

AUCTIONS

The Fine Art of the Sale Sotheby's and Christie's are targeting Southeast Asia

By Cesar Bacani

AN INTERNATIONAL AUCTION HOUSE has a highly developed sense of where the super rich are. Booming Southeast Asia is clearly ripe for fine art, jewelry, ceramics, jade pieces and other artifacts. How to gain entry in the right circles? Link up with a member of the elite, of course. Last month, London's Christie's International named a Malaysian princess as its client-relations consultant in Kuala Lumpur. "Apart from sourcing a client base for Christie's, I also act as a coordinator for people who want to auction their items," says Tunku Zahiah Sulong, a niece of the Queen of Malaysia, Tuanku Najihah Tunku Besar Burhanuddin. "My brief is to nurture an awareness of the intrinsic value of art in its broadest sense."

That is also what Martina Sudwikatmono will do in neighboring Indonesia. Sotheby's of the U.S. recently named the restaurant entrepreneur, a daughter of cement tycoon Sudwikatmono, as its Jakarta representative. "Indonesia has a lot of collectors," says Martina, 32. "They're interested in buying back Indonesian art in foreign lands." Last month in Singapore, a countryman -- he prefers to remain anonymous -- paid more than \$2 million for *The Deer Hunt* by 19th-century artist Raden Saleh. The oil painting was placed on the block by a collector in Vienna. Rival Christie's pulled off that sale, which it says is a record for an artwork auctioned in Southeast Asia. Expect new highs when Martina organizes Sotheby's first auction in Jakarta next year.

Asians paying top prices for collectibles is nothing new. Remember now-bankrupt Japanese real estate speculator Tsurumaki Tomonori, who paid \$51.3 million for Picasso's *Wedding of Pierrette* in 1989? Huge sums have also come from Taiwan, Hong Kong and South Korea. It's Southeast Asia's turn. Indonesians and Malaysians have been the biggest bidders since Sotheby's (total 1995 auctions: \$1.67 billion) and Christie's (\$1.45 billion) started holding sales in Singapore in 1993. "Thailand and the Philippines are also potentially big markets," says Walter Cheah, Sotheby's Kuala Lumpur representative. The top prize for both auctioneers, though, is China. Sotheby's and Christie's opened offices there in 1994, but they are allowed only to exhibit, not to sell. It was state-owned Beijing Hanhai that auctioned off a Sung Dynasty painting last year for \$2.5 million.

At the moment, the two international auctioneers -- they account for virtually all the world's auction sales between them -- find it easier to pitch collectibles in ASEAN. Japan remains the largest buyer, says Philip Ng, managing director of Christie's Asia in Singapore. "But Southeast Asia's art market is growing in excess of 25% a year." He had the pleasure of seeing *The Deer Hunt* go for more than three times the floor price of \$567,000 in March. At the same auction, *The Marketplace* by Filipino painter Fernando Amorsolo, who died in 1972, was expected to sell for up to \$21,000. A buyer from Taiwan got it for \$174,000, outbidding Filipino and Malaysian collectors. And *Market Under a Waringin Tree* by Indonesia's Hendra Gunawan (1918-1983) went to a Filipino bidder for \$36,700, double the reserve price.

Christie's also auctioned jewelry, watches, stamps and ceramics. Brooches, necklaces and rings were among the hottest sellers. "Jewelry, including jadeite, is probably the most popular item across Southeast Asia," says Ng. In Hong Kong last year, a Southeast Asian collector paid \$572,000 for a jadeite cabochon (convex cut) ring. A Malaysian bought a 19th-century diamond necklace for \$211,500 at the same sale. ASEAN collectors are again expected to be major

buyers this year, when Christie's and Sotheby's hold auctions simultaneously in late April. Among the star sparklers: an emerald-green jadeite bangle that Christie's values at up to \$1.3 million and a pair of jadeite-and-diamond earrings Sotheby's estimates to cost as much as \$259,000.

The coming sales are keeping Zahiah and Martina busy. "I'm a one-woman show at the moment," says Zahiah, who will also be handling telephone and faxed bids from Kuala Lumpur for an April 16 Christie's jewelry auction in New York. "But I can't choose just a particular segment of the business. I've got to be knowledgeable about stamps, bank notes, coins and paintings." The princess, a widow with two grown-up sons (her pilot husband died in a plane crash 16 years ago), is no stranger to auctions. Her mother collected antique furniture; her father old cars. "I had scores of relatives with fine European and Asian pieces in their homes," says Zahiah. "And my work with Christie's is related to my job as an interior designer."

Martina of Sotheby's also knows a lot about treasures. Her dad, who collects Indonesian art, took her to her first auction in Paris ten years ago. She was enchanted. Last year, Martina bought a brooch once owned by Josephine, Napoleon Bonaparte's empress. "It's just a tiny thing, a simple brooch with her picture on it," she says. "Not that expensive." But the piece is one of her favorite possessions. An MBA and master's degree holder in psychology from Pepperdine University in Los Angeles, she approaches her Sotheby's job with the same simple pleasure. "You meet different people, see beautiful things and help collectors," says Martina, owner of the Indonesian franchise for the Planet Hollywood restaurant.

For both women, part of the job is to source Southeast Asian artifacts. Martina is looking at some of Indonesia's cash-strapped royal houses, which may be persuaded to sell their heirlooms. The items should be a hit with Indonesians and foreigners like rock star Mick Jagger, who has incorporated antique Balinese statuary in his "mystic" island hideaway in the U.S. Non-aristocrats may also have valuable objects, though not everyone can expect a windfall. Three years ago, Sotheby's invited Malaysians to bring their antiques to a Kuala Lumpur hotel. Some 900 items were submitted, but only a Chinese landscape and a vase were deemed to have real value. One man brought what he said was old Chinese headgear -- but was told it was a worthless cooking pot.

Named Sotheby's rep in Malaysia in 1994, Cheah says valuable finds can still be unearthed. "I've been collecting Chinese furniture since 1978," he says. "Then came [tribal] Martaban jars, Chinese excavated wares and tribal rugs." A graphic designer and son-in-law of the late former finance minister Tun Tan Siew Sin, he is an expert on antique Nonya ceramics, the colorful Chinese ware from Malacca state. What should would-be sellers do? "Send photographs of the items to any Sotheby's office, which will then consult relevant experts on their value, and whether or not they are suitable for auction," Cheah advises. But he warns: "Sometimes, the consignor may shell out more than what he gets. And he still pays a fee even if the item is not sold."

China is one country where finding antiques is not a problem. In fact, there may be too many -- a small cottage industry turns out everything from fake Ming vases to terra-cotta warriors to dinosaur eggs. But for Sotheby's and Christie's, the bigger headache is the fact that they cannot hold auctions in the mainland. They just organize exhibitions to help Chinese buyers bid in overseas sales. "There's a great tradition of collecting in China," says Julian Thompson, chairman of Sotheby's Asia. "Our preview exhibits attract enormous interest. Growing private and corporate wealth is making the art market flourish."

How strongly? In October, local auctioneer China Guardian, headed by former State Council bureaucrat Chan Dongsheng, sold a 1967 painting of Mao Zedong for more than \$728,000. The private buyer has not been identified -- China's new rich generally do not want everyone to know they can afford to throw money around. Other local houses have been seeing brisk sales too. Also last year, Sungari, a joint venture between the Chinese Interior Trade Ministry and business consultant Ting Lu, sold a set of Chinese calligraphy for \$100,000, far more than what it would

have fetched in New York. China's 12 or so big auction houses are estimated to have sold \$60 million worth of collectibles over the past two years.

The State Bureau of Cultural Relics recently tightened the rules. From this year, just three companies -- China Guardian, Beijing Hanhai and Sichuan Hanya -- are allowed to sell artifacts, which under Chinese law cannot be exported if they were made earlier than 1795. Sungari, for its part, can auction only antiques sourced overseas while two other firms can sell just Chinese painting and calligraphy. "The central government wants to control the antiques auction market and make sure profits are mainly used for the protection of cultural relics," says bureau official Li Ji. Beijing also prohibits the auction of excavated material and permits only bidding by state-owned bodies for major artifacts. In theory, all auction houses can sell and export more recent works such as the 1967 Mao painting, though customs officials can still refuse to issue a clearance.

But the rewards are so high that smuggling of artifacts continues despite crackdowns in both China and Hong Kong, where many antiques end up. Thompson of Sotheby's says the outflow is only temporary: "Look at Taiwan in the 1980s. The government there also had to restrict the export of antiques, but when the balance of trade shifted in Taiwan's favor, the items that illegally trickled out came back legally." China needs an international auction house like us, argues Sotheby's CEO Diana Brooks. "We have a large international network, which is especially important when the market is in a downturn. And we have the experience that local companies don't have." The firm is open to a venture with a Chinese partner.

And Southeast Asia? "There's so much money in this region," says Cheah. "People here are also growing in sophistication. The more you're exposed to art, the more you want to see better things." And bid for them. "But there's no guarantee that the pieces you buy will appreciate in value," warns Sotheby's man in Malaysia. "You should buy only if you like the item. If you want an investment, then you must go for nothing but the best. If its Chinese ceramics, collect only the top imperial pieces. Rare items should be good investments too." Above all, don't forget Rule No. 1: buy only from reputable dealers. Not to worry. As Sotheby's and Christie's battle it out in Asia, expect to see more princesses, business royalty and art experts come calling.

--Reported by Steven Poh / Kuala Lumpur, Keith Loveard / Jakarta and Susan Berfield / Hong Kong