



Post-event Report

Creating Markets: Opportunities, Challenges and the Mainstream

Wednesday 27th September 2017, One Farrer Hotel & Spa, Singapore

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Notably quoting the 2017 TEFAF Global Art Market Report, which evaluated the overall art market as being worth \$45 billion, the amount accounted to an obvious set of trends in global art sales and international buying power; the thirst for data and guidance; and the array of commercial exhibitions which fight for new buyers.

Having said that, the Second Annual Art World Forum Singapore edition sought to address slightly different aspects. Overall, it picked on rerouted marketplace opportunities, structures of sustainability and alternative ways of thinking, all of which are coupled with opportunities and challenges. The latter approached the creation of new markets in the context of local, regional and international agendas.

The full-day programme titled *"Creating Markets: Opportunities and the Mainstream"*, on Wednesday 27th September at One Farrer Hotel and Spa, welcomed an estimated 150 international delegates. Proudly sponsored by AXA Art, for hosting an indulging pre-event drinks reception and welcoming Victor Chan, Director of AXA Art Singapore as a reputable welcome address, additional special thanks were given to our distinguished partners, ArtRunners and Fine Art Logistics Natural Le Coultre; our corporate sponsors Stephenson Harwood and European Chamber of Commerce, Singapore; our cultural exchange partners, media partners and patron of the arts.

The day welcomed art and thought leaders from the region – Singapore, Indonesia and Philippines; greater Asia – Hong Kong and China; Europe – Italy, Greece, Switzerland and the UK; and Australia.

To start the day, Dr Richard Helfer, Chairman of One Farrer Hotel and Spa, and a visionary



of creative involvement, shared an introductory opening of the hotel's impressive collection, consisting of over 700 works, 90% of which were specifically commissioned from an estimated 70 artists from developing countries, 60% of which were Singaporean.

With reference to our theme and slogan, *'Bridging Art and Business'*, the discussion adopted a rather artistic tone from our keynote speaker, Milenko Prvački, Senior Fellow & Office of the President, LASALLE College of the Arts *"Ideas don't fall from the sky. In the process of creating, 40% of art-making is what I don't know. It is where I can fail, or be challenged."*

But despite of the charismatic uncertainty, the interesting dynamic was Prvački's closing note *"I am an artist, I don't know business"*.

With a historical lack of understanding and involvement of artists in transactional and logistical aspects of the industry, (and vice versa – art business professionals not necessarily acknowledging the creative process) the first panel picked on facts and figures.

Debating whether art may be identified as an asset class, with an estimated 17% of financial involvement from HNW individuals, *"serious investors are seen buying mid-career artists in the long term, estimating 20-30 years for a growth in value. Buyers of blue-chip or emerging artists are simply investing for pleasure at relatively low investment price ranges"* stated Jezamine Fewins, Partner at Stephenson Harwood LLP.

To complement the dynamic, and avoid the asset class definition, Mark Farrell, Head Trustee at BOS Trustee Limited, referred to an alternative perspective which derives from long term collecting habits – setting up a trust.

With a clear indication of interest in Asia, several trends were outlined - the ongoing purchasing power in Chinese Contemporary Art, having accounted for an estimated 1% of spending in 2000 which grew to 35% (a value of approximately USD \$1 billion) in 2015; A growing interest in Southeast Asian collectors in establishing trusts in Singapore, with an average of USD \$10 million worth of assets; Singaporean collectors are typically more conservative and buy from Hong Kong auctions; Art as an asset class offers several attractive benefits including leasing fees and free from political or religious regimes; The questions to follow relate to legacy, protection, passion and due diligence

To refer to the latter, protection comes at a cost. Quoting the Mona Lisa as the highest insurance value in history (assessed at USD \$100 million in 1962 vs USD \$800 million today), the question lies in *'How much are you willing to sacrifice?'*

Kola Luu, Director of Partnership Development at the National Gallery Singapore, and Anne-Marie Clavelli, Head of Development and Strategy, The Community Foundation of Singapore (CFS) shared similar concerns with the extensive expenses of the institutional involvement in the arts.

Financially providing some insight, Clavelli introduced Singapore's rise in government funding, from SGD \$265.5 million in 2008 to SGD \$516.3 million, therefore accounting for 80 – 85%



of the annual arts funding pool. The remaining 15-20% is justified in the context of private donations, averaging SGD \$50- 70 million a year (with the exception of SG50 which saw a peak of SGD \$152.6 million).

Welcoming the National Arts Council (NAC) as a distinguished guest, Charlotte Koh, Deputy Director, asked for sustainability tips following their 58% drop in art donations following the impressive rates during Singapore's jubilee year (crediting a 300% tax deduction). The key lies both in the correlation to market performance, as stated by Luu, but also an implied *"alignment in personal and professional objective. At CFS 70-80% of our donations are made by individuals and the remaining 20% by corporations"* explained Clavelli.

With a constant reminder of public outreach and a need for more familiar engagement, technology definitely lends a helping hand. Introducing museum applications, the Instagram aesthetic, social outreach and virtual reality, the natural question lay in *'How does technology affect how we value art?'*

Expressing curatorial, managerial, and an art fair point of view, the day ended with insight into the arts ecosystem overall.

Starting with the basics, artists are located at the start of the chain. Historically known for not leading the most financially stable lifestyles, the conversation boiled down to luck and measurement of success.

"Success is to experience your own potency and self-expectation. If you can experience yourself surprising yourself – that is the true meaning of success", stated emerging Singaporean artist Ruben Pang.

As a local voicing concerns for the growing number of practitioners, Pang continued to address the government-led grant system *"the NAC hands out smaller financial loads, but should you want a greater amount, it is available once a year to only one artist. One artist is not even 1% when there is an annual listing of 600 graduates from art schools. The unfortunate side is that it creates competition for higher grants."*

The day concluded with a parting note on sustainability, a need for greater community engagement in schools and institutions, and a clearer outline for creative, private and corporate involvement.

As a closing note, the art market is rather vague and abstract until we define it. It is coupled with a range of questions including *'What do people want? What's selling? How is it sustainable? What is the next step forward?'* At the end of the day it is a market, liaising with its industry leaders and to finalise on a rather sarcastic note made by Prvački, *"Im glad to know there's so much money involved."*