

ART SERIES WITH PHILIP HOFFMAN.¹ - IV

ISLAMIC ART AND THE MIDDLE EASTERN ART MARKET

Islamic Art consists of paintings, miniatures, ceramics, metalwork, woodwork, glass, jewellery and other decorative arts from the Islamic world. Historically, the geographical borders of Islam stretched from Southern Spain through to the Middle East, and to India, China and South East Asia. The term Islamic art describes art created in the service of Islam, but also secular works produced in lands under Islamic rule or influence.

Characteristics: Calligraphy is an extremely important element of Islamic art, both antique and contemporary. Another characteristic is a trend towards surface cover with geometric or vegetal patterned elements. Calligraphy is associated with the Qur'an, and thus considered the highest form of art, while geometric patterns are seen as creating an impression of unending repetition, thus inducing religious contemplation of the infinite nature.

Figurative works were mainly produced by Western artists, working within Islamic lands in the 19th century, for example the paintings of the French artist *Jean-Leon Gerome* (1824-1904). These paintings would be deemed in the Orientalist style, and very much apart from traditional Islamic works

Sought after works could include:

- Illustrated scientific manuscripts
- illuminated copies of the Qur'an
- Iznik ceramics from Turkey
- Mamluk glass
- Works from the Timurid school of in-laid metalware
- Persian miniatures
- Qajar lacquerware
- Ottoman armour
- Heriz carpets
- Turkoman textiles and jewellery

Contemporary artists:

- Abdul Kadir al-Rais (UAE),
- Youssef Ahmed (Qatar)
- Abbas Kiarostami (Iran)
- Youssef Nabil (Egypt)
- Paul Guiragossian (Lebanon)
- Dia Azzawi (Iraq)
- Ahmed Moustafa (Egypt): at Christie's Dubai sale in May 2006, calligraphy painting sold for triple its estimate at just under USD 300,000

Major collectors and increased market demand:

- Until recently, there were only a few major collectors of Islamic art, who have amassed great collections, including Nasser D. Khalili, a former art dealer who holds the largest private collection of Islamic art that includes more than 20,000 objects spanning 1,400 years, and Sheikh Nasser Al Sabah, the Prime Minister of Kuwait, with one of the most famous collections in the world.
- In 2001, the Emir of Qatar started a five museum project for his country and authorised his cousin Sheikh Saud al-Thani to purchase works of all kinds. Al-Thani spent extravagantly, single-handedly moving the market and earning himself a reputation as one of the world's biggest art buyers, having spent over GBP1 bn over three years. He reportedly helped triple the market prices from 2001-2004. In 2005, he was arrested on suspicion of misuse of public funds, at which point the Islamic market sales plunged dramatically. In 2007 he was seen again purchasing, but at a more discreet level.
- A museum project is currently being launched in Dubai, where a projected USD100mn will be spent each year, for three years, in Islamic and some Western art
- Abu Dhabi has recently unveiled plans for four new museums, with buildings designed by Jean Nouvel and Frank Gehry, and will cover Islamic art as well as Western art, which is to be supplied by the Louvre and Guggenheim.
- Increased awareness of art in the Middle East caused Christie's to launch auctions in Dubai, selling Islamic and Western Art, and an annual art fair has also been initiated. Until recently, the major trading centre of Islamic art had been restricted to London.

Strengths of the Islamic market:

- A relatively small collector base – i.e. fewer collectors fighting over the top works
- Awareness for art has risen in the Middle East - both Western and Islamic, making traditional works of national heritage increasingly desirable
- Buyers are also turning to regional contemporary artists to invest - prices are relatively low, especially when compared with those of Western contemporary artists
- The market is poised to grow significantly (by ...% on avg. or annually or aggregate) over the next 5-10 years (due to the proposed museum projects)
- As more works of high quality are purchased by museums and institutions, there are fewer quality works on the market, and the remainder

ART SERIES WITH PHILIP HOFFMAN.¹ - IV

ISLAMIC ART AND THE MIDDLE EASTERN ART MARKET

steadily rise in price.

- With proper education and interest, there is significant financial wealth that can be channelled into this art market

Weaknesses of the Islamic Market:

- Oil wealth has placed disposable cash in the hands of collectors - i.e. although fewer collectors are competing, prices can swiftly ascent for the top works
- Works of highest quality tend to remain "off" the market and in museums
- Very rarely do 'fresh' works come to market and when they do, they command top prices
- Condition and title are very relevant issues and must be taken into consideration in all purchases and sales
- Proving authenticity of works can be extremely difficult owing to the dissenting views held by experts; there is still a relatively low number of global experts for antiquities
- The market can be very segregated, with many countries only purchasing their own regional works, with little cross-over
- Contemporary artists that appeal to Western audiences sometimes tend to not be bought by Middle Eastern audiences, i.e. *Shirin Neshat's* (Iranian by birth) controversial videos/photographs
- Large-scale budgets for museum projects could artificially inflate the market
- Sensitivity: even one major buyer stepping out of the market can affect sales results dramatically

Opportunity:

- A portfolio of contemporary art works should cost very little per work and increase significantly in value with increased market awareness and demand
- A portfolio of antiquities of good provenance, condition, title, etc, should also increase significantly in value due to issues of supply and demand

Threats: Wars, Geo-political instability Oil market crash

Risks involved:

- Theft/ Damage/ Provenance/ Title issues are highly important, and repatriation of antiquities can occur
- Stolen antiquities can be found on the market
- Condition issues are common and works need to be inspected by leading experts
- There is no complete database such as The Art Loss Register to verify thefts in antiquities
- Export can be difficult
- Authentication of a newly discovered work could prove to virtually impossible
- As with all sectors of the market, getting caught in market inefficiencies, i.e. transaction costs via dealers, auction houses
- Identification of contemporary artists with lasting track records – that could appeal to Middle Eastern and Western buyers alike, could be difficult

Performance: Increased wealth, education and interest in this area have laid the foundation for a strong market, going forward

Forecast: For works of great quality, provenance, and condition, painted by the most important artists, there is always going to be a potential for investment.

Due diligence and expertise are crucial to determine this.

The market should continue with steady growth and more people will turn to this market to buy paintings of lasting value and beauty, as more and more people become disillusioned with the mounting prices of the Contemporary market

1. Philip Hoffman is founder of The Fine Art Fund, which is still the only global art fund of its kind, and has since expanded into The Fine Art Fund Group Ltd, which consists of The Fine Art Fund I, The Fine Art Fund II, The Chinese Fine Art Fund, The Indian Fine Art Fund & an art advisory arm, FAIR (Fine Art Investment & Research)

(*All prices are approximate and if sold at auction include the buyer's premium)

Contact Information:

The Fine Art Fund Group Ltd.,
Philip Hoffman, Chief Executive

Telephone	: +44 20 7647 0915
Email	: philiphoffman@thefineartfund.com
Website	: http://www.thefineartfund.com