REGIONAL PROFILE

## Mining city with scientific dreams

There is in Tomsk a sense of destiny subverted. Founded in 1604, the city is one of Siberia's oldest, and goldmining wealth in the 19th century transformed it into an economic and cultural centre. But a fateful decision by the Trans-Siberian Railway in the 1890s to bypass it led ultimately to its eclipse by nearby Novosibirsk - and that still rankles.

No one seems sure why the railway by-passed Tomsk (though a branch line connects it). Some say its post-horse business lobbied against it; others that the city fathers feared noise and pollution. Another version says the route south of the city was cheaper. The city still has 500,000

inhabitants - making up roughly half the 1m population of Tomsk region, an area the size of France. But it looks back wistfully to tsarist days when the Tomsk guberniya, or governorate, encompassed parts of today's Russian regions of Novosibirsk, Kemerovo, Krasnoyarsk and Altai, and the eastern part of what is now Kazakhstan.

Tomsk still dreams of once again being western Siberia's pre-eminent city. In an interview for this report, Viktor Kress, regional governor for 16 years, lets slip his real ambition

"I want to bring Tomsk out of the shadow of Novosibirsk," he says, referring to the city 220km away that has grown to three times Tomsk's size and taken its crown as Siberia's centre of science and education.

With good management and a favourable economic wind, Mr Kress may go some way towards achieving his goal. Tomsk boasts a rare combination of abundant natural resources and intellectual potential. With six universities still drawing students from well beyond its own region, nearly one-fifth of the city population are students. And, while Novosibirsk's akademgorodok, or "science city" of research institutes run by the Siberian branch of the Russian Academy of Sciences, may be better known, Tomsk has one too.

The post-Soviet decline of defence-related industry has made oil the regional economic mainstay - though Tomsk's oil industry has had its ups and downs. In 1998, Tomskneft, responsible for virtually all the region's oil production – and its biggest taxpayer – was acquired by Mikhail Khodorkovsky's Yukos oil company. After a shaky start, when Tomskneft's new owners stopped paying taxes for eight months, plunging Tomsk into a budget crisis, Mr Khodorkovsky started ploughing money into modernising the company. Regional oil production jumped from 10m tonnes in 2002 to 12m in 2003 and 15m in 2004.

By then, however, the federal

government had started its controversial assault on Yukos, jailing Mr Khodorkovsky for fraud and demanding \$33bn back taxes. As Yukos slid towards bankruptcy, Tomsk's oil production fell back to 11m tonnes in 2005. Tomskneft was finally sold this month to state-controlled Rosneft, putting an end to uncertainty over its future - though after seeing the benefits private ownership briefly brought, some in Tomsk are wary of its return to state control.

Oil production to date however, has been on the western or "left" bank of the Ob, one of Siberia's great rivers which bisects the Tomsk region. But geological surveys suggest the Ob's right bank could hold even bigger reserves, with whispers they could even outstrip Samotlor in the Khanty-Mansiisk region, once Russia's largest oil field.

Oil and gas are not Tomsk's only resources. It has massive amounts of iron ore - though located as deep as 200m and below peat bog, out of reach of conventional mining technology not to mention brown coal, titanium, and timber.

But Tomsk sees its future in science and technology. Already 160,000 people work in small and medium-sized enterprises – almost half the total regional workforce, and well above the national level. Small businesses account for only 22 per cent of gross regional product, but that is also well above the national average.

Its universities are heavily orientated towards commercialising their technological developments.The Tomsk State University of Control Systems and Radio Electronics (TUSUR) has set up student business incubator that provides computers, office space and consulting services to 40 business projects developed by students, of which one-third rotate each year.

"Tomsk produces 20,000 graduates a year, so if we can create conditions for them to stay in the city, we have the opportunity to put very good people towards building a knowledge economy," says Gennady Kobzev of TUSUR. The city won a grant from

Russia's "national projects" – multi-billion dollar investment programmes – in 2005 to help transform its universities into a centre of innovation. It also won the competition to host one of four federally designated special economic zones - the only one in Siberia - offering tax breaks to technology companies. Lera Kuznetsova of the economic zone's administration says it expects to have 100 resident companies, employing about 3,500 people, by 2010, on two special sites.

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