

GENERAL OVERVIEW OF SOCIO-ECONOMIC SITUATION IN ST. PETERSBURG

January - February 2017 № 145



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1. CITY MANAGEMENT

APPOINTMENTS, GOVERNMENT COUNCILS

New curator of social sphere in the Government of St. Petersburg

In January 2017 Vice-Governor O. Kazanskaya has resigned at her own will. She used to be responsible for social issues since December 2011. Earlier O. Kazanskaya worked in senior positions in the banking sector of St. Petersburg. After the departure of Kazanskaya, A. Mityanina replaced her as the social Vice-Governor. She has been working in the system of public authorities for over 20 years. In the last years she held the position of the Chairman of the Legal Committee, part of St. Petersburg Governor's Administration. The acting Chairman of the Legal Committee is Yu. Osipova.

New composition of the Government of St. Petersburg

On February 1, 2017, Governor Georgy Poltavchenko signed a decree № 6-PG on approval of the composition of the City Government. The Government of St. Petersburg is composed of 13 people: Governor G. Poltavchenko, 8 Vice-governors responsible for different areas (A. Govorunov, I. Albin, N. Bondarenko, V. Kirillov, O. Markov, A. Mityanina, S. Movchan and M. Mokretsov), the Governor's representative in the Legislative Assembly Yu. Shesterikov, Chairman of the Committee on the beautification V. Rublevsky, Chairman of the Committee on transport A. Golovin, and the head of the administration of the Nevsky district K. Serov.

E. Ulyanova left the position of the Chairman of the Committee on economic policy and strategic planning

On February 15, 2017 the Governor has dismissed the Chairman of the Committee on economic policy and strategic planning E. Ulyanova. The reason for the dismissal was the personal initiative of the official. Prior to the joining the public service in 2014 E. Ulyanova was the head of St. Petersburg branch of the international company "Deloitte". The acting Chairman of the Committee on economic policy and strategic planning is V. Moskalenko. He previously held the position of the first Deputy Chairman of the Committee.

The first meeting of the Coordinating Council on local self-government under the Governor of St. Petersburg at Smolny

The meeting was held on January 31 under the chairmanship of Governor Georgy Poltavchenko. The Coordinating Council was created on the basis of the decision of the Governor of St. Petersburg of December 22, 2016 no. 101-PG. The structure is formed to coordinate activities of the Executive bodies of state power and bodies of local self-government when conducting unified poli-

cy in the sphere of socio-economic development of St. Petersburg. The Coordinating Council consists of the heads of districts, the chairpersons of relevant committees and the heads of 22 municipalities of St. Petersburg. The Chairman is Georgy Poltavchenko, the Vice – Chairmen are the Chairman of the Council of municipalities of St. Petersburg, the head of the municipal district "Finlandskiy" V. Belikov and the Vice-Governor - head of administration of the Governor of St. Petersburg A. Govorunov. It is noteworthy that the new structure does not include any member of the Legislative Assembly of St. Petersburg.

Meeting of the extended Collegium of the Federal tax service for St. Petersburg

The meeting was held on February 16. It was attended by the head of Interdistrict inspection of the Administration of the Federal tax service (FTS) of Russia for the Northwestern Federal district Vladimir Vasiliev, the head of the Administration for St. Petersburg V. Karazina, Governor of St. Petersburg G. Poltavchenko, heads of Federal and territorial executive authorities, of the prosecutor's office, the Investigative Committee and the tax authorities of St. Petersburg. In 2016, the FNS of Russia for St.-Petersburg has collected 614 billion rubles of taxes and fees in the budget system. This is 20% more than the year before. The Federal budget received 243 billion rubles, 36% more than in 2015, the budget of St. Petersburg –408 billion rubles (11% more than in 2015). Income tax revenues in the budget of St. Petersburg has exceeded the budget law parameters by 20 billion rubles For the period 2014-2016 the number of tax inspections has decreased to one third of the previous figure. At the same time, the amount of additional tax checks increased almost 2.5 times. There is a trend of decreasing number of tax disputes after tax checks.

The regular meeting of the City Interdepartmental Commission on preparation to and holding of the heating season

The meeting was held on February 20 under the chairmanship of Vice-Governor I. Albin. The meeting was attended by the heads of the Committee on energy and engineering support, Housing Committee, Beautification Committee, representatives of district administrations, heads of enterprises and services of the engineering and energy sector. The Deputy Director of City monitoring center V. Ivanov informed the audience that in 2016 the phone number "004" has received 212 499 complaints from residents of St. Petersburg, including 61 176 complaints about utility failures. Compared to 2015 the number of applications increased by 29.7%. There was an increase in the proportion of issues with hot water improper hygienic standards from 4.4% in 2015 to 5.1% in 2016, According to the General Director of Vodokanal of St. Petersburg E. Tselikov, in 2016, the company has reconstructed 76 km of water supply networks and 147 objects in the Kirovsky, Moskovsky, Vyborgsky, Nevsky and Central dis-

tricts of the City. This year it is planned to construct new water treatment block at the Main waterworks station, water treatment plants in the village of Youth and in the area of "Dune" in the Kurortniy district, to continue works on construction of water pipeline from the Northern waterworks station to Murinsky pumping stations and other activities.

An extended meeting of the Collegium of the Prosecutor's office of St. Petersburg

The meeting was held on February 21 under the chairmanship of the Prosecutor of St. Petersburg S. Litvinenko. It was said that in 2016 in St. Petersburg there were 7.3% fewer crimes than the year before. There was 3.9% decrease in the number of grave and especially grave crimes. A decrease in the number of burglaries (8.8%), robbery (11.6%), and armed robbery (28.1%) was recorded. Public places and City streets became calmer. The number of crimes decreased by 11.3% and 9.5%, respectively. To exercise supervision over compliance with legislation, prosecutors have identified about 81 thousand violations of the law, have initiated 5.9 thousand protests, have filed 7.6 thousand lawsuits (applications), and more than 8.3 thousand opinions. Disciplinary measures have been applied to 8.2 thousand persons, administrative measures - to 4.6 thousand persons. Based on the materials of the Prosecutor's checks there were initiated 263 criminal cases. The measures of prosecutorial response restored violated rights of more than 12 thousand workers who were not paid salary, they got almost 729 million rubles.

Legislation

In 2017 the subsidization of works on capital repair of common property in apartment buildings will be continued

This decision was approved by the decree of the Government of St. Petersburg dated February 3, 2017 No. 66. The resolution approved the Procedure of granting in 2017 the funding for the provision of services and (or) execution of works on capital repair of common property in apartment buildings in St. Petersburg. The regulation on subsidies for cost recovery for the provision of services and (or) execution of works on capital repair of common property in apartment buildings in St. Petersburg, executed and funded during the 2015-2016 period has also been approved.

Regional standard of housing utilities cost for 2017

The resolution of the Government of St. Petersburg dated February 7, 2017 No. 77. set the regional standard of housing utilities cost per one person for the following periods: from January 01 to May 31, 2017 and from October 1 to December 31, 2017. Based on the size of the regional standard of the cost of housing and communal services the monetary compensation for payment of hous-

ing and communal services is calculated, and so are the fees major repairs for privileged categories of citizens.

The Procedure for evaluating the performance of state customers

The procedure is approved by the decree of the Government of St. Petersburg dated February 9, 2017 No. 9-RP. The order relates to the assessment of efficiency of activity of customers in procurement of goods, works, services for needs of St. Petersburg. The subject of evaluation are procurement procedures stipulated by the schedule of procurement of goods, works, services for needs of St. Petersburg for the respective year. Assessment indicators are defined for each executive body of state power of St. Petersburg, and the evaluation of efficiency of activity of the customers is carried out cumulatively each quarter, half-year, and year as a whole.

The list of local self-government subject areas has been amended

On the basis of the Law of St. Petersburg of February 10, 2017 No. 32-6 the article 10 of the Law of St. Petersburg dated 23 September 2009 no 420-79 n "On organization of local self-government in St.-Petersburg" has been amended. The amendment lists the issues of local significance of municipal formations of St. Petersburg. The list now includes taking care of greenery and the organization of work on compensatory planting undertaken in accordance with the law of St. Petersburg, maintenance, including cleaning of territories of green plantings, including built-in elements of improvement, and repair of green spaces and protected green spaces within the boundaries of these territories.

The forecast of development of St. Petersburg up to the year 2035

The forecast has been approved by the Government of St. Petersburg on February 14, 2017 No. 90. The forecast is presented in textual form, containing the main conclusions and figures. The forecast consists of 5 main sections. The first section presents an assessment of the achieved level of socio-economic development for 2015-2017, the second - internal conditions and characteristics of socio-economic development for the period up to 2035. The third section is devoted to the determinants and constraints of the economic growth of St. Petersburg for the period up to 2035, the fourth - to the socio-economic development and indicators of long-term forecast, the fifth - to the basic parameters of the state programs of St. Petersburg. The forecast envisages three possible options: baseline, baseline plus and target. Under the baseline scenario, the population of St. Petersburg will increase to 5.8 million, the average annual rate of GRP growth will be 3%, of wages - 5% the main contribution to the GRP growth will be from high-tech manufacturing, information and communication sector and the tourism industry. High growth in high-tech industries will allow achieving by 2030 a 30% share of innovative

products in total production volume (excluding petroleum products). The share of investment in GRP will increase to 22% by 2030 and 25% by 2035, the share of the population living within walking distance to metro stations will increase during the forecast period, from 52% to 59%.

Amendments to the Law of St. Petersburg about the fundamentals of industrial policy

Changes were made based on the Law of St. Petersburg dated February 17, 2017 No. 63-10. Based on this, the Law of St. Petersburg from May 13, 2009 No. 221-47 "On the fundamentals of industrial policy of St. Petersburg" the following changes were made. Definitions of concepts such as "innovative industrial Park of St. Petersburg", "technological Park (Technopark) of St. Petersburg", "management company", "resident of a technology Park (Technopark) in St. Petersburg and innovative industrial Park of St. Petersburg" have been added to the law. In addition, amendments were made to the list of the main directions of industrial policy of St. Petersburg.

Amendments to St. Petersburg Law on tourism activity

Changes have been made in order to bring the provisions of the Law of St. Petersburg of December 26, 2012 No. 741-126 "On the tourism activity in St. Petersburg" in accordance with Federal law. The changes are made by adopting the Law of St. Petersburg dated February 17, 2017 No. 93-13. The provisions of the above law determined the legal content of such types of tourism as medical, event and aviation. In addition, the authority of the Government and the Legislative Assembly of St. Petersburg in sphere of creation of favorable conditions for tourism development has been described.

MEETINGS, COOPERATION

St. Petersburg strengthens cooperation with Gazprom

On January 19, Governor G. Poltavchenko and the Chairman of the Board of PJSC "Gazprom" Alexei Miller have signed an agreement on cooperation between St. Petersburg and Gazprom in 2017-2018. The Agreement covers cooperation in the comprehensive development of the gas distribution system of St. Petersburg and improvement of the reliability of its functioning. PJSC "Gazprom" provides supply of natural gas in St. Petersburg, has financed the design and construction of gas pipelines and gas distribution stations, is implementing a program of landscaping and street lighting in the historical center of the city, will continue the construction of sports complexes under the program "Gazprom to children". The new facilities will be built in Peterhof, Pushkin and other suburbs of St. Petersburg. In 2018, it is planned to put into operation the office complex "Lakhta-center", which will become the new headquarters of Gazprom.

The Governor of St. Petersburg met with the leadership of the Arctic Economic Council

The meeting took place on February 7 at Smolny. The meeting was attended by the heads of executive bodies of the Arctic Economic Council, representatives of public organizations and the business community of the states of the Arctic zone - Russia, USA, Canada, Finland, Denmark and Norway. The Arctic Economic Council was created in the April 2014 at the meeting of senior officials of the Arctic Council in Yellowknife (Canada). At the meeting at Smolny the parties discussed the use of the potential of St. Petersburg as the largest center of study and exploration of the Arctic. St. Petersburg has created and actively develops the Arctic cluster, Arctic youth center, Centre for Arctic information communications.

St. Petersburg is developing cooperation with the company "ROSNANO"

On February 8, at Smolny, Vice-Governor S. Movchan chaired the meeting on cooperation with "ROSNANO". The meeting was attended by managing Director of MC "ROSNANO" for regional policy and interaction with authorities and the Federal Assembly D. Krinitsky, representatives of executive state bodies, leaders of portfolio companies and infrastructure projects "ROSNANO". During the meeting it was noted that the City is greatly interested in the activity of "ROSNANO" in the field of development of energy-saving materials and technologies that will contribute to budgetary savings.

This year "ROSNANO" plans to hold a procurement meeting in the Center of import substitution and localization of St. Petersburg for the supply of nanotechnology products to St. Petersburg enterprises.



2. EMPLOYMENT

In December 2016, large and medium sized enterprises employed 1483.7 thous. people (Table 1). Compared to the previous month the number of staff remained stable, the number of by-workers fell by 1.2%, that of contracted workers grew by 4.6%.

In January – December 2016 the number of employees at these enterprises grew by 1.8% compared to the same period of 2015. The number of staff during the period grew by 1.7% that of by-workers fell by 1.2%, the number of contracted workers grew by 13.6%.

In December 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

	December 2016		January - December 2016 in % to January – December 2015
	'000 people	in % to November 2016.	
Filled jobs total, including:	1483,7	100,1	101,8
Registered permanent employees	1404,3	100,0	101,7
External by-workers	37,7	98,8	98,8
Contracted labour	41,7	104,6	113,6

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

Industry	Total employment	
	'000 people	% of the total
Total, including:	1483,7	100,0
Manufacturing	220,1	14,8
Production and distribution of electric power, gas and water	36,4	2,5
Agriculture and forestry	5,9	0,4
Construction	60,0	4,0
Transportation and telecommunications	155,5	10,5
Finance	56,0	3,8
Real estate transactions, leasing and services	222,0	14,9
Wholesale and retail trade, repair of motor vehicles and home appliances	154,1	10,4
Hotels and restaurants	29,5	2,0
Public administration, security and social care	88,9	6,0
Education	218,5	14,7
Healthcare and social services	166,9	11,3
Other utilities, social and individual services	69,9	4,7

In Q4 2016 the number of economically-active population (EAP) amounted to 3036.0 thousand persons, from them 2987.5 thousand employed and 49,2 thousand unemployed. During the reporting period, the employment rate was 73.9% (share of employed people in total population aged 15 to 72 years), the level of economic activity – 75.1% (share of economically active population of the total population aged 15 to 72 years) (<http://ktzn.gov.spb.ru/analiticheskaya-informaciya/>).

In December 2016, the demand of St. Petersburg enterprises for workforce amounted to 42.2 thousand people (table 3).

By the end of January 2017 41450 vacancies have been reported to the Employment ser-

vice, 62.7% of them – workers' positions (<http://ktzn.gov.spb.ru/analiticheskaya-informaciya/>).

In the end of January 2017 the greatest demand for employees was declared by the enterprises and organizations of such economic activities, as cargo transportation and storage – 18.7% of all reported vacancies; construction – 14.4%; wholesale and retail trade – 13.0%.

The pressure in the labor market (the number of unemployed citizens registered at the Employment Service per one vacancy) at the end of January 2017 was 0,62 persons per vacancy (at the end of January 2016 – 0,56 persons per vacancy).

TABLE 3. St. Petersburg enterprises' demand for workforce, January 2015 – January 2017

Month	Demand for workforce reported to the Employment service, thous. people	Number of unemployed people per 1 vacancy		
		persons	In % to the previous month	In % 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
April	43,0	0,8	114	160
May	48,1	0,6	75	120
June	51,5	0,5	83	125
July	52,5	0,5	100	125
August	55,2	0,5	100	125
September	54,4	0,5	100	125
October	52,4	0,5	100	125
November	47,0	0,5	100	125
December	42,2	0,6	120	150
January 2017	41,5	0,6	100	100

In December 2016 24.5 thousand persons were registered at the Employment Service of St. Petersburg. It is 3.8% more than in December 2015 (table 4). In December 2016, 48.2% of those registered at the Employment Service were officially considered unemployed.

At the end of January 2017, the total number of those who turned to the State Employment Service of St. Petersburg amounted to 27565 people (at the end of January 2016 – 29227 people).

The number of registered unemployed at the end of January 2017 was 11916 persons, of them women – 52.9%; young people aged 16-29 years – 15.1%; persons with disabilities – 14.1% (at the end of January 2016 the number of unemployed amounted to 13605 persons) (<http://ktzn.gov.spb.ru/analiticheskaya-informaciya/>).

In January 2017, the status of unemployed was assigned to 1.6 thousand persons (16 people or 1% less than in January 2016). The number of

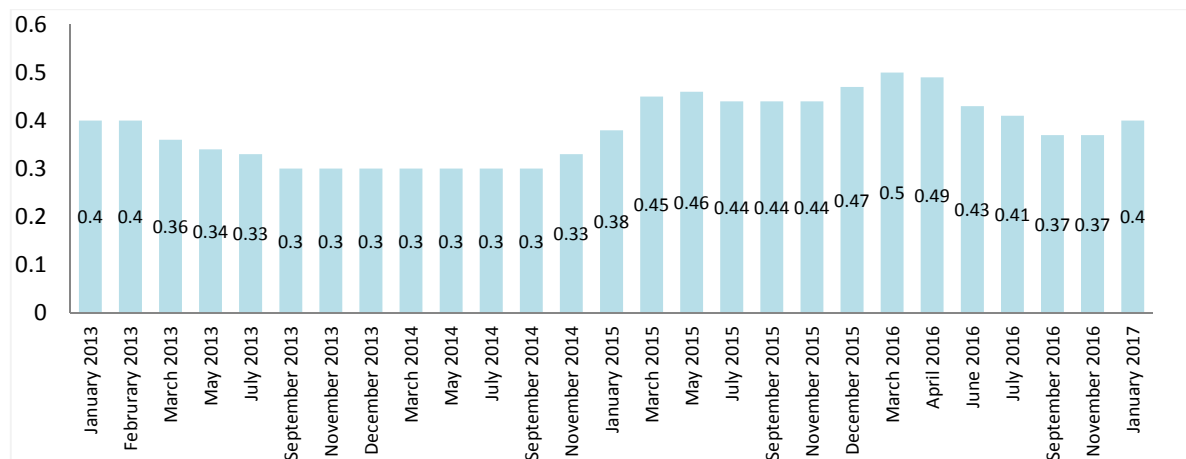
the job-placements in January 2017 was by 34 people or by 7% less than in the same period of 2016, and amounted to 485 people.

According to Rosstat, in January of the current year, the unemployment rate (according to methodology of the International Labor Organization) amounted to 1.6% of the economically active population (EAP). Over the same period in 2016 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 – 4.2%, Moscow - 1.7%, Russia – 5.4 %).

The level of registered unemployment (ratio of registered unemployed to the economically active population on average) at the end of January 2017 amounted to 0.40% of the economically active population (end of January 2016, the figure was 0.47%) (www.rspb.ru) (figure 1). This is the lowest figure among the regions of the Northwestern Federal district.

TABLE 4. Change in the number of officially registered unemployed people in St. Petersburg, 2015, 2016, January 2017

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
April	32,3	14,5	99,6	107
May	30,1	14,1	97	107
June	25,1	12,9	92	99,3
July	25,2	12,2	95	97
August	24,9	11,8	96	98
September	24,9	11,1	94	94
October	25,4	10,9	98	93
November	25,5	11,1	102	88
December	24,5	11,8	106	87
January 2017	25,8	11,9	101	88

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

3. PERSONAL INCOMES AND EXPENDITURES

PRICES

In January-December 2016 consumer prices growth in St. Petersburg was equal to 5.2%. In the same period of 2015 it was 13.2%.

The growth of consumer prices in January-December 2016 in St. Petersburg was 0.2% less

than in Russia on average. In December 2016 consumer prices grew by 0.2% (Table 5).

In January-December 2016, tariffs for paid individual services in St. Petersburg grew by 3.8%. For comparison: their growth in the same period of 2015 was 8.5%.

The rate of growth of tariffs for paid individual services in January-December 2016 was 1.1% lower than Russia's average. Tariffs for paid services in December 2016 fell by 0.3%.

TABLE 5. Consumer price index dynamics in 2015, 2016, January 2017, % 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
June	100,1	99,8	100,2	100,3	100,4	100,1	100,5	100,6
July	100,8	99,97	100,4	102,5	100,5	100,0	100,4	101,7
August	99,8	99,0	100,4	100,1	100,0	99,4	100,4	100,3
September	100,2	99,6	100,6	100,4	100,2	99,9	100,6	100,1
October	100,4	101,0	100,4	99,6	100,4	100,8	100,5	99,7
November	100,4	101,0	100,2	99,9	100,4	100,7	100,4	100,0
December	100,2	100,5	100,2	99,7	100,4	100,6	100,3	100,3
December 2016 in % to December 2015	105,2	105,4	106,1	103,8	105,4	104,6	106,5	104,9
December 2015 in % to December 2014	113,2	114,6	115,8	108,5	112,9	114,0	113,7	110,2

In January-December 2016, prices of foodstuff grew faster than in Russia on average by 0.8% and those of non-foodstuff goods – slower by 0.4. The growth was correspondingly – 5.4% and 6.1%. In December 2016 prices of foodstuff grew by 0.5% and those of non-food goods grew by 0.2%.

In 2016 prices grew for oil and fats (20.8%), cereals and beans (10.4%), milk and dairy products (10.1%), cheese (9.4%) fish (8.6%), confectionery products (8.4%), alcohol (7.9%), bread and bakery products (7.4%), sausage (4.6%), meat and poultry (0.9%). Prices fell for fruits and vegetables by 4.9%.

Among non-food items in 2016 in St. Petersburg prices grew for tobacco products (by 19.7%), fancy goods (10.2%), clothing (9.2%), perfumery and beauty products (8.7%), utensils (8.0%), textiles (7.9%), building materials and cleaning and maintenance products (7.0%), footwear (7.1%), knitted goods (6.5%).

In December 2016, payments for the maintenance and repair of housing, operating

costs, cold water supply and drainage, hot water, gas, and electricity remained unchanged.

In 2016 in St. Petersburg prices grew for health-improving services by 13.6%, for passenger transportation services - by 10.5%, veterinary services – by 8.2%, for laundry - 7.4%, repair of apartments - by 7.1%, shoe repair - by 7.0%, dry cleaning - by 6.7%.

In January-December 2016, gasoline prices increased by 3.1%, that of diesel fuel - by 5.3%. In December 2016, gasoline prices fell by 0.1%, and that of diesel fuel grew by 2.6%.

PERSONAL INCOMES AND EXPENDITURES

Real salary in St. Petersburg in 2016 grew by 6.8% and in Russia on average by 7.7 % (table 6). Real incomes in 2016 fell by 3.1%, in Russian on average – by 5.9% (table 6).

TABLE 6. Real monetary incomes and real salary in St. Petersburg and the Russian Federation in January – December 2015, January – December 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	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
May	100,9	102,6	86,4	99,2	101,7	101,0	88,0	93,8
June	106,6	104,9	119,4	100,6	102,7	101,1	110,3	95,4
July	95,2	103,3	93,5	97,4	92,8	98,7	98,8	93,0
August	95,2	105,6	93,3	98,5	98,5	102,7	100,9	91,8
September	102,2	105,4	101,9	95,1	101,0	101,9	98,5	97,1
October	101,5	103,4	102,2	94,2	99,4	100,4	101,1	94,0
November	101,0	105,0	98,7	96,4	100,9	102,1	98,2	94,4
December	133,8	106,8	170	97,9	129,5	102,4	150,5	93,9

Real salary in St. Petersburg in 2016 grew by 6.8% and in Russia on average by 7.7 % (table 6). Real incomes in 2016 fell by 3.1%, in Russian on average – by 5.9% (table 6).

Average monthly nominal salary in St. Petersburg in December 2016 amounted to 65086 rubles, in Russia on average – 47054 rubles, 27.7% less.

Salary arrears on February 1, 2017 amounted to 116 mln. rubles. The processing in-

dustries were responsible for 79.4% of the total, construction industry – for 8.9%, education – for 11.4%, R&D sector – for 0.3%. State budget arrears were in education sector – 11.4% of the total.

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

TABLE 7. Salary arrears in St. Petersburg in January 2016 – February 2017 (on the 1st of each month), mln. Rubles

	January	February	March	April	May	June	July	August	September	October	November	December	January	February
Total arrears	756,0	1388,9	113,6	968,0	710	310,2	317,0	195,3	127,7	115,6	118,5	147,3	99,6	116,0
Including arrears due to the lack of budget financing	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	2,7	6,3	14,5	14,1	13,2

TABLE 8. Personal expenditures of St. Petersburg's residents in 2015, 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
May	75,6	13,7	6,0	9,4	- 9,5
June	62,5	13,5	12,2	10,4	- 7,9
July	69,7	18,3	6,1	11,2	- 10,4
August	75,0	14,1	6,1	11,6	- 12,6
September	74,7	13,6	6,7	12,8	- 13,5
October	73,6	14,1	5,6	13,3	- 13,5
November	73,9	15,0	7,7	9,6	- 10,5
December	51,5	14,0	22,2	6,6	- 3,4

DIFFERENTIATION OF INCOMES AND SALARIES IN ST. PETERSBURG

In December 2016 the level of inter-industry salary differentiation grew compared to October 2016 (Picture 2). The gap between the highest salary (mining) and the lowest salary (hotels and restaurants) was during this month equal to 12.5 times compared to 5 times in October.

The highest salaries in December 2016 were paid in mining (the salary in this sector was 5.6 times higher than the average for St. Petersburg).

In December 2016 the average for the City was significantly exceeded by the salary in the financial sector (1.9 times), in state administration (by 41%), in real estate operations (by 23.2%).

The lowest salary was paid to those employed at hotels and restaurants (44.6% of the average), agriculture and forestry (56.3%).

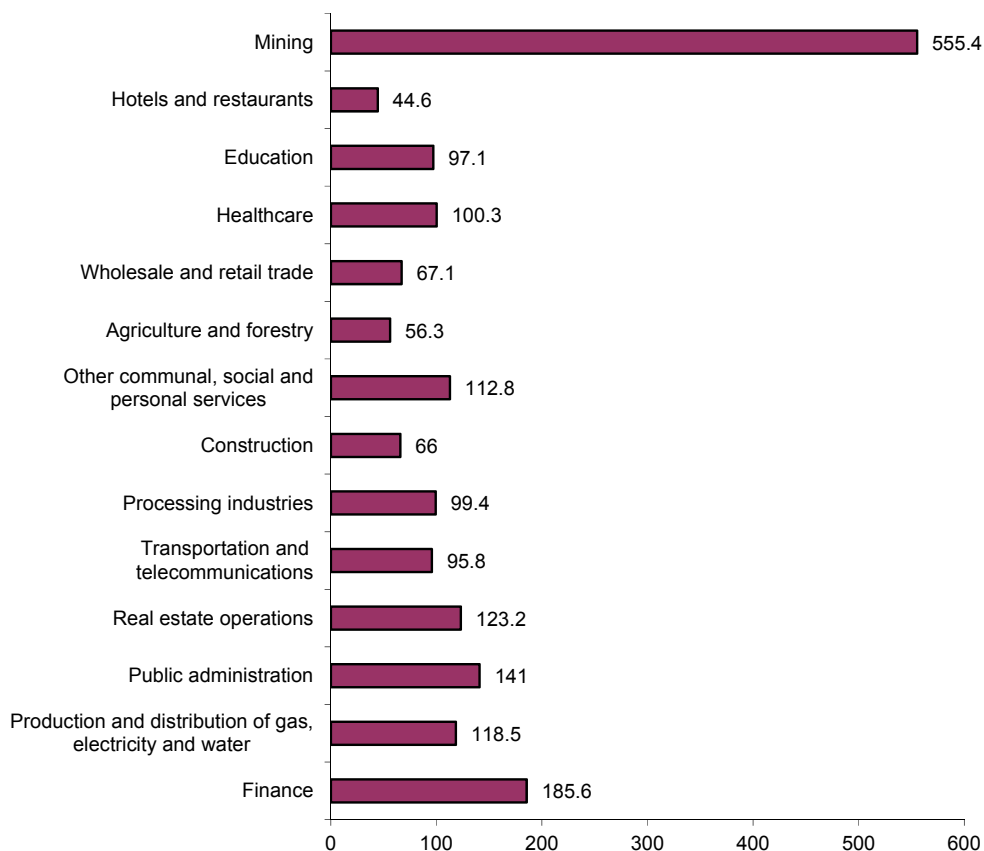
4. INDUSTRY

Industrial production index in St. Petersburg in January – December 2016 compared to the same period of 2015 amounted to 103.9%.

In January 2017 St. Petersburg factories of Nissan, Hyundai and Toyota have produced a total of 25.2 thousand cars, says the report by "Auto-Dealer-SPb". Compared to January 2016 the production grew 2.4 times.

According to experts of the automotive market, the growth of the automotive industry is due to a record drop in production in 2015, in January 2016 the production of cars in the City reached a five-year low. The decline in production was also related to the stop of the Hyundai plant due to the preparation for the release of a new model line (www.spbdnevnik.ru February 27, 2017).

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

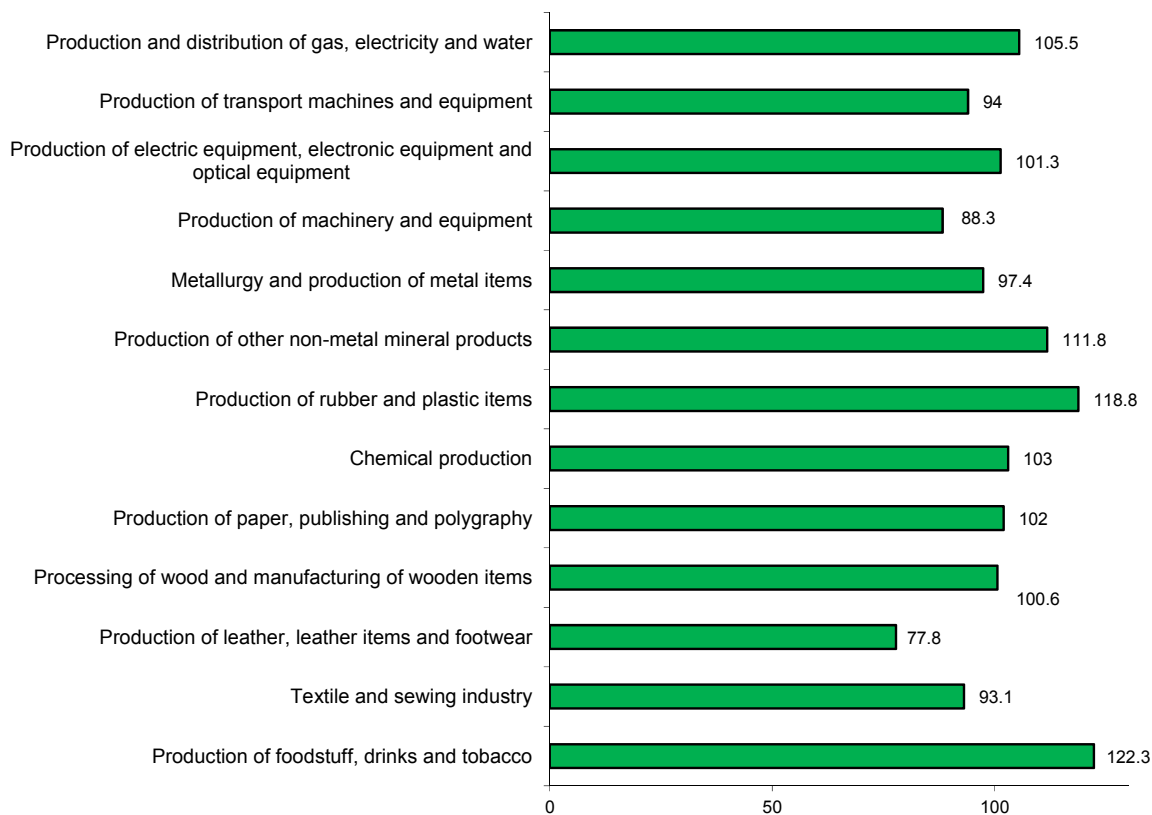


In the village of Metallostroy a plant has been launched for recycling of rubber products and other carbonaceous waste. The company "Stroyspetsmontazh" implemented the first project in Russia on deep processing of carbon-containing waste to produce marketable products of high quality – such as technical and synthetic carbon and metal. The plant capacity is 5000 tons per year. That is about 1/8 -1/10 of the total volume of this type of waste generated in St. Petersburg. Waste will come from the enterprises of the city and region who are interested in recycling generated carbon-containing waste. For example, the company management has already signed contracts with the GUP "St. Petersburg metro", JSC "Nokian Tyres", JSC "Sea port of St. Petersburg", Spb GKU "The motor depot of emergency medical

aid". The investor is LLC "Firm "Transline" (www.konkretno.ru February 15, 2017).

BASF, the world's leading manufacturer of construction chemicals, has opened the second line at the plant in St. Petersburg. The company will produce products for underground construction (mining and tunneling) — alkali-free concrete setting accelerators. The new line is equipped with advanced European equipment, automated and manufactures products that meet high standards of quality. The second line of the factory in St. Petersburg became the next stage of active expansion of local production; the first, launched on April 1, 2016, produces superplasticizers and innovative additives based on esters of polyarylics (www.master-builders-solutions.basf.ru/ February 7, 2017).

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



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 2016 the revenues from taxes, fees and other obligatory payments amounted to 915.3 billion rubles, which in nominal terms is 22.4% more than the corresponding period last year. In December 2016, compared with the previous month revenues to the budget system grew by 1.5%.

In January 2017 compared to the previous month the revenues of the budget system grew by 4.5%.

In January-December 2016 the consolidated financial result (profit minus loss) of organizations (excluding banks, insurance companies and budget organizations, without small businesses) amounted to 925.1 billion rubles, which is 1.8 times more than in the corresponding period last year. In January-December 2016 the number of unprofitable enterprises in comparison with the same period of 2015 fell by 46 units or by 9.7%, the amount of the loss has fallen by 35.9%.

STATE DEBT

The information about the structure of the state debt as of March 1, 2017, is presented in the tables 10 and 11.

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

	<i>Revenues</i>	<i>Expenditures</i>	<i>Surplus</i>
<i>January - October</i>	397077	364170	32908
<i>January - November</i>	437355	411246	26110

Source: Petrostat

Table 10. St. Petersburg's state debt structure on 01.03.2017

	Mln. rubles	Share, %
State domestic debt of St. Petersburg, including:	13 763,9	100,0
Bonds	5 858,9	42,6
Credits	7 904,7	57,4
State external debt of St. Petersburg	0,0	0,0
Total	13 763,6	100,0

Source: St. Petersburg Committee of Finance

Table 11. Debt service expenditures of the budget of St. Petersburg, as of March 1, 2017 (mln. rubles)

Item	Plan 2017
Debt service costs	402,5
Total	402,5

Source: St. Petersburg Committee of Finance

6. MUNICIPAL SERVICES

BEAUTIFICATION, RESTORATION, REPAIRS

In 2016 contributions for capital repairs in St. Petersburg amounted to 3.3 billion rubles. The collection of contributions stood at 88.9%, which is 5% higher than in 2015. Capital have been carried out in 1824 buildings, the plan was fulfilled for 98%. The main funding was directed for execution of works on replacement and repair of elevators (37% of total funds), and on repair of intrahouse engineering systems, facades and roofs. The amount of non-payment of contributions is 1 billion rubles; the debtors are more than 300 thousand people. ("Fund – regional operator of capital repairs of common property in apartment houses" and "REGNUM" information Agency)

Restoration of the Exchange building on the spit of Vasilevskiy Island will require about 1.6 billion rubles. The works will take place in 3 stages: the first (current) – strengthening the foundation, the second – the restoration of the interiors, roofs, facades and utilities, the third – opening the Museum of heraldry. By 2019, it is planned to complete the restoration, the opening of the museum is planned for 2020-2021. ("Kommersant" and "RIA Nedvizhimost")

TRANSPORTATION, ENERGY, WATER SUPPLY

In January-December 2016 transport organizations of St. Petersburg have transported 6.3 million tons of cargo and 542,5 million passengers, which exceeds the figures for the same period in 2015 (13% and 2%, respectively). The freight turnover amounted to 1376,6 million ton-km (2.9% less than the same period in 2015) and passenger traffic 3118,7 million passenger-km (0.5% less than in January-July, 2015). The trend of reducing turnover continues, the lack of passenger traffic growth with a moderate increase in volume of cargo and passengers is observed. The number of road accidents, particularly involving children continues to decline relative to the last year. In January-December 2016 there were 6096 accident, which killed 236 people (15.8% and 33.3% less than in the same period of 2015). (According to Petrostat)

GUP "Vodokanal of St. Petersburg" has cancelled the tender for the reconstruction of the Main water works station for 8.8 billion rubles. The competition was announced in October 2015. The timing of the award was postponed several times in connection with the adjustment of the targeted investment program and changes in the tender documentation. The abolition of the procurement is connected with the change of financing scheme; the former source of financing - budget invest-

ments – will be replaced by subsidies for the implementation of capital investments into objects in the state property of St. Petersburg. Despite the cancellation of the contest, the deadline for completion of works on reconstruction of the station remains the same – 2019-2020 (According to "Vedomosti")

GUP "Petersburg metro" plans in the 2016-2021 years to attract more than 20 billion rubles of investment funds for infrastructure development. So, the company intends to acquire modern rolling stock, with asynchronous traction drive, for Nevsko-Vasileostrovskaya line for 16.2 billion rubles (10.4 billion – credit from the Bank "St. Petersburg", 3.8 billion – own funds of metro), as well as to equip the metro facilities with engineering and technical means of transport security for 2.2 billion rubles at the expense of Federal and regional budgets. (Press service of Metro and "Vedomosti")

By the end of 2016, the passenger traffic of Pulkovo airport amounted to 13.3 million people, which is 1.7% lower than in 2015 (13.5 million passengers). 15 new regular flights have been launched, 11 new carriers came, 5 Russian and 6 foreign. In January-February 2017 Pulkovo passenger traffic increased by 29% compared to the same period of the last year and amounted to 1.8 million people. The growth in domestic lines amounted to 26%, international - 36%. The airport operator, OOO "Air Gates of the Northern Capital" predicts growth of passenger traffic in 2017 at 10%. (TASS)

MAJOR CITY PROJECTS

The Administration of St. Petersburg announced a competition for the design of the first and second phase of Farforovo-Zolnaya motorway (East-speed radius) for 38 million and 38.4 million rubles respectively. The total investment in the project is estimated at 160 billion rubles. one of the major investors can become VTB Bank. East speed the radius will be the second toll highway in St. Petersburg Western high-speed diameter. The main objectives of the project is to bypass the central areas of the city with exits in the Nevsky and Krasnogvardeisky districts and to unload Murmansk highway. (Administration of St. Petersburg and TASS)

FIFA inspection of the stadium on Krestovsky Island in early March has not revealed serious problems, the pace of preparation of the object for the confederations Cup and the FIFA World Cup 2018. It is noted that problems with the vibration of the football field have been solved; until the conclusion of the World Cup the field will be fixed, not rollout as planned initially. The total cost of construction works amounted to 43 billion rubles, the capacity of the stadium is 68.5 thou-

sand spectators. The administration of St. Petersburg until August 1, 2016 plans to sign a concession agreement with FC "Zenit" to manage the stadium for a period of 49 years (Administration of St. Petersburg and Vedomosti)

7. REAL ESTATE

HOUSING

According to the Committee for construction in 2016 in St. Petersburg there were commissioned 3,116 million sq. m. of residential property – 1322 buildings for 57 421 flats including individual construction. In December there were commissioned more than 750 thousand sq. m. (386 buildings for 14568 apartments including individual construction). Most houses have been put into operation in Krasnoselsky district - 28 buildings for 3881 apartments – more than 155.5 thousand sq. m. and in Primorsky district - 21 buildings for 2912 apartments or 135 thousand sq. m. of housing. Also completed were several previously problematic sites: buildings 6.1 and 6.2 of HC (housing complex) "Kamenka", HC "Lesnaya dacha" and HC "Polezhaevskiy Park" by JSC "Monolit-Kirovstroy". (<http://www.restate.ru/material/poitogam-2016-goda-v-peterburge-vvedeno-v-ekspluatatsiyu-svyshe-3-mln-kv-m-zhilya-bolee-1-3-tys-163731.html>)

According to the research department of CIAN, 9.3% of apartments in new buildings of Petersburg are yet unsold. In the neighboring Leningrad region, this figure is even higher at 15.8 %, due to new buildings outside of the ring road. In the last few years, bringing new projects to the market was accompanied by a reduction of the square footage of apartments. So, analysts of "Bulletin of real estate" reported to "Square.ru" that only in the last year the average area of an apartments had decreased from 49 to 44 sq. m. In Leningrad region, it decreased from 38.3 to 37.1 sq. m.

In 2016, beyond the ring road two buildings were put for sale in which the average area of apartments amounted to 23,5 sq. m, and in the City apartment complexes with an average square footage of 30-35 sq. m. appeared. The reduction of square footage of apartments in new projects coincides with the increasing proportion of studios and one-bedroom apartments, while the share of two - and three-bedroom apartments account for a fifth of the apartments in the new HC (http://www.kvadrat.ru/news/20170227_ryinok_nov_ostroek_postavil_rekordyi_minimalizma)

Thus, the proportion of new apartments with three or more rooms in the City fell by almost half—from 13% to 7%. (On materials of a site: https://www.dp.ru/a/2017/02/27/Dolja_trehkomant_nih_kvarti)

CO-INVESTORS

Federal ministries continue the work on the preparation of the lists of defrauded housing co-investors. The formation of the lists will commence on June 30, 2017. The starting point of formation of the registry would be the problematic objects. The list will include the information about the problematic object, the developer and the affected stakeholders. That is, to get into the registry the deceived citizen can only after officials recognize this building a problematic object. The object will be recognized as problematic if the developer has delayed delivery by nine months and for two quarters have not invested in the construction of the facility. Also problematic is an object on which there is no developer: for example, the company went bankrupt, but the responsibilities for completion of the project is not transferred to anyone. The object recognition as problematic does not always mean the bankruptcy of the developer. The decision on recognition of the object a problematic one is to be made by the executive authorities of the subject of the Federation. They must offer the scheme for the completion of the object.

The Ministry of justice has counter-signed the decree of the Ministry of construction No. 560/PR "On approval of criteria for identification of citizens whose funds have been attracted for construction of apartment houses and whose rights are violated, affected citizens and the rules of registry of the affected citizens." The new criteria will significantly reduce the registers of defrauded investors.

The status of the affected co-investor will only be given to those citizens who have signed a contract with the builder under 214-FZ and have paid in full and on time for future apartment. One also cannot qualify for inclusion in the list with several objects or several apartments in a problematic object.

NON-RESIDENTIAL

At the meeting at the end of 2016 state bodies responsible for construction have reported on the implementation of the plans during the last year. The Construction committee has fulfilled the Targeted investment program (AIP) for 81.2%, mastered 22,780 billion rubles (2015 – 74%). Under the AIP, in 2016, there were introduced 26 social facilities: 3 schools, 5 kindergartens, 2 public utilities, 7 road, 4 residential facility, etc. Among the reasons for the failure of some of the activities of AIP – poor performance of contractors, the need to adjust the already approved projects, long-term coordination of project documentation, etc. 24 procurement competitions for over 6 billion rubles have not been held.

Over the past year, the Construction committee put 328 claims and 64 demands to banks totaling more than 15 billion rubles., including for "Zenit-Arena" – 11.4 billion rubles. As a result, the city budget received 452 million rubles,

the committee terminated 36 state contracts totaling 30 billion rubles.

In 2017 expenditures in the amount of 23 billion rubles are planned, including AIP – 21 billion rubles. There will be put into operation 26 socially significant objects of AIP, 13 troubled objects of shared construction, 34 objects of social infrastructure based on agreements with investors.

St. Petersburg was short of 8 billion rubles from the tenants of urban property – buildings and land. The Committee of property relations has published the list of malicious defaulters (63 companies), owing the City more than 1 million rubles each. Only in 2016, the Committee sent the debtors more than 7.9 thousand claims.

According to *restate.ru* the list includes "Glavstroy-SPb", owing for the lease of the site on Shkapina street, where it built a residential complex "Panorama 360". The company "Republic" owes for the land under the HC "Legenda" on the Optikov street. The company "L1" owes for the land plot, under the residential complex "London Park". Shopping center "Andreyevskiy" - for the lease of land for the reconstruction of the object on Bolshoy prospect V. O., "Golf Dunes" - for the land under the under the Sestroretsk Golf Academy, St. Petersburg Agency of the real estate – for rent on Nevsky prospect, 62, "PAN-trust" for the plot in Konyushennaya square etc.

It is planned to amend the standard lease agreement to simplify the termination procedure in the pretrial order.

TERRITORIAL DEVELOPMENT, REGULATION

From January 1 the program of the State Mortgage Agency for housing mortgage lending is discontinued (AHML). A mortgage loan under the subsidy program was issued at the rate of a maximum of 12% per annum. The lost revenue to the banks and the seller was reimbursed by the budget. In February 2017 the interest rate on mortgage loan is set at 11.5% per annum. The mortgage loan can be arranged through partner Agencies in more than 60 regions of the country. The term of the loan is 30 years, the amount is up to 20 million rubles in Moscow, St. Petersburg, Moscow region and up to 10 million rubles in other regions (http://www.kvadrat.ru/news/20170227_aijk_snizilo_stavki_po_ipotechnym_kreditam)

According to a post on the website *www.restate.ru* State Mortgage Agency, VTB24 and Sberbank have extended the program of subsidized mortgages for borrowers who managed to apply until the end of 2016. Some banks ("DeltaCredit") have also reduced rates on mortgage products.

GUP "GUION" has developed a new form of registration certificate for apartment buildings. A new registration certificate will contain the actual specifications of non-residential premises in the house belonging to common premises.

When ordering registration of an apartment house according to a new form St. Petersburg GUP "GUION" will conduct a survey, analyze and compare the information obtained in the study of data in the archive Department of the technical documentation and the information obtained from the Unified state register of real estate, Committee on property relations, Housing Committee (including information about the date of privatization of the first apartment in the house) and other sources. The obtained information can be used to determine the cost of maintaining common premises of the house.



8. INVESTMENT PROJECTS

According to Petrostat, the investment in fixed assets of enterprises in January-December 2016 amounted to 582,3 billion rubles, which is 12.4% higher than last year.

In the structure of investments in fixed capital in January-December 2016 borrowed financing was 35.8%, self-financing - 64.2%. The share of the budget funding went down to 72 637 million rubles compared to 92 998 million rubles (January-December 2015).

"Baltfrut" has built its own plant for production of fruits and vegetables under the brand name "Power of traditions"

The production facilities occupy 12 thousand sq. m. within a warehouse complex, which is located on the former site of woodworking mill.

The designed capacity is 270 tons per day. Of these, 200 tons of concentrate juices, about 10 tons of vegetables in vacuum packing, 30 tons of fruit desserts, 10 tons of canned pickles, the rest are pancakes, ready-made meals in vacuum packaging, etc.

The company's investments amounted to 150 million rubles.

Opening of restaurants of the international chain Dunkin' Donuts

Dunkin' Donuts is an American and later international chain of coffee shops, one of the world's largest ones selling coffee, donuts and other baked goods. Now the company operates in Moscow, in the format of street retail, in large shopping malls and business centers, with a total of 36 coffee shops. Depending on the format selected the investments, range from 2.5 million to 8 million rubles.

According to Petrostat, the turnover of the St. Petersburg public catering market for 2016 amounted to 65.3 billion rubles, showing an increase of 9% compared to last year. The largest players are considered "Coffee house", "Shokoladnitsa", "Coffeeshop Company", "Chaynikoff", "Starbucks", a growing chain of "Double B", "Coffee Newman". Besides big players St. Petersburg has many brick and mortar institutions, such as

Jezve, "Korfelosophia", "Andy coffee" "Great coffee", etc.

According to experts, unlike the restaurant market, coffee shops don't feel the loss of users, the competition in the city is high, in the first place for good locations.

Biotechnological company BIOCAD is investing 20 billion rubles in production projects in St. Petersburg

Already announced are the construction of a plant in Pushkin, as well as the creation of a research complex in Strelna.

The launch of new projects is possible through the support of the Government of St. Petersburg, which gave the company the status of a strategic investor of St. Petersburg, as well as allocated land plot.

In the Pushkin district, on the Podbelsky highway, BIOCAD will build facilities for production of chemical substances and ready forms intended for the treatment of cancer and multiple sclerosis, five drugs of which have no analogues in Russia. The volume of investments into the project will amount to 3.1 billion rubles of its own funds, of which 1.5 billion rubles the company will invest in the organization of production. The project will be implemented by 2021. Another 15 billion are to be spent on the project in Strelna, on the site "Neudorf", where the company occupies almost 5 hectares as a resident of the SEZ "St. Petersburg". There now is a production facilities for biological products and substances. BIOCAD in 2016 began construction of a research and production center, which includes a production part, a warehouse area and administrative and laboratory complex with the area of 12 thousand sq. meters.

The remaining funds (about 2 billion rubles) will be directed to current projects, including the modernization of existing laboratories.

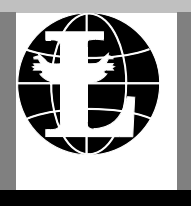
Moscow chain of hypermarkets of furniture and home goods Hoff plans to open several outlets.

The first hypermarket Hoff will open in St. Petersburg in March 2017, in Pulkovo highway. Now Hoff is actively seeking new sites in St. Petersburg for supermarkets and stores of small size. The investments in opening of one shop will make about 120 million rubles. Hoff is focusing on the Internet sales. Their main competitor is the Swedish concern IKEA and furniture shopping malls with products by Russian manufacturers. Some competition in St. Petersburg may come from DIY-hypermarkets (two of them, OBI and Castorama will be immediate neighbors of Hoff).

The company "Karavay" starts in St. Petersburg a chain of mini-bakeries.

As a pilot project, it will open seven points, which operate under the brand "Baker's Shop", which sells its own products and baked goods from other suppliers. "Karavay" is the second major St. Petersburg manufacturer of bakery products (the group unites six bakeries), independently developing its own retail network. The investments

into opening of one bakery is around 2-3 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/>