovers were Indians.

The majority of experts believe the Indian art market will take at least two more years to recover. The Indian art market continues to suffer from the excesses of the boom between 2006 - 2008. Around 2012 an estimate of USD 200,000 looked like a difficult sale.^{xi} The crisis helped Indian market to fix its bugs.

2013 considered as the recovery time period for Indian art market and confidence Indian art market became up. Some rounds of auctions for Modern and Contemporary Indian art in September 2012 and March 2013 showed improved results. This helped to brought market



confidence back on track. These auctions upturned the negative trend that has dominated the market since June 2010.

Till November 2013 progress in art market was still not so positive. But then in December 2013 Christie's entered in India for its inaugural sale. This auction left all expectations far behind and proved a big success with the sale total of rupees 96,59,37,5000. 98 percent of the lots were sold^{xii} in this auction. Vasudeo S. Gaitonde's painting painted in 1979 sold for rupees 23.7 crore.^{xiii}

Christie's second auction in India in June 2014 got total of rupees 75,27,45,000 by the sale of 90 percent of the lot.^{xiv} This result brings back the smile on faces and considered as another boom of art market

Soon after, India made an improved and diverse activity in the art world. Art Fair, Museums, Galleries and Auction houses came to its existence and helped to energize the cycle of Indian art market. In 2014 India's art market was at \$400 million as compare to worldwide figure of \$65 billion.^{xv} Galleries in India are opening new spaces. Experimental works and projects are also been supported. Auctions are coming back and playing a key role in art market. Some galleries and auction houses like Saffron art open online platform for business which is providing full time or any time market to buyers and brought the transparency in art business. This online auction house has even become the reference website of Indian art for prices, artist's works and more.

But the next auction of Christie's in June 2014 was unable to repeat its previous records. Stats show that an average Chinese artist is having more money than our modern artists, even in the auctions also.

This price difference comes because there is a lack of strong support between the gallery and the artist. In western country artist is been presented by a particular gallery. Artists are loyal to its gallery and the gallery supports its artist in the market. If the price of art work of their artist goes down gallery maintain the price and make all effort to not make price fall. This helps both



artist and gallery. Such kind of relations is less seen in India. With this the price value of the artist naturally falls down.

In 2014 the most prominent Indian auction houses collectively registered a total sales volume of over Rs. 414 crore.^{xvi} In the same year total number of lots presented 1,902. Out of which 1,531 were sold. It represented sale of nearly 81% of the total lot.

Coming year has set the new heights for the art market of India despite increasing economic uncertainty.

Chirstie's successful auctions created their dominance in the South Asian Modern and Contemporary art Market for some time. It looked like that the art market continued its improvement this year. Saffronarts online platform to auction art and jewellery increased its market share in 2015.

Far away in the west there is a main change in the customer's attitude over last thirty years.^{xvii} This explains their willing to discover the art scene through the collectors and artists. They don't approach the gallery anymore. It's perhaps now for the galleries to approach them. So there they come to India, with works to make an offer to the Indian market. Opening such kind of international market for art, art fairs proved important scenario for art market. India Art Fair 2015 is a fair example for this.

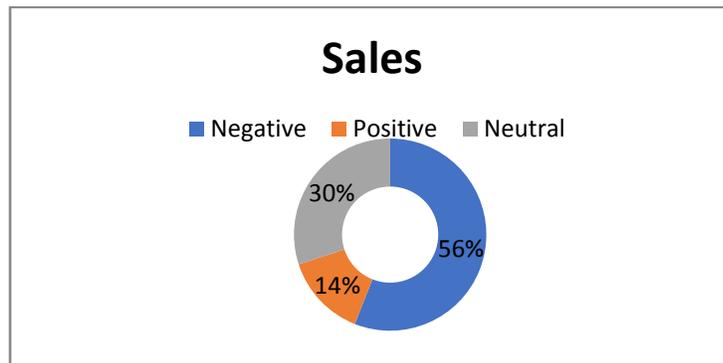
In India Art Fair 2015 Gallery Latitude 28 has sold Dilip Chobisa's work averagely priced between rupees one lakh to two lakh and also sold few prints by renowned print maker Anupam Sud again with the reasonable price tag around rupees two lakh. Sarjan Art Gallery from Vadodara manages to sell nearly 70 percent of the master artist's drawing and paintings.^{xviii} Such kind of interest from buyers relived the participants of the art fair.

One of the most exciting trends is the growing interest for Indian sculpture and miniatures which have not featured prominently in the market. In December 2015, Saffronart held their first live auction of Classical Indian Art. It was a sale which saw world record prices for three works of Classical Indian art sold at auction in India: two Basohli ragamala paintings

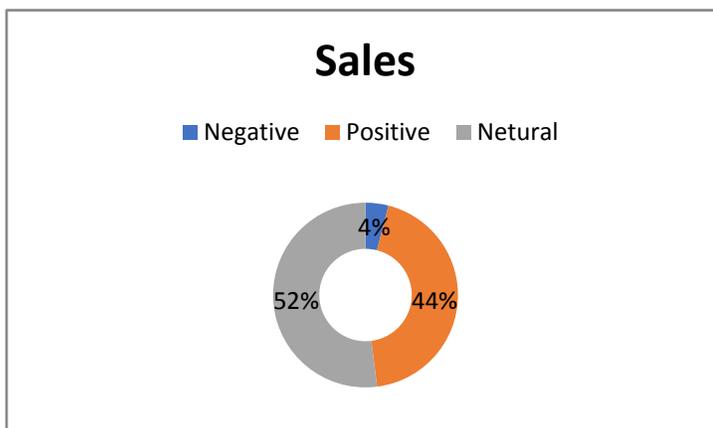
(circa 1700) which sold for USD 145,455, and an exceptional a 15th century south Indian bronze sculpture of Parvati which sold for just under USD 1 million. All three were remarkable art works.^{xix} This sale has further suggested that the sentiment for the domestic Indian antiquity market is finally recovering.

The global art market was having a challenging year in 2016. On the other hand India was facing the impact of demonetisation in the last quarter of the year. Prime Minister Narendra Modi declared war on black money on the 8 November 2016, by banning the Rs 500 and Rs 1,000 notes. Many were questioning the impact of it would have on Indian art market. It left short-term negative impact which can be a positive impact in the long-term for economy. For art market it is in short term approximately negative-30%, positive-14%, neutral-56% but in long term this impact convert into negative-4%, positive-44%, and neutral-52%.^{xx}

Short-term impact of demonetization on Indian Art Market



Long-term impact of demonetization on Indian Art Market





Despite the risks presented by demonetization it can provide a solid foundation and support structure for further growth in the Indian art market during 2017 and beyond.

The top 3 auction houses, Christie's, Sotheby's, and Saffronart experienced 25% decline in Modern art auction sales in South Asia in 2016. At the same time the Classical Indian art experienced a 59% increase in sales in 2016. The Indian Miniature market has also seen growth in the last 3 years, with an 84% increase in auction sales between 2014 and 2016.^{xxi} The reason behind this positive change is that collectors and art buyers are widening their horizon.

Domestic auction sales also showed improvement in its share in 2016. Saffronart has become particularly strong in the Modern section, Pundole's has built an important place in the Classical Indian art section, and Asta Guru has become a market leader in the smaller contemporary section.

In 2017 Indian art market became very shallow. This drastic change came after the demonetisation. Collectors were focused on looking at the art for its own sake. According to Yamini Mehta the next five years will re-define this art market considerably.^{xxii} And the most exciting development might appear at this very moment. People are looking at contemporary art from South Asia seriously. There are a number of active young collectors and tastemakers.

After the quick rise and fall in art market during 2005-2008, there is major visible change in tastes and demographics are visible. Young collectors are far more comfortable mixing Indian and international contemporary art. While collecting they are looking for art works which fits in their aesthetics and interiors. These young collectors are leaving their impact on the art world. These young studied internationally and were exposed to museums and galleries.

The sagging market is still showing some optimism because of the active participation by private museums, non-profit art centers etc. Despite drop and shrink in art market there is hike in price for most modern masters. It is due to a shrinking pool of available works by the artists in demand. This left no choice for serious Indian collector. As a result they have turned to contemporary art. Some of the Indian artists seen as both established and safe investments^{xxiii}



like Atul Dodiya, Subodh Gupta, Jitish Kallat. Their firmly settled position in mid-career status and international support is reason behind.

Retrospective of the Indian artist Nalini Malani in October 2017 at Amsterdam^{xxiv} is good news for the contemporary artists. She is the first Indian artist to have a retrospective at the prestigious venue. It is believed that such type of activity will raise further interest in Indian contemporary art.

Though Indian art market is growing gradually but slow for continues past time. The reason behind slow growth according to Anders Petterson, “India still lacks investment in both private/public art infrastructure particularly compare to neighboring China.”^{xxv} Chinese art market is having strong infrastructure for business in art. Sensing the need of art market they have created a strong platform for buyer. As a result china has three hundred active auction houses in their country.

India is among the largest economy and having fastest growing population but still we have small number of collectors who collect art. Beside the old and rich artistic culture of the country, India has yet to develop the habit of collecting art.

If we want to develop our art market we have to develop the museum culture in our country. On the weekends we Indians go to mall without even give a thought and spend time eating and roaming around. This is because we don't know other place to go. If we develop museum culture in our country then roaming around in mall will change to a visit to museum. “There has to be government- private/corporate joining hands that will boost the infrastructure.”^{xxvi} Art galleries and museums should be more attractive, with such efforts understanding of art will increase among people like Vadehra art gallery and khoj art.

Apart from many to do things to develop art market there are many positive things happening in Indian art market. One is that now Indian collector and investor supporting Indian artist first before going to foreign artists. They are buying the work of their own country artists^{xxvii} and focusing on domestic market first, no matter if they are leaving in India or they are



non resident of India. Some of the collectors are now also showing interest in western art and artists. This is making their collection more global and enriches the value of it.

All positive things gradually making art market strong in India. It is real picture now that world art market is finding its business in the country. According to market stats in next two years Indian art market will achieve new heights.

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