

GENERAL OVERVIEW OF SOCIO-ECONOMIC SITUATION IN ST. PETERSBURG



May – June 2016 № 141



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1. CITY MANAGEMENT

APPOINTMENTS, GOVERNMENT COUNCILS

Personnel changes in the leadership of the Committee for tourism development of St. Petersburg

In accordance with the decree of the Governor of St. Petersburg of May 25, 2016 Vladimir Kononov has been discharged from office of the Chairman of the Committee for tourism development. The reason for the dismissal was the personal initiative of V. Kononov, who had worked in this position for a little over 2 months. On June 22, the Governor of St. Petersburg signed a decree on the appointment of A. Mushkarev the Chairman of the Committee on tourism development. The new chairman is a graduate of St. Petersburg State University of Economics and Finance. All his labor activity is connected with the Navy. Since 2000 he worked in ZAO "Inflot Worldwide St. Petersburg". Since 2010 A. Mushkarev held the position of the Director of sales and marketing of the company "International ferry line (the company is known under the brand name "St. Peter Line). Since 2015 A. Mushkarev has been the official representative of the Federal Agency for tourism in the Baltic Sea region.

New head of the City Electoral Commission

In May 2016, Russia's Central Election Commission has approved V. Pankevich for the position of Chairman of the Electoral Commission of St. Petersburg. Prior to the election and approval in the new position V. Pankevich headed the Administration of Krasnogvardeisky district of St. Petersburg. The Electoral Commission consists of 14 persons with the right to vote. They are appointed on a parity basis (7 persons) by the Legislature and the Governor of St. Petersburg. Since July 2012 the Chairman of the Petersburg Electoral Commission was A. Puchnin. However, in April 2016, on his own initiative he left the position. A. Puchnin resigned after a meeting with the head of the Central Electoral Commission of Russia Ella Pamfilova. Previously the Chairman of the Legislative Assembly St. Petersburg V. Makarov proposed the resignation of A. Puchnin.

New head of the administration of Krasnogvardeysky district

According to the decree of the Governor of St. Petersburg of May 31, 2016 E. Razumishkin was appointed to this position. Prior to this appointment, he worked as the first Deputy Chairman of the Committee for work with executive bodies of state authority and for interaction with local authorities.

New Chairman of the Committee of property relations

In accordance with the decree of the Governor of June 10, 2016 Yu. Ludinova was discharged from the position of the Chairman of Committee of property relations. The reason for leaving was her personal initiative of the official who received the offer of another job. Yu. Ludinova has been the head of the Committee since January 20, 2015, first in the position of Chairman of the Committee on city property management (KUGI), and after its abolition in April 2015, as the head of Committee of property relations (KIO). Earlier, in 2013, Yu. Ludinova worked as the adviser of the Governor of St. Petersburg on economic issues. In accordance with the decree of the Governor of June 21, 2016 A. Semchukov was appointed the Chairman of KUI. Prior to his new position A. Semchukov worked as deputy head of St. Petersburg Department of the Federal tax service.

Regular meeting of the Investment Council under the Governor of St. Petersburg

On May 30 under the chairmanship of the Governor Georgy Poltavchenko a regular meeting of the Investment Council was held in Smolny. The Council supported the amendments to the Law of St. Petersburg "On strategic investment projects, strategic investors and strategic partners of St. Petersburg". The amendments provide for mandatory conclusion of an agreement with the strategic investor as a condition of preferential granting of land required for the project. The amendments determine the liability of the investor in the event of termination of the agreement due to his fault. A number of additional requirements to strategic investors are to be introduced: obligatory tax registration in St. Petersburg, implementation of measures on import substitution, the implementation of environmental protection measures. The amendments introduce a mechanism for assessing the viability of potential investors. Housing construction and trade are excluded from the list of priority areas for implementation of investment projects. New version of the Law "On strategic investment projects, strategic investors and strategic partners of St. Petersburg" will be submitted for consideration to the Legislative Assembly.

The Council members discussed the possibility of the implementation of 4 investment projects. In particular, the Council approved the project of the plant "Star" for high-tech production of diesel engines of new generation. Another project envisages the creation of a Wi-Fi network in St. Petersburg metro. A pilot project of Wi-Fi was tested in the area between the metro stations "Ladozhskaya" and "Novocherkasskaya". The support was also expressed for the project of construction of transport-logistic complexes in the Kronstadt and Petrodvorets rayons. The project involves construction of modern warehouses and distribution center to meet the needs of industrial zones of Maryino and Kronstadt, as well as of the port of Bronka. The project envisages the creation of over 1000 new jobs. Another project approved was the

creation of a complex of creative industries "Artplay SPb", on the basis of reconstruction of buildings of the Central design bureau of machine building and the barracks of the Novocherkassk regiment in Krasnogvardeysky area. The project envisages the creation of a cluster of creative industries, a theme park, a hobby center, a hotel, offices, a park and an embankment. It is planned to create about 200 jobs.

In the final part of the meeting, a concession agreement on creation, reconstruction and operation of the tram network in Krasnogvardeyskiy district was signed, primarily in the area of metro station "Ladozhskaya" and the surrounding suburban areas. The agreement was signed by the Government of St. Petersburg and OOO "Transport concession company."

Working meeting of the Chairman of the Russian Government and the Governor of St. Petersburg

On June 24, during his stay in St. Petersburg Dmitry Medvedev met with Georgy Poltavchenko at St. Petersburg Polytechnic University of Peter the Great after a meeting of the Presidium of the Council under the Russian President on economy modernization and innovative development of Russia. The Governor reported on the results of the development of innovative production in St. Petersburg —research and development formed about 3.8% of GRP of St. Petersburg (in Russia as a whole – 1,4%). One of the priority directions of innovative activities is the pharmaceutical cluster, which produces 18% of all pharmaceuticals in Russia. The Governor also reported on the construction in St. Petersburg of building for educational institutions. All City school students study in the first half of the day in one shift, however with the growth of birth rate and migration, there is a need for opening of new schools. In 2016, the City plans to put into operation 4 schools. The construction of 22 more schools is planned.

New organization to improve the investment climate

In accordance with the instructions of the President of Russia, which he gave at St. Petersburg International Economic Forum, regions of Russia create project offices to improve the investment climate. Yu. Ludinova was appointed the head of the project office in St. Petersburg in June 2016. She previously headed the Committee of property relations. The project office is a part of the office of the Governor of St. Petersburg, and the position of its head is equivalent to deputy chief of staff of the Governor. Currently the chief of staff of the Governor D. Adamia has one Deputy – I. Sherbak. The new structure will provide the analysis of the best practice of regulation of investment activities, identify problems and make recommendations for attracting and using investments.

LEGISLATION

The order of reporting by St. Petersburg officials about income, expenses, about property and obligations of property character has been determined

The provisions of the Law of St. Petersburg of May 16, 2016 No. 248-44 determine the order of reporting by citizens applying for state positions of St. Petersburg, and by persons occupying the state positions of St. Petersburg, about received incomes, about the property belonging to them by right of ownership, and about their obligations of property character, incomes of the spouse (spouse) and minor children, about the property belonging to them by right of ownership, and about their obligations of property character, and also information on the costs and expenses of the spouse (spouse) and minor children. The order applies to government positions. Registers of state positions and positions of the state civil service of St. Petersburg have been approved by the Law of St. Petersburg of 15 June 2005 No. 302-34.

The procedure for granting subsidies for implementation of measures for the development of a network of urban bike rental in St. Petersburg

The procedure has been approved by the decree of the Government of St. Petersburg of May 31, 2016 No. 416. The order specifies that in 2016 the recipient of the subsidy is determined on a competitive basis. To qualify for subsidies a legal entity (except state and municipal institutions) must operate bike rental. The grant is given on a gratuitous and irrevocable basis to an organization recognized as the winner in the tender. The purpose of the grant is the reimbursement of costs associated with the operation of the network of urban bike rental in 2016, as well as costs for equipment repair and maintenance facilities for storage of bicycles, spare parts and consumables, equipment rental, and technical support of their work.

The subsistence minimum in the 1st quarter of 2016

On the basis of the decision of the government of St. Petersburg of June 6, 2016 No 421 for various categories of the population the following minimum subsistence level is established in St. Petersburg: the average per capita subsistence minimum in the 1st quarter of 2016 is 10 300,8 rubles, for working-age population – 11 312,4 rubles, for pensioners – 8 254,6 rubles, for children – 9 932,6 rubles.

The Law on social services has been amended

In accordance with the Law of St. Petersburg of June 15, 2016 No. 342-60 the Law of St. Petersburg of December 24, 2014 № 717-135 "On social service of the population in St. Petersburg" is amended. It now includes the definition of a man without a certain residence. In this category are citizens of Russia without registration at the place

of residence or place of stay in Russia, and not having in its territory a dwelling (share home) on the right of ownership or premises under contracts of lease, social lease, employment lease, free use. Social services can be provided at home, in semi-mobile and stationary forms. Forms of granting of the social services can be socio-psychological, socio-pedagogical, socio-labor, socio-legal and aimed at improving the communicative capacity of social service beneficiaries, with disabilities, including children with disabilities. The law is accompanied with a List of social services in St. Petersburg.

The rules for determination of requirements for procurement by public authorities of St. Petersburg, by the management body of the territorial state extra-budgetary fund and their subordinate state-owned and budgetary institutions of individual types of goods, works, services

The rules were approved by the decree of the Government of St. Petersburg of June 15, 2016 No. 489. The rules establish the procedure for determining requirements for procurement of goods, works and services (further – products), including their marginal prices, necessary to meet the needs of St. Petersburg. Legal acts, approving requirements for the purchased products are accepted annually before July 1 of the current fiscal year in the form of a list of separate types of products, in respect of which consumer properties (including their quality) and other characteristics affecting the price are listed. The approximate form of departmental and mandatory lists are contained in annexes to the approved Rules.

The budget of St. Petersburg has been amended

In accordance with the Law of St. Petersburg of June 17, 2016 No 376-61 the budget of St. Petersburg for 2016 and for the planning period of 2017 and 2018 has been amended. The current City budget was approved by Law of St. Petersburg of December 2, 2015 No. 747-145. The introduced amendments provide for the expected in the current year revenues and expenditures of the budget, while maintaining the level of deficit approved in December of the last year. In 2016 the revenues to amount to 447,9 billion rubles (earlier, in December of last year, they were expected at 432,9 billion. rubles), expenditures – 506,5 billion rubles (previously – 491,6 billion). The budget deficit remains at the previously planned level of 58.6 billion rubles. The revenues and expenditures for 2017 and 2018 remain unchanged. In 2017 they should be 451 billion rubles and 494,7 billion rubles, respectively, in 2018- 489,4 and 539 billion rubles, respectively. In addition, the upper limit of the state domestic debt of St. Petersburg is changed, so are the budget allocations of the Road Fund and the reserve Fund of the government of St. Petersburg.

MEETINGS AND COOPERATION

St. Petersburg strengthens ties with the Republic of Cyprus

On May 12, in Smolny a meeting of St. Petersburg Governor and the mayor of Limassol A. Christou was held. The meeting was attended by Vice-Governor Oleg Markov and the heads of relevant committees of St. Petersburg. During the meeting, they discussed ways to expand bilateral cooperation. Among the most promising areas of cooperation are economy, science, education, tourism and culture.

The Tauride Palace hosted the 44th plenary meeting of the Interparliamentary Assembly of States – member of the CIS

The meeting was held on May 20 under the chairmanship of the head of the Federation Council of Russia Valentina Matvienko. At the plenary meeting attendees discussed the results of the working group on the draft CIS Convention on cooperation in the exploration and use of outer space for peaceful purposes. In addition, the participants of the meeting discussed the model laws "On fundamentals of development of bioenergy", "On ecological expertise", "On the distribution and use of GMOs in the field of export of agricultural products", "On conservation, sustainable use and restoration of biological diversity", "educational activities". The meeting was also attended by a large number of representatives of international parliamentary organizations. The meeting participants discussed the issues of organization and strengthening of inter-parliamentary cooperation.

The II St. Petersburg International Innovation Passenger Transport Forum "Smart-TRANSPORT"

The forum was held on May 25-28 in the exhibition complex "Expocenter". The opening ceremony of the forum was attended by the Governor Georgy Poltavchenko and the Deputy Minister of transport of Russia N. Asaul. The forum was attended by specialists of the transport sector, representing some 50 regions of Russia and 6 foreign countries.

The main goal of the forum is to present innovative technologies, materials, management practices and ideas, contributing to the development of transport infrastructure. During the forum were discussed the questions of development of city passenger transport, security, use of environmentally friendly technologies, creation of a hub airport, carrying passengers by water transport, using natural gas as fuel for passenger transport. Among specific topics were the problems of transport support of the World Cup in 2018.

The Tauride Palace hosted a General meeting of the International Business Congress

On May 26 in the Duma hall of the Tauride Palace the 19th General meeting of the International Business Congress and the 34th session of its Presidium was held. The plenary meeting was

chaired by the President of the Congress, the head of "Gazprom" A. Miller, who was re-elected President of the Congress. The focus of the participants was the theme of energy cooperation as a factor of stabilization in the global economy. The European Business Congress (later renamed the international) was established in Bonn for the development of economic cooperation in Europe. The Congress is an international non-profit organization composed of 127 members, including Gazprom, ExxonMobil, Siemens, Shell, Total, Deutsche Bank, J. P. Morgan Bank International, Wintershall, E. ON Global Commodities, Enel, BNP Paribas, KPMG, Statoil, Schneider Electric, Sakhalin Ener-Gia" and others. Members of Congress represent 27 countries. The next meeting is scheduled to be held in Vienna.

Outstanding scholars and leaders of professional education of St. Petersburg were awarded

On May 27 Smolny hosted the ceremony of awarding prizes of St. Petersburg Government and St. Petersburg scientific center of the Academy of Sciences for outstanding results in science and technology and the prize of St. Petersburg Government for outstanding achievements in the field of higher education and secondary vocational education. Prizes were awarded to 17 scientists and 54 leaders of higher and secondary professional education. In 2000-2015 184 people were awarded with the government prize in the field of science and technology, including 40 awards for young scientists. In 2007-2016 the winners of the award for outstanding achievement in the field of higher education and secondary vocational education are 467 people.

In the Mariinsky Palace the title "Honorary citizen of St. Petersburg" was awarded

In 2016, by the decision of Legislative Assembly the title of honorary citizen of St. Petersburg was awarded to the General Director of the State regional center of standardization, metrology and testing in St. Petersburg and Leningrad region V. Okrepilov and to the Artistic director – chief conductor of State academic choir V. Chernushenko. On May 27 in the Mariinsky Palace they were presented with insignia "Honorary citizen of St. Petersburg". The title of honorary citizen was granted since 1993 for contributions to science, culture and economy of St. Petersburg. During the period 1993-2016 the title was awarded to 39 citizens, two of them posthumously (O. Bergolts and A. Sobchak). In 2004, 2014 and 2015 the title has not been awarded.

St. Petersburg is strengthening cooperation with Cuba

On May 28, in Smolny the Governor of St. Petersburg met the First Deputy Chairman of State Council and Council of Ministers of the Republic of Cuba, Miguel Díaz-Canel Bermúdez. The meeting was attended by the Ambassador extraordinary and plenipotentiary of Cuba to Russia Emilio Lozada Garcia, the Vice-Governor Oleg Markov,

members of the Cuban delegation and the heads of relevant committees of St. Petersburg Government. During the meeting, they discussed issues of bilateral cooperation, including the planned opening of the Consulate General of Cuba in St. Petersburg. In addition to education, among the promising areas of cooperation are: scientific and technical exchanges, culture, delivery of citrus and other agricultural products, the implementation of joint projects in medicine, biotechnology and pharmaceuticals.

Smolny was visited by a delegation of scientists from the People's Republic of China

In the period from May 29 to 31 St. Petersburg was visited by a scientific delegation of China. Chinese scientists participated in the seminar "Infrastructure as a basis for global solidary development" held at St. Petersburg State University (SPbSU). On May 30 Governor Georgy Poltavchenko met the delegation of the scientific circles of China, headed by the Executive Vice-Chairman of the Foundation of Soong Ching Ling, Mr. Qi Mingqiu. During the meeting, an agreement was reached on signing a trilateral agreement on cooperation in the field of culture, science and education and on investment in these areas. 3.3 thousand Chinese students are studying currently at universities of St. Petersburg. Between educational institutions there were concluded and implemented more than 200 agreements.

The development of energy complex of St. Petersburg was discussed at Smolny

On June 6, Governor G. Poltavchenko and Vice-Governor I. Albin met with the Minister of energy of Russia A. Novak, General Director of JSC "Russian grids" O. Budargin and General Director of the Russian Energy Agency A. Tikhonov. The meeting participants discussed the course of execution of the orders of the President of Russia Vladimir Putin on the development of St. Petersburg power complex. Special attention was paid to the connection of consumers to networks. During the meeting it was noted that the accident rate on the Petersburg networks for 2015 decreased by 7.5%, the average duration of power interruption of city residents decreased by 49%. The participants of the meeting discussed the financial position of the company "Lenenergo". The company's profit last year amounted to 2.4 billion rubles, operating costs decreased by 7.6% and debt declined from 49 to 31 billion rubles. The new structure of shareholders of "Lenenergo" will include 6 representatives of St. Petersburg.

Meeting of the founders of the Strategic partnership on economic and social development of the Northwestern Federal district

The General meeting was held on June 15. It also included a meeting of the participants of the trilateral Agreement on social partnership of the Northwestern Federal district. The meeting was attended by the envoy of the President in the Northwestern Federal district Vladimir Bulavin, Governor G. Poltavchenko, the Chairman of Legis-

lative Assembly of Vladimir Makarov, heads of regions, representatives of 42 of the largest companies and business associations of the North-West of Russia and participants of the Open agreement in the field of economic and social development of the district. The participants of the meeting discussed the socio-economic situation in the Northwestern Federal district, prospects of development of the district till 2020.

St. Petersburg hosted the XX International Economic Forum

In the period from the 16 to the 18 of June at the new exhibition complex "Expocenter" in the Pushkin district of St. Petersburg the XX International Economic Forum was held, which was attended by the President of Russia Vladimir Putin, other high-ranking Russian and foreign government and political figures, heads of major companies, scientists and experts. Over 12 thousand people attended the forum from 133 countries.

In the framework of the forum there were more than 300 events held. Among them were business forums of the SCO and BRICS, and a meeting of the President with representatives of Russian business, the regional consultative forum of the "Business 20", the session of the international discussion club "Valdai", the ceremony of awarding the "Global energy" award and the "Award of development", the summits of energy companies and news agencies and others. During the forum 356 agreements were signed (292 agreements, 53 memoranda, 6 roadmaps, 2 contracts, 2 programs, 1 the act of transfer of equipment) for a total of 1.46 trillion rubles (for agreements details of which is not a trade secret). For comparison, at last year's forum there were 205 agreements signed for a total amount of 293,4 billion rubles, including loan agreements to 44.2 billion rubles (according to the agreements, details of which is not commercial secret). On the forum 2014, the number of concluded agreements amounted to 175 for a total amount 401,4 billion.

The Forum was attended by representatives of Russian regions. 50 regions signed 180 agreements on socio-economic development of the regions, the implementation of major investment projects, the development of interregional economic and cultural cooperation. Total financing under the agreements signed by the Government of St. Petersburg, amounted to 118 billion rubles. For comparison, at last year's forum the Northern capital concluded agreements in the amount of 40 billion rubles, at the forum in 2014 - in the amount of 150 billion rubles.

The progress of works on building of stadium on Krestovsky island

On June 22 Governor Georgy Poltavchenko held an onsite meeting on the construction of the stadium. The meeting was attended by Vice-Governor Igor Albin, representatives of the General contractor – "Engineering Corporation "Transstroy-SPb". The builders reported to the Governor about the progress of work. The work

has been performed in the amount of 29.6 billion rubles (85% of the total). The builders reported about the execution of works on installation of metal structures of the stadium bowl, fixed and sliding roofs, the establishment of external engineering networks, retractable field, football turf, irrigation systems, heating, drainage and aeration. The restoration of the facades of the pavilions has been completed, "historic" stairs have been recreated, the fountain has been commissioned. The work is under way on the connection of automation system and on finishing the interior.

A Memorandum on creation of a unified payment card of St Petersburg resident

The Memorandum on cooperation between St. Petersburg Government and the Central Bank of Russia on the creation and promotion on the basis of the national payment system of the new payment mechanism – the unified card of St. Petersburg - was signed on June 30 at the XXV International Financial Congress held in St. Petersburg in the Presidential library of B. N. Yeltsin. The multifunctional personalized smart card is designed to provide targeted social support to citizens and to promote transparency of budget spending. International Financial Congress is the largest annual conference which brings together experts, heads of central and commercial banks, financial institutions. The organizer of the Congress is the Bank of Russia. The XXV International Financial Congress was held in St. Petersburg from June 29 to July 1, 2016.



2. EMPLOYMENT

In April 2016 large and medium sized enterprises employed 1479.7 thous. people (Table 1). Compared to the previous month the number of staff grew by 0.1%, the number of by-workers grew by 0.4%, that of contracted workers grew by 1.8%.

In January – April 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 0.5%, the number of contracted workers grew by 15.7%.

In April 2016, the largest number of vacancies filled was in education, processing industries, real estate operations, transportation and telecommunications, healthcare, and the least - was in agriculture and forestry, hotels and restaurants (Table 2). The public sector employed 39.2% of all employees of large and medium-sized enterprises of the City.

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

	April 2016		January – April 2016 in % to January-April 2015
	'000 people	in % to March 2016	
Filled jobs total, including:	1479,7	100,1	101,6
Registered permanent employees	1404,0	100,1	101,4
External by-workers	39,1	100,4	99,4
Contracted labour	36,6	101,8	115,7

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

Industry	Total employment	
	'000 people	% of the total
Total, including:	1479,7	100,0
Manufacturing	223,8	15,1
Production and distribution of electric power, gas and water	36,3	2,5
Agriculture and forestry	5,2	0,4
Construction	63,3	4,3
Transportation and telecommunications	152,6	10,3
Finance	55,5	3,8
Real estate transactions, leasing and services	217,9	14,7
Wholesale and retail trade, repair of motor vehicles and home appliances	152,0	10,3
Hotels and restaurants	28,3	1,9
Public administration, security and social care	89,2	6,0
Education	218,5	14,8
Healthcare and social services	167,1	11,3
Other utilities, social and individual services	70,0	4,6

In January – March 2016 the number of economically-active population (EAP) amounted to 3056.0 thousand persons, from them 3002,9 thousand employed and 53,1 thousand unemployed. During the reporting period, the employment rate was 72.9% (share of employed people in total population aged 15 to 72 years), the level of eco-

nomically active population – 74,3% (share of economically active population of the total population aged 15 to 72 years) (<http://ktzn.gov.spb.ru/analiticheskaya-informaciya/>).

In May 2016, the demand of St. Petersburg enterprises for workforce amounted 48.1 thousand people (table 3).

TABLE 3. Change in the number of officially registered unemployed people in St. Petersburg, January 2015 – May 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
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
April	43,0	0,8	114	160
May	48,1	0,6	75	120

TABLE 4. Change in the number of officially registered unemployed people in St. Petersburg, 2015, January-May 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	9ю5	10,8	105	110
February	26,3	12,3	114	124
March	28,4	12,9	105	133
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
April	32,3	14,5	99,6	107
May	30,1	14,1	97	107

By the end of April 2016 – 43048 vacancies have been reported to the Employment service, 61.7% of them – workers' positions (<http://ktzn.gov.spb.ru/analiticheskaya-informaciya/>).

In January-April 2016 the greatest demand for employees was declared by the enterprises and organizations of such economic activities, as operations with real estate, rent and services – 20,5% of all reported vacancies; transport and communication – 12,9%; wholesale and retail trade – 12,2%.

The pressure in the labor market (the number of unemployed citizens registered at the Employment Service per one vacancy) at the end of May 2016 was 0,6 persons per vacancy (at the end of May 2015 – 0,4 persons per vacancy).

In May 2016 30,1 thousand persons were registered at the Employment Service of St. Petersburg. It is 11,9% more than in March 2015 (table 4). In May 2016, 46,8% of those registered at the Employment Service were officially considered unemployed.

At the end of April 2016, the total number of those who turned to the State Employment Service of St. Petersburg amounted to 36709 people (at the end of April 2015 – 30582 people).

The number of registered unemployed at the end of April 2016 was 14 458 persons, of them women – 51,0%; young people aged 16-29 years

– 18.8%; persons with disabilities - 12.0% (at the end of April 2015 the number of unemployed amounted to 13514 persons) (<http://ktzn.gov.spb.ru/analiticheskaya-informaciya/>).

In May 2016, the status of unemployed was assigned to 2,3 thousand persons (0,2 thousand people or 8% more than in May 2015). The number of the job-placements in May 2016 was by 22 people or by 3% more than in the same period of 2015, and amounted to 0.9 thousand people.

According to Rosstat, in January-March 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 1.9%. St. Petersburg had one the lowest levels of unemployment among the subjects of the Russian Federation (in the North-Western Federal district – 5,0%, Moscow - 1.8%, Russia – 5.9 %).

The level of registered unemployment (ratio of registered unemployed to the economically active population on average) at the end of April 2016 amounted to 0,49% of the economically active population (end of April 2015, the figure was 0,47%) (www.rspb.ru) (figure 1). This is the lowest figure among the regions of the Northwestern Federal district.

PICTURE 1. The level of registered unemployment in St. Petersburg, % of the economically active population**TABLE 5. Consumer price index dynamics in 2015 and January-May 2015, % 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
June	100,2	99,3	100,5	101,0	100,2	99,6	100,3	101,0
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
April	100,4	100,7	100,5	99,7	100,4	100,4	100,6	100,3
May	100,1	100,0	100,4	99,8	100,4	100,4	100,4	100,5
May 2016 in % to December 2015	103,2	104,4	103,5	101,3	102,9	103,1	103,3	102,2
May 2015 in % to December 2014	109,1	112,8	110,2	103,4	108,3	111,3	108,4	103,9

3. PERSONAL INCOMES AND EXPENDITURES

PRICES

In January-May 2015 consumer prices growth in St. Petersburg was equal to 3.2%. In the same period of 2015 it was 9.1%.

The growth of consumer prices in January-May 2016 in St. Petersburg was higher than Russia's average by 0.3%. In May 2016 consumer prices grew by 0.1% (Table 5).

In January-May 2016, tariffs for paid individual services in St. Petersburg grew by 1.3%. For comparison: their growth in the same period of 2015 was 3.4%.

The rate of growth of tariffs for paid individual services in January-May 2016 was 0.9% lower than Russia's average. Tariffs for paid services in May 2016 fell by 0.2%.

In January-May 2016, prices of foodstuff and of non-foodstuff goods grew faster than in Russia on average by 1.3% and 0.2% correspondingly. The growth was correspondingly – 4.4% and 3.5%. In May 2016 prices of foodstuff did not change and those of non-food goods grew by 0.4%.

In May 2016 prices grew for cereals and legumes (1,5%), fish (1.4%), oils and fats, confectionery, alcohol (0.5%), bread and bakery products

(by 0.4%), milk and dairy products (0.3%), meat products (0.1%). This month prices fell for fruits and vegetables (1.3%), cheese (1.0%), meat and poultry (0.2%). Among non-food goods in May 2016 in St. Petersburg the following grew in price: tobacco products (1.8%), shoes (1.6%), fabrics (1.4%), cosmetic products (1.3%), construction materials, clothing (0.6%), utensils (0.5%), knitted goods (0.3%), haberdashery (0.2%). Prices of detergents and cleaning products fell by 0.1%.

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

In May 2016 in St. Petersburg prices increased for long-distance trains trips - by 16.9%, for intercity bus trips - by 7.5%, for air travel - by 7.2%, for excursions - by 5.5%, for ritual services – by 4.3%.

In January-May 2016 the price of gasoline increased by 1.5%, of diesel fuel – by 0.4%. In May 2016 gasoline prices increased by 0.2%, those of diesel fuel by 0.1%.

PERSONAL INCOMES AND EXPENDITURES

Real salary in St. Petersburg in April 2016 fell by 3.1% and in Russia grew by 2.3% (table 6).

TABLE 6. Real monetary incomes and real salary in St. Petersburg and the Russian Federation in May – December 2015, January – April 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>
May 2015	96,5	93,5	94,9	93,0	99,8	92,6	89,2	93,5
June	104,9	92,3	99,7	94,5	102,8	91,4	108,7	96,9
July	96,3	90,7	101,2	91,0	95,0	90,8	102,0	98,0
August	93,2	91,9	94,7	94,6	94,7	91,0	100,0	94,7
September	102,4	89,8	95,0	95,8	101,7	89,6	91,9	95,3
October	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
March	105,3	105,2	98,5	96,6	104,3	101,5	99,7	98,7
April	96,9	98,2	106,6	93,3	102,3	98,9	108,2	93,0

TABLE 7. The dynamics of salary arrears in St. Petersburg in January-June 2016 (on the 1st of each month), mln. rubles

	January	February	March	April	May	June
Total arrears	756,0	1388,9	113,6	968,0	710	310,2
Including arrears due to the lack of budget financing	0,0	0,0	0,0	0,0	0,0	0,0

TABLE 8. Personal expenditures of St. Petersburg's residents in 2015, January – April 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
March	70,4	13,7	8,7	10,6	- 10,4
April	63,9	14,2	12,9	10,5	- 7,9

Average monthly nominal salary in St. Petersburg in April 2016 amounted to 46 919 rubles, the average nominal salary in Russian on average in April 2016 was 22.2% less than in St. Petersburg, and amounted to 36497 rubles.

Salary arrears on June 1, 2016 amounted to 310,2 mln. rubles. Transport sector was responsible for 44.1% of the total, processing industries – 28.5%, construction – 27.4%. There were no state budget arrears.

In March-April 2016 the share of savings in deposits grew and the share of foreign currency did not change (table 8).

DIFFERENTIATION OF INCOMES AND SALARIES IN ST. PETERSBURG

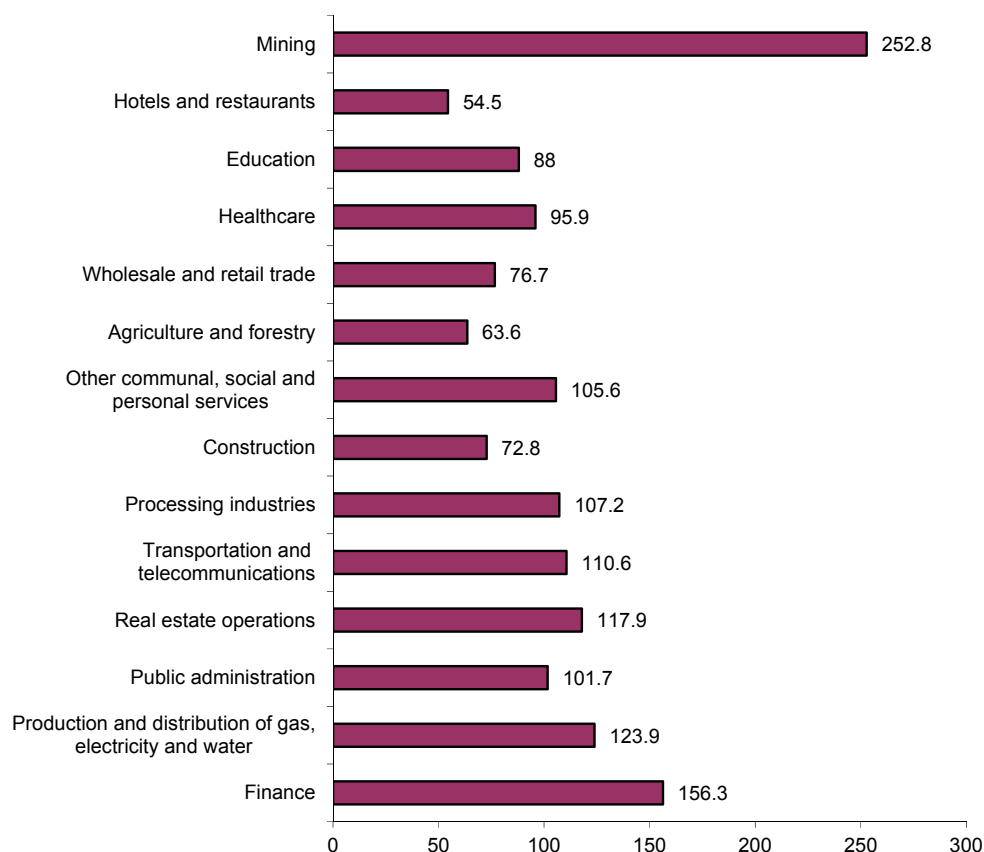
In April 2016 the level of inter-industry salary differentiation fell compared to February 2016 (Picture 2). The gap between the highest

salary (mining) and the lowest salary (hotels and restaurants) was during this month equal to 4,6 times compared to 5.8 times in August, 5.6 times in June 2015.

The highest salaries in April 2016 were paid in mining (the salary in this sector was 2,5 times higher than the average for St. Petersburg).

In April 2016 the average for the City was significantly exceeded by the salary in the financial sector (1,6 times), in provision of communal, social and personal services (by 23,9%), in real estate operations (by 17,9%).

The lowest salary was paid to those employed at hotels and restaurants (54,5% of the average), agriculture and forestry (63,6%).

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

4. INDUSTRY

The index of industrial production in St. Petersburg in January-May 2016 in comparison with January-May 2015 amounted to 102.2%.

"Power machines" manufactured and shipped a hydrogenerator designed to replace the hydraulic unit No. 4 of the Votkinsk hydroelectric power station of "RusGidro". The equipment will be delivered to the station by road in the end of June this year. A contract for a comprehensive replacement of ten hydropower units of Votkinsk HPS was signed between "RusGidro" and "Power machines" in December 2014. In accordance with its terms, the company will design, manufacture and deliver ten sets of equipment, each of which includes a swivel-blade turbine complete with automated control system, a hydrogenerator and accessories. The agreement also provides installation, installation supervision and commissioning of the equipment. The replacement of hydraulic units at Votkinsk HPS, operational since 1961, will be carried out in the framework of the Program of complex modernization of RusGidro (PCM). The

completion of the contract is planned till 2025. As a result, the station capacity will be increased to 130 MW and will amount to 1150 MW (10 generating units with a capacity of 115 MW every). (<http://www.power-m.ru/> June 23, 2016)

The plant of Nissan Manufacturing Rus in St. Petersburg has officially started production of crossover Nissan Murano of the third generation. Cars are made here on a full cycle with welding and painting of bodies. Among the components "localized" in Russia are stamped outer body panel, bumpers, front panels and some other plastic parts. The sales of the new car will start soon, prices are not announced yet. The crossovers of the current generation (their production in St Petersburg came to an end in 2015) now are offered by dealers at a price of 2.1 million rubles. The production of Nissan cars at the plant in St. Petersburg began in 2009. In the past year 33,6 thousand cars were made, although the planned capacity of the enterprise is 100 thousand cars annually. Now in addition to the "Murano" in St. Petersburg the crossovers Nissan Qashqai, X-Trail and Pathfinder are produced. The assembly of sedan Nissan Teana was discontinued last year (<http://wroom.ru/news/5258> 21 June 2016).

On June 16, 2016 at the St. Petersburg International Economic Forum the Government of St. Petersburg and a number of companies signed agreements on implementation of investment projects on organization of production of pharmaceutical products: with the company "POLYSAN" (the localization of production of drugs by Bayer and Pfizer, as well as expanding the production of its own original products); with the company "GEROPHARM" (for the development and organization of production of insulin and insulin analogues and pharmaceutical substances and medicines based on them); with the company "Samson-Med" (building in the Pushkin district of a plant producing active pharmaceutical ingredients and finished drugs.) (<http://pharmapractice.ru/> , June 16, 2016).



5. FINANCE

CITY BUDGET

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

According to the data of the Federal tax service of Russia in St. Petersburg in January-December 2015 the revenues from taxes, fees and other obligatory payments amounted to 747.6 billion rubles, which in nominal terms is 10.0% more than the corresponding period last year. In December 2015, compared with the previous month revenues to the budget system increased by 47.3%.

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

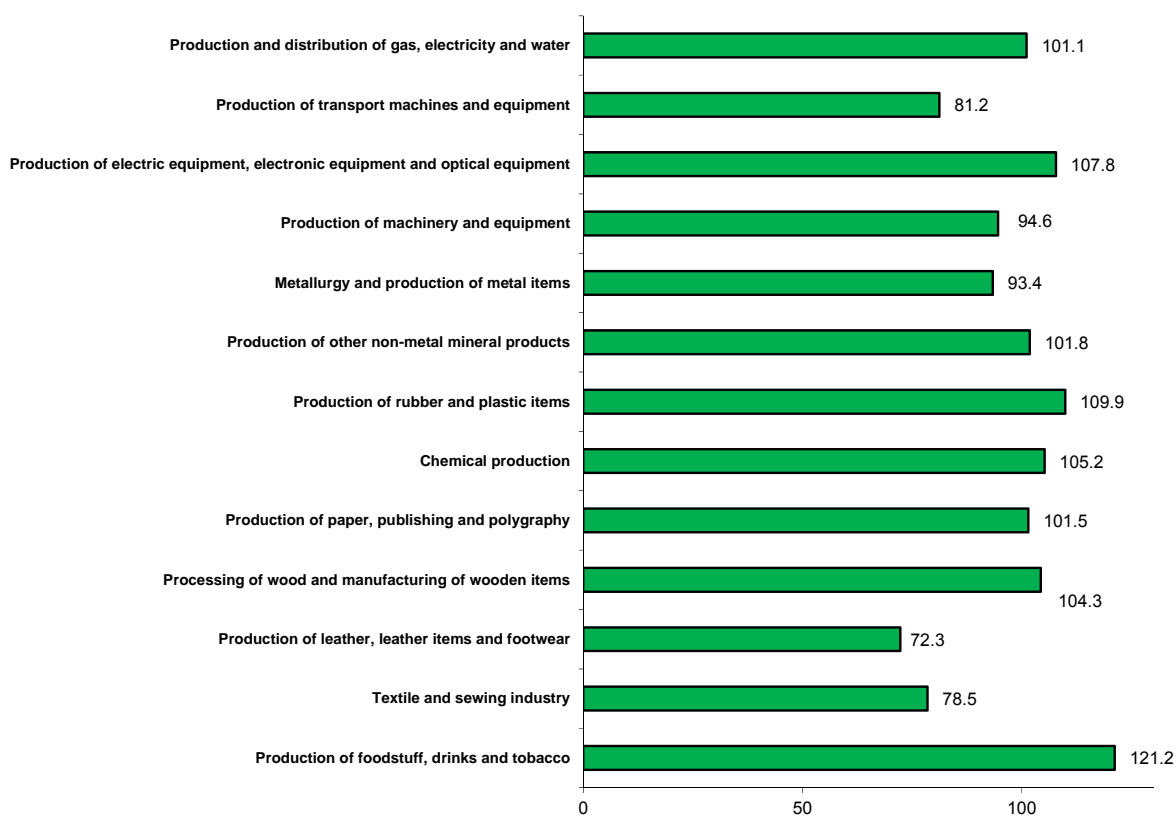


Table 9. Consolidated budget execution in 2016 (mln. rubles)

	<i>Revenues</i>	<i>Expenditures</i>	<i>Surplus</i>
January - March	104967	86613	18354
January - February	159418	125849	33568

Source: Petrostat

Table 10. St. Petersburg's state debt structure on 01.07.2016

	Min. rubles	share, %
State domestic debt of St. Petersburg, including:	14 736,9	100,0
Bonds	5 858,9	39,8
Budget 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. State debt servicing costs of St. Petersburg, July 1, 2016, mln. rubles

Item	Plan for 2016
Domestic debt servicing costs	574,9
Total	574,9

Source: St. Petersburg Committee of Finance

In January-April 2016 the budget system received taxes, fees and other obligatory payments in the amount of 320,4 billion rubles, which in nominal terms is 25.5 % more than in the corresponding period last year. In April 2016, compared to the previous month the revenues of the budgetary system have decreased by 17.1%.

In January-April 2016 the consolidated financial result (profit minus loss) of organizations (excluding banks, insurance companies and budget organizations, without small businesses) amounted to 261.1 billion rubles, which is 14.2% less than in the corresponding period last year. In January-April 2016 the number of unprofitable enterprises in comparison with the same period of 2015 increased by 27 units or by 4.1%, the amount of the loss has increased by 23.4%.

STATE DEBT

The information about the structure of the state debt as of July 1, 2016, is presented in the tables 10 and 11.



6. MUNICIPAL SERVICES

BEAUTIFICATION, RESTORATION, REPAIRS

In 2016 the Fund of capital repairs of common property in apartment buildings is planning to overhaul 130 facades for a total amount of 991,9 million rubles. The timing of major repairs of common property, including the facade, is determined by several criteria, including the age, physical wear and tear of a building. In 2014 and 2015, the Fund has carried out repair of facades in 188 and 123 apartment buildings, respectively (for a total amount of 1.37 billion rubles) (Fund of capital repairs and "Delovoy Peterburg").

In accordance with the new address program of repair of roads approved by the Commit-

tee on transport infrastructure development on June 15, in St. Petersburg in 2016 it is planned to repair 97 streets and squares (31 more than originally planned). The total cost of the works will exceed 5 billion rubles. Already completed is the work on the ulitsa Vosstaniya, Pulkovskoe shosse, ploshad Stachek and ulitsa Kazanskaya. Additional locations included in the new program include Bolshoy Prospekt P. S., portion of the Primorskiy prospekt (to the junction with WHSD), Suvorovskiy prospect, ulitsa Nekrasova and ulitsa Rustaveli (Web site of the Administration of St. Petersburg)

Poklonnogorskaya overpass (junction in the end of Poklonnogorskaya ulitsa, connecting Primorsky and Vyborgsky districts) will be completed by ZAO PO Vozrozhdenie. The company submitted the only bid to the Committee for transport infrastructure development (CRTI). According to the application, the total cost of the works expected to be completed by the end of 2017, will be 1.43 billion rubles. The completion of the Sinopskaya embankment and tunnel, which connects the Obvodniy channel and Kherson proezd, will be done by OOO "Geoizol", which also filed the only application for participation in the competition of CRTI. The cost of works will amount to 1.1 billion. rubles, the completion date is July, 2017. The previous contractors, OAO "Mostootryad №19" and OAO "Mostostroy No. 6 did not complete construction work on objects and are at the stage of bankruptcy. ("Kommersant" and "Vedomosti")

TRANSPORTATION, ENERGY, WATER SUPPLY

In January-May 2016 the transport organizations of St. Petersburg transported 2.5 million tons of cargo and 228,5 million passengers, slightly higher compared to the same period in 2015 (5.6% and 2.7%, respectively). The freight turnover amounted to 498 million ton-km (10.7% less than the same period in 2015) and passenger traffic 1304 million passenger-km (1.3% less than in

January-May 2015). A significant decline in the turnover with a moderate increase in freight volumes indicates a decrease in transport distance in connection with the reduction of trade turnover with the European countries and far-abroad countries (According to Petrostat).

The Big port of St. Petersburg is the leader in container traffic among the sea ports of Russia (in the five months in 2016), with a market share of about 45%. The container turnover of the port amounted to 739 thousand TEUs (twenty-foot equivalent unit), which is 2.6% more than the same period in 2015, the Port of Ust-Luga, specializing in the transportation of raw materials, took the container turnover to the seventh place in Russia (31,5 thousand TEU, or 6.8% less than in five months of 2015). The total container throughput of Russian ports (1.62 million TEU) also demonstrates negative dynamics, having decreased for January-May 2016 2.6% (TASS).

GUP TEK SPb" has presented the project of the investment program for 2017-2030. The calculations are made for three possible scenarios, taking into account the dynamics of the consumer price index and tariffs – pessimistic, basic and investment. The total investment will reach 151-185 billion, about 48% - for the reconstruction of heating systems, 24% - on reconstruction of heat sources, 18% - on building and increasing the capacity of the networks. The program assumes a significant subsidy to GUP "TEK" from the City budget (to compensate for the difference in tariffs). However, in all scenarios, except for the investment one, it is not expected that the company will make a profit (when implementing the pessimistic scenario, the total loss will amount to 25 bln rubles). ("Vedomosti" and "Kommersant")

"Vodokanal of St. Petersburg" has lost in court case against FAS on the legality of the contract with the company "PRiSS" on the construction of the Okhta reservoir for 7.9 billion rubles, the agreement was declared illegal, because "PRiSS" had not provided a bank guarantee for construction work in time. However, the contract will probably not be terminated, since a significant part of the work has already been done (using the tunneling shield of the tunnels, work is underway on the construction of engineering communications, two large mines). FAS plans to sue the customer. ("Delovoy Peterburg")

MAJOR CITY PROJECTS

The Legislative Assembly of St. Petersburg has approved the increase in the cost of the stadium "Zenit arena" on Krestovskiy Island by 4.3 billion to 39.2 billion rubles. Among the main reasons for the increased cost are additional security requirements approved by the Federal government, as well as the devaluation of the ruble, which has led to an increase in the cost of equipment and construction materials. ("Delovoy Peterburg" and TASS)

According to the information of the Administration of St. Petersburg, the project of the construction of an express train line from Pulkovo airport to Vitebsk station would not be completed before the football World Cup 2018. PAO "Lengiprotrans" has presented calculations according to which the need for the train line will arise when the Pulkovo airport's passenger traffic level reaches 23 million people. According to the airport operator, OOO "Gateway of the Northern Capital" this level can be achieved by 2019 (optimistic scenario) or 2025 (baseline scenario). The total estimated cost of the works has increased compared to the original estimate to approximately 19 billion rubles. (TASS and Prime)

PAO "VTB Bank" in the framework of St. Petersburg International Economic Forum (SPIEF-2016) has signed an agreement with the St. Petersburg Administration on investing 20 billion rubles in the development of a network of light rail in the southern parts of the city. The bank plans to finance the construction of two light rail lines: from the under construction metro station "Yuzhnaya" to Krasnoye Selo (via Shushary, Yuzhniy and the residential complex "Slavyanka") and from the metro station "Kirovskiy zavod" to a newly built Convention and exhibition Centre "Friendship". The investment Committee will announce a competition for the construction of these lines until the fall of 2016. ("Kommersant")



7. REAL ESTATE

HOUSING

According to the Construction committee in May St. Petersburg has commissioned 126 290,6 sq. m of housing – 2 253 apartments, 84 houses (including individual buildings). Most of these were commissioned in Kirov district (3 houses for 763 apartments, 40 291,4 m), Kalinin district (1 building, 608 apartments, 25086,2 sq. m), Moscow district (2 houses, 442 apartments, 23 124.3 sq.m).

At the same time, in Pushkin district there were commissioned 339 apartments, a total of 22,580 square meters of housing, but they are located in 23 houses (including individual buildings), and in Kurortniy rayon there were commissioned 15 houses, 15 apartments, 3 736 sq. m.

In May in St. Petersburg there were commissioned 52 objects for various purposes with a total area of more than 210 thousand square meters.

In June 2016 in St. Petersburg there were commissioned 171 336,4 sq. m. of housing, 2951 apartments and 71 buildings (including individual buildings).

The leaders in the number of square meters commissioned are Krasnoselsky district: 3 houses, 1396 apartments, 78 836,70 sq. m; Pet-

rograd district: 1 building, 346 apartments, 21 501,20 sq m.; Pushkin district: 21 034,90 square meters of housing, which accounted for 404 apartments in 18 houses.

Another "German house" — a typical two-storey residential house on the Ulitsa Savushkina, 43, will be demolished for the construction on the site of a new five-story residential building. Earlier, the "German houses" were demolished in the same quarter on the Dibunovskaya Ulitsa, 22, 26 and 30 (in their place houses are built) and on the Ulitsa Savushkina, 55 (business center). Another "cottage" on Dibunovskaya, 34 was dismantled in May.

According to experts of consulting company Knight Frank St. Petersburg, because of the crisis, in 2015 the demand for economy-class housing in St. Petersburg and the suburbs has fallen by almost half — 45%, while the developers estimate the reduction in demand for 27-28%.

Accordingly, this affects the volume of construction: in the "peak" 2014, according to the calculations of the "Bulletin of real estate", 5.5 million square meters of housing were put into market, in 2015 - 4.2 million. In 2016 new buildings in the market, according to experts, could be around 3.5 million square meters (<http://www.fontanka.ru/2016/05/11/071/>).

Oleg Pashin, the General Director of "Petersburg Real Estate" and Peter Buslov, head of the analytical center "Glavstroy-SPb", are more cautious: "overall, this year, the market can absorb 3-3.5 million sq. m of the new housing, which is 20-25% lower than in 2015".

In St. Petersburg, according to issued permits on January 1, 2016 in the process of building there were 11 million 952 thousand square meters of housing (kvadrat.ru). In the last five years, the number of housing under construction has doubled. In the first quarter of 2016, 897,9 thousand square meters of housing have been commissioned (31% of the annual plan). As noted earlier, St. Petersburg came in first place in the country in terms of housing for the first four months of this year.

According to municipal Fund for capital repairs of common property in apartment buildings in the city this year facades of 130 houses will be renovated for 991,9 million rubles. By the beginning of June, work is being conducted at 39 sites. In 2015 works on major repair of facades have been carried out in 123 apartment buildings for 575,2 million rbl., and in 2014—188 buildings for 792,9 million rubles.

Co-INVESTORS

In the City currently there are 24 problem objects associated with the bankruptcy of developers, opening of criminal cases against them and time overruns in construction for more than 9 months. One of the unfinished housing construction projects in St. Petersburg is being built by

ZAO "Group "Prime" – the housing complex "New Scandinavia" (Shuvalovo, Shore street).

The construction of the residential complex "New Scandinavia" was begun in 1998 by the company "Peterburgstroy-Skanska". In 2002, the project was transferred to ZAO "Ozerki", later renamed ZAO "Group "Prime". The construction of objects is carried out on land owned by ZAO "Group "Prime". Because of the extremely slow pace of construction works since April 2015, the residential complex was included in the registrar of the problem objects of St. Petersburg. There are 300 co-investors involved.

On June 20 Vice-Governor Igor Albin, accompanied by responsible persons, inspected the site of the unfinished construction. Residents who participated in the inspection, informed the Vice-Governor about the absence of on-site construction security, leaks and dampness due to incomplete roofs, abandoned unidentified elevator equipment, trash on the site. The City Government is considering options for finalize the construction of problematic facilities. The Committee on transport infrastructure development needs to study the problems of the transport accessibility of the district and the possibility of organizing public transport in the Suzdalsky prospect for the convenience of the inhabitants of the "New Scandinavia".

The problem new buildings of GK "Gorod", the construction of which was halted in 2013, made it necessary to hold a meeting of the co-investors of the residential complex "Lenin Park", "Baltiyskiy" and "Morskaya zvezda" with the participation of Vice-Governor I. Albin, representatives of the city authorities and the Bank "St. Petersburg", that partners the City in the completion of the problem objects. It was announced that the social facilities at these sites, including two kindergartens, a school, a medical station will be funded by the budget. The debts for utilities will be included in the investment programs of the enterprises of the treasury of St. Petersburg. The total cost of construction of social facilities in this neighborhood is about 1.5 billion rubles. By the decision of the Governor these objects will be included in the City's targeted investment program for 2017

NON-RESIDENTIAL

In addition to housing construction according to the Construction committee in May the following objects have been commissioned: in Nevsky district (Oktyabrskaya nab., 136, Rusanovskaya ul. 15, korp. 2, lit. A) - a school for 825 pupils, in the Kurortniy district (Repino, Nagornaya ul., 1, lit. A) - a building for retail trade and public catering, in the Pushkin district – an exhibition and convention center (Shushary settlement, territory of the enterprise "Shushary", plot 751). In June 2016 in the Krasnogvardeyskiy district (territory of the enterprise "Ruch'i", plot 154, (D. Marshak, d. 24, korp. 2, lit. A) - a kindergarten for 110

kids, combined with the facility of primary education for 200 persons, with an area of 9 825,9 sq. m.; medical facility for children for 100 visits per shift (1 870, 2 sq.m.). In the Central district (Tul'skaya ul. 2A) - an art gallery, with an area of 338,2 sq. m, in the Vyborg district of (Prospect Toreza) - built an indoor sports complex. In total in June 2016 in St. Petersburg there were commissioned 24 object of civil use with a total area of over 54 thousand sq. m.

TERRITORIAL DEVELOPMENT, REGULATION

In the end of June the President has signed the law on the transfer to the United development institution in the field of housing the authority of the Fund for assistance to housing construction. The Fund is liquidated and its powers on the use of land plots in Federal ownership, are transferred to the United development Institute in the field of housing. The law shall enter into force on 1 September 2016.

The law also expands the list of citizens having the right to create a housing construction cooperative (ZHSK), and simplifies the transfer of land to ZHSK for construction. In addition, the law excluded the requirement for the marginal cost of construction per square meter and the area of housing economy class in the construction of houses by ZHSK.

Industrial zones are now one of the major problems typical of large cities. On June 30, the Federation Council approved the law "On peculiarities of regulation of certain legal relations arising in connection with complex development of industrial zones, and amendments to certain legislative acts of the Russian Federation". Prior to the entry of the law into force in 2017 regions should conduct an inventory of all areas in need of renovation. The document gives a clear definition of the industrial zone and sets out the conditions under which it can undergo comprehensive development, and the stages of the development process. According to experts, it will allow to involve in the economic turnover up to 20-25% of the territories of cities and fill them with new housing, social facilities and the transport infrastructure. In St. Petersburg there can be built 195 million sq. m. of real estate in present-day industrial zones. The law will determine the fate of abandoned areas and attract investors. The document is based on an international practice, which earlier in Russia was not applied for the fear of violating guarantees of property rights.

In St. Petersburg in June works have been completed on amending the Law of St. Petersburg "On borders of zones of protection of objects of cultural heritage on the territory of St. Petersburg and modes of land use within the boundaries of specified zones and on amending the Law of St. Petersburg", "On the General plan of St. Petersburg and borders of zones of protection of objects of cultural heritage on the territory of St. Peters-

burg". The changes in existing law № 820-7 were required in connection with the innovations of the Federal legislation, as well as in connection with the the changing composition and boundaries of objects of cultural heritage, including the emergence of newly detected objects since 2014.

In the new version, the new zones for the protection of monuments of industrial architecture in the Nevsky and Kolpino districts are determined. The analysis of cultural heritage objects that lacked protection zones was conducted, and for some of them the decision was made to establish the zones. Protection zones have been established for objects of the Green belt of Glory. For the whole of the area covered by the zones of protection height regulations have been designed.

The Government of St. Petersburg in the decision of June 21, 2016 N 524 has approved the Rules of land use and construction of St. Petersburg. The rules include regulations and amendments, maps of zoning (in terms of zoning and height control), town planning regulations. The town-planning regulations establish the permitted uses subject to the Classifier of types of permitted use of land plots, approved by order of Ministry of economic development of the Russian Federation dated 01.09.2014 No. 540. The draft rules of the mapped boundaries of zones of protection of objects of a cultural heritage, modes of use of the land and town-planning regulations in areas in question, approved by the Legislative Assembly of St. Petersburg in 2014.

The fundamental provisions of the new land use and construction rules remained unchanged and are consistent with the current edition of the Rules approved in 2009. The main changes introduced in draft regulation compared to the version of the document, 2009, are as follows:

- when setting the height restrictions the base height is 40 meters, for some districts it does not exceed 40 meters subject to safeguarding protected landscapes and for some identified excess height is possible under some conditions;
- tougher regulation of limiting parameters, like the coefficient of land use, landscaping, parking spaces;
- parameters for bicycle parking facilities;
- uniform requirements to the parameters of development in terms of parking spaces, greenery and utilization areas for residential development in any territorial area, including areas of the historical districts of St. Petersburg;
- changed zoning and urban planning regulations in some of the industrial zones;
- requirements regarding objects of engineering support in virtually all of the territorial zones.

8. INVESTMENT PROJECTS

According to Petrostat, the volume of investments into fixed capital by organizations of St. Petersburg in January-March, 2016 amounted to 84.3 billion rubles, or 94,6% from the corresponding period last year.

Street-food Amsterdam Chips Company opens its first restaurant in St. Petersburg.

The concept of Amsterdam Chips Company is the street-food and food-to-go. The main dish in the cafe menu is the French-fries. Potatoes will be supplied by Novgorod farmers. The average bill in Amsterdam Chips Company will be about 200 rubles.

Hilton Worldwide opened its first hotel in St. Petersburg.

Hampton by Hilton St Petersburg ExpoForum is located in the Congress-exhibition complex "ExpoForum" in Shushary and is the nineteenth for Hilton Worldwide in Russia.

The hotel has 207 rooms, provides free access to a gym and mini market. The rooms have spacious working areas, the meeting room can accommodate up to 50 people. The company plans to gain a foothold in the historical center of St. Petersburg. There is a reconstruction project in the house on the Fontanka river embankment, designed by the Studio of Nikita Yavein and approved by the Government of the City.

The bakery chain "Khlebnitsa" from Izhevsk in the summer will open the first outlet in St. Petersburg.

It is planned by the end of the year to open 15-20 bakeries, most of them will appear in the bedroom areas of the city. The whole assortment of pastries and baked goods will be baked in the bakeries.

OOO "Khlebnitsa" is a part of the holding "2T" ("Tango Telecom"). In addition to the chain of bakeries, it includes suppliers of telecommunications and Internet services, a cable television operator, an outsourcing call center, a taxi service, etc. The chain is developing in the regions via franchise. Now there are about 200 shops under the brandname in 30 Russian cities.

St. Petersburg manufacturer of medical diagnostic equipment ZAO "NIPK "Electron" starts serial production of remote-controlled x-ray diagnostic complex.

In the first stage, "Electron" is ready to produce 100 systems per year in a single shift work. The complex, according to the head of the company, is being registered. After its completion, in November of this year, "Electron" plans to participate in the competitions for the supply of medical equipment for Russian clinics.

The development of a remotely controlled table (allows positioning of patient during x-ray studies) cost 1 billion rubles. Half of this amount

was allocated by the Ministry of industry and trade under the program of development of medical industry up to 2020, the total investment amounted to about 6 billion.

In the coming months, the Finnish chain K–Ruoka" will open three grocery stores in St. Petersburg, All are built on the land acquired 1.5–2 years ago.

On August 18 a hypermarket "K–Ruoka" in the town of Sosnovy Bor will open and in September — in St. Petersburg on the Ul. Simonova, 13. The company built these stores on its own. Another hypermarket will start operating in mid-autumn in the residential complex "New Okkervil" on the lease. All these launches were the result of agreements that were reached more than 1.5 years ago. Since then, the company never purchased nor rented land. Investments in opening of a hypermarket of this network amount to 30 million euros. Now the chain of food hypermarkets "K–Ruoka" has nine facilities in St. Petersburg.

Supplier and manufacturer of medical equipment, OOO "BioVitrum", together with the company "Advantech" (Taiwan) will launch in St. Petersburg manufacturing of medical tablet PCs

Medical tablet PCs are different from usual ones in that they can be washed and disinfected. They are mainly used by hospitals as part of the mobile medical aid, as well as during the visits of doctors to patients. They allow storing and processing information about patients' condition, medical appointments, also united in common database to enable other employees to quickly share data. These devices should also include protection of information processed, as information about patients is confidential.

The investor is "BioVitrum". The production capacity will be 150 tablet PCs per month. "Advantech" plans to provide the Russian partner with technology and production components. The software is Russian. The cost of a PC imported into Russia, is approximately \$1.2 thousand. It is planned to reduce the cost of these devices by almost half due to the difference in the wages of Russian and foreign employees. "BioVitrum" already carries on negotiations on supplying 100 tablet PCs to one of St. Petersburg hospitals.

The total investment will be about \$ 2 million.



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.

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