

GENERAL OVERVIEW OF SOCIO-ECONOMIC SITUATION IN ST. PETERSBURG

March-April 2016 № 140



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1. **CITY MANAGEMENT:** *New appointments in the City Government*

 2. **EMPLOYMENT:** *Enterprises' demand for workforce is down*

 3. **PERSONAL INCOMES AND EXPENDITURES:** *Inflation rate is down in the early 2016*

 4. **INDUSTRY:** *ОАО «Power Machines» - the 1st power generator for La Mina hydroelectric station (Chile)*

 5. **FINANCE:** *Draft law on the amendments to the City legislation on taxes and fees*

 6. **MUNICIPAL SERVICES:** *New Holland and the central part of the Western high-speed diameter to open in 2016*

 7. **REAL ESTATE:** *Housing construction in St. Petersburg – the City is ahead of other regions*

 8. **INVESTMENT PROJECTS:** *ОАО "St. Petersburg agency of direct investments" to resume its activities*

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1. CITY MANAGEMENT

APPOINTMENTS, GOVERNMENT COUNCILS

New head of the Committee for tourism development of St. Petersburg

In accordance with the decree of the Governor of St. Petersburg of March 23 the new Chairman of the Committee for tourism development is Vladimir Kononov. Earlier the activities of this Committee for almost 2 years were supervised by I. Shalyto. The new head of the Committee, like many of the executives of St. Petersburg, is an ex-officer of power structures. In 1986 he graduated from the Leningrad financial-economic Institute, in 1989 – from the Higher school of the KGB of the USSR, in 2012 - the diplomatic Academy of the MFA of Russia. He worked in state security bodies, Tax police, Federal service of the Russian Federation on control over drug trade, as well as in the Administration of the President of Russia. Since 2013 he held the position of Deputy Executive Director of JSC "Agromashholding". V. Kononov has the rank of General-major of police.

Sergey Morozov has been appointed the Chairman of the Construction committee of St. Petersburg

Previously Morozov headed Saint-Petersburg state institution "Directorate of transport construction". Prior to this appointment, the acting Chairman of the Committee on construction was V. Levdikov. At the end of February, there were significant personnel changes in the Construction committee, which were caused, apparently, by the difficulties with the completion of the stadium on Krestovsky Island and the execution of the Address investment program. Then the Chairman of the Construction Committee M. Demidenko, his deputy A. Filippov and deputy manager of the Fund for capital construction and reconstruction A. Lushnikov left their positions.

New head of the Administration of the Kronstadt district

According to the decree of the Governor of St.-Petersburg of April 14 O. Dovganyuk has been appointed to this position. Prior to that, from February 4 the responsibilities of the head of the Administration of Kronstadt district has executed by the first deputy head of administration N. Samokhina. Before that, the district administration was headed by V. Ponidelko, who moved on February 2, 2016 to the position of the head of Administration of Kalininsky district. The new head of the Kronstadt district administration is well aware of the situation in the area, because as an officer, he served in Kronstadt at Leningrad naval base.

State technical inspection of St. Petersburg is now headed by M. Vasiliev

The Governor of St. Petersburg has signed the corresponding order. M. Vasilyev has been appointed on April 14. State technical inspection of

St. Petersburg is one of the executive public authorities of St. Petersburg. The inspection carries out the supervision over the technical condition of tractors, self-propelled road-building and other cars and trailers to them, as well as other equipment in use.

The session of Scientific-technical council of Saint Petersburg

The meeting was held on March 29 under the chairmanship of the Governor Georgy Poltavchenko. The venue of the meeting was Federal North-West medical research Centre named after V. A. Almazov (Almazov Center). The meeting of the Scientific-technical Council was attended by Vice-governors O. Kazanskaya and V. Kirillov, the chairpersons of the branch committees, heads of leading universities, scientific organizations and industrial enterprises. The theme of the meeting was the consideration of the formation and development of innovative healthcare, interaction of state structures, scientific organizations and the business community in the field of medicine. On March 28 at Smolny the City and the Almazov Center signed a cooperation agreement. At the medical center, with the participation of leading universities of the city, a scientific-educational cluster "Translational medicine" has been established. The creation of the cluster made it possible to combine the studies in the fields of information technology, engineering, medicine, biology, and chemistry. In addition, the cluster is considered as a platform for training specialists.

Smolny has reviewed the progress of preparation to the World Championships in 2016 and 2018

Joint meeting of St. Petersburg regional organizing committee on preparation and holding of World Football and Ice Hockey championships were held on April 6 under the chairmanship of the Governor Georgy Poltavchenko. The meeting participants noted that the majority of activities in preparation for the Ice Hockey championship were completed. The first and final matches of the Cup of confederations 2017 will be held.

The Governor of St. Petersburg has reported on the results of activities in 2015

On April 13, Governor Georgy Poltavchenko in the Legislative Assembly has delivered the annual report on the results of activities of the Government of St. Petersburg in 2015. Among the most important achievements, the Governor noted the formation of a new system of city development priorities and consolidation of its provisions in the Development Strategy up to 2030. The main development goals are steady improvement in the quality of life and enhancing the global competitiveness of City. G. Poltavchenko noted that the deterioration of the external conditions of development of St. Petersburg will require adjustments in the individual parameters of the Strategy.

The Governor noted a number of achievements. The 2015 budget was executed with a surplus, the revenues exceeded the plan by 9.5%,

and the ratio of debt to budget revenue is almost 10 times below the average for Russia. At the beginning of 2016 the number of residents exceeded 5.2 million people. In 2015 there was a record birth rate – there were born 70 725 children. The volume of housing construction for the second year in a row exceed 3 million sq. m. The City was visited by 6.5 million tourists, which became the best indicator over the past 15 years. In the structure of economic complex of the City, the leading position belongs to the knowledge economy (high-tech industries, health and education).

The meeting of the Public Council on small business development under the Governor of St. Petersburg

The meeting was held on April 13 under the chairmanship of the Governor Georgy Poltavchenko and was devoted to summarizing of work of the Council in the first quarter of 2016, the evaluation of the effectiveness of measures of state support of small and medium-sized businesses in 2015, planning of events for 2016. At the meeting, it was noted that the city has 390 thousand subjects of small and medium business. For 2015, their number has increased by almost 20 thousand. The City takes leading positions in the rating of regions for enterprise development. Per 1 thousand inhabitants, there are approximately 58 small and medium enterprises. The meeting participants supported the proposal to extend the lease to 10 years for conscientious tenants, and on increasing the period of installment payment of real estate up to 5 years.

Field meeting of the Council for preservation of cultural heritage under the Government of St. Petersburg

The meeting was held on April 14 at the Grand Peterhof Palace under the chairmanship of Vice-Governor I. Albin. The Council meeting was attended by the Chairman of the Committee for state control, use and protection of monuments of history and culture S. Makarov, Deputy Chairman of the Council for the preservation of cultural heritage, leading researcher of the Research Institute of theory and history of architecture and urban planning of the Russian Academy of architecture and building M. Milchik, heads of leading St. Petersburg museums, representatives of professional communities of the City. During the meeting, the Council reviewed three projects. These included the concept of conservation and adaptation for modern use of the Lower dacha of Tsar Nicholas II in Alexandria Park, pre-project proposals on adaptation for modern use as a hotel of the house of I. Forsh (Fontanka emb., 23, lit. A), the conceptual design of a complex of buildings in the so-called judicial quarter (Dobrolyubova Pr., 14). In the nearest plans of the Council is the review of the concept of use of the Stables office. The concept is being prepared by the State Museum of history of St. Petersburg and the Committee on culture.

Regular meeting of the Emergency sanitary and anti-epidemiological commission

The meeting was held on April 22 under the chairmanship of Vice-Governor O. Kazanskaya. It was noted that the main preventive measure against infectious diseases was vaccination. The city's medical institutions are provided with vaccines against tick-borne encephalitis, rabies and leptospirosis. According to Rospotrebnadzor in 2015 more than 24 thousand residents of the City were bitten by animals, of which only half had agreed to the vaccination. In the current year (as of April 20) ticks bit 167 people, 3 of whom contracted Lyme disease.

Meeting of the City staff on the future development of metro in Saint-Petersburg

The meeting was held on April 26 at Smolny and was chaired by Vice-Governor I. Albin. The meeting was attended by the representatives of the Committee on development of transport infrastructure of St. Petersburg, St. Petersburg metro, Metrostroy, Lengiprotrans, other construction and design organizations. In the focus of the meeting were issues of construction of Nevsko-Vasileostrovskaya line, and the second phase of Frunzenskiy radius. The participants of the meeting expressed concerns regarding the slowdown in the speed of construction of the tunnel for the station "Novokrestovskaya". The head of Metrostroy explained this by the presence of water in the soil and by the difficulties of its removal from the site.

To speed up the progress the Committee for the development of transport infrastructure and transport is mandated to reduce the time of approval of the working documentation from 30 working days to 7 days. In terms of construction of the second phase of the Frunzenskiy radius from the station "Mezhdunarodnaya" to the station "Yuzhnaya" - the work must be completed until December 20, 2018. Metrostroy expressed willingness to complete the work 1 year before the deadline, simulatneously with the completion of the depot "Yuzhnoye", subject to the adjustment of construction financing plan in 2016-2017.

As a separate problem, the meeting participants noted the absence of approved architectural and planning solutions for station complex "Yuzhnaya". Taking into account considerable territorial reserves there near the metro station and the depot it is possible to place there a bus station, the final stop of light rail, as well as a station of a cable line from the village of Shushary to the metro station "Yuzhnaya". To accelerate the progress, the contractors were encouraged to go on a two-shift organization of work.

The second meeting of Personnel council under the Governor of St. Petersburg

The meeting was held on April 28 (for the first time the Personnel council met on December 22, 2015). The meeting was attended by G. Poltavchenko, Vice-Governor - the head of the administration of the Governor A. Govorunov, Vice-Governors I. Divinsky, O. Markov, O. Kazanskaya, and M. Mokretsov, heads of public authorities, enterprises and organizations of the City. The Per-

sonnel council was formed to solve managerial and personnel problems in the Strategy of development of St. Petersburg for the period up to 2030, as well as in other strategic, conceptual and programmatic documents, including those adopted at the federal level. The Chairman of the Committee on public service and personnel policies A. Mikhailov reported on the activities of the working groups formed at the first meeting of the Council. In 4 months they have developed 10 projects and proposals, including the organization of a unified approach to the formation and certification of industry personnel, on new forms of training and adaptation of young specialists by means of "electronic mentoring". Also considered were issues of attracting staff through online resources, for example, the Federal portal of state-public service and HR portal of the Administration of St. Petersburg.

LEGISLATION

Law on subsidized tariffs for heating

The provisions of the Law of St. Petersburg of March 23, 2016 No. 111-17 determine persons entitled to benefits in the form of preferential tariffs for thermal energy on the territory of St. Petersburg. In addition, this Law establishes the grounds for granting of those privileges and the procedure for compensation for lost income of heating-supply organizations. The adopted Law will enter into force on January 1, 2017.

The subsistence income amount is determined for the IV quarter of 2015

Based on the decision of the Government of St. Petersburg of April 6, 2015 No. 221 the subsistence minimum has been set for various categories of the population of St. Petersburg for the fourth quarter of the last year. It amounted for an average resident – 10 042,5 rubles, for working age resident – 11 000 rubles, for pensioners – 8 034,5 rubles, for children – 9 658,3 rubles.

Approved list of apartment buildings recognized decrepit and subject to resettlement, demolition or reconstruction in 2016-2017

The list was approved by decree of the Government of St. Petersburg of April 13, 2016 No. 26-RP. According to the list in 2016-2017 7, houses are subject to resettlement. They are located in suburban areas of St. Petersburg. Two of these houses are located in the Kolpino district (the settlement of Petro-Slavyanka). Three houses are in Kurortniy district (in Pesochny and in the city of Sestroretsk) and one in Petrodvorets district (Lomonosov) and Primorsky district (Bolshaya Kamenka). In seven of these houses 23 families consisting of 72 people reside. Total area of residential premises, due for resettlement, is 1.5 thousand sq. meters.

MEETINGS AND COOPERATION

The Xth St. Petersburg Partneriat of small and medium business "Saint Petersburg – regions of Russia and beyond"

The work of the Partneriat was held from the 15 to 17 of March at the congress-exhibition center "Expoforum". The opening ceremony of the forum was attended by the Governor of St. Petersburg G. Poltavchenko, governor of Arkhangel'sk region I. Orlov, the head of the Autonomous territorial unit of Gagauzia of the Republic of Moldova I. Vlah. More than 1800 people attended the Partneriat from 50 regions of Russia and 23 countries. The participants discussed various aspects of exports, innovation activity in agriculture, the interaction of clusters, infrastructure security and other issues. Exhibition units represented 14 regions of Russia, their products and services of industrial enterprises. In addition, there was a stand "Global partners of St. Petersburg", containing information on key cities and regions that implement joint projects with Saint Petersburg.

St. Petersburg hosted the VII Educational Forum

The forum was held on March 23-25. The plenary session was held on March 24 at the Presidential library named after B. N. Yeltsin. The meeting was attended by Governor G. Poltavchenko, first Deputy Minister of education and science of Russia N. Tretiak, Chairman of the Legislative Assembly of St. Petersburg V. Makarov, member of the Federation Council L. Kostkina, President of the Russian Academy of education, L. Verbitskaya, prominent figures of science, culture and education. The forum was attended by representatives of many regions of Russia and of 16 foreign countries. The main purpose of the forum is to attract the attention of the public and the business community to innovative processes in education, to support dialogue and exchange of experience between representatives of various countries and regions of Russia on the development strategy of educational systems, expansion of interregional and international cooperation.

St. Petersburg hosted a meeting of heads of national services of disaster management of BRICS

On April 20 at the University of State Fire Service of the Emergencies Ministry of Russia a meeting of heads of national agencies of the BRICS countries on disaster management was chaired by the head Emergencies Ministry of Russia V. Puchkov. The meeting, which was the first event of such format was attended by the heads and representatives of emergency agencies of Brazil, India, China, Russia and South Africa. During the meeting, they signed a Declaration on cooperation and a 3-year cooperation plan. It is planned to establish direct relations between agencies, to ensure participation of specialists of

emergency services in specialized exhibitions and conferences held in the countries of the BRICS.

Joint general meeting of the members of the public organization "Union of Industrialists and Entrepreneurs of St. Petersburg" and the Regional association of employers "Union of Industrialists and Entrepreneurs of St. Petersburg"

The meeting on summarizing the work of these organizations over the past year was held on April 21 under the chairmanship of the President of the Union of Industrialists and Entrepreneurs of St. Petersburg (SPP SPb) A. Turchak. It was attended by the Governor G. Poltavchenko, Vice-Governor S. Movchan. SPP SPb includes 200 associations, unions, industrial enterprises and holding companies, banks and various organizations. In 2015, the volume of industrial output amounted to 2.3 trillion rubles, 5.2% more than in 2014. Profit of industrial enterprises increased by more than 15% and was nearly 200 billion rubles. The average wage in the industry was 47.6 thousand rubles, which is higher than the city average. The industry continues to make a major contribution to the employment, formation of a profitable part of budgets, the use of the investment. At the industrial enterprises of St. Petersburg 341,2 thousand people are employed. 20.2% of the rev-

enues of the budget of St. Petersburg come from industrial taxpayers.

2. EMPLOYMENT

In February 2016 large and medium sized enterprises employed 1472.1 thous. people (Table 1). Compared to the previous month the number of staff grew by 0.1%, the number of by-workers grew by 1.1%, and that of contracted workers grew by 7.9%.

In January – February 2016 the number of employees at these enterprises grew by 1.6% compared to the same period of 2015. The number of staff during the period grew by 1.4% that of by-workers fell by 0.4%, the number of contracted workers fell by 13.5%.

In February 2016 the largest number of substituted jobs was in manufacturing, real estate operations, education, health, transport and communication, wholesale and retail trade, and the lowest in agriculture and forestry, hotels and restaurants (table 2). Public sector employed 39.1% of all employees in large and medium-sized enterprises of the city.

TABLE 1. Changes in total employment at large and medium enterprises of St. Petersburg

| | February 2016 | | January-February 2016 in % to January-February 2015 |
|--------------------------------|---------------|----------------------|--|
| | '000 people | in % to January 2016 | |
| Filled jobs total, including: | 1472,1 | 100,3 | 101,6 |
| Registered permanent employees | 1400,5 | 100,1 | 101,4 |
| External by-workers | 38,2 | 101,1 | 99,6 |
| Contracted labour | 33,4 | 107,9 | 113,5 |

TABLE 2. Employment at enterprises and organizations of St. Petersburg by the type of economic activity in February 2016 (without small enterprises)

| Industry | Total employment | |
|--|------------------|-------------|
| | % of the Total | '000 people |
| Total, including: | 1472,1 | 100,0 |
| Manufacturing | 223,2 | 15,2 |
| Production and distribution of electric power, gas and water | 36,6 | 2,5 |
| Agriculture and forestry | 4,6 | 0,3 |
| Construction | 61,0 | 4,1 |
| Transportation and telecommunications | 159,8 | 10,9 |
| Finance | 55,7 | 3,8 |
| Real estate transactions, leasing and services | 213,0 | 14,5 |
| Wholesale and retail trade, repair of motor vehicles and home appliances | 151,1 | 10,3 |
| Hotels and restaurants | 26,2 | 1,8 |
| Public administration, security and social care | 89,4 | 6,1 |
| Education | 217,6 | 14,8 |
| Healthcare and social services | 166,9 | 11,3 |
| Other utilities, social and individual services | 67,0 | 4,4 |

TABLE 3. St. Petersburg enterprises' demand for workforce, January 2015 – March 2016

| Month | Number of unemployed people registered at the Employment Service | Those with the status of an unemployed person | | |
|--------------|--|---|---------------------|--|
| | | '000 people | % to previous month | % to the same month of the previous year |
| January 2015 | 78,4 | 0,3 | 150 | 100 |
| February | 57,2 | 0,5 | 170 | 125 |
| March | 52,9 | 0,5 | 100 | 125 |
| April | 52,1 | 0,5 | 100 | 125 |
| May | 55,8 | 0,5 | 100 | 125 |
| June | 60,8 | 0,4 | 80 | 133 |
| July | 63,8 | 0,4 | 100 | 200 |
| August | 64,3 | 0,4 | 100 | 200 |
| September | 62,9 | 0,4 | 100 | 200 |
| October | 63,9 | 0,4 | 100 | 200 |
| November | 57,5 | 0,4 | 100 | 200 |
| December | 53,8 | 0,4 | 100 | 200 |
| January 2016 | 49,0 | 0,6 | 150 | 200 |
| February | 44,4 | 0,6 | 100 | 120 |
| March | 42,4 | 0,7 | 117 | 140 |

TABLE 4. Change in the number of officially registered unemployed people in St. Petersburg, 2015, January-March 2016

| Month | Number of unemployed people registered at the Employment Service | Those with the status of an unemployed person | | |
|--------------|--|---|---------------------|--|
| | | '000 people | % to previous month | % to the same month of the previous year |
| January 2015 | 21,1 | 10,8 | 105 | 110 |
| February | 26,3 | 12,3 | 114 | 124 |
| March | 28,4 | 12,9 | 105 | 133 |
| April | 28,5 | 13,5 | 104 | 139 |
| May | 26,9 | 13,2 | 97 | 138 |
| June | 25,0 | 13,0 | 98 | 142 |
| July | 25,0 | 12,6 | 97 | 141 |
| August | 24,1 | 12,0 | 95 | 141 |
| September | 24,4 | 11,7 | 98 | 137 |
| October | 24,6 | 11,7 | 99,4 | 132 |
| November | 24,8 | 12,6 | 108 | 136 |
| December | 23,6 | 13,5 | 107 | 130 |
| January 2016 | 27,5 | 13,6 | 101 | 126 |
| February | 28,4 | 14,6 | 107 | 119 |
| March | 30,5 | 14,5 | 99,4 | 112 |

In December 2015 – February 2016 the number of economically-active population (EAP) amounted to 2991,0 thousand persons, from them 2938,6 thousand employed and 52,4 thousand unemployed. During the reporting period, the employment rate was 72.8% (share of employed people in total population aged 15 to 72 years), the level of economic activity – 74,1% (share of economically active population of the total population aged 15 to 72 years) (<http://ktzn.gov.spb.ru/analiticheskaya-informaciya/>).

In March 2016, St. Petersburg enterprises' demand for workers amounted to 42.4 thousand persons (table 3).

At the end of March 2016 the need for workers declared by employers to the Employment Service was 42 379 jobs, including workers' jobs –

62,9% (<http://ktzn.gov.spb.ru/analiticheskaya-informaciya/>).

In January-March 2016 the greatest demand for employees was declared by the enterprises and organizations of such economic activities, as operations with real estate, rent and granting of services – 18.7% of all reported vacancies; manufacturing – 13,0%; transport and communication – 14.5 per cent.

The pressure in the labor market (the number of unemployed citizens registered at the Employment Service per one vacancy) at the end of March 2016 0.72 persons per vacancy (at the end of March 2015 – 0,54 persons per vacancy).

In March 2016 30,5 thousand persons were registered at the Employment Service of St. Petersburg. It is 7.4% more than in March 2015 (table 4). In March 2016, 47.5% of those regis-

tered at the Employment Service were officially considered unemployed.

At the end of March 2016, the total number of those who turned to the State Employment Service of St. Petersburg amounted to 33 554 people (at the end of February 2015 – 28 716 people).

The number of registered unemployed at the end of March 2016 was 14 515 persons, of them women – 51,53%; young people aged 16-29 years – 17,7%; persons with disabilities - 12.4% (at the end of March 2015 the number of unemployed amounted to 12 942 persons) (<http://ktzn.gov.spb.ru/analiticheskaya-informaciya/>).

In March 2016, the status of unemployed was assigned to 2.4 thousand persons (0.4 thousand people or 13% less than in March 2015). The number of the unemployed in March 2016 was by 0.1 thousand people or by 11% more than in the same period of 2015, and amounted to 0.9 thousand people.

According to Rosstat, in January-November of the current year, the unemployment rate (according to methodology of the International Labor Organization) amounted to 1.8% of the economically active population (EAP). Over the same period in 2015 it was 1.6%. Saint Petersburg had the lowest level of unemployment among the subjects of the Russian Federation (in the North-Western Federal district – 5,0%, Moscow - 1.8%, Russia – 5.8 %).

The level of registered unemployment (ratio of registered unemployed to the economically active population on average) at the end of March 2016 amounted to 0,5% of the economically active population (end of March 2015, the figure was 0,45%) (www.rspb.ru) (picture 1). This is the lowest

figure among the regions of the Northwestern Federal district.

3. PERSONAL INCOMES AND EXPENDITURES

PRICES

In January-March 2015 consumer prices growth in St. Petersburg was equal to 2.7%. In the same period of 2015 it was 8.4%.

The growth of consumer prices in January-March 2016 in St. Petersburg was higher than Russia's average by 0.4%. In March 2016 consumer prices grew by 0.3% (Table 5).

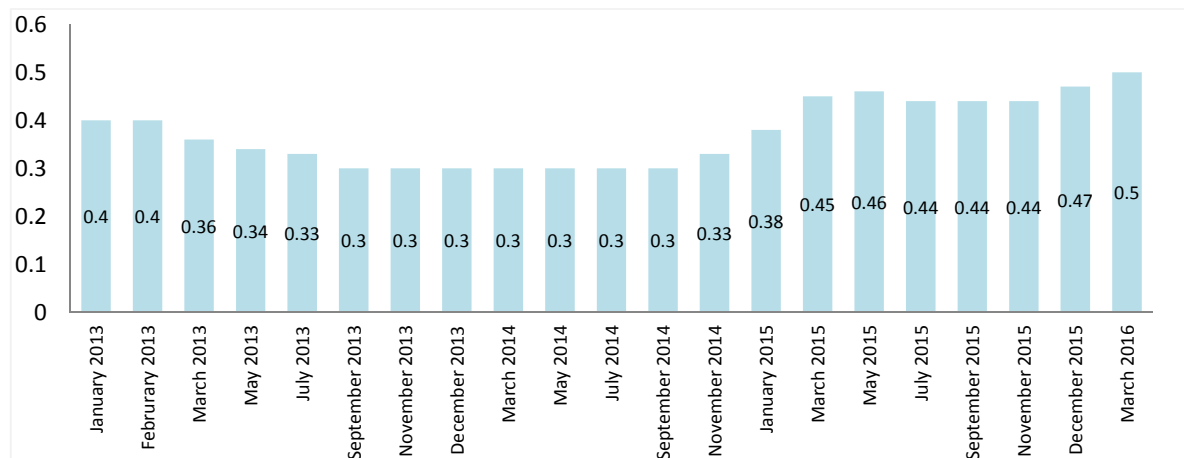
In January-March 2016, tariffs for paid individual services in St. Petersburg grew by 1.9%. For comparison: their growth in the same period of 2015 was 3.8%.

The rate of growth of tariffs for paid individual services in January-March 2016 was 0.5% higher than the Russia's average. Tariffs for paid services in March 2016 fell by 0.8%.

In January-March 2016, prices of foodstuff and of non-foodstuff goods grew faster than in Russia on average by 1.4% and 0.2% correspondingly. The growth was correspondingly – 3.7% and 2.5%. In March 2016 prices of foodstuff and non-food goods grew by 0.7%.

In March 2016 prices grew for fish (by 2.2%), bread and bakery (2.1%), confectionary (1.5%), oats and beans, fats and oils (by 1.7%), cheese, alcohol (1.0%), sausage (0.7%), milk and dairy products (1.3%). Prices fell for meat, poultry and (0.4%), fruits and vegetables (1.2%).

PICTURE 1. The level of registered unemployment in St. Petersburg, % of the economically active population



Among non-food goods in March 2016 in St. Petersburg the following grew in price: footwear (1.4%), fabrics (1.1%), cleaning, products haberdashery, clothing (1.0%), textile products (0.9%), construction materials (0.8%), tobacco (0.7%), kitchenware (0.5%), perfume and cosmetics (0.4%).

In March 2016 payments for communal services, waste collection, water-supply and sewerage, heating, hot-water supply, electricity and gas remained unchanged.

In March 2016 in St. Petersburg prices grew for museum visits by 9.1%, hotel stays by 3.5%, public bath visits by 2.2%, laundry services by 1.9%.

In January-March 2016, gasoline prices increased by 0.6%, diesel fuel – by 0.3%. In March 2016, the price of gasoline increased by 0.6%, while diesel fuel price did not change.

PERSONAL INCOMES AND EXPENDITURES

Real salary in St. Petersburg in February 2016 increased by 8.4% and in Russia by 3.2% (table 6).

Average monthly nominal salary in St. Petersburg in February 2016 amounted to 45 919 rubles, the average nominal salary in Russian on average in March 2016 was 26.2% less than in St. Petersburg, and amounted to 33 873 rubles.

Salary arrears on April 1, 2016 amounted to 968,0 mln. rubles, the amount of arrears increased compared to March 1, 2015 8.5 times. Transport sector was responsible for 87.9% of the total, processing industries – 10.4%, and real estate management – 1,1%, construction – 0.6%. There were no state budget arrears.

TABLE 5. Consumer price index dynamics in January-December 2015, January-March 2016, % to the previous month

| | <i>St. Petersburg</i> | | | | <i>Russian Federation</i> | | | |
|----------------------------------|-----------------------|-------------------|-----------------------|--------------------------|---------------------------|-------------------|-----------------------|--------------------------|
| | <i>CPI</i> | <i>Including:</i> | | | <i>CPI</i> | <i>Including:</i> | | |
| | | <i>Foodstuff</i> | <i>Non-food goods</i> | <i>Personal services</i> | | <i>Foodstuff</i> | <i>Non-food goods</i> | <i>Personal services</i> |
| January 2015 | 105,0 | 106,8 | 103,7 | 104,2 | 103,9 | 105,7 | 103,2 | 102,2 |
| February | 102,3 | 103,8 | 102,8 | 99,7 | 102,2 | 103,3 | 102,1 | 100,8 |
| March | 101,0 | 101,4 | 101,5 | 99,8 | 101,2 | 101,6 | 101,4 | 100,3 |
| April | 100,4 | 100,9 | 100,9 | 99,3 | 100,5 | 100,3 | 100,9 | 100,0 |
| May | 100,2 | 99,6 | 100,9 | 100,3 | 100,4 | 100,1 | 100,5 | 100,5 |
| July | 100,7 | 99,8 | 100,4 | 102,1 | 100,8 | 99,7 | 100,5 | 103,0 |
| August | 100,1 | 98,6 | 100,6 | 101,4 | 100,4 | 99,3 | 100,8 | 101,3 |
| September | 100,5 | 100,5 | 101,1 | 99,0 | 100,6 | 100,4 | 101,1 | 100,0 |
| October | 100,6 | 100,6 | 101,2 | 99,7 | 100,7 | 101,0 | 101,0 | 99,9 |
| November | 100,7 | 101,5 | 100,8 | 99,7 | 100,8 | 101,2 | 100,7 | 100,2 |
| December | 100,9 | 101,3 | 100,4 | 101,1 | 100,8 | 101,2 | 100,4 | 100,7 |
| January 2016 | 101,8 | 101,9 | 101,1 | 102,6 | 101,0 | 101,2 | 100,7 | 101,0 |
| February | 100,6 | 101,0 | 100,7 | 100,1 | 100,6 | 100,7 | 100,8 | 100,3 |
| March | 100,3 | 100,7 | 100,7 | 99,2 | 100,5 | 100,4 | 100,8 | 100,1 |
| March 2016 in % to December 2015 | 102,7 | 103,7 | 102,5 | 101,9 | 102,1 | 102,3 | 102,3 | 101,4 |
| March 2015 in % to December 2014 | 108,4 | 112,3 | 108,3 | 103,8 | 107,4 | 110,9 | 106,8 | 103,3 |

TABLE 6. Real monetary incomes and real salary in St. Petersburg and the Russian Federation in 2014, January – October 2015, January – February 2016, %

| | <i>St. Petersburg</i> | | | | <i>Russian Federation</i> | | | |
|--------------|------------------------------|---|------------------------------|---|------------------------------|---|------------------------------|---|
| | <i>Real salary</i> | | <i>Real income</i> | | <i>Real salary</i> | | <i>Real income</i> | |
| | <i>To the previous month</i> | <i>To the same month of the previous year</i> | <i>To the previous month</i> | <i>To the same month of the previous year</i> | <i>To the previous month</i> | <i>To the same month of the previous year</i> | <i>To the previous month</i> | <i>To the same month of the previous year</i> |
| January 2015 | 69,2 | 93,5 | 34,8 | 92,8 | 71,3 | 91,6 | 50,0 | 99,2 |
| February | 100,1 | 94,3 | 160 | 98,2 | 99,3 | 92,6 | 131,9 | 98,4 |
| March | 104,1 | 89,0 | 96,0 | 94,9 | 103,4 | 89,4 | 96,4 | 98,4 |
| April | 103,2 | 92,9 | 114,9 | 95,8 | 104,9 | 90,4 | 113,0 | 96,1 |
| May | 96,5 | 93,5 | 94,9 | 93,0 | 99,8 | 92,6 | 89,2 | 93,5 |
| June | 96,3 | 90,7 | 101,2 | 91,0 | 95,0 | 90,8 | 102,0 | 98,0 |
| July | 93,2 | 91,9 | 94,7 | 94,6 | 94,7 | 91,0 | 100,0 | 94,7 |
| August | 102,4 | 89,8 | 95,0 | 95,8 | 101,7 | 89,6 | 91,9 | 95,3 |
| September | 102,8 | 91,3 | 108,8 | 94,2 | 100,6 | 89,5 | 105,9 | 94,7 |
| November | 99,9 | 91,1 | 100,4 | 93,4 | 99,3 | 89,6 | 98,0 | 93,5 |
| December | 131,5 | 93,4 | 146,4 | 86,1 | 127,0 | 90,0 | 143,4 | 99,3 |
| January 2016 | 71,7 | 96,1 | 39,9 | 102,7 | 74,3 | 96,4 | 48,1 | 94,5 |
| February | 108,4 | 104,0 | 160 | 92,9 | 103,2 | 100,6 | 133,5 | 95,5 |

TABLE 7. Salary arrears in St. Petersburg in January-April 2016 (on the 1st of each month), mln. rubles

| | January | February | March | April |
|---|---------|----------|-------|-------|
| Total arrears | 756,0 | 1388,9 | 113,6 | 968,0 |
| Including arrears due to the lack of budget financing | 0,0 | 0,0 | 0,0 | 0,0 |

TABLE 8. Personal expenditures of St. Petersburg's residents in 2015, January-February 2016 (% of the incomes)

| | <i>Expenditures:</i> | | | | <i>Excess of incomes over expenditures (+), expenditures over incomes (-)</i> |
|--------------|---------------------------------------|--------------------------|----------------------------|----------------------------------|---|
| | <i>Purchase of goods and services</i> | <i>Required payments</i> | <i>Savings in deposits</i> | <i>Foreign currency purchase</i> | |
| January 2015 | 110,7 | 15,1 | - 15,5 | 16,7 | - 36,3 |
| February | 64,5 | 15,5 | 10,0 | 13,3 | - 11,4 |
| March | 72,7 | 16,3 | 1,8 | 15,0 | - 17,7 |
| April | 61,3 | 15,7 | 8,3 | 14,4 | - 11,1 |
| May | 68,9 | 14,1 | 8,6 | 10,5 | - 12,2 |
| June | 69,5 | 16,1 | 4,7 | 11,6 | - 9,1 |
| July | 66,9 | 17,0 | 5,5 | 13,2 | - 11,3 |
| August | 70,2 | 15,3 | 6,9 | 13,4 | - 12,9 |
| September | 74,2 | 15,8 | 3,8 | 13,3 | - 14,2 |
| October | 68,7 | 14,8 | 6,5 | 13,6 | - 10,0 |
| November | 66,0 | 13,7 | 11,5 | 11,2 | - 10,6 |
| December | 55,0 | 18,3 | 10,9 | 9,0 | - 0,6 |
| January 2016 | 106,3 | 13,1 | - 24,4 | 12,8 | - 16,2 |
| February | 64,4 | 13,6 | 15,7 | 8,3 | - 7,5 |

In the early 2016 the share of savings in deposits fell and the share of foreign currency purchases rose (table 8).

DIFFERENTIATION OF INCOMES AND SALARIES IN ST. PETERSBURG

In February 2016 the level of inter-industry salary differentiation did not change compared to December 2015 (Picture 2). The gap between the highest salary (mining) and the lowest salary (hotels and restaurants) was during this month equal to 5.5 times compared to 5.8 times in August, 5.6 times in June 2015.

The highest salaries in February 2016 were paid in mining (the salary in this sector was 3 times higher than the average for St. Petersburg).

In February 2016 the average for the City was significantly exceeded by the salary in the financial sector (1.9 times), in provision of communal, social and personal services (by 33.6%), in real estate operations (by 18%).

The lowest salary was paid to those employed at hotels and restaurants (55% of the average), agriculture (56.3%).

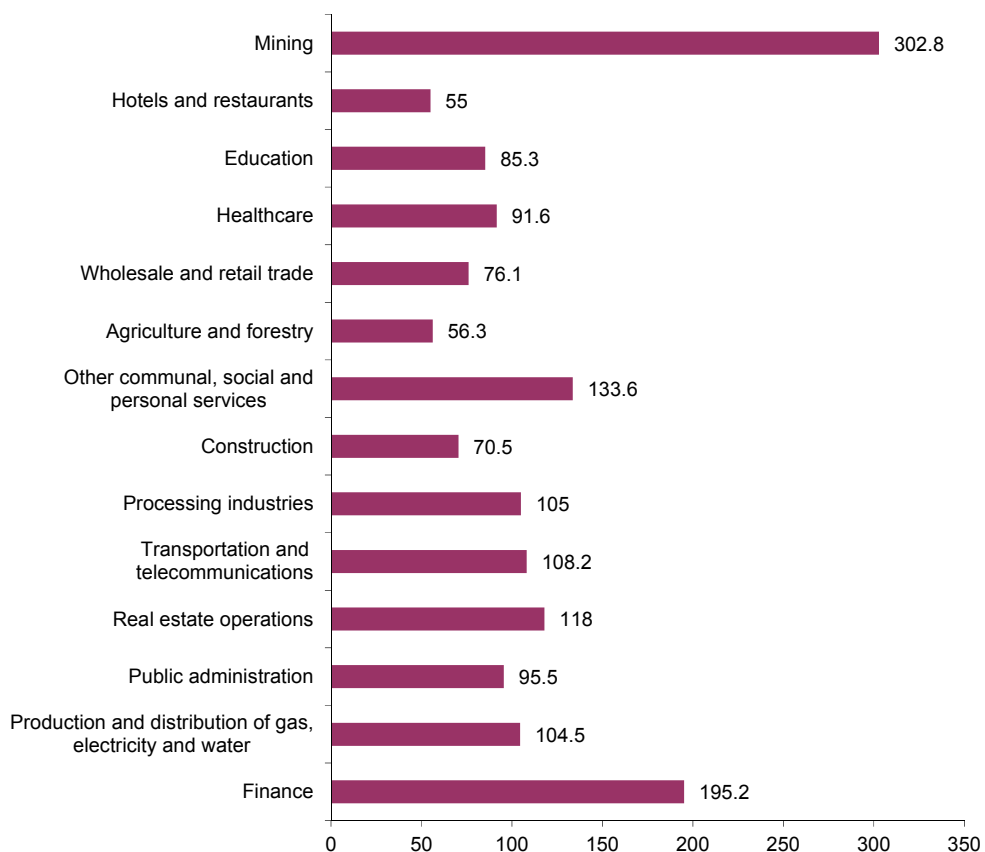


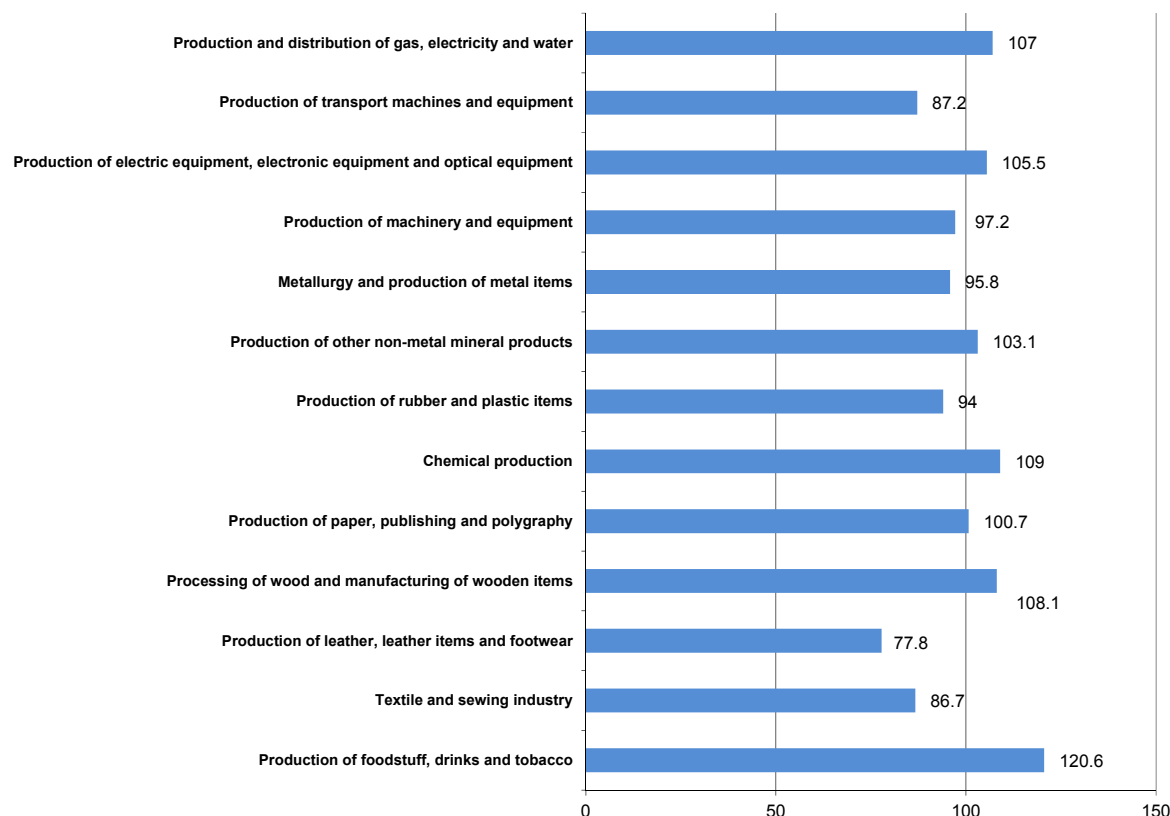
4. INDUSTRY

The index of industrial production in St. Petersburg in January-March 2016 in comparison with January-March of 2015 has amounted to 101.8%.

Admiralty shipyards (Saint Petersburg) are planning to launch the head icebreaker of the project 21180 "Ilya Muromets" in July 2016. The diesel-electric "Ilya Muromets" - the first in 45 years icebreaker built for the Navy of Russia. The ship is designed for icebreaking, basing and deployment of naval forces in ice conditions, and towing support vessels. It is expected that the head vessel will serve in the Northern fleet of Russia. It is planned that a series of four icebreakers of this type will be built (<http://www.interfax.ru/> April 12, 2016).

PICTURE 2. Inter-industry differentiation of average salary in February 2016 in St. Petersburg, % of the average salary (the average salary = 100%)



PICTURE 3. Industrial production dynamics in St. Petersburg by industry, January-March 2016 in % to January-March 2015

On April 8, 2016 at JSC "Shipbuilding company "Almaz" (St.-Petersburg) self-propelled floating crane SPK-46150 was launched. The self-propelled floating crane SPK-46150 became the ninth in the framework of the project 02690, developed by JSC "Spetssudoproect". A series of nine SPK have been built for the auxiliary fleet of the Navy of Russia (<http://sudostroenie.info/> 11 April 2016).

"Neva Milk" has launched a new automated line for cutting and packing cheese at the factory "Neva cheeses". The area of the factory in St. Petersburg is about 5 thousand sq. m, volume of output — about 2 thousand tons of cheese and butter per month. The capacity of the new line — 350 tons of products per month. The investment in the purchase of equipment for the line was about 150 mln. The company was established in 1994 in Saint Petersburg. Today it is the largest producer of cheese and butter in the North-Western Federal district, the owner of the trademarks "Tysiacha Ozer", "Sirtaki", "City of Cheese" and other, supplier to all federal retail chains of Russia. Currently, "Neva Milk" controls about 25-30% of the market of Saint Petersburg (www.sdelanounas.ru 13 après La 2016).

On March 3, OAO "Power machines" has shipped the first hydro generator for "La Mina" power station under construction in Chile. Accord-

ing to the message of the press-services "Power machines" said that the stator of the hydro generator was shipped in assembled form, thus reducing the number of assembly operations at the facility compared to usual practice in the shipment of similar equipment in parts. "Power machines" continue to produce turbines and the second hydro generator for the station. Hydroelectric power station "La Mina" — the first station under construction in Chile — part of the cascade "Gallevia — Melado" with a total capacity of over 400 MW, (Press service of OAO "Power machines").



5. FINANCE

CITY BUDGET

The information about the implementation of the consolidated budget are presented in table 9.

According to the operative data of the Federal tax service of Russia in St. Petersburg in January-December 2015 the budget received taxes, fees and other obligatory payments in the amount of 747.6 billion rubles, which in nominal terms is 10.0% more than in the corresponding period of the last year. In December 2015 com-

pared to the previous month the revenues of the budgetary system increased by 47.3%.

In January 2016, the budget received taxes, fees and other obligatory payments in the amount 72,0 bln rubles, which in nominal terms is 28.8% more than in the corresponding period of the last year. In January 2016, compared with the previous month, the revenues to the budgetary system have decreased by 2.9%.

In January-February 2016 the balanced financial result (profit minus loss) of organizations amounted to 56.7 billion rubles, which is 3 times more than in the corresponding period of the last year.¹ In January-February 2016 the number of unprofitable organizations in comparison with the same period of 2015 decreased by 13 units, or by 1.9%, the amount of the loss decreased by 6.2%.

STATE DEBT

Information about the structure of the state debt may 1, 2016 are shown in tables 10 and 11.

On May 19, 2016, the draft law on amendments to some laws of St.-Petersburg on taxes and fees was approved. The introduction of tax incentives will stimulate demand for cars and apartments, will give real support to the automotive and construction industries, as well as ancillary and related industries.

The draft law stipulates the introduction of a temporary preferential taxation for natural and legal persons who buy cars and apartments in Saint Petersburg. Organizations and residents of the City will be for 3 years exempt from vehicle tax for new passenger cars produced in Russia. The main conditions for receiving benefits – the vehicles must be registered during the period April 1 to December 31, 2016 and purchased from the St. Petersburg organizations.

In addition, for 3 years exempt from paying property tax will be those who have bought housing in apartment buildings that have been or will be built in St. Petersburg in 2015 or 2016, subject to the conclusion of the contract of participation in share construction or the contract of purchase and sale with the developer during the period April 1 to December 31, 2016.

The tax relief will be granted for three tax periods from the moment of state registration of an apartment or a car.

The reduction of budget revenues due to the introduction of tax benefits is expected to be offset by maintaining the volume of production and jobs in the automotive industry and the construction industry.

BEAUTIFICATION, RESTORATION, REPAIRS

New Holland Island opens after the completion of the first stage of the restoration in August 2016. In two years of work on the improvement of the island the renovation of the building of the forge, the former naval prison and the House of the commandant were completed, work continues on communications and the embankments. It is expected that after completion New Holland will be open to visitors all year round. The second phase of restoration, including the reconstruction of warehouse buildings of the 12th corps and the landscaping of the adjacent territory, is expected to be completed by 2019. (Interfax)

Over the next four years, GUP "Petersburg metro" plans to renovate five stations of Kirovsko-Vyborgskaya line – "Ploshad Lenina", "Ploshad Vosstania", "Tekhnologichesky Institut – 1", "Kirovskiy zavod" and "Baltiyskaya". The total cost of works will exceed 5 billion rubles. The main activities include overhaul of ground lobbies, the restoration of the inclined tunnel, replacement of waterproofing and some other modernization of infrastructure including energy supply. (RBC)

TRANSPORTATION, ENERGY, WATER SUPPLY

Passenger traffic of airport "Pulkovo" in January – February 2016 decreased by 7.4% compared to the same period 2015 to 1.49 million people. On international routes the number of passengers decreased by 33.8% to 420 thousand people, on domestic routes increased by 9.8% to 1.07 million.

The passenger traffic of St. Petersburg organizations of road transport for the first two months of 2016 has increased compared to the same period in 2015 by 0.6% to 83,3 million. (Petrostat and Vedomosti)

Subsidiaries of "Rosneft" and "VTB" ("RN-Aero" and "Infrastructure investment holding company" respectively) will invest 3 billion rubles in the construction of a new refueling complex at the airport "Pulkovo" with a capacity of 390 thousand tons per year (which corresponds to the consumption of fuel by airlines for the whole of 2015). The expected construction period is 2-3 years. The creation of a complex should increase competition (currently the market in Pulkovo is monopolized – largest player "Sovex" has the share of about 90%) and reduce the cost of fuel for airlines, improving the overall attractiveness of the "Pulkovo" for foreign carriers. (Vedomosti and Delovoy Peterburg).

A tender for the construction of sewer tunnel on Basseynaya street with a value of 2.2 billion rubles was won by one of the largest companies in the industry – ZAO "PRiSS". The main purpose of this tunnel is to improve the drainage and sewer work under elevated loads during heavy rains, as well as to prepare for the repair of a collector on Gracious street.

6. MUNICIPAL SERVICES

¹ Net of banks, insurance and public organizations, small businesses.

Table 9. Consolidated budget execution in 2016 (mln. rubles)

| | <i>Revenues</i> | <i>Expenditures</i> | <i>Surplus</i> |
|-------------------------|-----------------|---------------------|----------------|
| January | 20433 | 16072 | 4361 |
| January-February | 47821 | 48076 | -255 |

Source: Petrostat

Table 10. St. Petersburg's state debt structure on 01.03.2016

| | '000 rubles | Share, % |
|---|--------------------|-----------------|
| State domestic debt of St. Petersburg, including: | 14 736,9 | 100,0 |
| Bonds | 5 858,9 | 39,8 |
| Credits | 8 878,0 | 60,2 |
| State external debt of St. Petersburg | 0,0 | 0,0 |
| Total | 14 736,9 | 100,0 |

Source: St. Petersburg Committee of Finance

Table 11. Debt service expenditures of the budget of St. Petersburg, as of May 1, 2016 (mln. rubles)

| Item | Plan for 2016 |
|--------------------|----------------------|
| Debt service costs | 574,9 |
| Total | 574,9 |

Source: St. Petersburg Committee of Finance

The winner of the competition will have to build a structure with a length of 4.9 km, passing through the Avenue of Cosmonauts, Basseynaya, Kubinskaya and Krasnoputilovskaya streets and including 8 mines and connecting tunnels. The expected construction period of the tunnel is 6 years, the bulk of the funds (1.3 billion rubles) the contractor will receive in 2021 that is in the final stages of the work. (Delovoy Peterburg).

Major urban projects

Due to the need for accelerated construction of Nevsko-Vasileostrovskaya metro line (the metro station "Novokrestovskaya", "Ulitsa Savushkina") by the time of the World football Championship 2018, the Government of St. Petersburg plans to increase in 2016 the financing for "Metrostroy" by 13.8 billion to 20 billion rubles. It is expected that by the end of 2016, the contract will be implemented for 58%. However, currently there is a backlog of plan: in January-February "Metrostroy" has spent only 800 million of the envisaged 1.5 billion rubles. (Vedomosti)

By the end of August 2016 it is planned to finish works on construction of the Central section of Western high-speed diameter and to open transit, and in November of 2016 to connect to the new section of Makarova embankment. The plan was approved by the Government of St. Petersburg at the end of March, the city budget for its implementation has laid down 4.2 billion rubles. Also currently being discussed is the possibility of constructing an additional exit from the Western high-speed diameter on Vasilievsky island in the

area of Shkipersky protok. The estimated start of works – 2018. (RBC)

The concession agreement for the reconstruction and operation of the tram network in the Krasnogvardeisky district of St. Petersburg for a period of 30 years will be signed between the city administration and OOO "Transport concession company (TCC)" (60% owned by IK "Leader", 10% by LSR group and 10% by OOO "MK-20CX"). The concessionaire undertakes to reconstruct 14 km of tramways (routes №8, 10, 59 and 64), build stops and transport depot, purchase rolling stock. The right of ownership to land used by the concession participants and the right to set tariffs remains with the city. The expected revenue of the project is more than 22 billion rubles, 10 billion of which is granted from the city budget to reimburse the payment of transportation of privileged categories of citizens. (Vedomosti)



7. REAL ESTATE

HOUSING

In the three months of this year St. Petersburg has commissioned nearly 898 000 square meters of housing. This is less than in the same period 2014-2015 (for the first three months of 2014, the developers have introduced 934 290 sq. m, in the first quarter of 2015 – just over 1 million square meters). There were built 59 houses, two objects were reconstructed, 194 individual houses were built. In apartment buildings, commissioned in 2016, there are 16 075 apartments. The largest

number of buildings is completed in Primorskiy rayon — more than 266 000 sq m, or 33 multi-apartment house on 4747 apartments. In March almost 103 000 sq. m of housing was completed, i.e., seven multi-family buildings (1823 apartments with an area of 94 300 sq. m) and 35 individual — in total nearly 8600 sq. m.

Among regions of Russia in the first quarter of 2016 Saint Petersburg took the first place in terms of housing construction without regard to individual house building with the figure of 859 thous. sq. m. In the second place is Leningrad oblast (759 thous. sq. m.), in the third is Krasnodar Krai (732,3 thous. sq. m.). Moscow and the Moscow oblast are in the fourth and fifth place (720,6 thous. sq. m. and 670,3 thous. sq. m. of total area of residential buildings excluding individual developers. (Nedvizhimost Peterburga).

At the same time, according to research by Knight Frank Saint-Petersburg, the demand for luxury apartments in the first quarter of 2016 decreased by 23% compared to the same period of the last year. At the end of March 2016 the weighted average price of elite apartments amounted to 347,3 thous. rubles per sq. m. At most sites there was an adjustment of prices, a result of which the average growth for the quarter was 1.7%. In January-March there were sold 72 luxury apartments with a total area of 9.1 thousand sq. m.

The list of apartment buildings recognized decrepit and subject to demolition or renovation in 2016-2017 has been approved by the decree of the City Government, published on its official portal. The list includes 7 houses located primarily in suburban areas: Kurortniy, Kolpinsky, Petrodvortsovy and Primorskiy. There are 23 families to be resettled.

HOUSING CO-INVESTING

The State Duma has approved in the second reading a bill on criminal liability of developers for defrauding co-investors of apartment buildings. By the second reading the bill was finalized. In particular, the amount of damage has been decreased and now it is 3 million rubles, the large amount is 5 million rubles (in the original version it was 5 million and 10 million).

In 2015, the number of defrauded co-investors in St. Petersburg doubled compared to the previous period, informs the portal "Kvadrat.ru". In 2015 there were 1088 applications from residents of St. Petersburg about the recognition as defrauded real estate co-investors. And in 2014 the number did not exceed 600 applications. Currently, there are 24 problematic objects that is associated with the bankruptcy of developers, criminal cases and time overruns in construction for more than 9 months.

In Leningrad region the law on support of co-investors has been approved, in particular if the land rights of the unscrupulous builder were law-

fully terminated, such land is available for housing construction though an auction with the encumbrance in the form of obligations on transferring the residential premises to affected shareholders. (Obshestvenniy kontrol).

NON-RESIDENTIAL REAL ESTATE

In St. Petersburg in the first quarter of 2016, there were put into operation 10 office centers. Their total leasable area exceeds 100 thousand square meters.

Knight Frank points out that most of the new office premises belong to the class B. Thus, the supply of office premises in business centers of St. Petersburg now stands at 248 thousand square meters, of which more than 170 thousand sq m is of class B. Compared to the fourth quarter of 2015 the supply decreased by 2%. Since the beginning of this year, slowly declining is the vacancy rate. Now it is an average of 10.3%, which is 0.7% less than it was at the end of 2015. (Re-state.ru).

TERRITORIAL DEVELOPMENT

The Committee on urban planning and architecture will form the database of regional spatial data of St. Petersburg which is required by Federal law 431-FZ, which will take effect from January 1, 2017. The database will include spatial data and materials (maps, charts, topographic and aerial surveys, etc.), which were obtained upon request (or on demand) of public authorities or public institutions. These materials should be available to virtually any applicant from the local government to the NGOs and citizens. To create this database under the auspices of the Committee on urban planning and architecture, further work will be conducted by the "Center of information support of city planning activities", which now partially performs these functions. (Nedvizhimost i stroitelstvo Peterburga www.nsp.ru).

The Committee on urban planning and architecture once again postponed the approval of new urban development regulations until the end of the second quarter of 2016.

According to the draft submitted earlier, the regulations increase the provision of places in kindergartens, but reduce it in schools.

The standards determine how many institutions of education, health, and roads and other facilities should account for every thousand residents. Calculations of the required number of social objects were made by the Committee on economic policy and strategic planning, and all the indicators were merged into one document by the Committee on urban planning and architecture.

According to the draft submitted at the end of 2015, in the kindergartens of St. Petersburg was to be 62 seats per thousand residents, while the distance to the kindergarten should not exceed 300 meters for multi-storey and 500 for low-rise buildings. Now the ratio of 55 seats per 1 thou-

sand inhabitants. The number of school places is reduced from 120 to 111 seats per thousand inhabitants. (Restate.ru).

The Supreme Court has published a new law review. Several resolutions are directly related to real estate and affect interests of a wide range of entrepreneurs and citizens². In particular, the Supreme Court has limited the possibility of withdrawal of plots for state needs, has limited the rights of owners of paved pads, defended the right of landlords to take a deposit.

From January 1, 2016, the City of St. Petersburg starts calculation the tax on property of physical persons based on the cadastral value of objects of taxation. At the same time the number of citizens' appeals on the issue of revision of the cadastral value has increased. Following consideration of 42 applications for review of results of determination of cadastral value 12 positive decisions in favor of applicants have been made. Because of the revision the general decrease of the cadastral value amounted to more than 2 billion rubles.

8. INVESTMENT PROJECTS

The Government of St. Petersburg adopted a decision on the resumption in the near future of the activity of OAO "St. Petersburg Agency for Direct Investments". The Agency, whose tasks included the organization of informational support of investment activities of the City Government, began work in 2005, was subordinate to the Investments Committee. After 2011, the Agency's activities were suspended. Today, with a marked increase in the number of tasks of the Investments Committee of St. Petersburg, there is a shortage of human resources. In this regard, the Agency is entrusted with the task of the implementation of congress and exhibition activities on behalf of St. Petersburg Government.

INVESTMENT PROJECTS

The pizza chain, "Dodo Pizza" is planning an opening of their establishments in St. Petersburg this summer

Depending on the population in each district of St. Petersburg, it is scheduled to open from one to five establishments of "Dodo Pizza". In total in St. Petersburg, there may appear more than 40 pizzerias, not counting various restaurants on the food courts and cafes of the format "pizza and coffee". The Syktyvkar network is developing based on franchise. The business of "Dodo Pizza" consists of the corporate retail network of "Pizza venture", the franchising company "Dodo Franchising"

and the developer's own developer of information systems - Dodo IS, as well as the developed of standards and other intellectual products — OOO "Dodo System".

The area of each pizzeria is 200-250 sq. m, each opening will cost 11 million rubles. The total investment will be about 440 million rubles.

The owners of the French bakery and restaurant Du Nord 1834 by the end of the year will open four restaurants in Petersburg

The second pastry shop will appear in May in Kirochnaya ulitsa, 26. The café offers pastries, cakes, bread, sandwiches, salads and burgers with a French twist. In the center of the hall will be an open area with a stove, which will be operated by the cooks.

Another three sites scheduled to open before the end of the year in various districts of St. Petersburg. New cafes of Du Nord 1834 may appear in shopping malls and in street retail.

The first pastry shop was opened in 2012 in the premises of the hotel Oktyabrskaya on Ligovsky Prospekt. The restaurants of Du Nord 1834 are developed by Citytel Group, which integrates several hotels of St. Petersburg ("St. Petersburg", "Oktyabrskaya" and "Olgino") and restaurants (the panoramic restaurant "Bering" in the hotel "Saint-Petersburg", the banquet restaurant "Assembly" and restobar "Abazhur" in the hotel "Oktyabrskaya").

OOO "Kometos–Rusagro" along with Finnish Kometos is building a plant for the production of equipment for biowaste recycling into meat-and-bone flour.

"Kometos–Rusagro" was established in October 2015, and is engaged in pilot production of equipment for processing of biowaste on the leased site in Garbolovo village in Vsevolozhsk district.

The Finnish Kometos Oy manufactures equipment for slaughtering and meat processing for meat processing plants. Previously the company had only one office in Russia — in Moscow, OOO "Esmerado".

Until the end of the year, "Kometos–Rusagro" plans to build a new plant for the production of equipment for processing bio-waste on a new site, also in the village of Garbolovo. The market of equipment for processing biowaste evolves along with the agriculture, where in recent years there was growth in the number of enterprises. The investment into the project will amount to 20 million Euro of own and borrowed funds.

In St. Petersburg, there may appear a chain of fish bistros "Fjord".

The first fish bistro under the brand "Fjord" will be opened in ulitsa Marata, in the premises with an area of 100 sq. m. with 30 seats. The organizers are counting on a quick turnover of visitors, because the format is closer to fast food and take out place. Among the co-founders of the bistro are the co-owners of a democratic fish restaurant Port in Mayakovsky Street. The menu of the

² Nedvizhimost i stroitelstvo Peterburga www.nsp.ru

bistro "Fjord" is about domestic fish. Thanks to the experience with the fish restaurant, the partners have already established cooperation with the suppliers of quality fish. The volume of investments in the first bistro will exceed 3 million rubles.



GENERAL OVERVIEW OF SOCIO-ECONOMIC SITUATION IN ST. PETERSBURG

This analytical overview is a publication of the International Centre for Social and Economic Research "Leontief centre" and is issued 6 times per year in Russian and English since 1992.

Each issue (20-25 pages) contains, in concentrated form, statistics and information (incl. unpublished) describing the situation in the industry, urban infrastructure, the budget sphere, the progress of privatization and investment projects in St. Petersburg, as well as the standard of living and employment.

The review provides a unique opportunity for investors, entrepreneurs, scholars, public figures to regularly and quickly obtain information about the development of the city.

All editions of the overview are posted on the website <http://www.obzor.leontief.ru/>