

FREE FAIR GU

ARCO

A “buyer’s market” as galleries adjust expectations, or just pray

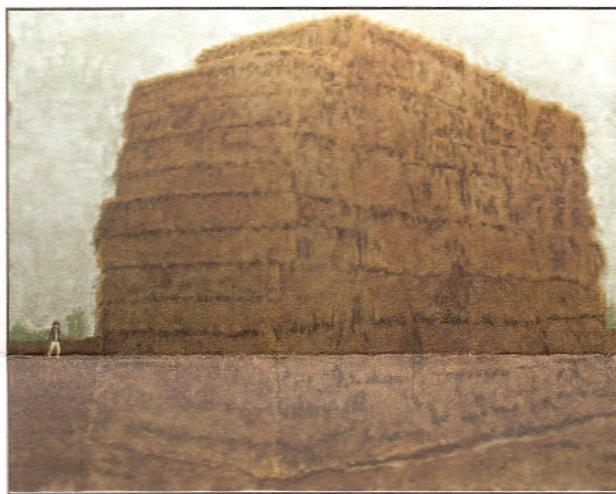
Dealers address the new financial realities in a big test for the Spanish art market

MADRID. Galleries have lowered their expectations, and possibly their prices, in the run-up to this week’s ARCO fair in Madrid—the first major test of the Spanish contemporary art market since the global financial crisis dragged the international art market down in its wake in the final quarter of 2008.

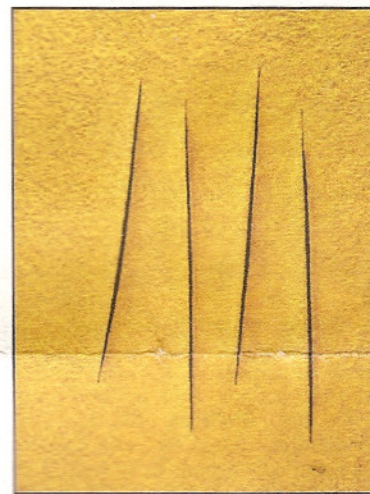
International dealers have been the first to feel the pinch, suffering in parallel with falls in prices and sales volumes of up to 50% at recent auctions in New York and London, while emerging art markets such as China have also suffered. But Spanish galleries are hoping that the domestic art market is less exposed to collapsing financial markets, whether through buyers who work in the financial services industry or investors who have speculated on art, creating the recent “art bubble”.

Madrid gallery-owner Alvaro Alcazar told *The Art Newspaper*: “I believe that the art sector will be one of the least affected by the crisis; people are going to continue buying art. They’ll buy less, but they’ll buy. It’s not like other sectors such as construction or auto sales.” But he conceded: “We’ll sell less than last year.”

Many galleries are taking practical measures to adapt to the conditions, spending less on advertising and outsourcing in order to lower overheads with-



Ena Swansea, *21st Century Haystack 2*, 2008 (left), and Vik Muniz, *Spatial Concept, Attese, After Lucio Fontana*, 2008, are both on show at ARCO with Arndt and Partner of Berlin



€500, while Moscow’s GMG gallery will keep most prices under the €10,000 mark.

“We’re doing what all the galleries are doing, I suppose,” said Fernando Cordero, owner of La Caja Negra. “We’re offering the maximum quality of work that is most interesting. And beyond that, we’re praying.” GMG’s Maria Gadas agreed: “We’ve decided to show inexpensive pieces. People don’t want to spend money on art.”

Others see the financial downturn as an opportunity: for galleries to invest in artists and make new contacts, and for col-

lectors to buy without pressure.

Mathias Arndt of Berlin gallery Arndt and Partner said: “It is a buyer’s market now, with great opportunities for the real collectors, as well as for museums and institutional collections, who can act on the market without

being bullied away by some of the new money.” José María de Francisco, fair director for Galería Estiarte, said: “We’ve reinforced representation of our artists and have reserved even more space. Others might be doing the opposite, but it seemed to us that we should bet big on this fair. Collectors understand that this is a moment when they’re going to get the best work at the best possible price.”

Mr de Francisco also felt that collectors would buy more conservatively in the new market, moving away from international art. Others would buy work that analysed society.

A number of well-known international galleries which participated in ARCO in 2008 decided not to return this year, including Yvon Lambert of Paris and New York, and Lisson, Wilkinson, Thomas Dane and Albion from London. Michael Hue-Williams of Albion gallery explained that he had made his decision “not because ARCO is not an impressive fair, which it is, but because we thought it was very largely a domestic market. It just didn’t seem to me that the market in Madrid would support

the very international roster of artists that we represent.”

This view is not shared by Adrian Sutton of Haunch of Venison in London. “In my mind it is a great art fair, and we meet clients here in Madrid that we do not meet elsewhere. Naturally, business expectations will be lower than previous years, but we are committed to ARCO for the long term.”

Some dealers—and collectors—will take heart from the idea that the day of the “four-million-dollar work”, as one put it, is past. “I think the crisis will purify things. Some artists will disappear, others will become stronger,” added Alvaro Alcazar.

All told ARCO will host 240 galleries from 17 countries, down from 295 in 2008, but the organisers are still expecting about 190,000 visitors—a figure that puts it among the world’s top five art fairs, according to the Artprice website. Spanish institutions and foundations led by Madrid’s Reina Sofia museum purchased more than 150 works totalling more than €3.2m at the fair last year, and organisers are expecting similar institutional support this year.

Matt Elmore

“Others might be doing the opposite, but it seemed to us we should bet big on this fair” —José María de Francisco

out compromising on the quality of art. And while they do not like to admit to lowering prices, several said they would offer more works of art in the lower price range at ARCO this year. La Caja Negra of Madrid will show work costing as little as

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