

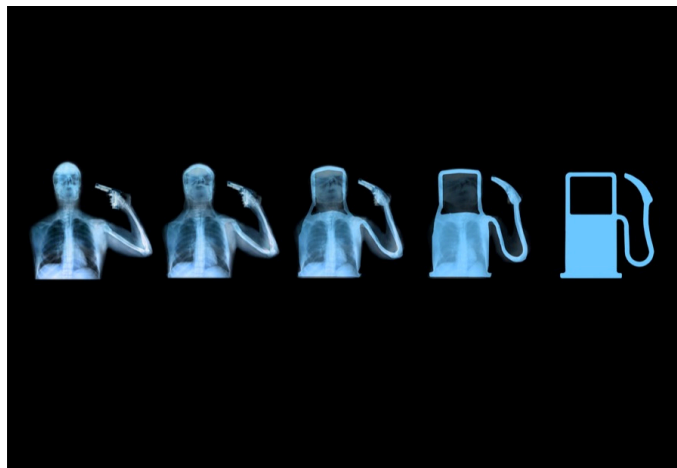
Ayad, Myrna. "Oil Price Spiral Causes Jitters But No Dip in the Gulf's Growing Art Market." *Artsy*. (February 17, 2016).



Oil Price Spiral Causes Jitters But No Dip in the Gulf's Growing Art Market

ARTSY EDITORIAL
BY MYRNA AYAD
FEB 17TH, 2016 3:42 PM

Colonel Sanders might have chuckled when images of his \$28.75 bucket of finger lickin' good fried chicken placed next to a \$27.51 barrel of crude oil went viral last month. Not so businesspeople in the Gulf region, however, among whom art market players could be counted. These are critical times for the economies in the Middle East and North Africa, which are dependent on oil export, with prices the lowest they've been in 15 years. And the drop in oil prices comes just as the Gulf's art market has truly begun to hit its stride. The question is, will economic woes cause it to trip?



Mohammed and Ahmed Mater's Evolution of Man (2010). Courtesy of Athr Art.

“As an art market, it’s the first time we go through an oil price decline and its accompanying economic challenges,” says Mohammed Hafiz of Jeddah’s Athr, one of Saudi’s most progressive art spaces. While some have been quick to note that this price level isn’t new to the region and its art market—in December 2001, the price of a barrel of oil stood at \$25.88—15 years ago, the art scene here was not half as robust and active as it is today.

In 2001, Art Dubai did not exist. Christie's had yet to start auctions in the emirate. And Jeddah hadn't conceived of the 21,39 annual cultural initiative. Both Art Dubai and 21,39 will take place in the coming weeks—as will a Christie's sale to celebrate its 250th anniversary worldwide and its 10th in the UAE. All will provide better indications of the regional art market's health—and which of its proverbial organs are destined for long life.

Many sources point to modern Arab art as the soundest acquisition to make at the moment—at least from an investment perspective. Christie's has a star-studded line-up of seminal modern Arab works set out for its sale to test the theory. Art Dubai celebrates a decade in operation and will, again, present the fruits of its ongoing exercise to feature greater curatorial control and qualitative standards over the wares of its participating galleries. Fair director Antonia Carver says they have already begun receiving inquiries about the works that Art Dubai's Modern section will present, owing to the fact that “many Middle Eastern and South Asian modern artists are such solid and sought-after investments.” Carver adds, “Collectors may trust such an acquisition more at this time,” one of economic instability.

Others, like Alexander Heller of Leila Heller Gallery, are advising collectors to stick to blue-chip works in these times of austerity. The New York-based gallery opened a Dubai outpost last November as part of a significant expansion of the Alserkal Avenue gallery district, which debuted in 2007. Perhaps the largest commercial gallery in the Middle East and North Africa, Heller's space opened with shows for Ghada Amer and Wim Delvoye (both firsts for the region).

At the time, the price of oil had been on a swift decline since June and stood at \$41.55. Fellow dealers who had been holding their breath about what the downturn might mean for their market, considered presenting works in Amer and Delvoye's price-range risky. And yet Heller sold nine works by Amer for between \$45,000–\$150,000, all to private collectors from Lebanon, India, the UAE, and Kuwait as well as one piece to a Gulf-based institution; works by Delvoye sold for between €90,000 and €320,000. “This says that the high-end market is healthy,” says Heller, who has just opened a show of Zaha Hadid designs with works priced from as low as \$6,000 to as high as \$350,000. (At the time of writing, the gallery had not sold pieces for more than €30,000.)



Shiva Ahmadi, Oil Barrel 23 and Oil Barrel 22 (2014). Courtesy of Leila Heller Gallery.

These are indeed cautious times, but “cautious” is a relative term. “Particularly choice works may prove to defy gravity on the top end,” says Ranya Husami Ghandour, a Dubai-based art consultant at Ruth/Catone. “The middle range, where there tends to be the most oversupply, is usually the first to crack under pressure. Additionally, artists with local name recognition but no real international currency (in terms of either international institutional support or private collectorship) will also suffer.”

Is it a buyer’s market? Omar Ghobash, UAE Ambassador in Russia and co-founder of Dubai’s The Third Line, believes so. “I will keep my eye open for pieces that are being sold at a discount by galleries suffering from weakening demand,” he says. “The important issue is for both galleries and artists to be as lean and innovative as possible to get through what is likely to be an extended rough patch.”

Hafiz, Heller, and Carver, however, do not believe that galleries should or will drop their prices, all citing the livelihoods and careers of artists. Perhaps there is room to maneuver in the secondary market. But, in Hafiz’s words: “We’re not going to go on sale like Harrods. That way, we’d kill our artists and their credibility and their work is then reduced to being handbags. We sell time, credibility, creativity and capability.”

Hafiz’s confidence is not without merit. While this is the Middle Eastern art market’s first major oil price challenge, its territories are familiar with weathering out turmoil. And, over the years, through various conflicts in different parts of the Middle East and North Africa, the art market has continued to thrive.