

Singapore – an art auction centre?

By **WOON TAI HO**

THE success of last weekend's Borobudur auction has led to the revival of the debate on whether Singapore, rather than Hong Kong, should be the centre of Southeast Asian art auctions.

"We had at least 300 registered paddles, and this was twice the usual number," enthused John Andreas, owner of Borobudur. Even Hauw Ming, chairman of the influential ASPI (the Indonesian Art Lovers' Association), was surprised. "Genuine collectors came from Indonesia en masse. Collectors from Europe as well. The quality was there, especially the rare pre-war and traditional Balinese works."

Those works literally sold out too. "The old Balinese sold 100 per cent at an average of 2-10 times the low estimate," says An-

dreas. While most modern and contemporary Southeast Asian favourites did well, it was Handiwirman Saputra who stood out. His acrylic on canvas, *Mental Series*, sold at \$240,000 – above the high estimate of \$210,000.

"It's an irony, really, that most record prices of Southeast Asian art are hammered out of Hong Kong – not in the centre of Southeast Asia itself, here in Singapore," says KB Chan, an auction regular.

Christie's last auction here was in 2001, Sotheby's in 2007. Would they consider returning? Phil Whittaker, director of Sotheby's Institute of Art (independent of the auction house), says: "The underlying issue is tax; GST in Singapore is 7 per cent, and zero per cent in Hong Kong. Unless this changes, there is little likelihood of the ma-

ior auction houses returning."

Andreas agrees: "I just don't understand why GST needs to be charged on art, as art is a form of investment, like shares and mutual funds. These financial products purchased are not subject to GST, only broker-age commission."

"Auctions are market-places of exchanges, like the stock exchange. To encourage it to grow, the issue of GST should be re-examined," says TH Lim, a veteran at auctions who works in the financial sector. He points out the recent ruling suspending GST for art pieces stored in zero-GST warehouses is a good start.

"If Singapore is serious about allowing the auction market to grow, it could either tax only the commission, or 'suspend' GST for a period of, say, five years to

let it really take off. High-quality art could cost millions, and 7 per cent of that is a lot of money. Sure, foreigners may not be affected by GST, but you want good works to stay here in Singapore, either in collectors' homes or in storage. The Singapore FreePort storage for art at Changi underlies that art is indeed investment."

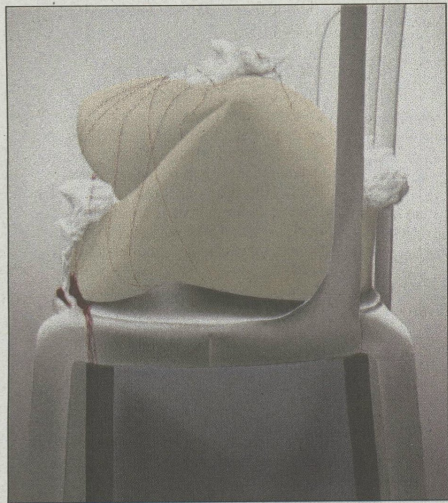
Both Christie's and Sotheby's did not bring up the GST issue when contacted. They see taking auctions to Hong Kong as strategic. "Hong Kong is recognised internationally as the third largest auction centre in the world, after New York and London... we are prompting more 'cross-buying' activities, drawing buyers from other categories to Southeast Asian art," says Mok Kim Chuan, head of Sotheby's Southeast Asian Paintings

department.

Jonathan Stone, MD of Christie's Asia, adds: "It resulted in much broader exposure of the category beyond the Southeast Asian region, and successfully established modern and contemporary Southeast Asian art on the global art platform."

Christie's also sees Singapore as an art city differently. "Singapore is strategically a very important base for Christie's," says Stone. "Our Southeast Asian art department and specialists are based there and we have a new high-security art storage facility at the Singapore FreePort... this is our strategy of establishing different businesses in optimal locations in Asia."

Perhaps with more successes like Borobudur, the auctioning market will mature, allowing both the Singapore authorities and ma-



ior auction houses to look at auctioning here differently. By then, Singapore may have a fighting chance to auction top-quality art for not just a regional but an international collecting audience.

High demand: *Handiwirman Saputra's acrylic on canvas, 'Mental Series', set a personal record. It was sold at \$240,000 – above the high estimate of \$210,000*