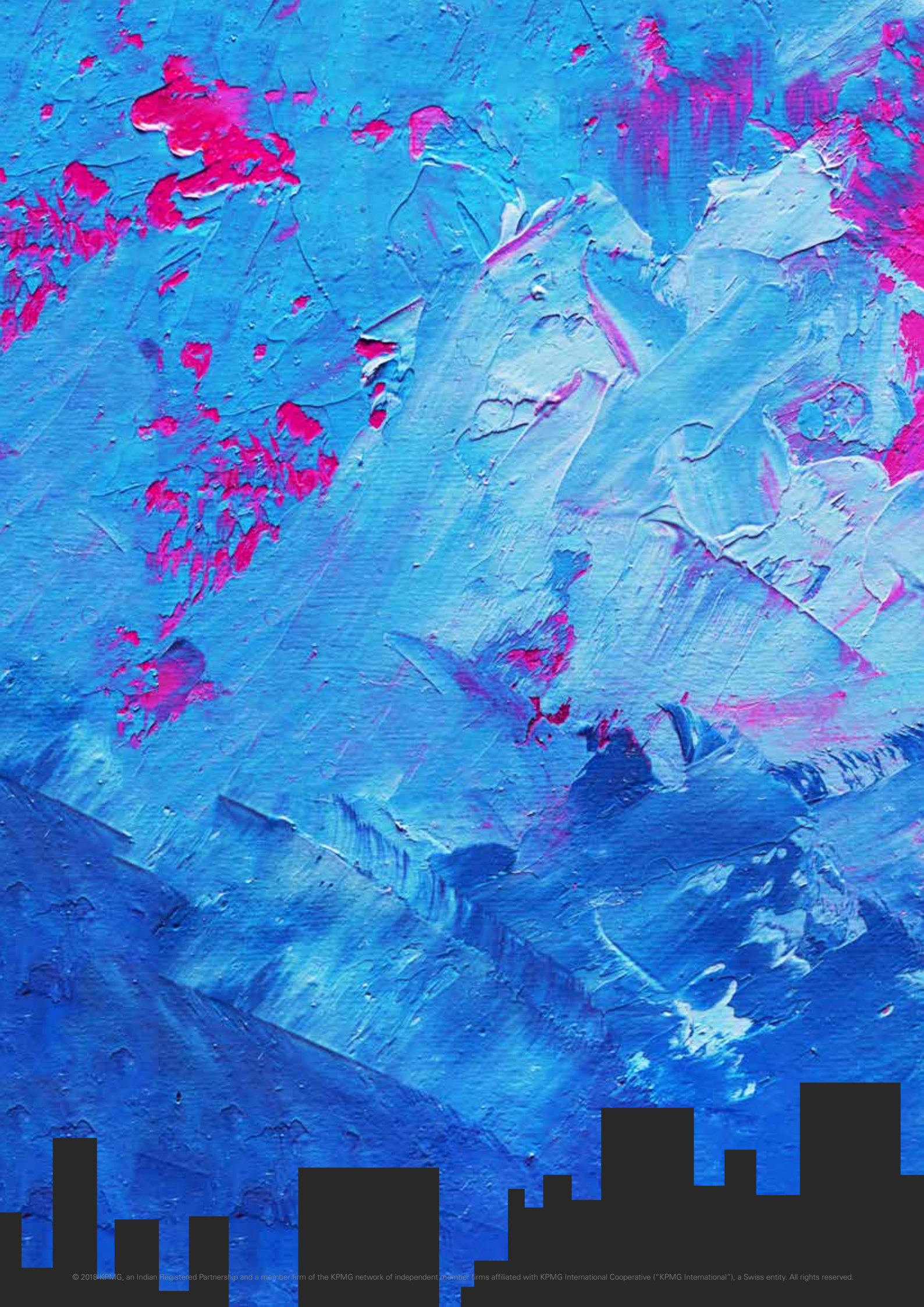


Visual arts industry in India: Painting the future

KPMG in India – FICCI report

February 2018

KPMG.com/in



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Foreword

Art and culture continue to be resilient means that bind India into one fabric, while positioning the multi-dimensional ethos of the country in better light and simultaneously imbibing the past, present and future. Growing recognition of art over the past decade, driven by the success of an array of artists and businesses, and supported by an even broader collector base; has brought fresh attention to, and laid strong foundations for the economics of the visual arts industry and its future development. The Indian arts industry has witnessed an influx of wealth, with a new emerging breed of high-net worth collectors that consider art and collectibles as a major asset. Further, private players, including art galleries and auction houses, have been instrumental in providing depth to the industry and supporting the entire infrastructure on which it is based.

The aforementioned factors have seen the Indian visual arts industry garnering revenues totalling to INR14.6 billion in 2017. While the industry has grown over the last few years, it holds an even greater potential in terms of its impact on the Indian economy, through its direct contributions to employment, skills development as well as supporting a number of high-value ancillary industries. Visual arts are also critical for enhancing key high-value industries such as cultural tourism, and improving India's cultural attractiveness and distinguishing its cultural identity.

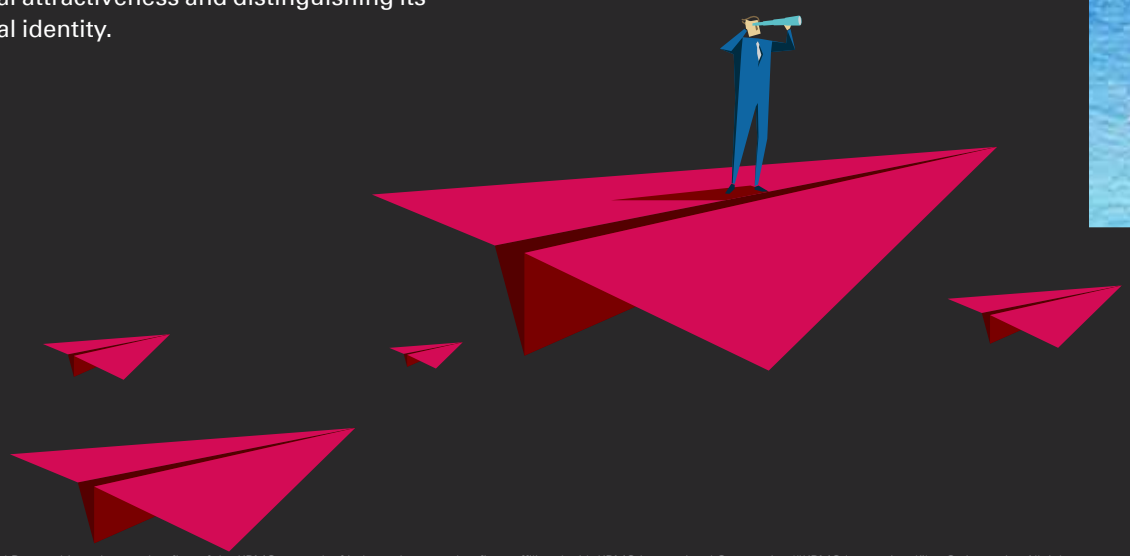
The said potential can only be tapped into with the help of a strong backing from the government, which needs to be in line with other art markets in the world. While private stakeholders have been filling the vacuum created by the many challenges faced by the industry, proper administrative backing, both at the state and central level, could provide a strong foundation for the industry to grow further. There is an urgent need for the art and cultural industries to be increasingly recognised as one of the foremost sectors for future economic growth as well as establishing India's standing as a 'global soft power'.

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Introduction

The Indian visual arts space has come a long way. India has witnessed an increasing appetite for art amongst the public, driven by the advent of a growing number of cultural initiatives, including city-based art festivals, exhibitions in galleries and other grand events such as art biennales. The non-commercial establishments and artist-led initiatives have also continued to support the developing art industry. Businesses and events encompassing the art industry have gradually become important elements of the Indian cultural landscape, laying a strong foundation for positioning some of the cities across the country as major art destinations.

While art galleries have constantly been promoting contemporary artworks[02] through exhibitions, only a small proportion of about 4 per cent have featured in their sales records in 2017[03]. Modern artworks have continued to lead the sales in the primary as well as secondary markets since the boom in 2007–08, when contemporary artworks were in high demand with a share close to 41 per cent.[05] However, the Indian market could be on the brink of transformation as contemporary art sales are likely to pick up, supported by a diversifying buyer base.

While various art segments showcase different growth trajectories, the performance of the visual arts industry as a whole is dependent on the broader economic situation, predominantly around elements affecting the growth and distribution of private wealth. The concentration and growth of wealth in the rising number of Indian High-Net-Worth Individuals (HNWIs) has certainly been encouraging for the visual arts industry in recent years, augmenting sales at the high-end of the market. While HNWIs have fundamentally driven the high-end art sales, the more affordable segment of artworks are also gaining massive traction amongst entrepreneurs, company executives and professionals, such as doctors and lawyers. Additionally, private patronage has also been an essential and a critical ingredient in supporting the Indian visual arts scene as entities such as Delhi Art Gallery (DAG) and Kiran Nadar Art Museum (KNMA) have been promoting art and establishing its appreciation amongst individuals.

Indian art collectors form a diverse cluster and encompass individual buyers and institutions having a wide array of goals, coming from different backgrounds and regions. The primary market features new and relatively unknown artists as well as more recognised contemporary artists, while the secondary market is where auction houses offer artworks for subsequent resale. Artwork prices in the primary market are usually lower compared to that of the secondary market, as artworks can take a lot of time before they attain prominence for their artistic value, rarity and historical importance. Hence, by the time works are resold, their prices tend to be higher.

The online platform has emerged as a new avenue for sales in the visual arts industry. A number of players are offering curated, branded online auctions across an assortment of art and collectibles. Online art marketplaces are making the dated process of art discovery and buying much easier and quicker with a number of players embracing a digital-first approach to sell art. However, the level of online sales is still fairly low compared to that of offline sales in India.

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01. KPMG in India's analysis, 2018; Industry discussions conducted by KPMG in India
02. Contemporary art refers to artistic work developed in the late 20th century and being developed in the 21st century
03. KPMG in India's analysis, 2018
04. The South Asian Art Market Report 2017, ArtTactic, 2017

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There is an inherent lack of art awareness in the country, with limited education to help develop creativity and expression through art. Furthermore, factors such as inadequate financing, lack of upskilling and improper infrastructure have also added to the industry's woes. The art industry and its surrounding ecosystem play a vital role in improving the country's cultural value and attractiveness to visitors, while also helping to create individuality in a highly competitive and globalised market. However, to facilitate this, the government could take on a more supportive role in terms of circumventing long-standing issues.



> Institutional initiatives such as the Kiran Nadar Museum of Art, the Kochi-Muziris Biennale and the Bhau Daji Lad Museum have had a major impact on the arts market and the programming of private galleries in the major cities. As these institutions are started and run by people who are both trained and highly experienced in the field of international contemporary art, the programming of these institutions is highly sophisticated and is influencing the private collectors, who in turn are becoming familiar and buying new forms of art, enabling galleries to exhibit more experimental art and veer away from traditionally commercial forms.

- Peter Nagy
Director
Nature Morte

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Indian visual arts industry: Making headway



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Visual arts ecosystem in India

Visual arts broadly covers various physical forms of art, including paintings, photography, sculptures, murals, graffiti, antiques, miniatures and installations. For the purpose of this report, we have defined the visual arts industry comprising paintings, sculptures, and miniatures.

The visual arts ecosystem includes a number of stakeholders operating in different capacities.[01]

Artists

An artist is a person who is engaged in an activity related to creating, practicing, and demonstrating works of art. Artists from India have garnered significant admiration from the world over in the last decade, selling artworks worth millions at galleries and auction houses. Along with prominent modern artists such as V. S. Gaitonde, F.N. Souza, Tyeb Mehta, Nasreen Mohamedi and Bhupen Khakhar and established contemporary artists such as Subodh Gupta, Bharti Kher, Jitesh Kallat, and Shilpa Gupta, works of the younger generations of contemporary artists are increasingly sought after at the global level.

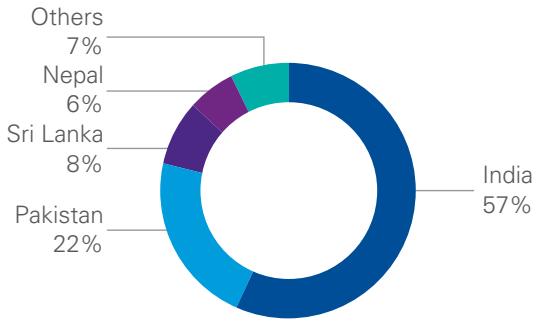
> Artists in India are not allowed to work at home, as it falls under the ambit of commercial work. This is a major deterrent for budding artists as there are no government-run art avenues/spaces. Internationally, a number of governments offer spaces at highly subsidised rates, which is not the case in India.
>
> - Subodh Gupta
> **Renowned artist**

Private art galleries

Commercial enterprises aimed at generating gains through sale of artwork are characterised as private art galleries. These galleries and artists usually work on a contractual basis, where the former promote and sell the latter's artworks by holding exhibitions and inviting art enthusiasts to participate, with revenue thus earned shared between artists and galleries. The galleries, at times, also look at signing artists under exclusivity, which helps build a long-term loyal relationship. Galleries are usually themed, and hence they select artists who fit their criteria and overall vision.[02]

Indian galleries such as Vadehra Art Gallery (New Delhi), Nature Morte (New Delhi), Gallery Chemould (Mumbai), Chatterjee & Lal (Mumbai), DAG Modern (New Delhi), Espace Gallery (New Delhi), Experimenter (Kolkata), Lakeeren Art Gallery (Mumbai) amongst others have had a major presence in international art fairs and festivals.[03]

Distribution of modern and contemporary art galleries in South Asia (2016)



Source: The South Asian Art Market Report 2017, ArtTactic, 2017

01. 'India's, 8 most expensive contemporary artists', The Culture Trip, 11 November 2016
02. 'Art Industry and Startups', Indian Web 2, 1 September 2016
03. The South Asian Art Market Report 2017, ArtTactic, 2017

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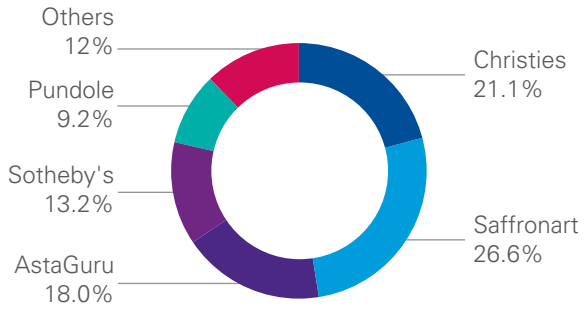
Public museums

Public museums, predominantly financed by the government using public taxes, include spaces that are owned, operated and managed on behalf of the public. Each such institution differs in purpose, theme and collections. Public museums showcase exhibitions of artwork from their own collection as well as artworks sourced from globally renowned institutions. Guided tours, seminars and lectures, and special thematic programmes are some of the features of a public museum. Some of the major public museums in India include the National Gallery of Modern Art (New Delhi, Mumbai, and Bengaluru), Dr. Bhau Daji Lad Museum (Mumbai) and Chhatrapati Shivaji Maharaj Vastu Sangrahalaya (Mumbai).

Auction houses

Auction houses are dedicated to the buying and selling of previously owned pieces of art. They serve as a great platform for both buyers and sellers to determine pricing estimates and authenticate quality artworks. Auction houses are responsible for getting the highest possible price for a piece of art when it enters the private marketplace.[04] Major auction houses in India are Saffronart, Sotheby's, Pundole's, AstaGuru, and Bonhams. Though Christie's might have withdrawn from the live auctions in the country, it still maintains its leading position through online auctions.

Market share: Auction houses (2017)



Source: KPMG in India' analysis 2018, The South Asian Art Market Report 2017, ArtTactic, 2017

Private non-commercial art initiatives

A number of private corporations and patrons have come to the fore to help promote and develop art. Players such as KHOJ and Foundation for Indian Contemporary Art (FICA) have developed an environment which provides artists the opportunity to grow and create art with full autonomy. These institutes work through crowd funding or independent donations.

Major initiatives and platforms[05]

Initiative	Description
KHOJ	The organisation was started as an annual workshop in Delhi in 1997. It has established itself as a not-for-profit, contemporary arts organisation, which provides financial, physical and intellectual space to budding artists by conducting workshops, residencies, exhibitions and community arts project. It has hosted over 400 artists from all over the world to build an international network.
Foundation for Indian Contemporary Art (FICA)	The organisation focusses on enhancing opportunities for artists, broadening the contemporary art audience, and establishing a continuous dialogue between artists and public by participating in public art projects. It works with museums, art galleries and government institutions to conduct art events and exhibitions. It also extends its resources to students with an aim of developing art education in the country.
Kanoria Centre for Arts	Established in 1984 at Ahmedabad, the institute provides a working environment for art students and professional artists. It has all the necessary tools and provides access to an environment that bolsters creativity and idea generation. The centre has a library and a gallery for hosting exhibitions.
TIFA Working Studios	Established in 1984, the institute is an alternative educational platform based in Pune, which provides students with residencies and workshops in order to construct an impactful learning environment. It has 14 individual studios for artists, varying in layout and lighting.
Khanabadosh	It is a travelling art-based lab founded in Mumbai in 2012 by curator and writer Gitanjali Dang. It focusses on exploration of interdisciplinary intersections through curations. The lab is interested in projects that relate to traditional categorisation and real societal views.

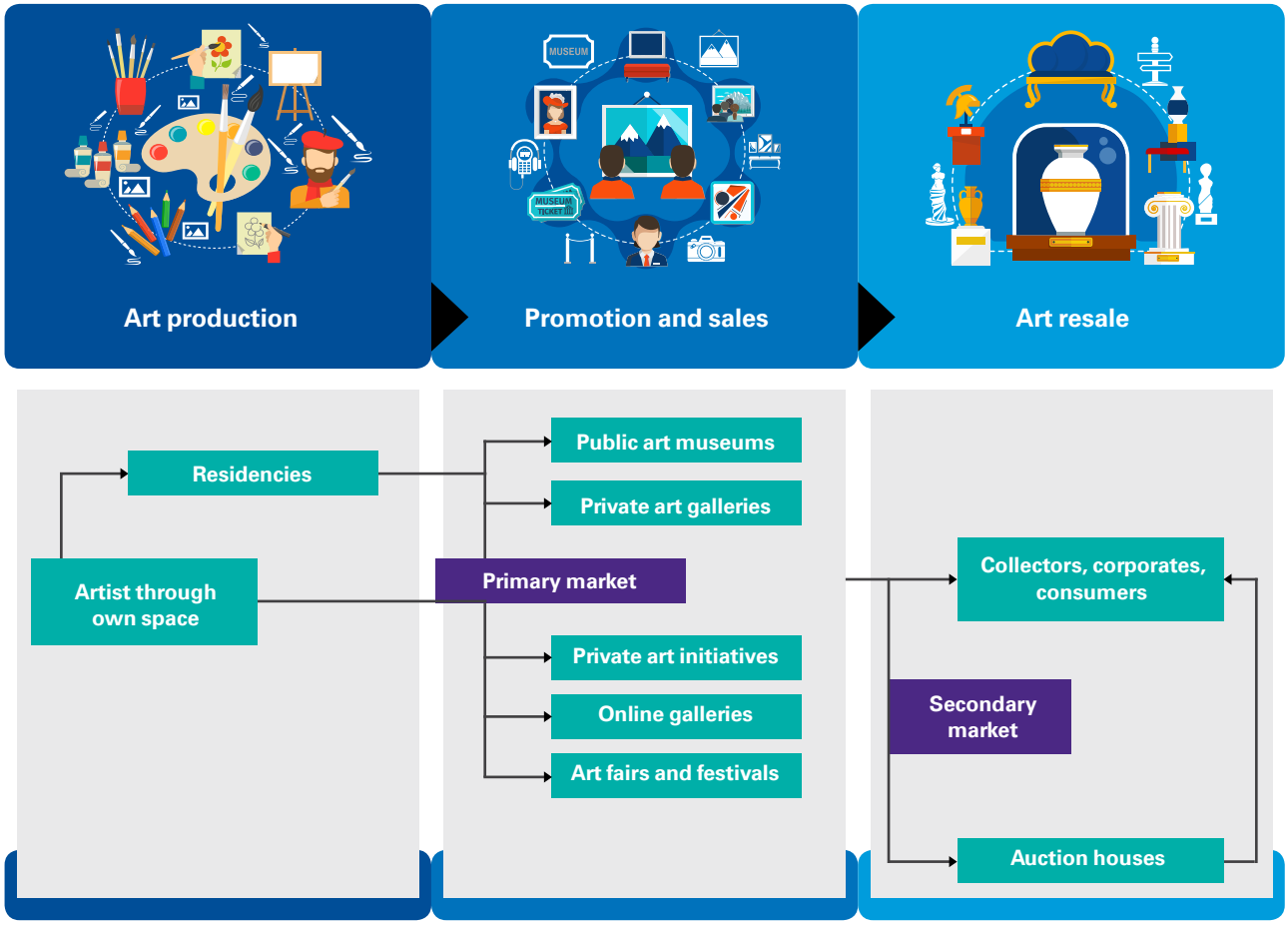
04. 'The art value chain: The Network of Fungible Value', Faculty at Georgetown, as accessed on 15 January 2018
05. The South Asian Art Market Report 2017, ArtTactic, 2017

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Value chain of the Indian visual arts industry

The value chain of the visual arts industry comprises three major stages: art production, promotion and sales, and art resale.

Art industry value chain[06]



Source: KPMG in India's analysis; Industry discussions conducted by KPMG in India

Art production

At the initial stage, an artist, the sole creator of the artwork, may utilise his/her own space for artwork production or may use an art residency. Residencies are institutes that provide artists with programmes and opportunities that enable an ideal environment for ideas and inspiration. Along with producing artworks, artists also play a role of an educator by teaching specific art techniques and skills to students.



06. KPMG in India's analysis 2018

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Art promotion and sales (Primary market)

Artists, after production, promote their art through different media in the primary market, which include, private galleries, public museums, online galleries and art festivals. Galleries act as the leading platform for artists to sell their work. Typically, artists are retained by galleries, and depending on the contract, revenue sharing and exclusivity may vary. Roles played by different stakeholders at this stage include:

Stakeholder	Role
Private art galleries	• Art galleries are involved in the entire journey of an artist, i.e., from ideation to sales. Galleries play multiple roles, which include incubating and supporting artists, funding, organising shows, promotions, selling the artworks and providing services such as financial management, insurance, shipping and book publishing • Galleries discover art, advocate new artists and position them in the market, and make significant contributions towards establishing their relationship with experts • Galleries also host art exhibits and participate in art festivals and fairs, both domestic and international.
Public museums	• These museums undertake research for both historical and contemporary artworks • In order to promote a museum, its collections and most importantly art education in the country, educational and public programmes are conducted such as; guided floor talks, seminars and lectures, and via websites.
Private art initiatives	• These initiatives support artists and art infrastructure by providing funds, spreading awareness, promoting collaborations, and enhancing educational/training opportunities • Regular activities such as national and international workshops, residencies, talks and events are also organised by some Non-governmental Organisations (NGOs).
Online galleries	• Online art marketplaces are making the traditional process of art discovery and buying much easier and faster with a number of players adopting a digital-first approach for selling art • In 2016, Saffronart, one of the leading auction houses in India, sold art worth USD30 million through online-only auctions.[07]

Art fairs and festivals

Along with the aforementioned stakeholders, art fairs and festivals are widely identified routes for publicity in the community for artists to promote their artworks. These fairs bring together artists, collectors, enthusiasts, students and teachers alike, and offer them a common platform to interact and connect. Some of the prominent art festivals are outlined below:

Event	Description
India Art Fair	Established in 2008, this fair is an annual Indian modern and contemporary art event held in New Delhi. It has become a leading platform for South Asian modern and contemporary art, and is attended by the region's diverse artists and galleries.[08] While the first edition attracted 6,000 visitors the fair saw a footfall of more than 90,000 in 2017.[09]
Kochi-Muziris Biennale	Kochi–Muziris Biennale is India's first ever biennial of international contemporary art focussing on the art industry's political, social and artistic landscape. The event is an initiative of the Kochi–Biennale Foundation and the Government of Kerala, which features exhibitions talks, seminars, screenings, music, workshops and educational activities.[10]
Kala Ghoda Arts Festival	The Kala Ghoda Arts Festival is a nine-day long annual festival held in Mumbai. It is organised by the Kala Ghoda Association and covers themes such as visual arts, dance, music, theatre, cinema and literature.[11]
India Art Festival	The festival focusses on the lower end of the modern and contemporary art segment and presents an alternative model for dialogue and collaborations between artists, art galleries, art buyers and connoisseurs. The festival holds two annual editions in Mumbai and New Delhi.[12]
Mumbai Gallery Weekend (MGW)	Started in 2012, the event brings together art collectors and enthusiasts. Some of the host galleries conducting exhibitions, talks and walkthroughs include Chatterjee & Lal, Chemould, Lakeeren Gallery, Project 88, Sakshi Gallery and Akara Art.[13]

07. 'New kids on the block: rise of the online art auction', Financial Times, 17 May 2017
08. Indian Art Fair website, as accessed on 18 January 2018
09. 'India Art Fair to Benefit From Basel Boost Next Year', The Wire, 8 February 2017
10. Kochimuzirisbiennale organisation website, as accessed on 17 January 2018
11. kalaghodaassociation website, as accessed on 17 January 2018
12. Indian Art Fair website, as accessed on 17 January 2018
13. mumbaigalleryweekend website, as accessed on 17 January 2018

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Art resale (Secondary market)

The secondary market comprises artworks that have already been sold at least once, with collectors and patrons looking to resell their collections to buyers that want to diversify theirs.

Auction Houses

Auction houses are responsible for keeping the circulation of art steady in the market. Auction houses charge a commission on the artworks belonging to sellers as well as a premium from buyers for the service they provide.[14]

Visual arts: The unorganised segment

While there are norms and a bespoke code of conduct that retailers of art adhere to, a considerable number of transactions in the visual art industry are taking place in a network of deregulation and arbitrage.

There are a number of players clocking unreported sales

Compared to other industries, sales in the art industry are generally difficult to measure. A notable number of sales are conducted privately[15], and discretion has conventionally been one of the art industry's keystones. While there are a number of noted art galleries and auction houses that account for a majority of formal art sales in India, there exist numerous art dealers and galleries across the country whose sales are not accounted for. While auction house figures are readily available, sales data from the aforesaid dealers lacks transparency. This is largely because a majority of such art dealers and galleries across India are small establishments and sole traders without employees, sales conducted by whom go unreported and untaxed.

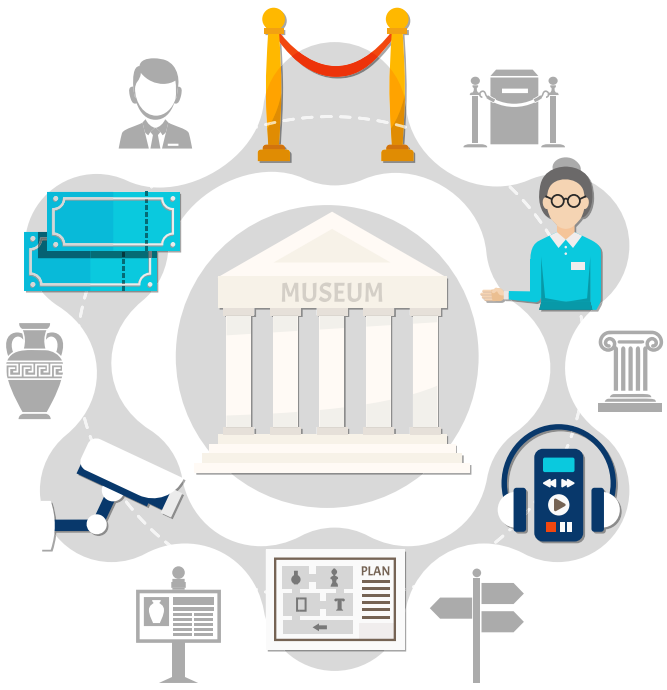
Art dealers and smaller galleries are the prime source of anonymous sales

Art dealers tend to function as small private businesses and a major proportion of these players do not employ any other person other than a director to work in conjunction with them. In a number of countries, including India, for such small establishments, regulations on sales disclosure and the obligation of being included and registered as part of the body of several national statistics offices is not a fundamental requirement. While such micro businesses are critical to the retail landscape and form the fabric of the art trade, lack of clarity on their sales numbers has forced the industry to face challenges with reference to transparency. Sales taking place through the highly unorganised segment of the art industry may go unrecorded into tax havens and payments can be made via off-shore arrangements.

Artists, also, form a component of the 'grey market'

Artists, part of an unregulated labour pool, create works of art at home, and in doing so, sometimes dodge workplace regulations. They consign and at times sell artworks without a formal contract, and working out of their homes or studios and outside the restrictions of the formal economy.[16]

However, the introduction of GST, is likely to accelerate formalisation of the visual arts industry. With increased compliance, a transition of art businesses from the unorganised to organised channels would lead to an increased market share for the latter.



14. The economics of contemporary art, Alessia Zorloni, 2013
15. Industry discussions conducted by KPMG in India
16. What Actually Happens in the Art Market's Informal Economy, Artsy, 2 August 2017

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Industry performance: Growth has been a mixed bag



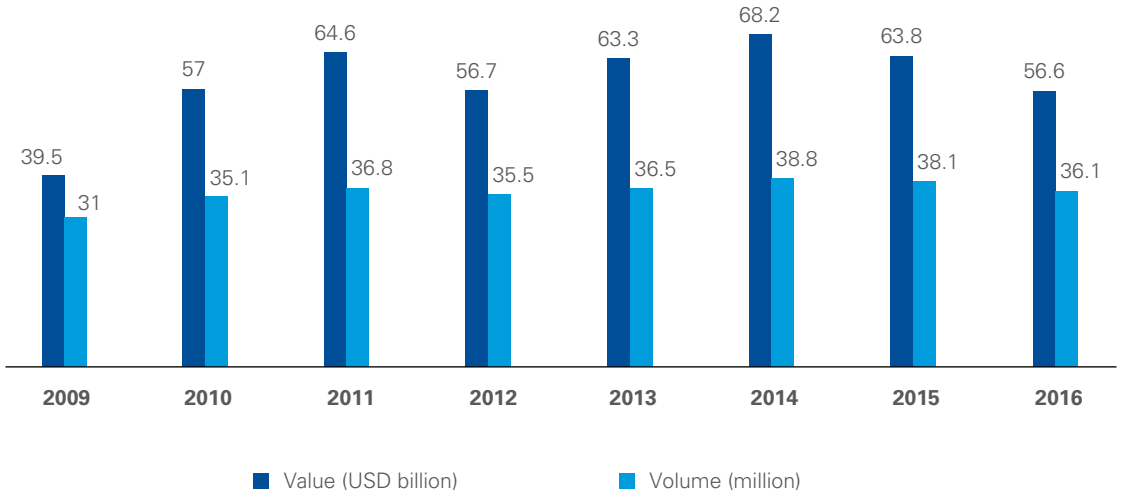
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Industry performance

The global arts industry

The global art industry registered total sales of USD56.6 billion in 2016, a drop of 11 per cent from USD63.3 billion in 2015. This was the second consecutive year where the art market sales declined, with the values plunging 17 per cent below the recent record sales of USD68.2 billion in 2014.[01] This contraction in sales was brought about by dipping sales in certain sub-sectors of the industry and diminutive sales of high-end artwork, predominantly in the fine auction art market, which had boosted the industry expansion until 2014.

Global art industry market size: by value and volume

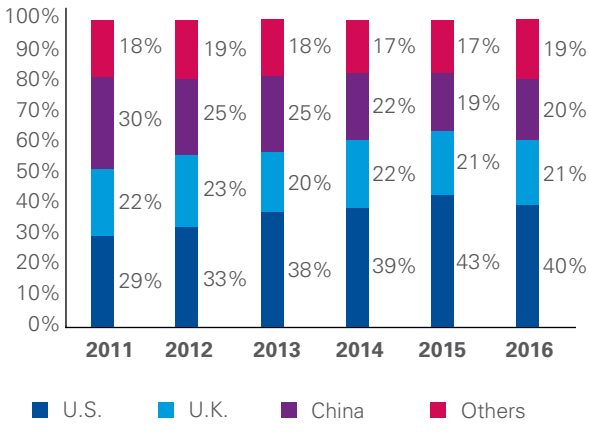


Source: The Art Market 2017, Art Basel and UBS, March 2017

In terms of geography, the top three art markets in the world in 2016 were the U.S., the U.K. and China, with a value share of 40 per cent, 21 per cent and 20 per cent respectively. Amongst these three markets, the U.S. has continued to uphold a leading position by a considerable margin, with the only exception being 2011, where China replaced the recovering U.S. market at the top spot.[01]

The U.K. market retained its position as the second largest market globally in 2016, just marginally ahead of China, which had overtaken the U.K. in terms of sales from 2010 through 2014. China gained 1 per cent share in value over 2015-16.[01]

Global art industry market share — by value



Source: The Art Market 2017, Art Basel and UBS, March 2017

01. The Art Market 2017, Art Basel and UBS, March 2017

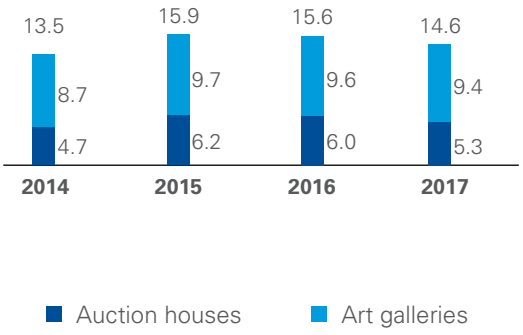
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India's visual arts industry: We have only seen the tip of the iceberg

2017 was a mixed year for India's visual arts industry. The Indian art market was estimated at around INR14.6 billion in 2017, having witnessed a decline of 6 per cent. However, if not for demonetisation and introduction of Goods and Services Tax (GST), growth was expected during the last year. While demonetisation had an adverse impact on the sale of art galleries (which also deal in sales of affordable art), the implementation challenges around GST impacted the sales of auction houses, with many auction houses holding at least one less sale in the year.[02]

> The growth of the Indian art market has been steady over the past few years and we have seen collectors becoming more knowledgeable of art and aware of their own tastes. The focus has remained on the quality and these have seen particularly strong interest, achieving corresponding prices at an auction. Having said this, the pool of exceptional works is getting smaller and finding such works has become a lot harder for sellers and buyers alike.
>
> - Sonal Singh
>
> **Director,** India Business Development and **Senior Specialist,** Christie's India Private Limited

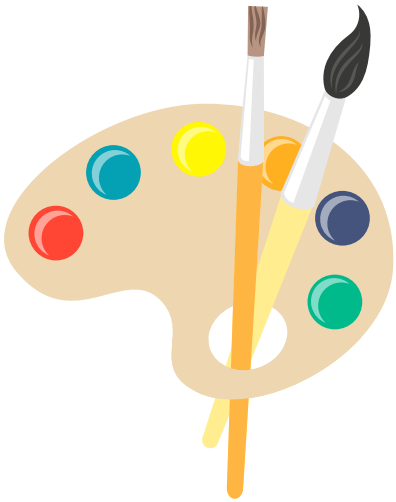
India visual arts industry (in INR billion)



Source: KPMG in India' analysis 2018, The South Asian Art Market Report 2017, ArtTactic, 2017

The Indian visual arts market has gone through its own peaks and troughs. The industry witnessed an impressive growth in 2013, primarily on account of Christie's entry in the country.[03] Christie's is one of the world's leading auction houses, it held its first live auction in the country in 2013 and concluded the year with a sale of about INR0.97 billion, much more than the pre-sale estimates.[04] 2014 and 2015 were promising years as well with growth rates of close to 10 per cent and 18.1 per cent respectively.[03] However, the sales tumbled in 2016, on the back of decline in modern and contemporary art sales, though the classical Indian art witnessed a double digit growth during the same year. While the global auction houses – Christie's and Sotheby's – recorded much lower sales in 2016 compared to 2015, Saffronart managed to grow during the year, albeit by just 5 per cent.[05]

While the industry has showcased growth during the last four years, its share in the global art industry stood at a miniscule 0.5 per cent in 2016. However, with Indian art finding more suitors in the domestic as well as international markets, the industry holds massive potential for growth and could become a sought after art hub globally.



02. Industry discussions conducted by KPMG in India, January 2018
03. KPMG in India's analysis 2018
04. 'First auction in India', Chrities.com, 19 December 2013
05. The South Asian Art Market Report 2017, ArtTactic, 2017; Industry discussions conducted by KPMG in India

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Market size - Art galleries vs auction houses

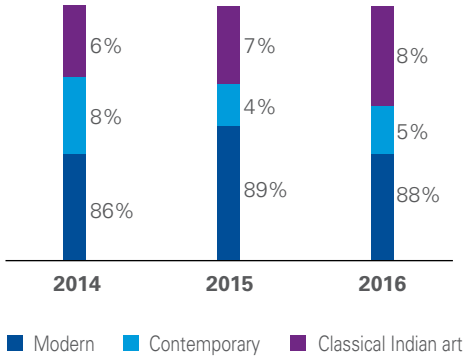
The Indian visual arts industry has historically been dominated by art galleries. There are more than 1,500 art galleries[06] and six major auction houses in the country. However, art auction houses are slowly increasing their share in the overall market pie.[07]

In the total visual arts market size, in 2017, the art gallery share stood at 64 per cent as compared to 36 per cent for auction houses.[08]

Auction houses' sales across various art forms

Modern Indian artworks[09] have continued to account for a major portion of auction sales, with collectors focussing on quality works from important phases of the artist's career with first-rate provenances, and outstanding publication and exhibition history. Despite modern art's dominance over auction sales over the years, the category has recently started to shrink owing to the price hikes caused by a dwindling number of available works by in-demand artists. This has led to avid art collectors looking towards other forms of art.

Break-up of auction houses' sales: By art form (in per cent)



Source: KPMG in India' analysis 2018, The South Asian Art Market Report 2017, ArtTactic, 2017

06. Note: This is an estimated number based on our discussions with industry stakeholders
07. Note: Industry numbers do not include art sales taking place in the unorganised segment
08. KPMG in India's analysis, 2018; Industry discussion conducted by KPMG in India
09. Modern art refers to artistic work developed over the course of 100 years ranging from 1860s to 1970s

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The younger generation of Indians in their 30s and 40s are starting to drift away from modern artworks collected by their parents and focus on art of their own time.[10] However, the focus still being on affordable art pieces, the sales figures are yet to reflect the shift. There has been a radical decline in the value of contemporary works[11] sold since 2013.

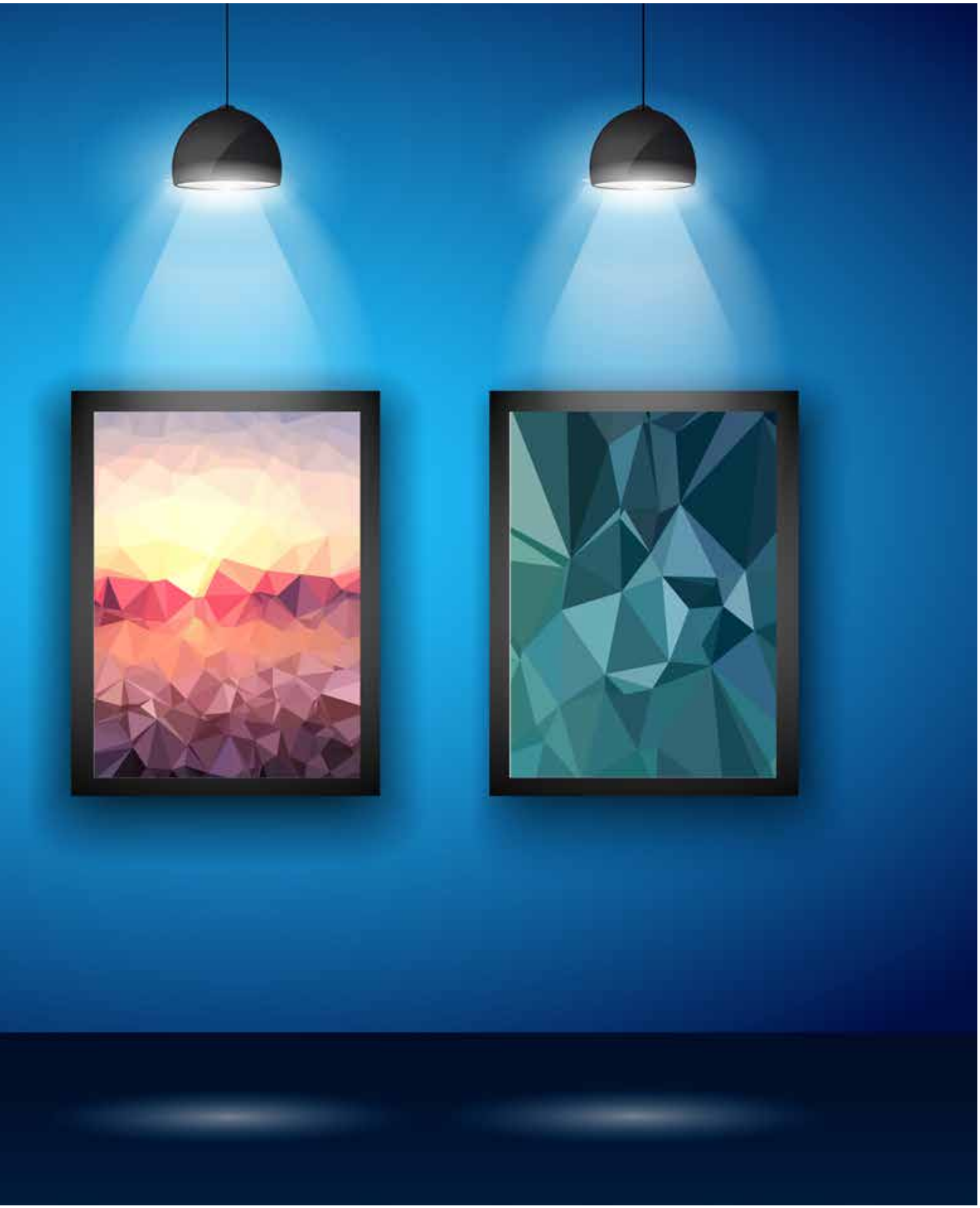
In the period of January to September, 2017, 183 works of Indian contemporary art were sold in auctions around the world fetching a total of INR126.3 million. This was a sharp decline from the 333 artworks sold for INR399 million during the same period in 2013. Factors contributing to this decline include the lack of institutional support and an artificial rise in the prices of art compared to a decade ago.[12] The collectors and galleries from Europe, which significantly contributed to the industry growth, have also started leaning in favour of contemporary art from other regions such as Africa, leading to a below par performance in the Indian space.

Indian classical art, comprising antique paintings and sculptures, has been witnessing strong growth in the recent years. During 2012-16, the art form has recorded a CAGR of more than 35 per cent to reach INR0.5 billion in 2016.[13] However, the segment lags far behind the Chinese market. According to industry experts, the relaxation in Antiquities Act of 1972, especially in terms of import duty and mandatory registration of newly acquired antiques, is much needed for the segment to achieve its true potential.



10. The South Asian Art Market Report 2017, ArtTactic, 2017
11. Contemporary art refers to artistic work developed in the late 20th century and being developed in the 21st century
12. 'A bad year for contemporary Indian art', LiveMint, 5 October 2017
13. KPMG in India's analysis 2018

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Trends and drivers: A gamut of factors shaping the industry



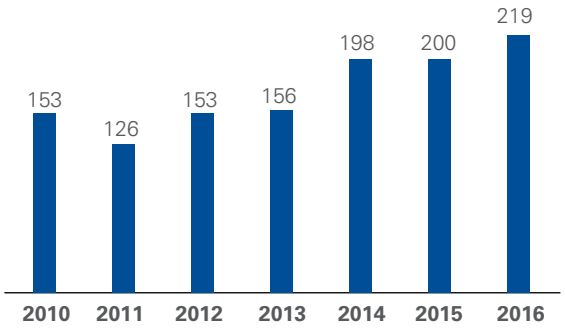
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Trends and drivers

Increasing number of high net worth individuals

The High Net Worth Individual (HNWI - who possess investible assets of USD1 million or more, excluding primary residence, collectibles, consumables, and consumer durables) population in India has increased rapidly over the last few years. In 2016, India was placed fourth with a contribution of 4 per cent in the total HNWI population in the Asia-Pacific (APAC) region. The country registered a 9.5 per cent increase in the HNWI population, surpassing the average growth of 7.4 per cent in the APAC during 2015–16.[01] There were 219,000 ultra-rich individuals with a collective wealth of USD877 billion in 2016.[02]

India's HNWI population, 2010–16 ('000s)



Source: Asia Pacific Wealth report 2017, Capgemini, 2017

The Indian market has witnessed eminent personalities such as Nita Ambani, Kiran Nadar and Anupam Poddar increasingly investing in a number of works to support the art space.[03] In addition to being bought for personal use, art has also emerged as a major source of investment, with the wealthy buying art for financial benefit. There has also been a growing cognisance of art as an investment, with HNWIs pulling back from luxury consumables that do not possess the same kind of attributes, value and the potential for growth as compared to that of art.[04] Increasing efforts by art galleries and other stakeholders from the art industry have also revived interest in art amongst the HNWIs.[05]

Emergence of new generation of art buyers

While veteran international collectors and institutions have fundamentally been driving the high-end of the Indian art industry, the diaspora and native Indians are driving the more affordable art segment. The internet has emerged as major source for finding new contemporary artists. In addition to there being several websites that showcase works from new talent, younger artists are also vigorously marketing their work on social media. People buying these artworks are not experienced collectors but first-time buyers, who are spending their income and not their wealth to buy art.

This new segment of art buyers consists of entrepreneurs, company executives and professionals, such as doctors and lawyers, who are making increasing outlays towards buying art.[06] An increasing number of young art enthusiasts in their late 20s to early 40s are attending shows at art galleries and going to art exhibits and festivals, to both participate in workshops as well as buy original artwork.[07]

> "While the investor base has gone up, the collector base has declined. A sizable proportion of Indian buyers are merely driven by the buzz in the market, and do not really possess the understanding of art, or for that matter the knowledge about artists' artwork they are buying."
>
> - Vikram Bacchawat
> **Founder Director**
> Aakriti Art Gallery

01. 'India Home to 2,19,000 Millionaires: Capgemini Report', News 18, 7 November 2017
02. Asia Pacific Wealth report 2017, Capgemini, 2017
03. 'Bigger price tags, double sales, world records pushing Indian art market to new high', Hindustan Times, 15 November 2017
04. 'High Net Worth Individuals (HNWIs) Are Approaching Art for Investment (Fall 2010)', Artvest, 9 September 2010
05. 'Why India's richie rich are increasingly investing in art rather than buying luxury cars', Economic Times, 22 February 2015
06. 'Indian art hits the big time', CNBC, 18 December 2015
07. 'Mumbai's young art collectors are turning out to be budding patrons', Architectural Digest, 21 June 2017

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Increasing online art sales

The online space has proven to be a game changer for young artists who find it difficult to showcase their works at physical art galleries due to lack of financial resources and contacts. Online art platforms have also emerged as an ideal marketplace for domestically produced artworks that face challenges in terms of finding buyers.[08]

While a number of online-only platforms, backed by significant venture capital funding, have made inroads into the Indian art space, traditional galleries and auction houses have also made forays in the online art territory. For instance, Sotheby's expanded its online business globally, which includes online-only auctions, to USD155 million, witnessing a growth of 19 per cent in 2016.[09] On the other hand, Christie's increased its global online auction business by 34 per cent from USD162 million in 2015 to USD217 million in 2016.[10] Increasing competition in the offline space is forcing offline-only art platforms, such as Heritage Auctions[11], to adopt new strategies to take their business online and broaden their revenue streams.

However, the online sale of art faces a few inherent challenges. These challenges come from cautious art patrons that are hesitant to buy art on digital platforms. Amongst their many concerns, the key factors are currently focussed around the lack of physical inspection and concerns regarding the artwork's condition, genuineness, and the seller's reputation.

Increasing corporate/private patronage

The visual art domain has evolved with a marked increase in private/corporate activity. While a few years ago, organisations simply paid art galleries for brand associations, the industry is now seeing a growing trend of corporate sponsors playing a proactive role in participating in art events and programming. Sponsoring such art and culture events allows corporates to attain recognition amongst millions of art enthusiasts, establish significant outreach while also providing access to newer markets.[12]

Additionally, companies have been engaging with arts and culture as part of their Corporate Social Responsibility (CSR) initiative, which might not accrue any direct benefits in terms of branding, however, it allows companies to gain reputational and visibility benefits.[13]

> Digital Media is being extensively used as a tool to reach a wider audience, and is generating a certain kind of interest that goes beyond the art world. It cannot replace the feeling of confronting a work in the flesh but it can generate interest.
>
> - Prateek Raja
> **Director**
> Experimenter

Some examples of corporate participation in the art domain include:

- Godrej Properties Limited (GPL), a real estate developer arm of the Godrej Group, launched the Godrej Public Art Initiative in 2017. Through this initiative, the company plans to partner with major contemporary Indian and international artists to showcase public art at its projects across India.[14]
- Kochi–Muziris Biennale has witnessed noteworthy participation from a number of corporates and businessmen. Corporate firms such as the Lulu Group, South Indian Bank, DLF, BMW and Asian Paints made significant contributions to support the foundation's activities in 2016, with DLF and BMW being associated with the event since its inception.[15]
- The visual arts space has also seen major corporates introducing art awards to recognise contributions made by players in the visual arts space:
  - In 2016, the India Today Group introduced the India Today Art Awards to honour the best of Indian art across various categories.[16]
  - Forbes introduced the first edition of the Forbes India Art Awards in 2014, announcing winners across 14 categories from the Indian visual arts space. While there has been no follow-up to the awards, Forbes has since included an artist category for their annual report called 'Forbes Under 30'.[17]

08. 'Is There Really Any Scope For Online Art Marketplace in India?', Iamwire, 21 June 2015
09. 'Why Hong Kong is now the world's second-largest jewellery auction hub', South China Morning Post, 3 May 2017
10. Press center on christies website, as accessed on 18 January 2017
11. The Hiscox Online Art Trade Report 2017, ArcTactic - Hiscox, 2017
12. Kochi-Muziris Biennale Report, KPMG in India, November 2017
13. Corporate Engagement with Culture in India, India Culture Lab, as accessed on 10 January 2018
14. 'Godrej Properties announces the Godrej Public Art Initiative', Magic Bricks, 28 November 2017
15. Kochi-Muziris Biennale Report, KPMG in India, November 2017
16. 'First India Today Art Awards announced and the winners are', India Today, 28 January 2016
17. 'The first Forbes India Art Awards', Forbes India, 3 February 2014

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Art collections of major corporate houses

Corporate house	Featured artworks
Taj Art Gallery (Taj Hotel)	Taj's collection includes artworks from artists such as S. H. Raza, V. S. Gaitonde, Tyeb Mehta, Jehangir Sabavala, Jamini Roy, K. H. Ara, N. S. Bendre, K. Hebbar, Ram Kumar, Vivan Sundaram, Gulam Mohammed Sheikh and Laxman Shreshtha.[18]
The Piramal Group	The group's art collection majorly includes modern Indian art as well as Mughal and Rajput miniatures, classical sculpture, and figures from 20th century and European paintings from Paul Klee, Joan Miro and Pablo Picasso.[19]
Deutsche Bank	The total number of individual artworks worldwide is estimated to be around 60,000, by about 5,000 artists. Their India catalogue entails works by Bhupen Khakhar, Rekha Rodwittya, Gieve Patel, Vivan Sundaram, Atul Dodiya, Jitish Kallat, etc.[20]
Associated Capsules Group (ACG)	The group owns more than 400 paintings and sculptures. The collection includes artworks by M. F. Hussain, Rameshwar Broota, Jehangir Sabavala, Krishen Khanna, Anjolie Ela Menon, Bikash Battarcharjee, S. H. Raza, Shiavax Chavda, B. Prabha, Murli Lahoti, Jatin Das, Shanti Dave, etc.[21]
RPG Enterprises	RPG houses a large collection including artworks of modern and contemporary Indian painting and sculpture. The collection includes works by M. F. Hussain, S. H. Raza, Ram Kumar, Jehangir Sabavala, and Atul Dodiya.[22]

Increasing number of art galleries

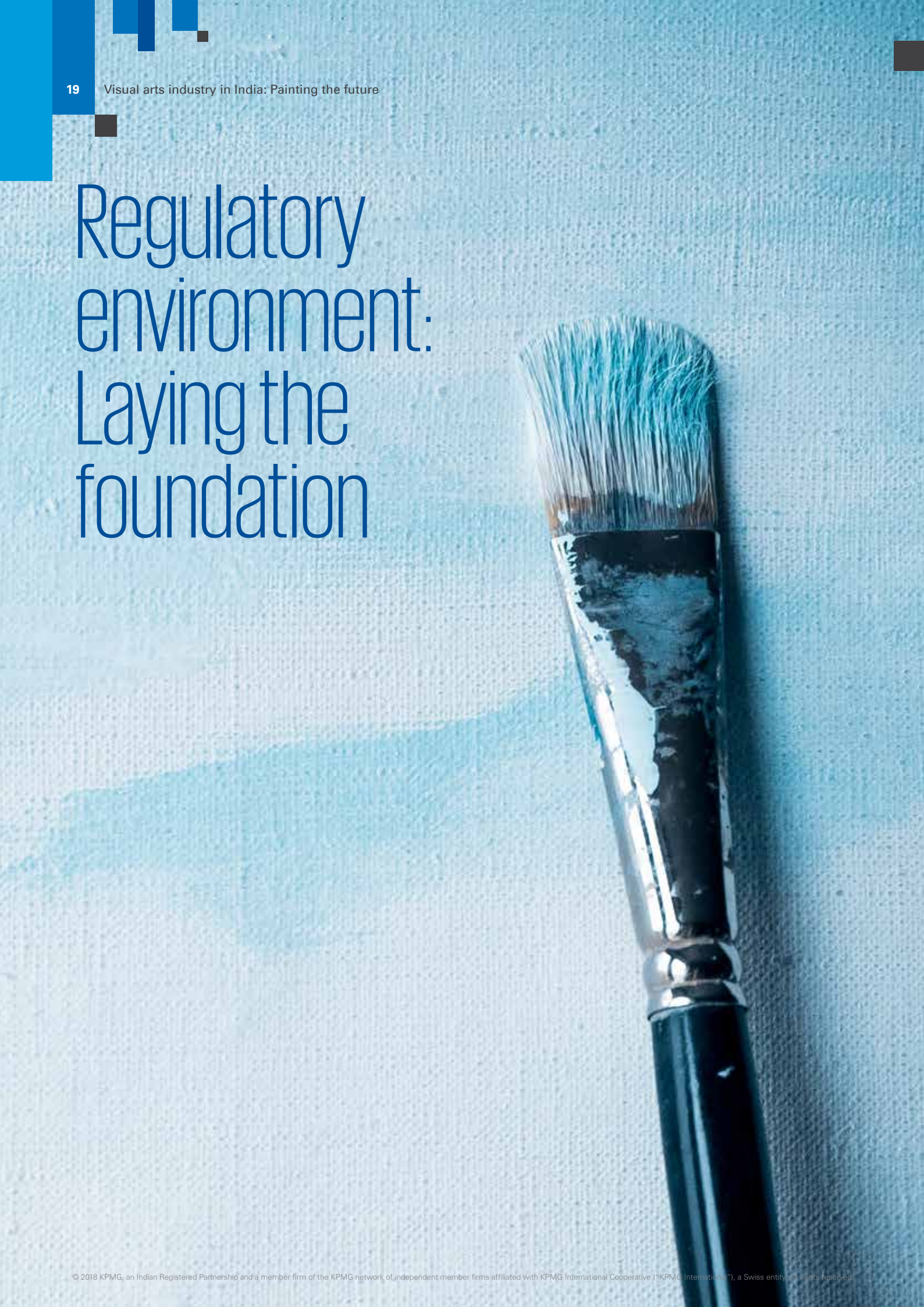
India has continued to be the commercial art gallery hub in the South Asian region. About 40 per cent of the country's galleries are based in New Delhi, followed by Mumbai with 24 per cent of the galleries. Ever since the emergence of the Indian art industry since 1990s, the Indian art gallery domain has grown remarkably faster than its counterparts in other South Asian markets. The Indian art industry growth between 2005 and 2008 witnessed substantial outlays towards gallery infrastructure. These investments have laid strong foundations for the growth of sales in the visual arts space, providing artists across the country a platform to showcase their works.[23]

> The relationship between a gallery and an artist could easily be termed as 'marriage'. An art gallery incessantly works with an artist during his entire journey from ideation to art sales, by supporting him in numerous ways including ideation, shipping, insurance, funding, framing, organising art fairs, and ensuring sale through multiple avenues. Therefore, the artist is not hesitant to share anywhere between 10 to 50 per cent of the sales proceeds to the art gallery.
>
> - Aparajita Jain
> **Director**
> Nature Morte

18. 'The Taj Mahal Palace, Mumbai: Corporate and institutional art collections', Mumbai Mirror, 15 November 2015
19. 'Piramal: Corporate and institutional art collections', Mumbai Mirror, 6 January 2016
20. 'Deutsche Bank: Corporate and institutional art collections', Mumbai Mirror, 7 January 2016
21. 'Associated Capsules Group: Corporate and institutional art collections', Mumbai Mirror, 7 January 2016
22. 'RPG: Corporate and institutional art collections', Mumbai Mirror, 7 January 2016
23. The South Asian Art Market Report 2017, ArtTactic, 2017

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Regulatory environment: Laying the foundation



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Visual arts industry in India: Government initiatives and regulatory environment

Government initiatives for the visual arts industry

Scholarships to young artistes in different cultural fields

- The scheme's objective is to provide assistance in the form of scholarships to promising young artists for advanced training in various areas of dance, art and music.
- The duration of scholarship is two years. The nature of training is established on a case to case basis, taking into account the previous training and experience of the scholar.
- After their selection, the scholars are required to undertake a training in the designated field. Such training includes minimum three hours a day of practice as well as the time spent for acquiring knowledge of the theory of the concerned subject.
- A total of 400 scholarships for each financial year are awarded and every selected scholar is paid INR5,000 per month for a period of two years to cover their expenses on books, art material and other equipment, travelling and tuition or training charges.[01]

Museum Grant Scheme

- The objective of the scheme is to offer financial support for the development of new museums by state governments, societies, local bodies, autonomous bodies, academic institutions and trusts registered under the Societies Act of 1860. The scheme aims at:
  - Strengthening and modernising the existing museums at the regional, state and district level
  - Digitising art objects in the museums for making their images/catalogues available for the website
  - Capacity building of museum professionals
- Financial assistance is provided for the setting up of new museums, development of existing museums, digitisation of art objects in the museums and training of professionals of museums. The range of museums covered includes:
  - Museums having collections of antiquities, numismatics, paintings, ethnological collections, folk art and others including art and crafts, textiles, stamps, etc.
  - Online virtual museums displaying objects in any or all of the above disciplines
  - Theme based museums [02]

Museums are categorised under three categories with the quantum of financial grant varying as per the category

	Maximum amount of financial assistance (INR million)
Category I - Central or State Government owned museums in state capitals	150
Category II - State government owned museums (in places other than state capital)	
Setting up of new museums	100
Development of existing museums	80
Category III - All other museums	
Setting up of new museums	50
Development of existing museums	40

01. 'Scheme for the Award of Scholarships to Young Artistes in Different Cultural Fields', India Culture, 2016
02. Museum Grant Scheme, Ministry of Culture website, as accessed on 10 January 2018

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Government backed art institutions and exhibitions

Lalit Kala Akademi

Lalit Kala Akademi was established by the Government of India as an autonomous body in 1954 and given statutory authority in 1957, under the Societies Registration Act 1860. Since its establishment, it has worked towards supporting the creative endeavours of Indian artists and bringing it to a large number of people.[03]

Lalit Kala Akademi — Exhibitions organised and participated in[04]

Category	Details
National	
National Exhibition of Art	• The National Exhibition of Art is the most prestigious annual event of the Lalit Kala Akademi. Begun in 1955, its objective is to showcase and represent visual advances in the year.
International	
Cultural Exchange	• As part of the cultural exchange, the first exhibition from abroad to be organised by the academy was on Canadian paintings, held in Delhi in 1955. The exhibition was shown later in Kolkata, Chennai and Mumbai. • The first Indian exhibition sent abroad was in 1955 and consisted 180 artworks — ancient paintings, sculptures and others by contemporary Indian artists.
Biennale	• **Venice Biennale, 2011** India participated in the Venice Biennale in 2011, the fifty-fourth edition of the event. While earlier editions of this Bienalle had only shown the works of Indian artists, this is the first time where India participated at a national level. • **Beijing Biennale, 2012** India took part in the fifth Beijing Biennale in 2012. The members of the Executive Board of the Lalit Kala Akademi jointly chose a team of 12 Indian contemporary artists to participate in the exhibition. • **15th Asian Art Biennale, Dhaka, 2012** The Indian participation at the 15th Asian Art Biennale in Dhaka in 2012 was marked by the Lalit Kala Akademy and the Shilpakala Academy, Dhaka, jointly collaborating on an art initiative, co-hosted by the heads of the respective states.
Triennale	• India hosted the first Triennale in 1968 and has conducted 11 international art exhibitions since. Triennale – India showcases the current trends in contemporary art around the world. The event is organised every three years to bring together artists from the world over a common platform

National Gallery of Modern Art[05]

The National Gallery of Modern Art (NGMA) was established in 1954 in New Delhi. Since then the gallery has expanded its operation to Mumbai and Bengaluru, and they are soon expected to launch their Kolkata chapter in the first half of 2018. The primary objectives of the gallery include:

- To procure and preserve works of modern art from 1850s onward
- To develop and maintain galleries to exhibit works of art
- To organise special exhibitions in its own premises and other parts of the country and overseas
- To develop an education and documentation centre in order to acquire, maintain and preserve documents relating to works of modern art
- To develop a specialised library of books, periodicals, photographs and other audio visual materials
- To organise lectures, seminars and conferences, and to encourage higher studies and research in the field of art.

03. 1st Print Biennale India 2018, Starinxs, 2018
04. Lalit Kala Akademi website, as accessed on 18 January 2018
05. National Gallery of Modern Art website, as accessed on 18 January 2018

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Exhibits conducted by NGMA during 2017[06]

Branch	Exhibit
Delhi	Manu Parekh: 60 years of selected works
	Here After Here by Jitish Kallat
	Itihaas
	Many facets of an Artist : Collections from the Bhupen Khakhar Estate
	Hiding Inside the Light by artist Kim Ho-suk
Mumbai	In the Presence of Another Sky: Sakti Burman, A Retrospective
	Light Works - Jitendra Arya a Retrospective Exhibition
	Nicholas Roerich - In Search of the Mystic World
	NGMA Mumbai: Collection & History
	The Bombay Art Society (1888 - 2016), History And Voyage
Bengaluru	The Unpublished Works by R.K Laxman (in collaboration with Indian Institute of Cartoonists, Bengaluru)
	Regional Modernity The Madras Art Movement 1960s-1980s
	A. A. Almelkar (1920 - 1982) Inspiration and Impact
	A Perceptive Eye: Surya Prakash – Retrospective -1960 Onwards

Indian Council of Cultural Relations[07]

The Indian Council for Cultural Relations (ICCR), is an autonomous body of the Government of India, engaged in India's external cultural relations, through cultural exchange with other countries. The organisation was established in 1950 and has the following objectives:

- To participate in the formulation and implementation of policies and programmes relating to India's external cultural relations
- To foster and strengthen cultural relations, exchange and mutual understanding between India and other countries
- To establish and develop relations with national and international organisations in the field of culture.

The council showcases India's cultural heritage by sponsoring exhibitions of India's contemporary and traditional arts. These include:

Category	Details
Outgoing exhibitions	ICCR owns a rich collection of exhibits (paintings, photographs, textile) which are sent for display in major festivals and art events abroad
Incoming exhibitions	ICCR under bilateral cultural exchange programme with other countries and under a programme of its own activities also receives exhibits from abroad for expositions in India
Horizon series	ICCR owns a professional art gallery – Azad Bhavan Art Gallery, and is continuously organising exhibitions which are part of the 'Horizon Series'. These exhibitions include works of both upcoming as well as established artists dabbling in various fine arts
Artist residencies	ICCR organises art residencies wherein the artists share and propagate better understanding of unique cultural identities

06. National Gallery of Modern Art website, as accessed on 16 January 2018
07. Indian Council for Cultural Relations website, as accessed on 18 January 2018

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Kochi-Muziris Biennale case study

Kochi-Muziris Biennale (KMB) is a biannual cultural fest that takes place in the state of Kerala and gathers participation from across the world — in terms of artists, volunteers and visitors. It has rapidly evolved to become one of the leading global festivals of contemporary art and has placed Kerala on the world's cultural map.

KMB, organised by the Kochi Biennale Foundation — a non-profit public charitable trust co-founded by artists Bose Krishnamachari and Riyas Komu, was initiated in the year 2012 and showcased across 14 sites in Kerala. With support from the Government of Kerala, the Kochi Biennale Foundation aims to broaden public access to art across the country and develop the art infrastructure across.[01]

The biennale since 2012 has evolved from witnessing a participation of 89 artists from 23 countries to 97 artists from 31 countries in 2016. Within the opening 10 weeks of its first edition, the event gained 13,400 likes on Facebook and 12.3 million hits on its website. The numbers of visitors have also surged upwards from 0.4 million to 0.6 million in the latest edition (third edition). KMB 2016 had 22 collateral shows, along with setting up heritage properties as galleries spaces, dotting the town with old buildings.

Support from both government and corporates helped it achieve its potential

The Government of Kerala has remained the primary sponsor of the Kochi–Muziris Biennale by making contributions across various editions. For the 2016-17 edition, the Kerala Government allocated a budgetary provision of INR75 million.

Apart from government support, a number of corporate firms like the Lulu Group, South Indian Bank, DLF, BMW and Asian Paints have made contributions to support the foundation's activities in 2016. Getting associated with the KMB is a lucrative situation for both the private and public bodies and opens up a wide range of opportunities for them, including:

- **Visibility** - Sponsoring such an art and culture event does allow corporate enterprises to achieve recognition amongst millions of art lovers
- **Regional development** - Association can help boost hotels and other affiliated industries in the region
- **Consumer trust** - Funding of art and culture is seen as a more honest and a committed show of support to a cause, thus yielding higher consumer trust benefits
- **Resource creation** - It provides corporates an opportunity to interact with the intellects and creative pioneers of the industry. Not only does this help in the positive brand building, but also infuses creativity into their design teams.

Sociocultural impact

- KMB has provided immense encouragement to the local talent in Kerala. In addition to providing them with a platform to showcase their artwork, it has opened international doors for budding artists.
  - According to a survey conducted by KMB in May 2017, 37 per cent of local residents stated that they are likely to encourage their children to be more engaged with arts
- KMB has been triggering the interest of multiple Indians as well as global artists towards Kochi, helping position it as a cultural centre in the country
- Various venues hosting the Biennale such as abandoned warehouses used by the British, Portuguese and the Dutch traders centuries ago have been reenergised/revived.

01. "Kochi-Muziris Biennale" website accessed on 17 January 2018

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Economic impact

On the economic front, the event generates job opportunities for the associated artists and volunteers, cutting across various sector such as tourism, hospitality, transport and hotels.

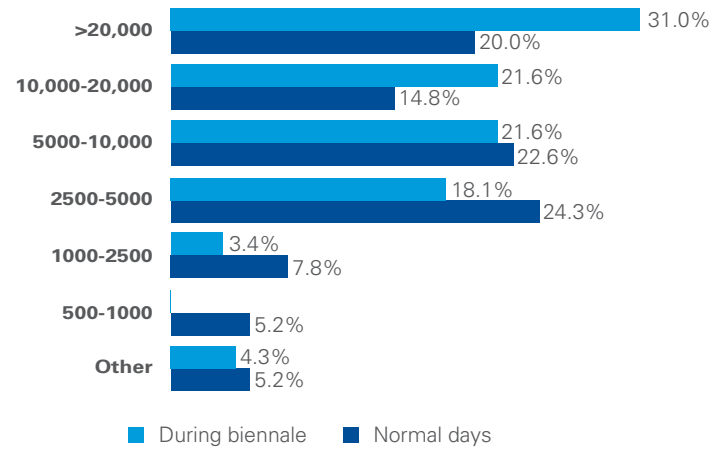
- KMB helps volunteers to get jobs in departments such as programmes, documentation, editorial, administration and production teams
  - According to a survey conducted by KMB in May 2017, nearly 45 per cent of the artists confirmed engaging with residents of Kochi directly for the production of artworks, thereby creating opportunities for locals
  - Nearly 20 per cent of volunteers who worked previously in other fields have moved to jobs in the art sectors after volunteering with KMB
- Tourists arrivals have been on the rise and are increasingly choosing to visit Kochi due to the growing viewership of the event
  - The first edition in 2012 helped raise the state's income from tourism by 4 per cent over the event duration
  - The footfall at Mattancherry Palace (a Dutch Palace of cultural significance in Kochi) increased by 25.6 per cent during the period December–March from 2012 to 2016.
- Of the total homestays in Kerala, 35 per cent has been registered in the last five years
  - Since January 2013, roughly around 65 homestay accreditations have been filed in Fort Kochi and Mattancherry (places very close to Kochi Biennale), of which 40 have already been approved.
- New railway services connecting Kochi to various other cities of India have started, to manage the spike in traffic
- There has been a 30-40 per cent inflation in rental values during the Biennale season as compared to normal rates in Kochi. Property values have also seen a 30 per cent rise over the past five years.

Physical form

Just as Kochi's physical form compliments the biennale, the biennale too shapes the city in the form of a soft urban renewal. It does so by gradually improving the environs and rehabilitating buildings without the residents having to face inconveniences. In Kochi, a resurgence of heritage architecture possibly inspired by the Biennale venue restorations has only been increasing over the years.

Overall Kochi-Muziris Biennale has managed to restore faith in art and culture in India by taking it on a global platform and gathering a remarkable participation across editions.

Per day earnings for business earners
Normal days vs during biennale



Source: 'Kochi-Muziris Biennale report', KPMG in India, November 2017

Source: 'Kochi-Muziris Biennale report', KPMG in India, November 2017

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Impact of larger government measures on the arts industry

Impact of GST

The rollout of the Goods and Services Tax (GST) is expected to have a mixed impact on the Indian visual arts space. Under the new taxation structure, artworks, including, paintings, drawings and pastels, original engravings, prints and lithographs, original sculptures and statuary in any material and antiquities older than 100 years, fall under the 12 per cent tax bracket, thus rendering them more expensive especially in a state such as; West Bengal where artworks were exempted from VAT.[08]

Indian artists, predominantly the upcoming ones, pursue their careers under economic adversities which includes bearing the cost of raw materials, framing, shipping, insurance, promotions, gallery spaces, etc. With the new tax scheme, artwork prices are likely to increase, deterring a segment of buyers and adding to difficulties for artists, who already experience challenges selling their works at deserving or nominal prices.[08] Further, a significant proportion of the art market belongs to the INR0.1-0.5 million segment and a tax rate of 12 per cent on this is substantial enough to discourage buyers.[09] Apart from taxation on art, activities such as framing attract an additional tax of 28 per cent, another major deterrent for buyers.

Conversely, established artists who have successfully created a brand for themselves may not run into major roadblocks due to GST, as enthusiasts, mainly the ultra-rich ones, are driven by sentiment and are expected to continue to buy art.

Impact of demonetisation on the arts industry

The Indian government's demonetisation drive served as a temporary setback for the visual arts industry, impacting sales in both the affordable as well as the high-end visual arts industry. A noteworthy proportion of buying and selling of affordable art pieces takes place in cash, with patrons picking up artworks at art fairs and events where most of the producers do not use point of sale devices.[10]

The high-end of the visual arts industry also experienced an impermanent slowdown. A few of the auctions conducted after November 2016, the period after demonetisation announcement, saw a muted response. In December 2016, Christie's' two-part auction in India registered art sales worth INR722 million, a significant decline from the December 2015 auction, where the company had raised INR977 million, the highest for any auction held in India. Likewise, Delhi Art Gallery's auction in December 2016 witnessed a subdued performance, selling only 45 of the 70 lots on offer, amounting to INR129.9 million. Further, in November 2016, Saffronart's online auction featuring modern and contemporary South Asian Art sold about 75 per cent of the 105 lots on offer, raising INR144.6 million.[11]

Despite having a short-term negative impact, demonetisation is expected to strengthen the management and coordination in the visual arts industry, making it more organised and accountable over the long-term.[10]

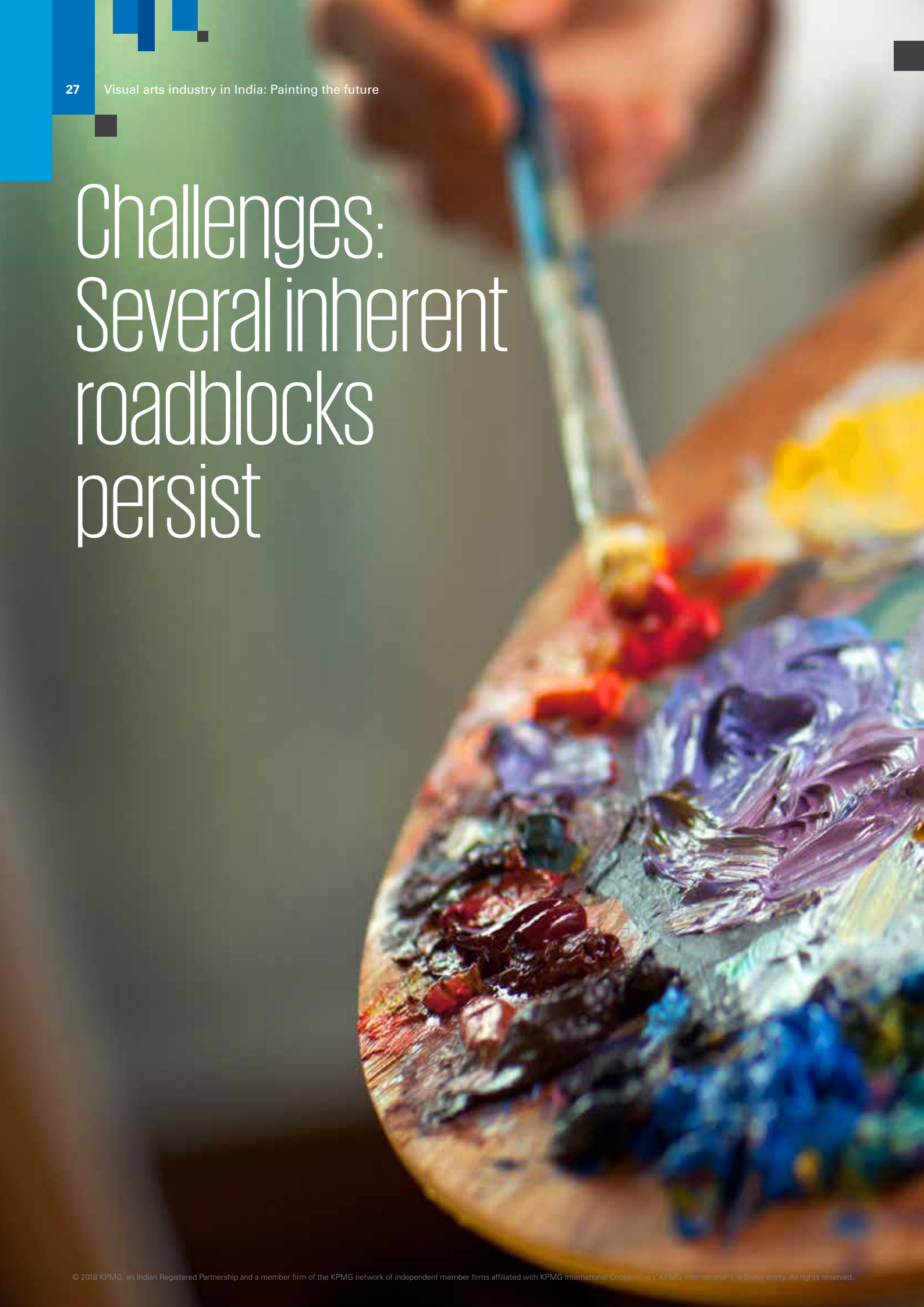
08. 'GST paints a gloomy picture for the Indian art industry', Time Now news, 3 July 2017
09. 'Art Tax', Indian express, 20 May 2017
10. 'Demonetisation has dented affordable art, too early to foretell larger impact', Business Standard, 11 December 2016
11. 'Did demonetization steal the colour from art?', Rediff, 14 February 2017

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Challenges: Several inherent roadblocks persist



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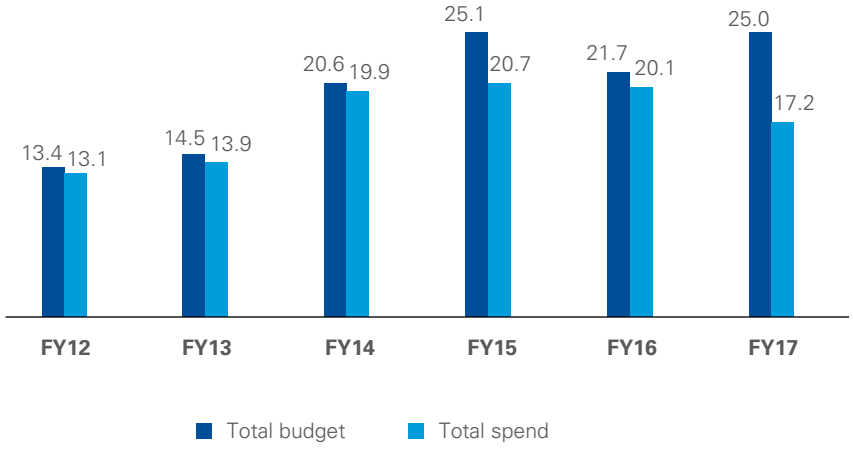
Challenges

Insufficient public support and lack of funding

The art industry in India remains under stress due to insufficient support from the government, particularly in terms of funding. The Ministry of Culture, which continues to be the largest funder for art, does not spend 100 per cent of its allocated budget each year. For instance, the Ministry of Culture failed to utilise funds worth INR7.83 billion of its outlay for arts and culture in FY17. Further, from the FY17 Union Budget outlay of around INR7 trillion, the central government set aside INR25 billion, less than 1 per cent, for the Ministry of Culture, which the industry considers inadequate to support the overhaul of public museums and facilitate growth in the arts industry.[01] In addition, the government does not allow public-run museums to tie-up with private organisations or individuals, and the latter have to depend on central funds for restoration and even to run day-to-day operations.[02]

> The funds allocated to the Ministry of Culture are not getting utilised 100 per cent year after year, primarily due to low involvement of private players in strategising the future course of the industry and its key focus areas. The government needs to engage private players while making important decisions to be able to utilise these funds optimally. Doing so will also allow government officials to have a clear view of the industry, and its requirements and challenges. For instance, the Rajasthan government has recently carried out a few projects in the visual arts space that have been quite successful. The success was, in parts, due to the full autonomy provided to private players.
>
> - Subodh Gupta
> **Renowned artist**

Total allocated budget and spending by the Ministry of Culture (INR billion)



Source: Ministry of Culture website, as accessed on 15 January 2018

01. 'Getting museums to trend', The Hindu, 12 September 2016
02. 'India's neglected museums', The Hindu, 12 April 2015

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In the absence of adequate government support, players in the arts industry are compelled to look towards support from corporations, bilateral agencies, trusts, art foundations, developmental organisations etc. For instance, KHOJ, a not for profit organisation established to support contemporary art and emerging artists in South Asia, does not solely rely on only one source of funding. The organisation sustains itself through an assortment of funding means, which comprise of international trusts/ foundations, Indian grant-making organisations and a wide network of private patrons that fund specific projects or donate to the organisation's trust.[03]

Inadequate infrastructure

India's public museums continue to suffer from inadequate infrastructure and deteriorating conditions. Some of the prominent museums are marked by issues such as sub-standard maintenance and improper lighting and signage, among others. Central to these issues are out-dated policies, lack of autonomy, absence of skilled manpower, lack of awareness campaigns, inadequate adoption of technology and lack of funding.[04] This has also reflected in the footfalls. In 2015, India's government-run museums received less than 100,000 visitors, vis-à-vis more than 8.5 million visits in the Louvre museum in Paris.[05]

With this slow pace of development, budding artists face challenges in finding avenues to showcase and sell their artwork. There is a dire need to develop and retrofit the public art infrastructure, including galleries and museums, on the lines of global majors. For instance, in 2010, China embarked on a five-year mission to increase its museums tally to 3,500, which the country was able to surpass well within the agreed timeline, as its museum tally stood at 4,000 by 2013.[06] Comparatively, the total number of museums stood at 1,500 for India in FY16, with hardly any new additions in the last two years.[07]

> We certainly need more museums in the country. Most of the best artworks are lying in collections of government organisations, such as NGMA, and are not available for public view. Such artworks deserve to get exhibited and taken care of. The government could build more museums so as to have more avenues to showcase our existing art; not only will this step promote tourism, but would also act as a constructive step towards encouraging the arts industry as a whole.
>
> - Vikram Bachhawat
> **Founder Director**
> Aakriti Art Gallery

> The visual arts industry has been unable to achieve its true potential. Entrepreneurship in art is restricted to a few cities such as Delhi, Mumbai, Chennai, Kolkata and Bengaluru. Furthermore, while there are many art colleges across the country, the number of galleries do not match-up. Hence, it is fair to say that the art infrastructure is not adequate to support and promote thousands of art students who graduate every year.
>
> - Arun Vadehra
> **Founder**
> Vadehra Art Gallery

03. 'Delhi NGMA Underutilises Funds for Art Purchase', The Wire, 2 December 2016
04. 'India's neglected museums', The Hindu, 12 April 2015
05. "For all its history and culture, India's museums are pathetic. Could design fix that?", Quartz, 5 February 2017
06. "China's aggressive museum growth brings architectural wonders", CNN, 30 April 2014
07. "Seven Challenges Museums in India are facing", The Heritage Lab, 13 December 2016

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Lack of qualified/skilled personnel

Below-par salaries for museum staff and indigent hiring policies in museums are contributing towards manpower issues in the art industry. The absence of vision is reflected in the fact, that in India, most museums do not have a full-time director, as compared to western countries, where directors are appointed for a period of four to five years. This helps the museum in those countries to move forward with proper direction, under able leadership.[08] In addition, in India, the staffing is mostly done via Union Public Service Examination (UPSC), which has no provisions for checking their requisite skill level in this field. These issues, have created a situation where there is acute shortage of skilled professionals in museums across India.[08]

Factors such as inadequate financing for upskilling, absence of leadership and improper support has led to skill related issues for artists. The aspects establishing infrastructure required for training and development of the skills need greater government support.

Art forgery

The visual art space is increasingly prone to forgeries. The industry is at the peril of people operating under secrecy, producing counterfeit artworks. An estimated INR0.8-1 billion worth of forged art is traded in India every year and works by modern artists such as M. F. Husain, S. H. Raza and F. N. Souza have all been targeted by forgers.[09] Since a number of buyers are driven by emotions and investment, their inadequate knowledge of the vast visual art domain leaves them at the mercy of forgers.

An assessment of provenance, details of chain of previous owners of the artwork, is critical to ascertain authenticity and valuation of the artwork. However, establishing provenance has also become a major challenge as art imitators often forge documents that include provenance information such as ownership marks, sale receipts, family letters, exhibition labels, collector's stamps dealer records, etc.

In India, legal agreements for art transfers have not historically been a norm and are not always available with ease. The trend of insurance covering art provenance is also not very prevalent. Only a miniscule number of buyers carry out a formal diligence on provenance, with a majority banking on certificates from experts and artists which are not always reliable. Art forgeries have a dual impact. For artists, they result in heavy monetary losses while also hampering their reputation. For collectors, forgeries can cause buyer's remorse and indecision. In the absence of a convincing machinery to authenticate art, Indian is in need of stringent laws that deter counterfeiters.

Lack of regulations and transparency

The industry itself remains largely unregulated, with the lack of an agency supervising art transactions. Presently, the Indian art space is devoid of an organised method of buying/selling art and asserting ownership. In addition, provenance continues to be a much debated matter as there is no established standard that defines a good provenance, making it difficult to understand an artwork's true value. Regulations in other industries make sure that markets are open and unfair trading is forbidden.

Absence of transparency in artwork trade may lead to money laundering, forgery, and other illicit undertakings that are a threat to the value of artworks. Opaque pricing may also endorse insider trading and conflicts of interest which are off-putting for art purchasers and therefore the market. It is therefore essential for the industry to be managed through policies and guidelines that can help foster transparency in the art industry transactions.

08. "Six major challenges facing Indian museums, says museologist Vinod Daniel", Indian Express, 8 December 2016
09. 'How counterfeits compete with the great masters in India's fledgling art market', Economic Times, 30 November 2014

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Inherent lack of art awareness and exposure

There is an inherent lack of art awareness in the country. This is predominantly due to the absence of education to help develop creativity and expression through art. However, to facilitate the same, there is an inadequacy of educational institutes and a standardised curriculum that focusses on visual arts is also non-existent. Consequently, there is a pressing need for the government to internalise arts and provide the right exposure towards arts to students in their formative years.

Minuscule percentage of wealth spent on arts

While HNWIs have driven the visual arts industry considerably, wealth spending on visual arts is still miniscule as compared to other countries. For instance, 4 per cent of the global wealth spent on 'treasure' is spent on fine art paintings and pictures, while 4 per cent is spent on fine art sculptures. Conversely, a meagre 0.02 per cent of the wealth spend in India is towards arts. While the lack of knowledge about art is part of the reason holding back the wealthy from investing, a drastic incline in the value of artworks has led to Indian investors deeming art as a speculative investment for short-term gains. This mind-set is in stark contrast to investors in developed countries, who purchase art for the experience and pleasure than as an avenue to showcase wealth.[10]

> A major question that everyone is trying to answer is where does art fit in the entire gamut of things in India. The industry has experimented a lot over the years, however arts still seem to be struggling for an identity. A strong connect at the grassroots level is needed. We need to internalise arts, as what is currently being taught under arts at the school level is very different from the true definition of arts.
>
> - Adwaita Gadanayak
> **Director General**
> National Gallery of Modern Art (NGMA)

10. 'Growth in Indian art paves the way for wealth management', Economic Times, 31 January 2013

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Case study: Government's role in China's visual arts boom

Although a relatively new player in global arts market, China has come to the forefront in terms of fortifying its arts and culture industry in its pursuit of matching up to global standards. In 2006, China lagged far behind its neighbours – Japan and Korea in terms of global market share in cultural products. While Japan and Korea had a share of 13 per cent in 2016, China accounted for less than 6 per cent[01]. However, from a meagre presence to being one of the top three players in the world, the Chinese industry has come a long way.

- Having grown at a CAGR of 8 per cent between 2009 and 2016, the art industry was valued at around USD12 billion in 2016[02] and maintained its third position in world art value[02]
- In 2016, the Chinese auction sales with a contribution of 34 per cent to the world total value surpassed the U.S. (~32 per cent), thus, taking the top rank[02].
- In the last 10 years, the number of exhibitions and art events have doubled in China.

The upsurge witnessed over the last decade in Chinese art industry is now stabilising, with the growth levelling out, in sync with the global market. This growth could be attributed to several factors, with the most important being the increased awareness and focus of the Chinese government towards the cultural and creative industries. Although the country was growing at a tremendous pace economically, the growth in culture could not keep up and was being outpaced by its neighbours and western counterparts[02]. Acknowledging the importance of culture and arts in building a strong sense of national identity, the Chinese government stepped up its efforts:

- **Financial investment:** In 2012, the government spent USD8.53 billion[01] (54 billion yuan), i.e. 9.3 per cent of the national budget on development of culture, sports and media[03].
- **Development of museums:** A significant proportion of aforementioned expenditure was diverted towards the development of museums. The funding for museums more than doubled from USD2.57 billion[04] (16.6 billion yuan) in 2011 to USD5.35 billion[05] (35.4 billion yuan) in 2016 resulting in an increase in number of museums from 3,800 in 2011 to 4,800 in 2016[06].
- **Provision of free entry:** Entry to most of these museums has been made free by the government to further increase the footfalls. According to an estimate, USD0.81 billion[07] (5 billion yuan) was earmarked by the Ministry of Culture in 2015 for free entry to museums, memorial and galleries[08]. This has resulted in a marked increase in the number of visitors in museums from 637 million in 2013 to 900 million in 2016[06].
- **Inclusion in the Free Trade Zone:** The free trade zone policy introduced by the Chinese government has also helped the market to grow. These zones offer preferential tax treatment and allow import of artworks without payment of customs duty[09].

01. 'Nationalism and government support of the arts', Createquity, 27 May 2014
02. The Art Market 2017, Art Basel and UBS Report, 2017
03. Exchange rate used : 1 Yuan = 0.158 USD
04. Exchange rate used : 1 Yuan = 0.155 USD
05. Exchange rate used : 1 Yuan = 0.151 USD
06. 'Chinese museums impose strict rules as visitors flock to blockbuster', South China Morning Post, 30 September 2017
07. Exchange rate used : 1 Yuan = 0.161 USD
08. 'Chinese gov't spends more on public culture', China Culture, 20 August 2015
09. 'Broad strokes success auction houses chinas fine arts market, China Briefing, 30 April 2014

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- **Easing regulations:** In 2016, the Chinese government eased the regulations pertaining to import and export of artworks.[10]
  - The dealers are now required to simply register themselves with the cultural department, with no additional departmental requirements
  - The organisers of commercial exhibitions of imported artworks are under the obligations to provide information about content only, and are no longer required to share details such as budget, promotion plans and lease of the venue
  - The approval time for cross-border deals has been reduced from 15 days to five, with a maximum time frame to approve an exhibition set to 15 days
- **Promotions through digital media:** There is a conscious effort to extensively use mobile apps, social media, and educational games to boost attendance in the museums. For instance, the Palace Museum, the national museum located in Beijing China, has created its own app and games targeted at both youth and kids. The museum has collaborated with an ecommerce player to sell merchandise[11]. In 2016, the museum also signed a three-year deal with Tencent to promote Chinese culture via emoticons on instant messenger QQ, games, and digital exhibition.[11]
- **Beijing 798 Art Zone:** Launched as a joint initiative by the Central Academy of Fine Arts and groups of independent artists, Beijing 798 Art Zone is one of the most visited tourist sites in China. The zone offered several advantages to incoming artists including strategic location (near Beijing) and innovative architecture , which led to a number of benefits:
  - Cheaper rental accommodation fuelled the incoming of these artists who started setting up their workshops and galleries.
  - With the district being marketed as an art zone and development of convenient transport mechanisms, the number of visitors started to increase, reaching as high as 75 million.
  - The district gradually transformed into a commercial hub with large number of shops, restaurants and bars coming up in the zone.

The government has realised the potential of this sector as a key source of employment and an important means to exercise 'soft power' by expanding its cultural influence abroad. Thus, besides financial investment, several other measures have been undertaken by the Chinese government to sustain interest in the arts industry and boost this sector's growth.

10. 'China eases restrictions art imports, exports', China Culture, 2 March 2016
11. 'Tencent signs deal with Palace Museum to promote traditional culture', China Daily, 7 July 2016

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Recommendations: Handholding to help accelerate growth



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Recommendations

Development and maintenance of art infrastructure

India needs to develop infrastructure surrounding the visual arts industry to engage with audiences on a wider scale. While the industry has looked to alternative avenues such as fairs and festivals to promote art[01], however strong institutional support in form of museums is required for a more permanent solution.

Besides the imminent need of creating new museums, there is an immediate need to improve the condition of existing ones[02]. A national policy offering guidelines on critical issues such as employee recruitment and remuneration could help to attract better talent to the industry. Skilled and knowledgeable staff could ensure a better experience both in terms of education and entertainment for the visitors resulting in higher footfall. Nominating experienced administrators to lead these institutes could also help ensure that the efforts are channelled in the right direction.

A cue could be taken from the restoration of Bikaner House in Delhi, which was widely known for several years as a bus terminus. In 2015, the Rajasthan government, the owner of the building, devised a plan to turn the property into an avenue for arts, culture and heritage. The property, managed by the Bikaner House Management Society, an independent body that gets funding from the Rajasthan government, has undergone major restoration and is now open to public. It now serves as a major cultural hub in Delhi, attracting a steady stream of visitors, including art enthusiasts, and hosts events such as art exhibitions, book launches and musical performances.[03]

Another major example is the Sculpture Park in Jaipur, Rajasthan. In December 2017, the Government of Rajasthan, in collaboration with Saath Saath Arts Foundation, announced the launch of the Sculpture Park in Madhavendra Palace of Nahargarh Fort, Jaipur. The park, curated and designed by Peter Nagy, director of Nature Morte Art Ltd., depicts an assortment of contemporary art and historical architecture. Developed with an investment of INR15 million, the initiative has been widely covered by various media houses while also garnering a reach of more than 1.5 billion people. Envisioned as a platform for artists to display their art, the park exhibits 62 sculptures by 15 Indian and nine international artists, supported by a host of private individuals and corporate sponsors.[04]

Create awareness about the rich Indian cultural heritage

The government could take a more active role to circumvent the issue of lack of awareness about the Indian culture. Currently, the formal education system imparts very little knowledge about the various art forms being practised in India over centuries. The expansion of course curriculum to include such courses is likely to help develop interest amongst children at a very early stage. Besides, there is a need to conduct workshops and training programmes for teachers and parents to sensitise them on the importance of cultural education for students.

The Ministry of Culture in India has taken a few initiatives to create awareness about art and culture. Institutions like Centre for Cultural Resources and Training (CCRT) have been set up to develop cultural understanding among the students and educational administrators[05]. However, a concerted effort from the government would be required to ensure awareness amongst a large population base.

> India has enough art schools and art education courses, but the standard and the realms of curriculum are often backlogging or are not up to the contemporary standards. My firm belief is that our bars of art education needs to rise and we must have a central policy applicable in all forms of art education.
>
> - C.S. Krishna Setty
> **Administrator**
> Lalit Kala Akademi

01. "Seven Challenges Museums in India are facing", The Heritage Lab, 13 December 2016
02. "India's neglected museums", The Hindu, 12 April 2015
03. "Bus terminus to a cultural hub: Delhi's Bikaner House shows the restoration path", The Hindustan Times, 19 February 2017
04. "India's one-of-a-kind Sculpture Park opens at Nahargarh Fort, Jaipur", The Hindu, 11 December 2017
05. Centre for Cultural Resources and Training website, as accessed on 10 January 2018

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Set up an association/body of professionals

Unlike its foreign counterparts, the Indian visual arts industry lacks a specialised association of visual arts professionals. Organisations such as National Association for the Visual Arts (NAVA) in Australia have helped to protect and develop the interest of various such professionals[06]. Creation of such an organisation in India would provide a platform to various stakeholders to:

- engage directly with the policymakers
- help create a database and repository of knowledge about the resources currently available in this sector, thereby, helping to identify and address the prevalent gaps
- register the important pieces of art , potentially addressing the problems of lack of transparency, flawed valuation and forgery
- develop a standard code of practice to make the industry more systematic and organised.

Incentivise budding artists

A number of young artists, especially in remote areas are deterred from considering fine arts as a career choice due to:

- lack of institutional and financial support
- absence of a centralised nodal body/platform that keeps track of budding artists in the country
- localisation phenomena under which an artwork from an artist residing in a particular state/area gains prominence only in that state/area
- lack of awareness on possible sources of employment.

A more proactive role is required in reaching out to the artists located across the country. Government support in setting-up of art galleries and shows displaying the contemporary art of upcoming artists could help them provide access to wider audiences resulting in higher appreciation and better monetary incentives.

Rationalise the tax structure and relax the existing trade regulations to propel demand

Although, introduction of GST has resolved a few inefficiencies that were existing in the tax system, it has failed to reduce the high cost of acquisition paid by the buyer in terms of taxes and import duties[07]. While the Draft Antiquities and Art Treasures Regulation, Export and Import Bill of 2017 proposes to ease trade of art and antiques within the country, it continues to have restrictions on the import and export of such items.[08] For instance, arts and antiquities older than 100 years are required to be registered with the Archaeological Survey of India and cannot be imported without uploading their details on the relevant government-run web portal. Further, export of the aforesaid art and antiques to other countries is prohibited and can only be done by the government or its agencies.[09]

In addition to reducing taxes and import duties, the government needs to iron out issues pertaining to import and export to make artwork trade seamless. The government could also look at setting up free trade zones similar to China where the auction house is able to import works of art into the free trade zone at no cost of customs duty – and as long as the art is kept within the boundaries of the zone, the buyer is not required to pay an import tax on it.[10]

> “Indian classical sculptures and miniatures are extremely popular outside India. Contrary to what should have been, there are no incentives to get those back to the country, understandably due to prevailing heavy customs duty applicable. To reunite the country with our heritage art, the government could offer incentives, taking cue from its counterparts in other countries.”
>
> - Arun Vadehra
> **Founder**
> Vadehra Art Gallery

06. National Association for the Visual Arts website, as accessed on 11 January 2018
07. ‘GST paints a gloomy picture for the Indian art industry’, Times Now News, 3 July 2017
08. ‘You may soon be able to sell antiques without a licence’, Live Mint, 21 September 2017
09. The Antiquities and Art Treasures Regulation, Export & Import control Bill, Archaeological Survey of India, October 2017
10. ‘Broad Strokes of Success for Auction Houses in China’s Fine Arts Market’, China briefing, 30 April 2014

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Representation of India at major art festivals and events

With little representation in international art events and festivals — such as The Venice Biennale, Art Basel in Europe, Foire Internationale d'art Contemporain (FIAC) in France, and Biennale of Sydney — Indian artists get limited opportunities to showcase their art globally. The government could create a mechanism through which artists get better access to these international events. The government could also take a cue from its foreign counterparts and organise more such events and festivals to promote art and culture in India.

Active involvement of corporates and business houses

Involvement of corporates could help the industry in terms of raising funds, organising various art festivals and events, and promoting budding artists, especially by creating new spaces for them to experiment and showcase their art to grab more eyeballs.

There is an urgent need for both private players and government to work together in supporting the industry. The government could offer preferential tax treatment to the corporates supporting such programmes. Although, protection of natural heritage and culture is permitted as an activity for fulfilling the CSR obligations under the Companies Act[11], more awareness needs to be created about it.

> India has limited participation at international art events such as fairs, biennales and triennials. Also, while there are some antiquities from the Indian culture on display in international museums, there are hardly any Indian modern and contemporary art pieces exhibited in such museums.
>
> - Kishore Singh
> **President**
> DAG Modern

> The corporates in India should be encouraged and educated on how arts and culture could fall under the ambit of Corporate Social Responsibility. This will help drive more patronage from the private sector.
>
> - Aparajita Jain
> **Director**
> Nature Morte

> The state, being the custodian of the material heritage, needs to conserve public spaces, endorsing private professionals and experts to design, craft and fund the 'software', as it were, with the state passing the baton of 'ownership' of the arts and culture domain to the citizen.
>
> - Malvika Singh
> **Chief Minister's Advisory Council (CMAC)**
> Government of Rajasthan

11. 'An overview of CSR Rules under Companies Act, 2013', Business Standard, 10 March 2014

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Adoption of technology in the arts industry

Technology is expected to cause a marked shift in the visual arts space. Globally, the industry is seeing the emergence of a number of art-focussed technology start-ups, which have increasingly raised funding in the last few years. While a major proportion of this funding has been raised by e-commerce start-ups, there is a growing traction towards investments in domains such as art enabling technologies that address long-standing industry challenges such as authenticity, transparency, collection, valuation, and risk management.

Authenticity

Start-ups such as Verisart are leveraging decentralised technologies to assist artists and art collectors with novel methods to verify, document, authenticate artworks. Verisart is using blockchain technology to create a worldwide ledger of art and collectibles, together with data from the museums, to deliver instant valuation with provenance tracking; for artists, collectors, appraisers and insurers.[12]

Inventory management

ArtBinder, a mobile app, allows users to depart from the antiquated process of managing art inventory by integrating the sales, presentation and distribution into one platform. Instead of relying on traditional paper-based binders, the app allows users to upload their collections' images to their personal tablets, which they can then use to display artworks online while also maintaining a record of works available for sale and/or whichever have been sold.[13]

Data analytics

Big data is also playing a crucial role in the visual art industry, with players leveraging machine learning to analyse a large number of data points, such as artist, style, medium and size, on works of art. Arthena, based out of New York, is using data science to recommend investments in art to its users. The company has added financial tools that take into account factors such as an artist' work, his career and the year of creation, and then integrates this data with analysis of art auction results to estimate an artwork's risk and return on investment. The same information is fed to investors to help them decide which Arthena funds to put their money in.[14]

Going forward, technology and art are likely to intersect in a number of ways, with several art start-ups continuing to revolutionise the manner in which art is consumed and collected. While the aforementioned technologies are yet to make inroads into the Indian market, they are likely to witness increasing adoption over the next few years.

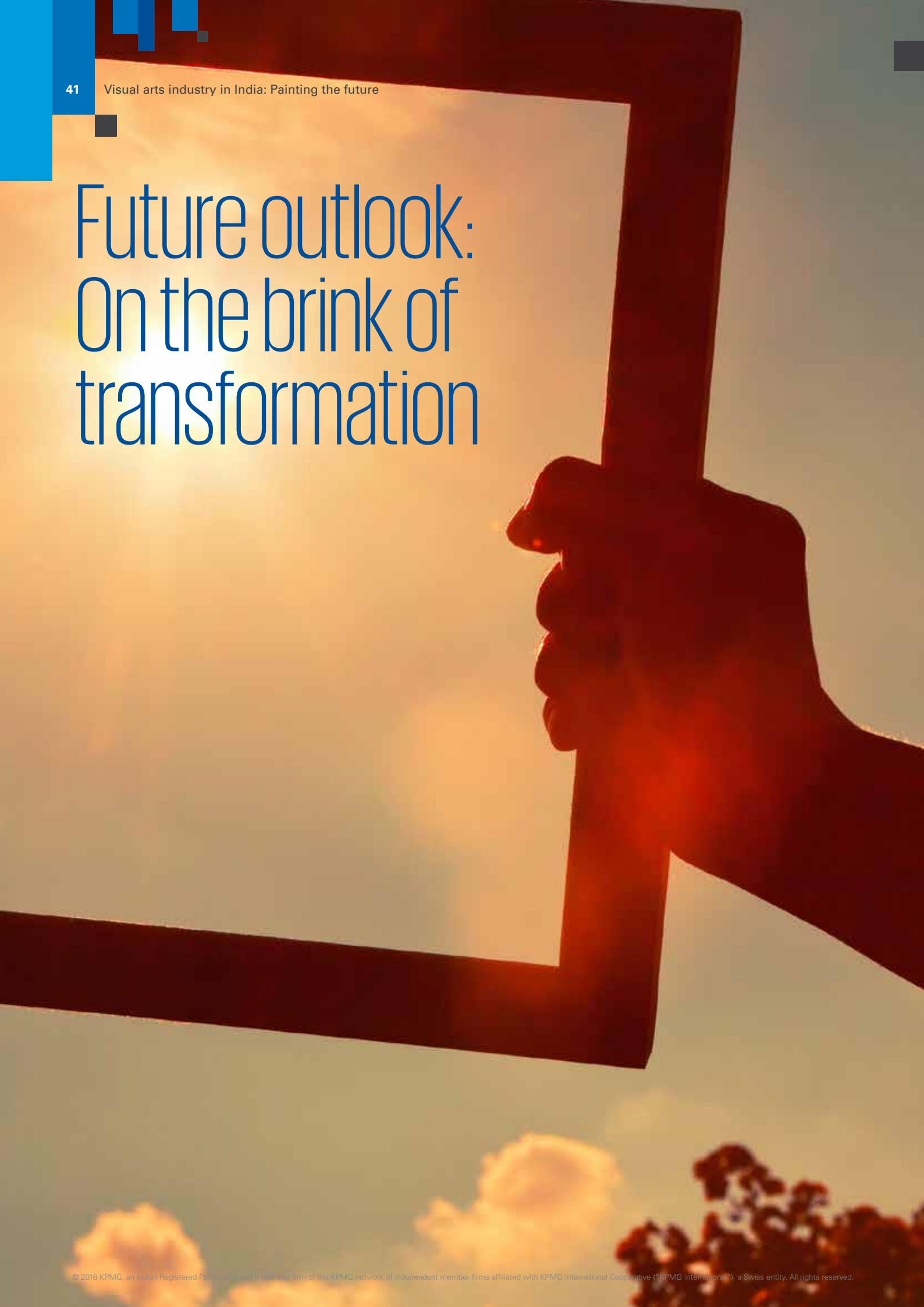
12. 'Verisart Plans To Use The Blockchain To Verify The Authenticity Of Artworks', Tech crunch, 7 July 2015
13. 'Art Galleries App ArtBinder Raises $3.17M In Round Led By Index Ventures', Tech crunch, 1 July 2014
14. 'New York Startup Unleashes Big Data on Art Investing', Bloomberg, 22 November 2017

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Future outlook: On the brink of transformation



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Future outlook

The Indian visual arts industry holds significant potential, with the building blocks for future growth coming together. While a combined 8 per cent of the 'world's wealth spent on treasure', consists of spends on fine art paintings and pictures, and fine art sculptures; only a miniscule 0.02 per cent of the Indian wealth is spent on arts. This presents a substantial headroom for growth. Assets of HNWIs in India are expected to reach USD2.3 trillion by 2020, thereby indicating a large opportunity pool, even a fraction of which can help in exponential growth of the Indian visual arts industry.[01]

However, while HNWIs spending could encourage the development of local visual arts landscape, there remain bottlenecks for the arts industry in India to penetrate furthermore, until challenges around lack of infrastructure, skilled manpower, government support and awareness continue to remain. The Indian government could take incremental steps to boost growth in the industry, but going forward a holistic approach is required in order to deal with pressing issues. A common platform needs to be created to bring together all stakeholders across the value chain — artists, art galleries, auction houses, government organisation, etc., — and initiate dialogue on a regular basis. Collaboration across players can play a key role towards achieving success, but the momentum generated by government reforms need to be underpinned by strong implementation on the ground.

> The number of major international art galleries coming to India for art fairs and festivals has reduced over the years due to lack of support in the country, cumbersome paperwork, confusion around import-export of artworks, and long reimbursement cycles. It is important for us as a country to understand that an art patron does not just collect art from their own country, but is interested in any work of significance from around the world.
>
> - Bose Krishnamachari
> **Director**
> Kochi-Muziris Biennale

Currently, the Indian arts market is dominated by modern art. However, the Indian market is likely to be on the brink of transformation as contemporary art sales are expected to pick up, supported by a diversifying buyer base.[02] This buyer base would mostly comprise discerning consumers in their 30s that are exposed to international museums and galleries, and that are far more comfortable experimenting with art that suit their aesthetics.[03] Given the demographics of emerging customer base, online channels are also expected to emerge as a bright spot for the visual arts industry.

The Internet would continue to transform communications in the visual arts space, enabling art related information to be accessed smoothly by artists, dealers, sellers and buyers around the world. Owing to their cost-effective nature, online auctions — especially through mobile — are likely to find increasing adoption amongst players and users alike. For instance, Saffronart's online auction in 2016 witnessed bidders from around the world, including Singapore, Bahrain, Bangladesh, Bhutan, Hong Kong and Switzerland. This was in light of the company's digital push as 25 per cent of the bids during this auction were made through Saffronart's mobile app.[04]

Technology adoption at stakeholder level could also be crucial to gauge authenticity, inventory management and data analytics, which in turn can bring efficiency in the industry and propel growth. Growing economic prosperity and wealth creation across the country could help diversify the art hubs and enable cities such as Bengaluru, Ahmedabad and Hyderabad emerge as viable alternatives to Delhi and Mumbai for art connoisseurs. Emerging cities for art are likely to see many more art fairs and festivals in the coming years, which would not only act as key business development avenues for fostering sales, but could also enable cultural exchanges and discussions between various stakeholders in the visual arts industry.[03]

01. 'Assets of high net worth individuals in India to touch $2.3 trillion in 4 years', Business Standard, 10 November 2016
02. 'what does the future of art look like for india?', Verve magazine, 19 July 2017
03. The South Asian Art Market Report 2017, ArtTactic, 2017
04. 'With changing time, Indian art auction houses betting big on the online format', Financial Express, 18 June 2017

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Appendix



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A. Major art galleries in India

Vadhera Art Gallery[01]

Category	Description
Establishment year	1987
Types of art on showcase	Modern and Contemporary Art
Key personnel	Arun Vadehra (Chairman)
Headquarters (India)	New Delhi

Business description

Based in Delhi, Vadhera Art Gallery started with a vision to create a professional platform to connect artists with art lovers. One of the oldest and most respected art galleries in India, it has exhibited some prominent artists during its journey like M. F. Husain, Ram Kumar, S. H. Raza, Tyeb Mehta and Akbar Padamsee.

The gallery dedicated itself to actively collaborate private and public art sector and ventured into publishing in 1996, creating adequate documentation, critical writing and quality reproduction of images. Over the last 10 years, the gallery has published 10 books and hundreds of exhibition catalogues and coffee table books. It opened its art gallery book store in 2008, featuring a comprehensive collection of books and memorabilia related to visual arts.

Nature Morte[02]

Category	Description
Establishment year	1997 (India)
Types of art on showcase	Paintings and installations
Key personnel	Peter Nagy (Director) Aparajita Jain (Director)
Headquarters (India)	New Delhi

Business description

Headquartered in New Delhi, Nature Morte is a well-known name in the arts industry, especially in conceptual, lens-based, and installation genres. Over the years, the gallery has participated a number of international art fairs including Art Basel, FIAC Paris, Art Basel Miami Beach, Paris Photo, Art Dubai, Tokyo Art Fair. To provide the much needed impetus to the arts industry in India, the gallery is known to have collaborated with international artists and Indian institutes.

In addition to multi-level space in the national capital, the gallery has also operated from other locations from time-to-time — Berlin (2008-2014), Calcutta (BosePacia Kolkata 2006-2009), and at the Oberoi Gurgaon hotel (2011-2014).

01. Vadehra Art Gallery website, as accessed on 8 February 2018
02. Nature Morte website, as accessed on 8 February 2018

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Chemould[03]

Category	Description
Establishment year	1963
Types of art on showcase	Modern and Contemporary Art
Key personnel	Shireen Gandhy (Director)
Headquarters (India)	Mumbai

Business description

Being one of the oldest and most respected art galleries in India, it has exhibited artworks from some of the prominent artists during its journey such as M.F. Husain, Tyeb Mehta, and S. H. Raza. A simple idea of providing a small space to artists for exhibiting their works within Chemould Frames, Gandhy's family run frame manufacturing business, in 1940s soon led to the conceptualisation of a full-fledged art gallery. In the last five decades, the gallery has grown immensely in terms of both volume and number of artists.

Gallery Espace[04]

Category	Description
Establishment year	1989
Types of art on showcase	Modern and Contemporary Art
Key personnel	Renu Modi (Founder)
Headquarters (India)	New Delhi

Business description

Based in Delhi, Gallery Espace, a private art gallery, started strong with an exhibition from India's one of the most renowned artists, M.F. Hussain. It also boasts of working with artists like Jagdish Swaminathan; Manjit Bawa and Krishen Khanna. The gallery focusses on representing artists whose work deals with contemporary society concerns. It maintains its presence in India's biggest art fairs like India Art Fair 201, The Armory Show, etc.

DAG Modern[05]

Category	Description
Establishment year	1993
Types of art on showcase	Modern Art
Key personnel	Ashish Anand (MD and CEO)
Headquarters (India)	New Delhi

Business description

With its flagship store in Delhi and gallery spaces in Mumbai, DAG Modern opened its first international gallery in New York in 2015 with an aim to take Indian modernism to new-age audience. DAG Modern is India's well-known and largest repository of modern art. It boasts of artists such as Chittaprosad, Avinash Chandra, Rabin Mondal and GR Santosh. In 2016, DAG Modern entered the auction space with a business model that does not charge a buyer's premium. Its first auction received 65 artists consisting of the most significant innovators of modern India.

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03. Gallery Chemould website, as accessed on 8 February 2018
04. Gallery Espace website, as accessed on 8 February 2018
05. DAG website, as accessed on 8 February 2018

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Aakriti Art Gallery[06]

Category	Description
Establishment year	2005
Types of art on showcase	Modern and contemporary art including paintings, sculptures, printmaking and conceptual art
Key personnel	Vikram Bachhawat (Director) Priya Bachhawat (Director) Aman Bachhawat (Director)
Headquarters (India)	Kolkata

Business description

With art galleries in New Delhi and Kolkata, Aakriti Art Gallery focusses on offering opportunities to modern and contemporary artists to help them showcase and market their artwork. The gallery showcases works of both modern artists such as Jogen Chowdhury, Satish Gujral, Kartick Pyne and Partha Pratim Deb as well as contemporary artists such as Sekhar Roy and Samindranath Majumdar. Its initiative of actively reaching out to young artists has helped in the development of contemporary art.

The gallery has also introduced the concept of affordable art to ensure that the best of artworks reach a wider audience at reasonable prices. Besides direct sales, the gallery has also pioneered the concept of an online art shop wherein people can conveniently shop for the requisite artwork.

Experimenter[07]

Category	Description
Establishment year	2009
Types of art on showcase	Contemporary art
Key personnel	Prateek Raja (Director) Priyanka Raja (Director)
Headquarters (India)	New Delhi

Business description

Based in Kolkata, Experimenter art gallery represents 12 artists including Adip Dutta, Ayesha Sultana, Bani Abidi and Praneet Soi. It has a challenging multi-disciplinary approach which involves interactive installations, multiple channel work and live projects. It hosts exhibitions constantly and claims to have transformed the way of contemporary art gallery experience.

Sakshi Gallery[08]

Category	Description
Establishment year	1984
Types of art on showcase	An assortment of contemporary and modern arts, including paintings, sculptures, miniatures etc.
Key personnel	Geetha Mehra (Director) Sanyogita Deo (Curator)
Headquarters (India)	Mumbai, Maharashtra

Business description

Headquartered in Mumbai, Sakshi is amongst the largest private art galleries in the city. The gallery features works from leading Indian artists such as M.F. Husain, Ram Kumar, F.N. Souza and K.G. Subramanyan, amongst others.[09] The gallery has conducted exhibitions of Indian art around the world and has introduced the Indian audience to artworks of illustrious international artists such as El Anatsui, Gregory Crewdson and Julian Opie.

06. Aakriti Art Gallery website, as accessed on 8 February 2018
07. Experimenter website, as accessed on 8 February 2018
08. Sakshi Gallery website, as accessed on 8 February 2018
09. The Best Contemporary Art Galleries In Mumbai, The Culture Trip, 30 November 2016

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Kalakriti Art Gallery[10]

Category	Description
Establishment year	2002
Types of art on showcase	An selection of contemporary artworks, including paintings, sculptures, miniatures etc.
Key personnel	Rekha Lahoti (Founder) Prshant Lahoti (Founder)
Headquarters (India)	Hyderabad, Andhra Pradesh

Business description

Kalakriti Art Gallery represents a number of emerging and established contemporary artists in Hyderabad. Over the years, Kalakriti has held exhibitions of several leading artists such as Amit Ambalal, Anju Dodiya, Jehangir Jani, Jogen Chowdhury, S. H. Raza, Surya Prakash, and others. The gallery also ventures into collaborative programmes with Alliance Francaise, Goethe Zentrum, University of Hyderabad, etc. and has participated in national art fairs such as Art Expo, India Art Fair and the Luxury Expo, Hyderabad. Furthermore, Krishnakriti awards annual residency programmes in France every year, in collaboration with the French Embassy. The gallery has also launched 'Kalakriti Award for Achievement and Excellence' an annual award to honour individuals who make a difference to Hyderabad city with their work.

Galleryske[11]

Category	Description
Establishment year	2003
Types of art on showcase	An assortment of contemporary artworks
Key personnel	Sunitha Kumar Emmart (Founder)
Headquarters (India)	Bengaluru, Karnataka

Business description

Founded in Bengaluru in 2003 by Sunitha Kumar Emmart, Galleryske hosts contemporary art exhibitions while also hosting outreach programmes for children, artist talks, book receptions and special events to facilitate access and dialogue across the community. The gallery also runs T.A.J Residency and SKE Projects with artist Tara Kelton: an inter-disciplinary project and residency space in Bengaluru. Galleryske features works from artists such as Dia Mehta Bhupal, Astha Butail, Krishnaraj Chonat, Sheela Gowda, Sakshi Gupta, Abhishek Hazra, Bharti Kher, Srinivasa Prasad, etc.[12]

10. Kalakriti Art Gallery website, as accessed on 8 February 2018
11. Galleryske, Art Basel website, as accessed on 8 February 2018
12. Galleryske website, as accessed on 8 February 2018

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B. Major art auction houses in India

Sotheby's auction house[13]

Category	Description
Establishment year	2015 (First auction in India in 1992)
Types of art on showcase	A range of fine and decorative art. The auction house also deals in jewellery, wines, books and collectibles
Key personnel	Edward Gibbs, Chairman (Sotheby's India) Priyanka Matthew — Regional Director (Sotheby's India)
Headquarters (India)	Mumbai, Maharashtra

Business description

Headquartered in New York, Sotheby's was the first international auction house to conduct an auction in India. It established its office in Mumbai in 2015 to gain presence and enhance the existing collector base in India. Sotheby's presence in India has contributed to the already vibrant art ecosystem by exposing the currently thriving art culture to an international outlook. Sotheby's has an expanded programme of events round-the-year which include worldwide highlights of upcoming auctions, talks, exhibitions and charity sales.

Sotheby's also offers educational events utilising the expertise of Sotheby's Institute of Art; it organised courses in Mumbai in September 2016 and in New Delhi in February 2017. It claims to have seen a 45 per cent increase in participation from India over the last four years and a 12-fold increase in value spent by Indians online on their digital platform over the last five years.[14]

Christie's auction house[15]

Category	Description
Establishment year	2003
Types of art on showcase	Modern and contemporary art
Key personnel	Sonal Singh (Director — Christie's India)
Headquarters (India)	Mumbai, Maharashtra

Business description

Headquartered in London, Christie's is a British auction house established in 1766 by James Christie. It entered into India in 2003 to host an annual sale, becoming the first international auction house to do so. In addition, in its first annual sale in India, it doubled the pre-sale expectations by generating INR960 million.[16] Christie's boasts of setting a new record in India of selling 'Untitles', an artwork by Vasudeo S. Gaitonde from 1979, for INR237 million, making it the highest price ever paid in India for a modern work of art.[17] Since then, Christie's has established itself as one of India's most prominent auction houses.

However, Christie's has discontinued its operations in India and will now host auctions related to Indian modern and contemporary art in London and New York. This comes as part of the auction house's broader strategy to downsize operations and focus on online auctions, which seems to be gaining momentum.

13. Sotheby's website, as accessed on 8 February 2018
14. 'Gaurav Bhatia appointed as managing director of Sotheby's India', Economic Times, 12 October 2016
15. Christie's website, as accessed on 8 February 2018
16. "Christie's India set to auction antiques", The Hindu Business Line, 10 January 2014
17. "Christie's 1st India auction: Rs 23.7 cr for Gaitonde work", The Hindu Business Line, 20 December 2013

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Pundole's auction house[18]

Category	Description
Establishment year	2011
Types of art on showcase	Indian art
Key personnel	Dadiba Pundole (Founder) Khorshed Pundole (Founder)
Headquarters (India)	Mumbai, Maharashtra

Business description

Headquartered in Mumbai, Pundole's is a privately owned auction house primarily focussing on Indian art. It was started by Dadiba Pundole who has experience of working with the likes of M.F. Hussain, Vasudev S. Gaitonde and F.N. Souza. Since its inception, Pundole's has held regular auctions with focus on artworks from the Indian subcontinent, both ancient and modern.

Pundole's has excelled in estate sales with its inaugural auction of the estate of the late Dr. Jamshed Bhabha. Other prominent estate sales include the estate of the late Ernevaz Dubash and the estate of the late Laura Hamilton. Pundole's held the first standalone sale of Indian antiquities and still retains the auction record for the highest price achieved for an Indian miniature painting and a Himalayan work of art in the domestic market.

Saffronart[19]

Category	Description
Establishment year	2000
Types of art on showcase	Paintings, antiques, sculptures, artefacts and miniature paintings
Key personnel	Minal Vazirani (Founder)
Headquarters (India)	Mumbai, Maharashtra

Business description

Headquartered in Mumbai, Saffronart has set the benchmark for online auctions. It has held several successful online and live auctions in Mumbai, Delhi, New York and London. These auctions have allowed bidders from around the globe to participate. In 2008, it included fine jewels and watches in its online auction catalogue. Later in 2011, Saffronart offered Indian antiquities including sculptures, artefacts and miniature paintings on its auction platform, during auctions conducted by Collectibles Antiques India Private Limited.

Saffronart hosts annual programmes of Modern & Impressionist Art, Carpets & Rugs, Folk & Tribal Art, Art Deco and the Art of Pakistan. Over the last decade, Saffronart has conducted several exhibitions — both offline and online. The most recently concluded exhibition Ode to the Monumental featured over 24 large format works by some of the most important names in the Indian modern and contemporary art.

18. Pundole's website, as accessed on 8 February 2018
19. Saffronart website, as accessed on 8 February 2018

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AstaGuru[20]

Category	Description
Establishment year	2008
Types of art on showcase	Contemporary and modern arts, sculptures, miniature paintings, fine writings, instruments
Key personnel	Vickram Sethi (Founder and chairman) Tushar Sethi (CEO)
Headquarters (India)	Mumbai, Maharashtra

Business description

Headquartered in Mumbai, AstaGuru is a platform for conducting online auctions. It caters to a global clientele by conducting auctions for modern and contemporary Indian art as well as for collectibles and antiques. Along with auction services, it also provides consultation, restoration and valuation services to its clients.

AstaGuru has conducted auctions of some notable artists such as Raja Ravi Varma, B. C. Sanyal, M. F. Hussain and Jamini Roy. In 2014, it recorded the highest sale from one artwork (Bhoomi Breaks) at INR53 million by S. H. Raza.



18. AstaGuru website, as accessed on 8 February 2018

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C. Major public art museums in India

Public art museum	Description
National Gallery of Modern Art (NGMA), New Delhi, Mumbai, Bengaluru[21]	Established in 1954, NGMA is a repository of the cultural ethos of the country, and showcases the changing art forms since 150 years in the field of visual and plastic arts. It has one of the most significant collections of modern and contemporary art in the country, comprising more than 14,000 modern and contemporary artworks that include paintings, sculptures, graphics and photographs.
Dr. Bhau Daji Lad Museum, Mumbai[22]	It is Mumbai's oldest museum which was established in 1857. It showcases the city's history and cultural heritage through a rare collection of fine and decorative arts. The collection at the museum documents the life of the people of Mumbai and its history from the late eighteenth to early twentieth centuries. The types of contemporary artworks on showcase include miniature clay models, dioramas, maps, lithographs, photographs, and books.
Chhatrapati Shivaji Maharaj Vastu Sangrahalaya (CSMVS), Mumbai[23]	It is a premier art and history institute established in 1922, which aims to create awareness and sensitivity towards the cultural heritage through education and enjoyment of public. It conducts various cultural activities, rotating exhibits, outreach and educational programmes, and various international collaborations. A variety of artworks such as sculptures, terracotta works, bronzes, textiles, decorative art, excavated artefacts from the Harappan sites, Indian miniature paintings, European paintings, porcelain and ivories from China and Japan have been showcased in the museum.
Victoria Memorial Hall (VMH), Kolkata[24]	Established in 1921, it is India's largest and one of the oldest museums in India. VMH's exhibits 28,394 artefacts displayed in nine galleries, encapsulating the history of the South Asian subcontinent over the past three-and-a-half century. The collection includes western paintings, Indian paintings, rare photographs, manuscripts, documents, coins, lithographs, aquatints, rare books, arms and armoury, sketches, textiles and miniatures. The museum also organises several national and international exhibitions each year.
Allahabad Museum, Uttar Pradesh[25]	It is a museum of national importance, which was established in 1931. It has a rich and diversified collection of art, antiquities, paintings, sculptures, coins, ceramics, archaeological objects, illustrated manuscripts, farmans, decorative art objects, arm and armours, textiles, natural history specimen, photographs, prints and personalia collections pertaining to Gandhi, Nehru and literary personalities of Allahabad. The key objectives for the museum are to increase public outreach through various community programmes, and to develop a holistic museum development and upgrade plan for the next 10–15 years.
National Museum, New Delhi[26]	Inaugurated in 1949, the National Museum currently holds approximately 200,000 Indian and foreign objects of a diverse nature, covering a life span of more than 5,000 years of Indian cultural heritage. The collections include arms and armour, decorative arts, jewellery, manuscripts, coins, epigraphs, paintings, and pre-Columbian and western art. The museum has the mission to collect art objects of historical, cultural and artistic significance for the purpose to display, protection, preservation and research.
Salar Jung Museum, Hyderabad[27]	It is a repository of the artistic achievements of diverse European, Asian and far eastern countries of the world. Established in 1951, the museum has a children's section, a rich reference library, and a large collection of rare manuscripts. It also organises special exhibitions and workshops in collaboration with international organisations and museums. Declared as one of the museums of national importance, it serves as a cultural centre through its exhibitions, research projects, educational initiatives, and several other planned activities.
Indian Museum, Kolkata[28]	Established in 1814, it is the earliest and the largest multi-purpose museum in the Asia-Pacific region. A variety of activities are conducted at the museum including exhibitions, workshops, training programmes, special lectures, memorial lectures, seminars, educational activities, library services and other multicultural activities.
Government Museum, Chenna[i29]	Established in 1851, this second-oldest museum in the country holds a vast collection of archaeological, numismatic and Roman antiquities. Other items showcased in the museum include a significant array of artefacts, palm-leaf manuscripts and other objects that have been segmented into several sections including geology, archaeology, zoology, anthropology, numismatics, botany and sculpture.

21. National Gallery of Modern Art website, as accessed on 8 February 2018
22. Dr. Bhau Daji Lad Mumbai City Museum website, as accessed on 8 February 2018
23. Chhatrapati Shivaji Maharaj Vastu Sangrahalaya website, as accessed on 8 February 2018
24. Victoria Memorial Hall website, as accessed on 8 February 2018
25. theallahabadmuseum.com, as accessed on 8 February 2018
26. National Museum website, as accessed on 8 February 2018
27. Salar Jung Museum website, as accessed on 8 February 2018
28. Indian Museum website, as accessed on 8 February 2018
29. Chennai Guide website, as accessed on 8 February 2018

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D. Major art colleges in India

Art college	Description
Kala Bhavan (Institute of Fine Arts), Santiniketan[30]	Established in 1919 by Rabindranath Tagore, Kala Bhavan is one of the most acclaimed centres for the practice and research of visual arts in India. The institute offers a wider variety of courses to students to develop their skills with diverse techniques and art forms being taught.
Faculty of Music and Fine Arts, University of Delhi[31]	Started in 1960, the institute is equipped with a vast library and a museum. Offering diverse development opportunities, it is home to both domestic and international students seeking to advance their career. With a batch of more than 450 students, the institute is one of the major fine art centres in India.
Sir J.J Institute of Applied Arts, Mumbai[32]	One of the oldest institutes in the country, Sir J.J Institute of Applied Arts started its operations in 1935. The aim of the institute is to provide requisite facilities for specialised development of its student group. It has been affiliated to the University of Mumbai since 1981, and offers both undergraduate and post-graduate courses in applied arts.
Faculty of Visual Arts, Banaras Hindu University, Varanasi[33]	Founded in 1916, the Faculty of Visual Arts has been a pioneer of visual art education in India. It offers specialisation in diverse branches such as painting, plastic arts and applied arts. It is also actively involved in organisation of art exhibitions across the country. It also has an exhibition hall for showcasing art pieces of national and international repute.
College of Art, Delhi[34]	Established in 1942, College of Art offers courses in several fields such as applied art, art history, painting, printmaking, sculpture and visual communication. The institute focusses on holistic development of students to achieve desired level of creativity. The students also benefit from the enriching experiences shared by visiting faculty which include eminent artists and designers.
Faculty of Fine Arts, Maharaja Sayajirao University, Baroda[35]	The Faculty of Fine Arts was founded in 1950 and is one of the major art schools in India. The faculty offers a number of bachelors and masters courses in visual arts. The facility leverages group tutorials, seminars, visual aids, books, exhibitions, visiting artists, craftsmen and activities such as study tours and field trips to impart knowledge and exposure of art.
Sarojini Naidu School of Arts & Communication, Hyderabad[36]	The institution was established in 1988 and offers masters-level courses in dance, theatre arts, painting and communication and doctoral programmes in communication, theatre arts, and dance. The Department of Fine Arts started with the Painting discipline and in 1995, the school started specialised courses in Printmaking, followed by Sculpture, Art History and Visual Studies.

30. Kalabhavan website, as accessed on 8 February 2018
31. University of Delhi website, as accessed on 8 February 2018
32. Sir J J Institute of Applied Art website, as accessed on 8 February 2018
33. Banaras Hindu University website, as accessed on 8 February 2018
34. Government of NCT of Delhi website, as accessed on 8 February 2018
35. Maharaja Sayajirao University of Baroda website, as accessed on 8 February 2018
36. University of Hyderabad website, as accessed on 8 February, 2018

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