

from their prestige (a fate that has befallen Britain's Charles Saatchi). As it happens, those who buy for the sake of the art rather than for profit or to impress their peers are often the most influential. Dakis Joannou, an acclaimed connoisseur with his own museum in Athens, explains that "I am not interested in power but engagement. I like to put the work in dialogue with other art, to give it the opportunity to speak, to see whether it can stand on its own feet."

Repeated display in different contexts tests the work as well as building an audience for it. Within a given museum, project spaces, group shows and solo retrospectives offer different platforms. And not all museums are equal. The Museum of Modern Art in New York used to be the most important judge, but now institutions such as Tate Modern and the Centre Pompidou have the muscle to ratify artists. Even so, the authority of the institution is no guarantee of success; a poorly received exhibition in a renowned museum can be worse than no show at all.

Since Andy Warhol, media exposure has been increasingly important and a handful of artists are celebrities of sorts. An artist's work needs to accumulate a body of interpretation and, better still, a series of narratives about the creation of the work that brings it to life. Artists' personalities are important to the marketability of their oeuvre. To that end, scathing reviews can be just as useful as good ones. They suggest the work has touched a nerve, violating good taste or established norms.

You get what you pay for. Auction-house specialists suggest that there is a strong correlation between quality and price. As Amy Cappellazzo, deputy chairman of Christie's in America, puts it, "a high price can result from two people feeling emotional about an object in a way that defies the natural market. However, the best is worth more, by a large margin, than just a nice example. The auction process roots out quality and rewards it."

But a high price at auction can be fol-

lowed by a backlash if enough people feel that the artist does not deserve it. During the boom Anselm Reyle, a German artist who makes large series of decorative abstractions, was doing well at auction for a while, but his museum exposure was limited and it was widely felt that his prices had become unduly inflated. They have since come down dramatically.

Ideally, the market follows other mechanisms of validation. "When the prices go sky-high, artists' careers can become unhinged and it can be psychologically difficult for them," says Victoria Miro, a London dealer. "Auction houses have enormous short-term influence but it is a bad sign if careers are managed there."

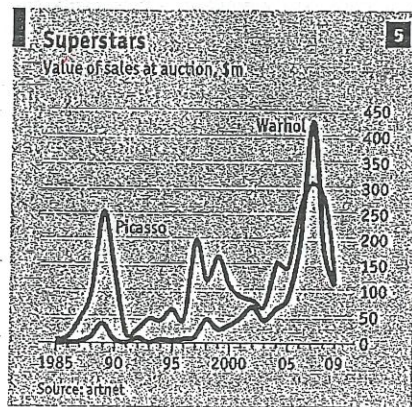
Validation is closely linked to the perceived integrity of artists and the lasting truths evoked by their work. It is a complicated process in which the art world's many different constituencies—artists, dealers, curators, critics and collectors—all play a part. Unless they all believe in it, the work will not stand the test of time. ■

The Pop master's highs and lows

Andy Warhol is the bellwether

"EIGHT ELVISES" is a 12-foot painting that has all the virtues of a great Andy Warhol: fame, repetition and the threat of death. The canvas is also awash with the artist's favourite colour, silver, and dates from a vintage Warhol year, 1963. It did not leave the home of Annibale Berlingieri, a Roman collector, for 40 years, but in autumn 2008 it sold for over \$100m in a deal brokered by Philippe Ségalot, the French art consultant. That sale was a world record for Warhol and a benchmark that only four other artists—Pablo Picasso, Jackson Pollock, Willem De Kooning and Gustav Klimt—have ever achieved.

Warhol's oeuvre is huge. It consists of about 10,000 artworks made between 1961, when the artist gave up graphic design, and 1987, when he died suddenly at the age of 58. Most of these are silk-screen paintings portraying anything from Campbell's soup cans to Jackie Kennedy and Mao Zedong, drag queens and commissioning collectors. Warhol also created "disaster paintings" from newspaper clippings, as well as abstract works such as shadows and oxidations. The paintings come in series of various sizes. There are

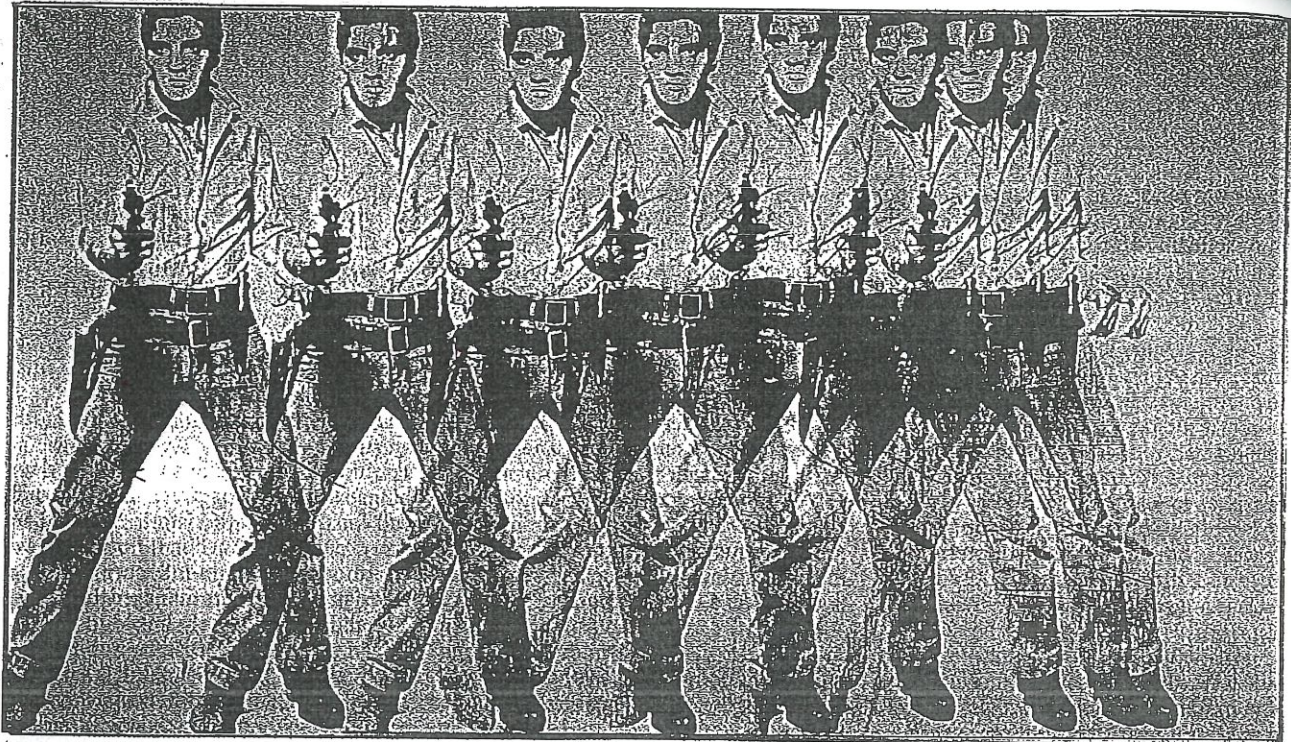


only 20 "Most Wanted Men" canvases, for example, but about 900 "Flower" paintings. Warhol also made sculpture and 35 experimental films, which contribute greatly to his legacy as an innovator.

The Warhol market is considered the bellwether of post-war and contemporary art for many reasons, including its size and range, its emblematic transactions and the artist's reputation as a trendsetter. Since 2002 Warhol has consistently been one of

the three most traded artists. In 2007, at the height of the boom, auction sales of his work added up to \$428m, the highest turnover of any artist. In the past two years the figures have dropped steeply and the prolific Picasso has returned to the top spot (see chart 5), but nobody seems too worried. Alberto Mugarri, whose family owns some 800 Warhol works, notes that "two years ago we were selling ten Warhols a month, now we're selling two a month, but we're selling them for the same price. Either we get our price or we don't sell the painting." The market appears to agree that prices for the best Warhols are recession-proof. Earlier this month a 1962 work, "200 One Dollar Bills", sold for \$43.8m, the second-highest price for a Warhol at auction.

"Warhol really consists of two markets," explains Brett Gorvy, co-head of Christie's contemporary-art department. "One market chases ultra-rare, art-historically relevant paintings from the 1960s. The other is a perfect volume market where 24-inch Flowers and single Jackies trade like any other commodity." Behind Warhol's fine-art market lies an active trade in limited-edition prints and, beyond that, a range ▶



\$100m-worth of Elvises

of consumer goods that are licensed to use Warhol images. The cover of Madonna's new album of greatest hits features a close-up of the pop star as Warhol's Marilyn Monroe. "One reason why the Warhol market is so vibrant—even if it has receded in this economy—is that there is something incredibly cool about Andy," says Larry Gagosian, a dealer who is active in the Warhol market. "He feels like a living artist. He is incredibly present in our culture."

Warhol's importance as a symbol is immense. He is not just famous; he has been a dominant influence on many of the most successful artists today, including Jeff Koons (see box, next page), Damien Hirst, Takashi Murakami and Richard Prince. He redefined the role of the artist as a "creative director"—more of an architect than a craftsman—who is acutely aware of the media resonance of his art. "In future Warhol will be much more important than Picasso," says Gerard Faggionato, a London dealer, "because he is more relevant to the younger generation."

Enigma variations

During Warhol's lifetime and for a good while after his death, the art world could not decide whether the artist was superficial or deep, subversive or conservative, boring or provocative. The lack of consensus contributed to his current market dominance by keeping his ideas in the air.

Warhol's tendency to make more work than his collectors could possibly buy flew in the face of art-world etiquette. But Bruno Bischofberger, a Swiss dealer, notes that

"Picasso and Mozart were incredibly prolific. If the production is good, it doesn't matter. It damages the market but not the art. It's irrelevant to the work itself." Vincent Fremont, an art adviser who worked for Warhol from 1969 until his death, says that "Andy liked quantity. Ten was usually better than one." Indeed, Warhol was such a shopaholic that when Sotheby's auctioned the contents of his home it took ten days to sell the 10,000 objects.

Warhol's death coincided with a boom in the art market, and his work did well at auctions in 1988 and 1989. However, with the bust in 1990 sales dropped dramatically, and by May 1993 the Warhol market was pronounced all but dead when 16 paintings came up for auction and only two found buyers. Yet in 1996 Warhol's status was propelled upwards by a single sale that harked back to his first solo show. In 1962 Irving Blum, a Los Angeles dealer, had exhibited 32 hand-painted canvases depicting tins of soup, then acquired the entire series for \$1,000, paying Warhol in ten monthly instalments. Blum held on to the paintings until 1996 when he sold "32 Campbell's Soup Cans" to the Museum of Modern Art in New York for \$15m. In addition to setting a new benchmark price, the sale signalled Warhol's canonisation.

In an oeuvre so vast, what makes one Warhol more valuable than others? Rarity and aesthetic issues such as the quality of the screen, clarity of the figure, intensity of the colour and size of the picture are important, but the deciding factor is subject matter. And the subject most consistently

in demand is Marilyn Monroe.

Warhol made his first Marilyn paintings in August 1962, shortly after the actress committed suicide. He started with a series of small solo Marylins known as the "flavours" and graduated to larger, multiple ones. When a selection of the paintings was exhibited that year, they were pronounced "beautiful, vulgar, heart-breaking" evocations of the "myths of our time". Two years later Warhol made five more solo Marylins in a larger size, which are now among the most coveted in the Warhol oeuvre. They are exquisitely rendered and gained extra allure when an unstable member of Warhol's entourage fired a gun at the forehead of "Blue Marilyn," puncturing the "Red Marilyn" stacked behind it. The damage became the stuff of legend.

Those two paintings are now owned by the two men with the best Warhol collections in private hands. Peter Brant, a Connecticut newsprint magnate, bought the blue version in 1967 for \$5,000. "A Cadillac cost \$3,500. It was a lot of money back then," he says. Philippe Niarchos, a Paris-based shipping heir, bought "Red" at Christie's in 1994 for \$3.6m, a bargain compared with the \$4.1m which it sold for during the 1980s boom. The three other Marylins in this 1964 series are owned by Samuel I. Newhouse, Doris Ammann and Steven Cohen (who bought his for \$80m in 2007).

Many connoisseurs think that Warhol's death-and-disaster paintings, which appropriated newspaper images of car crashes, race riots and electric chairs, are the most significant part of his oeuvre. Their

(piled volume)
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Inflatable investments

PROMISE The volatile art of Jeff Koons

JEFF KOONS is one of the greatest sculptors of all time, say contemporary-art-market insiders, undeterred by the volatility of his prices. In November 2007 Mr Koons's "Hanging Heart (Magenta/Gold)" sold at Sotheby's for \$23.6m, the highest price ever paid for a work by a living artist at the time. Eighteen months later, another "Hanging Heart"—this one violet-traded privately for only \$1m.

Away from the auction rooms prices had got even more inflated: in the spring of 2008 a collector offered over \$80m for the artist's iconic stainless-steel "Rabbit" just before the work sold as part of a package deal worth more than \$400m from the estate of Ileana Sonnabend, a leading New York dealer who died in 2007. It is unlikely that a Koons will achieve that sort of price again soon. Of four works auctioned at Christie's and Sotheby's in New York earlier this month, only two sold well and one failed to sell.

Mr Koons borrows imagery from popular culture but gives it a twist. Collectors love his perfectionism, scrupulous editing, durable materials and relatively small output. They also enjoy meeting the artist, an otherworldly character who is at ease talking about his work in a black Gucci suit. Even better, much of Mr Koons's art is about joy and sex. "It's not a critique but an acceptance of our own cultural history," he explains. "I guess the people who are involved with my work feel physically and intellectually engaged."

Since his first solo show of "Inflatables" in 1980, Mr Koons has made at least 17 series, including "Equilibrium" (1985), best known for its sculptures of basket-

balls floating in tanks; "Luxury and Degradation" (1986), whose star work is the stainless-steel "Jim Beam J.B. Turner Train"; and "Banality" (1988), an ultra-kitsch grouping that includes a porcelain depiction of Michael Jackson and his monkey, Bubbles. After that, Mr Koons's art took a more overtly sexual turn with "Made in Heaven"—a series of works inspired by pornography and depicting Mr Koons in action with his then wife, an Italian porn star nicknamed La Cicciolina. The series added weight to Mr Koons's reputation as a risk-taker. "It was a way of participating in 'American media,'" explains Mr Koons.

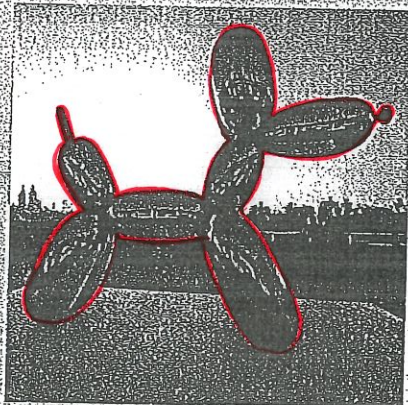
The most celebrated series is aptly called "Celebration". These large-scale sculptures and paintings of balloon dogs, Valentine hearts and Easter eggs were conceived in 1994, but some are still being fabricated. Each of the 19 different sculptures in the series comes in five differently

coloured "unique versions". The most coveted have luminous, reflective surfaces. "The 'Celebration' series made Koons the number one contemporary artist and pulled up the value of the rest of his work," says Cheyenne Westphal, chairman of contemporary art at Sotheby's Europe.

Mr Koons's paintings are less popular than his sculptures, not least because they tend to illustrate the three-dimensional works or underpin their themes. However, a new, as yet unnamed series of semi-abstract paintings inspired by Gustave Courbet's "L'Origine du Monde" may be the first two-dimensional Koons pieces to stand unquestionably on their own.

Mr Koons has a complicated history with dealers such as Sonnabend Gallery, Max Hetzler in Berlin and Jérôme de Noirmont in Paris. The exclusive right to the primary sale of the "Celebration" series is held by Gagosian Gallery, his dominant dealer. The artist is widely collected in America and Europe, where some aficionados acquire his work in depth. For example, Eli Broad, a Los Angeles property developer, has 24 pieces, and Dakis Joannou, a Greek-Cypriot construction tycoon, owns some 38 works from all stages of the artist's career.

Elsewhere in the world the devotion is more selective. "Most of the dozen or so collectors we have in Russia own an easy, sexy work from the 'Celebration' or 'Pop-eye' series," says Maria Baibakova, a young Moscow collector-curator. "The more rigorous Koons sculptures, such as the basketballs and vacuum cleaners, are not in demand here—yet."



harsh imagery counteracts the artist's reputation as a star-struck commercial painter and distinguishes him from less ambitious Pop artists such as Roy Lichtenstein and Tom Wesselmann. In the late 1960s and early 1970s they did not sell easily, but now the auction record for a Warhol, \$71.7m, is held by Mr Niarchos's "Green Car Crash," which depicts a burning car from which one of the passengers has been ejected and freakishly pinned to a lamp-post.

In 1968 Warhol was shot in the chest

and nearly died. For several years he produced very little art. When he returned to work, it was to paint one of the world's most famous men, China's Chairman Mao, with a "vigour and momentum previously unseen," claims Neil Printz, co-author of the artist's catalogue raisonné. The artist's first series of Maos did not sell easily. In the early 1970s few collectors wanted an oversized communist in their living room. However, with the rise of Asian art-buying Maos have been com-

manding higher prices, such as the \$17.4m paid at Christie's for a big blue one by Joseph Lau, the Hong Kong collector. In early 2008 a Chinese collector offered \$100m for a "Giant Mao", but the owner turned it down. There are some 200 Maos in a range of sizes, but only four giants. According to James Mayor, the British dealer who represents the owner, that sum would now be "seriously considered".

Warhol's international appeal is explained partly by the popular roots and >>

easy intelligibility of his visual style, but it also owes something to the efforts of Mr Bischofberger, the Zurich-based dealer who was the driving force behind the distribution of the artist's work for many years. Mr Bischofberger's knack for placing the work in collections across Europe makes the markets of other American artists look parochial. He was also instrumental in launching three of the best Warhol collections in private hands. The late Thomas Ammann worked for Mr Bischofberger before building up a stellar collection of Warhols for the Schmidheiny family's Daros Foundation. Mr Bischofberger also introduced Warhol's work to Mr Niarchos and Mr Brant, whom he had met as teenagers in St Moritz.

Mr Brant, one of the biggest Warhol collectors anywhere, started buying in 1967 and was a founding shareholder with Mr Bischofberger of Warhol's magazine, *Interview*. In May 1970 Mr Brant consigned "Soup Can with Peeling Label" to Sotheby's Parke-Bernet. The work sold for a record price of \$60,000 to Mr Bischofberger.

When asked how many Warhols he owns today, Mr Brant replies: "I swear to you, I have no idea. It's not about numbers but quality." He has been trading Warhols for over 40 years, but says that "you need new collectors for competitiveness and creative juices."

Nowadays the two dealers who drive the Warhol market are Mr Gagosian and Mr Mugarbi. Mr Gagosian started showing Warhol in the 1980s. "Andy was very straightforward in business. We'd have informal conversations over a tuna sandwich," he says. Mr Gagosian gave Warhol his last New York exhibition before his death and continues to present the artist's works systematically in carefully curated shows with scholarly catalogues.

In spring 2008 Mr Gagosian spent more than \$200m on an undisclosed number of Warhols (insiders suggest between 15 and 20) from the Sonnabend estate. He is said to have had the financial backing of Mr Cohen, the buyer of the \$80m "Marilyn", and a Russian oligarch rumoured to be Mikhail Fridman, owner of Alfa Bank. Mr Gagosian has since sold a few of the paintings—a 1965 Campbell's soup can at Art Basel in June and a car-crash painting to Richard Prince, an artist.

To buy, to sell and to keep

The biggest number of Warhols are traded by the Mugarbi family. "I don't know if Warhol is important. All I know is that I love him," says Mr Mugarbi père, José. During the downturn of the early 1990s he began buying up Warhols that he felt were undervalued, such as portraits of Jackie Kennedy, an important image in Warhol's

repertoire. Since then the Mugarbis have been constantly buying and selling and have accumulated some 800 works, including several masterpieces such as "Marilyn Monroe (Twenty Times)".

Mr Mugarbi and his two sons bid on Warhol at auction with such regularity that they are sometimes accused of manipulation. Art-market insiders, however, prefer the term "support". As Sandy Heller, a New York-based art consultant, explains, "people with inventory put their money where their mouth is. It's like dollar-averaging in equities. If you see a work going for less than your average cost and you truly believe in an artist, then you buy more." As Stefan Edlis, a Chicago collector, puts it, "I don't think you can manipulate such large markets, but you can have price leadership."

Warhol-market insiders are still not sure where "Eight Elvises," the \$100m-plus picture, now hangs. But despite the secrecy at the very top, volume alone probably makes the Warhol market more transparent than that of any other artist, living or dead. The vertical reach of the Warhol brand is so vast that it makes the span of the most successfully diffused fashion house, from eau de cologne to haute couture, seem positively squat by comparison. That seems appropriate for an artist who merged high and low like no other. ■

Treasures reclaimed

China is bringing home its works of art

A SMALL country auction house is not where people would normally go to sell a rare piece of Chinese art such as the handsome 18th-century beast known as the Pelham Water Buffalo. The animal had been carved from a single lump of spinach-green jade on the orders of the grandest of the Qing-dynasty emperors, Qianlong (who reigned from 1736 to 1795), and sits on a gilded stand bearing the four-character mark of Qianlong's reign. Lady Diana Miller had inherited the work from her father, Sackville Pelham, 5th Earl of Yarborough, an English aristocrat who bought it in 1938 from a well-known London dealer. The earl paid £300 for the piece, then a princely sum. To ensure its safety during the second world war, the buffalo was wrapped in newspaper, put into a wooden box marked "porcelain" and deposited in a

bank vault. There it lay for the next 65 years.

When Lady Diana at last opened up the box she sent the buffalo, still in its original newspaper wrapping, to Woolley & Wallis, a family auctioneer in Salisbury. The firm had previously sold some family silver for her and she trusted it. Most of all she liked the young specialist, John Axford, and his plan for marketing her Chinese heirloom. He told her he would exhibit it at Hazlitt Gooden & Fox, a London gallery close to Christie's, during the spring season of Asian auctions in London, and also mar-



ket it online to potential buyers in the Far East.

A look at the visitors' book for the Hazlitt showing proves that Mr Axford had the right instincts. Among the 100-odd people who came to see the buffalo were some of the biggest names in Asian art: Nicolas Chow, Sotheby's principal Chinese specialist, who is based in Hong Kong; Richard Littleton and Giuseppe Eskenazi, both leading dealers in Asian art, with nearly a century's experience between them; and Bruno Eberli, a Swiss-born foreign-exchange dealer who lives in

New York and is one of the keenest buyers of Chinese and Japanese treasures.

There was standing room only at the sale in May this year. So many buyers had registered to bid by telephone that the auction house ran out of phone lines and Mr Axford had to field one bidder on his personal mobile. The catalogue, which featured the buffalo on the cover, offered no estimate of the price it was expected to fetch; only a coy "refer department", which usually means the auctioneer has no idea what a piece might fetch but hopes that it will be a lot. Bidding would open at £150,000. Mr Axford thought it might reach £500,000.

In the event, Daniel Eskenazi, who had travelled down on behalf of his father, the London dealer, saw off a Hong Kong telephone bidder with his offer of £3.4m. The Eskenazis' client was Mr Eberli, who still holds the record for the price paid at auction for an Asian work of art: just over £15.6m for a rare 14th-century blue-and-white porcelain jar bought at Christie's in London four years earlier.

The big surprise that May day was not so much that a provincial British auction house had beaten the previous record for a sale outside London by a huge margin, but that the bidders from Hong Kong, Taiwan and mainland China—who are now the principal buyers of Chinese treasures—had been outdone by a Westerner. It may not happen again.

Reversing the flow

Collecting Chinese fine art and ceramics was all the rage in the West in the second half of the 19th and the early 20th century. Heavy buying by treasure-hunters, as well as looting of imperial works by the Germans, Dutch, French and British, brought huge quantities of Chinese fine art into Western collections. But in the past decade the number of European and American buyers has dwindled.

Mr Eberli is one of a handful still active at the very top of the market, along with Edward Johnson III, whose father founded Fidelity Investments, and the two elderly Zuellig brothers (one of whom died recently), whose Meiyintang collection in Switzerland is probably the finest Chinese collection in private hands. "When the right piece comes along, they are still ready to fight the fight," says Mr Chow. But most Westerners with an interest in Chinese art and ceramics today tend to be sellers rather than buyers.

From 1949, when the Communist Party defeated the Nationalists, and especially

during the Cultural Revolution, from 1966, owning, inheriting or exchanging pre-communist works of art was banned in China. Thanks to shifts in policy that started under Deng Xiaoping and continued after him, the Chinese are now catching up in a big way, following on from the Japanese buyers who dominated the market in the 1970s and the Taiwanese and Hong Kong collectors who started buying seriously in the 1990s.

The mainland Chinese are beginning to dominate the salerooms. Prevented for so long from celebrating the achievements of their forebears, they have a thirst for their own history, and especially for anything that connects modern China with the glories of its imperial past. The newly wealthy—such as Xu Qiming, China's biggest exporter of eels from the port city of Ningbo; Lu Hanzhen, an industrialist from Zhejiang province who became rich by selling motorcycles and nylon fabric for car tyres; or indeed any businessman or civil servant who benefited from the recent flurry of privatisations—can afford to pay, and pay they will.

Nor are these buyers to be found only in the old political and commercial strongholds of Beijing and Shanghai. There are probably seven Chinese cities with populations of more than 5m, and demand for fine art is as strong in Guangdong, adjacent to Hong Kong, as it is in Sichuan in the west or in more far-flung areas. "It's what I call 'natural repatriation'," says Patti Wong, who as chairman of Sotheby's Asia has been watching the Chinese buying wave grow for a decade, "and it is happening everywhere."

Having made their money quickly, Chinese buyers are in a hurry to build their collections fast and are willing to pay a premium to achieve that. "Arriving at the buffet party a little too late," says Mr Chow,

"they are more aggressive than Europeans or Americans." Even though economic growth in China this year may be only 8%, after 9% last year, it is still far higher than in most of the rest of the world. China may be one of the few places where the number of dollar billionaires has actually increased in the past year, from 101 to 130, according to the recently published Hurun Rich List.

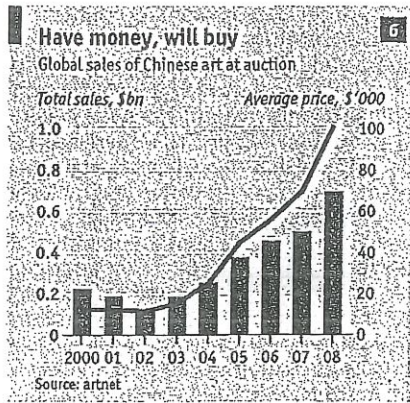
Deep pockets

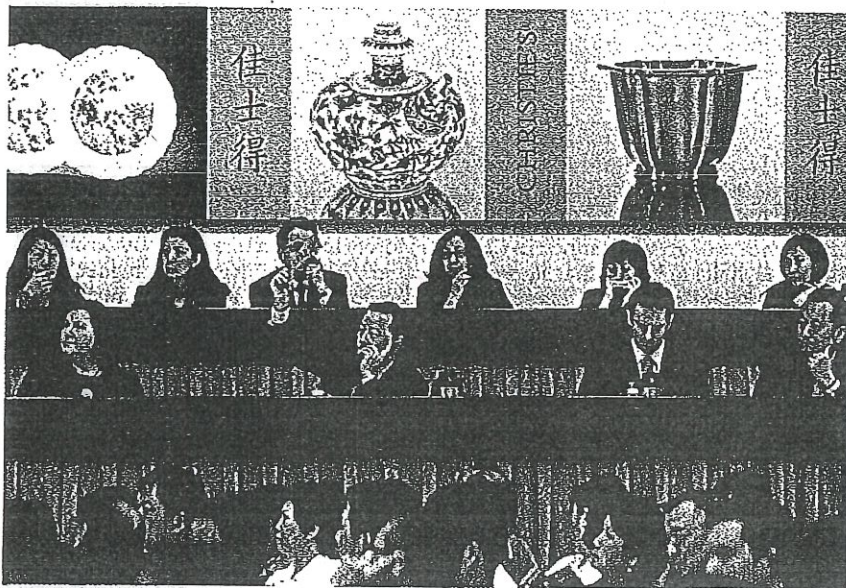
Dealers and auctioneers familiar with the Chinese market estimate that there are around 150 collectors in Hong Kong and Taiwan who spend at least \$1m a year each on Chinese works of art, and that their number is relatively stable. The mainland has another 150 or so buyers in that category, and the numbers there are growing rapidly. More Chinese treasures are now sold at auction in Hong Kong than in New York, London and Paris. Whereas back in 2004 Sotheby's did \$10m-worth of business with 70 clients from the mainland in its spring and autumn sales in Hong Kong, the figure for the same sales this year is seven times higher and its list of mainland Chinese buyers has grown to 195. Many more bid through established dealers in Hong Kong. "Mainland China has clearly become our main land," says Kevin Ching, chief executive of Sotheby's Asia.

In 1886 Paul Durand-Ruel, a Paris dealer, packed his bags with 300 Impressionist paintings—including piles of Renoirs, Pissarro and Sisleys—to take to America. He was closely followed by a Briton, Joseph (later Lord) Duveen, who could see, like Durand-Ruel, that "Europe had the art and America had the money."

Just as European Old Master and Impressionist paintings then began to move inexorably westwards across the Atlantic, now Chinese fine art and ceramics from America, Britain, France and the Netherlands are moving eastwards back to China. Not since the heyday of Duveen's and Durand-Ruel's exports to America has there been such vigorous redirecting of cultural artefacts from one part of the world to another as European and American collections are broken up and sold off to the newly wealthy Chinese. The traffic is almost all one way.

Mainland Chinese buyers made a dramatic first entrance in April 1999 when two previously unknown collectors, both entrepreneurs in their mid-30s from Chaozhou in Guangdong province, began to buy fine art and ceramics at auction, reviving the market after the Asian financial crisis two years earlier. They were guided by >>





The new home market

William Chak, a Hong Kong dealer who has since become a well-known television personality and is one of the leading figures in the Asian art market in Hong Kong. Others followed.

The Chinese buy for themselves, but they also like to present gifts to valued customers or even to the government, which sees repatriating national treasures as an important issue. The authorities have been quietly tightening up on the re-export of repatriated artworks. Chinese buyers used to be able to re-export their treasures for up to two years after they had bought them. That period of grace has now been reduced to six months.

The rat and the rabbit

The sensitivity of the subject was shown up in February this year when the collection built up by the late Yves St Laurent, a French fashion designer, and his partner Pierre Bergé was put up for sale. The auction included bronze heads of a rat and a rabbit, two pieces that had been looted from the imperial palace of Yuanmingyuan by French and British soldiers in the opium wars in 1860. The heads, part of a series of 12 figures which dominated a zodiac fountain in the palace garden, had not even been designed by a Chinese artist but by a Jesuit priest from Venice who lived in the imperial capital. All the same, their provenance and history made their sale controversial.

The government let it be known that it did not approve of a public sale of the precious bronze heads in the West and did not want its citizens to take part. Even so, both the winning bidder and several underbidders turned out to be Chinese. One, a London-based businessman, had been planning to present the bronzes to the Chinese government as a gift. The buyer, Cai Ming-

chao, who secured the two pieces for €31m (\$46m), turned out to be an adviser to a Chinese foundation which seeks to retrieve plundered treasures. He announced very publicly soon afterwards that he would not pay up. The heads were quietly returned to Mr Bergé. The government has since announced that it wants to catalogue all the pieces looted from Yuanmingyuan, which some believe is the first step in a campaign to reclaim them.

Mainland Chinese taste is influenced more by history and tradition than by aesthetics. For cultural reasons buyers tend to shun anything associated with the dead, so they keep away from tomb pottery and from the Tang horses that used to be rare and expensive but have flooded Western markets over the past 20 years. The Chinese are less interested in the early Song period that has been so alluring to Western collectors, instead favouring highly decorative blue-and-white Ming porcelain. Two lots of Ming ware in a recent sale at Doyle, a small New York auctioneer, were wildly bid up, one of them to over 180 times its high estimate.

Mainland Chinese also appreciate seals, lacquerware, antique rhinoceros horn, archaic bronzes, carved wooden furniture and jade, especially the white sort from Turkestan, carved by the craftsmen of Khotan for the Qing emperors. The imperial association is of crucial importance, especially any link with Qianlong and some of the other emperors of the Qing dynasty.

In Sotheby's sales of Chinese ceramics and fine art in Hong Kong last month 19 of the top 20 lots were bought by Asian collectors, mostly private buyers. American collectors were nowhere to be seen. Only one lot, an intricately carved red lacquer bowl, was secured by a European collector, an Austrian, after furious bidding that took

it up to HK\$2.7m (\$344,000), seven times the top estimate. A hoard of imperial ware, put together by a London dealer, Hugh Moss, and romantically named the Water, Pine and Stone Retreat Collection, proved a particular draw, with yellow jade and a blue-and-white moonflask all making record prices.

But the biggest battle was over a Qianlong-period throne made of precious zitan wood and carved with dragons, which was estimated to fetch HK\$20m-30m. After heart-stoppingly tense bidding it was bought by a Shanghai businessman, Liu Yiqian, who owns the Council of Arts House in Beijing. He paid just under HK\$86m, a world record for a piece of Chinese furniture.

Dealers, dealers everywhere

China's appetite for its own works of art, together with a national flair for commercial speculation, has helped expand the art market all over the country. On the mainland, auction houses were banned until 1992. Ms McAndrew of Arts Economics, who made a particular study of the art business in China last year, estimates that the country now has 50,000 art dealers and more than 2,000 auction houses. The biggest of these are Poly International, a subsidiary of the Chinese army, and China Guardian Auctions, founded by Yannan Wang, the daughter of a former Chinese leader, Zhao Ziyang, who died under house arrest about five years ago.

Foreigners are still forbidden to own auction houses in China, but the Chinese are eager to learn from them. Since 2005 Christie's, the region's leading auctioneer, has had a licensing agreement with Forever International Auction Company in Beijing, which uses the British name and benefits from increased transparency and consumer protection, as well as international standards in training and accounting. Neither of the Western auction giants is yet a household name in the country. Art-market observers speculate that the Chinese might one day acquire a leading Western auctioneer, but that could be some way off.

Still, plenty of other things are happening. Last June, for example, 50 fine-art dealers, a quarter of them from the West, exhibited at the first serious antiques fair in China, in Taiyuan in Shanxi province. It adopted many of the rules of other international fairs, with a vetting committee made up of Western and Chinese experts with the power to order the removal of items believed to be misattributed or fake. ▶▶

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