

# Singapore R&D Companies

**Two Singaporean companies have settled in Tomsk, Russia. Despite its location in the heart of Siberia, Tomsk is one of the most developed Russian innovation centers. Singaporean Vadaro Ltd. and Lite On Group are the companies that have chosen this city to establish their R&D branches. One becomes really interested as to what makes Tomsk so special and attractive.**

400-year-old Tomsk is a truly unique place. At the end of the XIX century, Tomsk hosted the first University in the Asian part of Russia. Since that time, Tomsk has adopted and developed the brand of a scientific and educational center. Currently there are six state and several private universities. It's amazing, but 20 percent of the population or approximately 100 000 of inhabitants are students! Tomsk boasts the ratio of researchers per capita equal to that of the best research centers in the world, namely, there are 150 researchers and 18 PhDs per 10 000 inhabitants. No surprise that Tomsk is distinguished from other Russian regions by the significant number of well trained specialists in different spheres. There are many English-speakers among the representatives of the younger generation, therefore, investors from all over the world feel at home in Tomsk. It is noteworthy that many students these days choose Chinese as their first or second foreign language. High foreign language competence of the Tomsk population facilitates inter-cultural communication.

25 scientific and research institutes have been working in Tomsk since the Soviet times. They created favorable environment for the emergence of knowledge-based economy in the Region. The

fact that Tomsk Region is rich in oil and gas explains why 20 years ago startup companies first appeared in the area of technological automation. These developments were demanded by oil and gas companies, which had resources to finance them. Since then regional authorities have been working hard to establish infrastructure for innovative development.

Tomsk has given the lead to other Russian regions in the establishment of comfortable infrastructure for science intensive enterprises and conducive environment for new startups. Today there are more than 400 innovation companies, several business incubators, commercialization and technology transfer centers. Science intensive production accounts for 20 percent of the GRP. It is 2.5 times higher than the Russian average.

Special Economic Zone of Technical and Innovative Type (SEZ) functioning since 2005 is a pinnacle of Tomsk Region innovation infrastructure. Currently Tomsk SEZ hosts 57 science intensive companies. Their specialization embraces ICT, new materials, nano- and biotechnologies. Local and foreign companies choose Tomsk SEZ to locate their businesses because of attractive business conditions. Benefits for high-tech tenants combine tax incentives and customs exemptions. Overall expenses for a company residing in the Zone may be reduced up to 40%.

Nine tenant companies may boast foreign investments. Among them one can find R&D division of DivX, Micran and Nokia Siemens Networks plant producing 4th generation telecommunication equipment and many others.



Governor Kress greets Singapore Ambassador to Russia Tensing de Cruz in Tomsk, May 2011

The majority of Tomsk's innovative companies are thinking globally. Significant share of their products is exported to foreign countries. Singapore is no exception in this area. Moreover, it is high time to develop the successful Tomsk - Singapore Business collaboration. The two Singapore companies are also SEZ tenants. Lite On Group subsidiary produces polycrystalline silicon for solar. Vadaro is a business built on collaboration. First - between Singapore and Tomsk and then - between Vadaro and its industry partners around the world. Both Vadaro and Lite On Group get access to Tomsk intellectual resources and engineering services to advance their technology developments. This technology is then commercialized through various channels in Singapore and around the globe. This Business Collaboration is at an early stage and is quickly becoming a model for effective and profitable partnerships between Singapore and Tomsk.

"Tomsk has a unique environment in which world class invention lives and thrives. This is due to the big number of academics supporting wide range of pure research but also due to the culture of exploration and discovery that has created a large pool of highly educated and skilled technical professionals. On top of this there is cost advantage in comparison with other world class high tech centers and the Regional government that supports and encourages an entrepreneur - that is how Andrew Carmody, CEO of Vadaro

answered the question: "Why Tomsk?"

This is an example of Tomsk-Singapore Business Collaboration. Tomsk can generate innovations and world-class intellectual property products demanded by the world economy. These innovations are then transformed into market ready products and services to be finally exported all around the world from Singapore.

Tomsk Region is open for foreign investors and companies. Quite recently Tomsk has attracted two French companies. In 2010 French Veolia won the competition for long-term lease of Tomsk water utility. Another French company ERDF signed an agreement on the management of Tomsk Region electricity networks in June 2011. Rich oil reserves convinced Indian ONGC Ltd to start operations in Tomsk Region several years ago. There are many other examples showing that Tomsk knows how to deal with foreign investors and is ready to become a partner in various inter-national projects. Success stories of foreign companies working in Tomsk prove that the ecosystem of knowledge and technology generation is in place. Tomsk authorities are eager to render all assistance to foreign companies coming to work in the Region.

**Beware of competitors - find your business partner in Tomsk during the Russia-Singapore Business Forum, September 25-27, Singapore.**