

ОБЩАЯ ХАРАКТЕРИСТИКА СОЦИАЛЬНО-ЭКОНОМИЧЕСКОЙ СИТУАЦИИ В САНКТ-ПЕТЕРБУРГЕ



Июль – август 2017 г. № 148



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Учредитель: АНО МЦСЭИ «Леонтьевский центр»

Главный редактор:

Нина Одинг

Редактор:

Ольга Варламова

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При составлении журнала использованы материалы отчета Петростата за 2007–2017 гг. "О социально-экономическом положении Санкт-Петербурга и Ленинградской области".

1. CITY MANAGEMENT

APPOINTMENTS, GOVERNMENT COUNCILS

The new head of Committee of property relations is the Vice-Governor M. Mokretsov

In accordance with the decree of the Governor of Saint Petersburg of August 8, 2017, the ex-Chairman of Committee of property relations A. Semchukov was dismissed. The new Chairman of this Committee from 8 August 2017 is Vice-Governor M. Mokretsov. Recent amendments to the legislation allow combining the position of Vice-Governor and of a head of a committee or of a district administration. The Committee is responsible for Saint Petersburg property management and land relations and has an important place in the structure of the City government.

The Healthcare Committee's new head

In accordance with the decree of the Governor of Saint Petersburg of August 23, 2017, the Chairman of the Healthcare Committee V. Kolabutin was dismissed on his own initiative. On August 24, 2017, the duties of the Chairman of the Committee were entrusted to the first Deputy Chairman of the same Committee Ye. Yevdoshenko.

A meeting of the Public Council on small business development under the Governor of Saint Petersburg was held in Smolny

The meeting was held on August 11, 2017 under the chairmanship of the Governor Georgy Poltavchenko and was devoted to summarizing the work in the first half of 2017, and to the discussion of aesthetic regulations of the urban environment. This year the City has opened a Unified center for entrepreneurship. For the first half of the year the center provided more than 3 thous. consultations. The Fund of assistance to crediting of small and medium-sized business in the first half of 2017, has signed 156 contracts of guarantees, totaling more than 1 bln rubles. Under the special City program, 99 mln rubles will be allocated through subsidies. From June 14 this year, the city has been conducting an inventory count of signs and advertising structures. Revealed was a large number of structures installed in violation of aesthetic rules or without permission. In the first half of the year the web-portal "Our Saint Petersburg" has received more than 17 thous. appeals about the need to restore order in the placement of advertising and information in the city.

Meeting in Smolny on the development of metro in Saint Petersburg

The meeting was held on August 17 under the chairmanship of the Governor Georgy Poltavchenko with the participation of representatives of

relevant city committees, of Saint Petersburg metro, of Metrostroy and design organizations. The focus was on the extension of the Lakhtinsko-Pravoberezhnaya line (4th line) to the station "Kudrovo" and on the four possible locations of the Circular metro line. Of the four proposed options the "Big Ring" project has been selected, with a length of about 40 km. According to the project the circular line will run 20 stations, including 14 interchanges. Special attention was paid to the reservation of land for the construction of future stations and infrastructure of the metro and the introduction of new excavation technologies that reduce the time and costs of construction.

City pedagogical council was held in Saint Petersburg

Already a traditional event on the eve of the new academic year, the council was held on August 28 in the concert hall "Octyabrskiy". The theme of the council – "Saint Petersburg school: the territory of talents." In the reports presented to the Council speakers noted high quality of the schooling in Saint Petersburg. For example, the number of 100-point results on the unified state examination in Saint Petersburg in the last three years has grown from 153 to 337. In 2017, one in seven graduates scored 80 or more points in the exam, 1907 students graduated high schools with honors. In 2016 nearly 200 students of Saint Petersburg schools became winners and prize-winners of final stage of all-Russian Olympiads. In the Russian ranking of the best secondary educational institutions, there are 31 schools of Saint Petersburg. For the last 4 years, the number of such schools has doubled. The best in Russia is the Saint Petersburg Lyceum 239. Teachers of the Northern capital became winners and laureates of prestigious competitions "The Teacher of year of Russia", "Pedagogical debut", "To Educate a Man", "For the Moral Feat of a Teacher" and others. In 2017 in Saint Petersburg, two institutions of additional education of a new type will be established. Their work will contribute to the talent development of gifted children. An educational center is to be created for children showing outstanding achievements in learning, science and arts, another - for children in the field of IT-technologies and converged systems. Also agreed upon is the creation of a center devoted to the topics of ecology and environmental protection. In the final part of the council, Governor Poltavchenko has presented awards to the winners of the competitions for the title of the best director of state educational institution and for the introduction of innovative educational programs. Teachers and preschool teachers were awarded certificates for the purchase of apartments in the framework of the targeted program of providing housing for employees of budget organizations.

LEGISLATION

Regional standards of cost of housing utilities in Saint Petersburg have been increased

The costs have been adjusted based on the resolution of the Government of Saint Petersburg of June 27, 2017 No. 538. The regional standards of cost of housing utilities will increase in the periods from July 1 to September 30, 2017 and October 1 to December 31, 2017.

Documents on the perspective power industry development in Saint Petersburg

The decree of the Governor of Saint Petersburg of June 27, 2017 No. 66-PG has approved of the scheme and program of perspective development of power industry of Saint Petersburg in the years 2017-2021. The main objective of the implementation of the approved documents is to ensure reliable operation of generating facilities and electric grid facilities, located on the territory of Saint Petersburg. Plans for the development of energy entities are linked to the strategic planning documents of Saint Petersburg.

Amendments to Saint Petersburg Law on referendum

The law of Saint Petersburg of July 4, 2017 No. 459-75 amends to the Law of Saint Petersburg dated 10 March 2004 No. 136-21 "On the referendum of Saint Petersburg". The changes have been made to bring the City law into conformity with Federal law. The changes relate to the corrections and additions to the regulations governing the guarantees of transparency in the activities of referendum commissions, the procedure and conditions of appointment of observers, the conditions of removal of a member of precinct referendum commission from participation in its work, as well as the removal from the premises for voting of observers and other persons, the order of execution of powers of the Chairman of the referendum commission in his absence, the order of spreading information about the referendum and of the campaigning.

Saint Petersburg plans to encourage women to give birth to their first child at a younger age

In accordance with the Law of Saint Petersburg of July 3, 2017 No. 429-68 "On amendments to the Law of Saint Petersburg "Social code of Saint Petersburg" women who have their first child at the age of 20 to 24 inclusive, in the period from January 1, 2018, will get a lump sum compensation payment in the amount of 50 thous. rubles. The size of this payment will be indexed on January 1 of each year, beginning January 1, 2019. This social support measure is aimed at remedying the situation when the average age of giving the first birth in Saint Petersburg is the highest among all regions of Russia. In 2016 it

was 30 years. According to Pestrostat, in 2016 among 1st time mothers 12% were women under 25 years, 35% were aged 25 to 29, 34% were aged 29 to 34 years. The birth rate in the city exceeded the national average by 7%.

Medical workers agreeing to work in rural communities outside of Saint Petersburg, will be granted lump-sum compensation payments

This support measure is established by the provisions of the Law of Saint Petersburg of July 3, 2017 No. 427-67. Medical workers under the age of 50 years with higher education, who began work in 2017 at state institutions of health care of Saint Petersburg, situated outside the territory of Saint Petersburg, will be provided with one-time compensatory payment for 1 mln rubles. The payment is intended for acquisition of premises and (or) a land plot for housing construction and (or) compensation of interest rate on loans for the purchase (construction) of dwelling. The areas located outside of Saint Petersburg include towns, urban villages, including urban-type settlements, other settlements. The lump sum compensation payment is provided to medical workers only after they have concluded a contract.

Changes in the Rules of land tenure and building of Saint Petersburg

The changes were made on the basis of the decree of Saint Petersburg Government of July 4, 2017 No. 550. According to the amendments the concept of territory whose boundaries provide for the implementation of integrated and sustainable development has been introduced. In addition, urban planning regulations within borders of the united zone of protection of objects of cultural heritage located on the territory of Saint Petersburg have been approved.

Changes in the Charter of Saint Petersburg

The changes were made based on the Law of Saint Petersburg of July 4, 2017 No. 469-77. The changes relate to the position of the Commissioner for human rights in Saint Petersburg. The amendments provide that the Commissioner for human rights in Saint Petersburg can not be simultaneously a Deputy of the State Duma of the Federal Assembly of the Russian Federation, member of the Council of Federation of the Federal Assembly of the Russian Federation or a Deputy of the legislative (representative) body of state power of a subject of the Russian Federation. He has no right to fill public positions of the Russian Federation, state positions of subjects of the Russian Federation, municipal positions, engage in state and municipal service, engage in other paid or unpaid activities except for teaching, scientific and other creative activities.

Increased fines for infringement of silence at night

In accordance with the Law of Saint Petersburg dated 5 July 2017, No. 487-84 the article 8 of the Law of Saint Petersburg "On administrative offences in Saint Petersburg" has been amended. The changes strengthen measures of administrative liability for infringement of silence and rest of citizens at night. The penalty for committing this administrative offense for citizens increased to 5000 rubles, for legal entities the minimum and maximum amount of penalty increased to 50000 and 200000 rubles, respectively.

Non-profit organizations will be provided with subsidies for the development of cinematography in Saint Petersburg

The procedure for granting subsidies has been approved by decree of the Government of Saint Petersburg dated July 6, 2017 No. 597. The subsidies are provided to finance costs of socially oriented non-commercial organizations (except state and municipal institutions) related to the development of cinematography. The subsidies are provided on a gratuitous and irrevocable basis, subject to the implementation of activities in the sphere of culture, art, education culture, improving the morale of citizens and promoting these activities, as well as contributing to the spiritual development of individuals. The grants are awarded through a competitive selection process in order to ensure financing of the costs incurred in 2017, in connection with the performance of work, rendering services on the territory of Saint Petersburg for making movies.

Changes in the City Law on the organization of regular transportation of passengers and luggage by automobile and urban ground electrical transport-

The law of Saint Petersburg dated July 6, 2017 No. 477-86 amends the Law of Saint Petersburg of June 29, 2016 No. 445-85 "On the organization of regular transportations of passengers and luggage by automobile and urban ground electrical transport in Saint Petersburg and on amendments to the Law of Saint Petersburg "On the overland transport in Saint Petersburg". The changes include revised regulations governing the preparation of the scheduled traffic planning document. Amended was the list of activities for the development of scheduled traffic carried out based on the planning document and the preparation of the planning document (the part related to interregional routes). Requirements for the registry of the municipal regular routes were also made.

The state information system "Unified card of St Petersburg resident"

The regulation on the state information system was approved by the decree of the Government of Saint Petersburg of July 27, 2017 No. 611. The state information system "Unified card of

St Petersburg resident" is designed to ensure the issuance and maintenance of an electronic card (the unified card of St Petersburg). The card allows getting social support. The system is designed to improve the efficiency of public administration in the provision of social support using information technology.

The coefficient of indexation of social benefits in 2018

The coefficient is established by the decree of Saint Petersburg Government of July 28, 2017 No. 631. The size of the indexation coefficient for 2018 is set at 1,056. The coefficient is used to index the amount of social support and additional social support measures. Such support measures are provided under the following laws of Saint Petersburg: 07.03.2007 No. 101-22 "Single payment for burial in Saint Petersburg", dated 09.11.2011 No. 728-132 "Social code of Saint Petersburg", dated 09.11.2011 No. 710-136 "On granting land plots for individual housing or dacha construction, and additional measures of social support to the citizens having three and more children", from 30.11.2011 № 810-151 "On maternity (family) capital in Saint Petersburg".

In addition, the coefficient of indexation of social benefits is used to determine:

- monthly payments for the experience of the civil service in addition to age pension (retirement pension, insurance disability pension) for civil servants;
- funding of costs associated with payment of services for free legal aid within the state system of free legal aid;
- monthly cash payments for life annuity contract;
- monthly payments in addition to age pension, insurance disability pension, pension for years of service for work experience in local authorities of municipalities of Saint Petersburg;
- additional pension for years of service and monthly additional payments to former municipal employees.

The authorities of Saint Petersburg will support nonprofit organizations conducting outreach activities to increase financial literacy

The procedure for granting subsidies for implementation of measures to improve the financial literacy of residents of Saint Petersburg was approved by resolution of Saint Petersburg Government of August 1, 2017 No. 639. The document relates to the events, providing citizens with basic skills of personal finance management, gaining knowledge in the field of banking, securities, insurance, pensions, taxation, as well as shaping perceptions about the risks of investing, borrowing and the risks of financial fraud. The reimbursement of the costs of such activities from the budget of Saint Petersburg will be provided in form of grants. In order to obtain subsidies it is necessary to pass competitive selection.

After October 1, 2017, a part of the documentation associated with obtaining permits for construction and commissioning of facilities shall be submitted by applicants only in electronic form.

This requirement is established by the decree of Saint Petersburg Government of August 10, 2017 No. 658. The requirement for electronic documentation applies to cases specified in part 3 article 55 of the Urban Planning Code of the Russian Federation.

MEETINGS, COOPERATION

Governor of Saint Petersburg met with the President of the Socialist Republic of Vietnam

The meeting took place on July 1 in Smolny. The visit of the Vietnamese President C. D. Quang to Saint Petersburg was held during his official visit to Russia. During the meeting, the parties noted the active development of mutually beneficial partnerships. Saint Petersburg is implementing cooperation agreements with the city of Ho Chi Minh and Khanh Hoa province. In Vietnam, a number of Saint Petersburg enterprises operate successfully. At Saint Petersburg shipyards, ships are being built for Vietnam.

Governor of Saint Petersburg met with the Mayor of Seoul (Republic of Korea)

The meeting of Georgy Poltavchenko with P. Won-soon took place on July 1 in Smolny. The meeting participants noted the big role played by the Northern capital of Russia in the development of Russian-Korean relations. The Republic of Korea occupies the 6th place in the rating of trading partners of Saint Petersburg in terms of the trade volume. In 2016 it reached USD 1.8 bln. Since 2010 one of Russia's largest car-making plants "Hyundai Motor Manufacturing Rus" operates in Saint Petersburg. In May 2017 in the city center, a five-star hotel of the South Korean company "LOTTE" has opened. The abolition of the visa regime and direct flights Saint Petersburg – Seoul gave impetus to the development of tourist relations. Saint Petersburg is the venue of public forum "Russia – Republic of Korea Dialogue". Universities of Saint Petersburg and the Republic of Korea have signed over 90 agreements.

Saint Petersburg strengthens ties with the business circles of the People's Republic of China

On July 5 Governor Georgy Poltavchenko met in Smolny with the Chairman of the Board of Directors of China Development Bank H. Huai-bang. China Development Bank is among the top five banks in China and is one of the largest international financial and development institutions. During the meeting they discussed issues of cooperation in the investment sphere. The trade

turnover between China and Saint Petersburg exceeds USD 5 bln. By the end of 2017, the number of Chinese tourists visiting Saint Petersburg can reach 1 mln people.

The results of the first regional "Foresight-fleet"

On July 6, 2017, Governor Georgy Poltavchenko held a meeting on the results of the first regional "Foresight-fleet", which was held in Saint Petersburg from May 14 to 18, 2017. The "Foresight-fleet" is an initiative of the Agency for strategic initiatives. The purpose of the event is to discuss the prospects, forecasts, new projects and plans. Saint Petersburg part of the event took place aboard a passenger ship Saint Petersburg-Mandroggi – Saint Petersburg. More than 250 experts attended the discussions. According to them, by 2035 Saint Petersburg should become the metropolis of high technology, laboratory of new ideas, major university center. According to experts, the City needs to modernize labor markets, capital market, infrastructure and commodities markets.

Governor of Saint Petersburg welcomed new Consul General of the Republic of Finland

The meeting was held on 7 July in Smolny. During the meeting Governor G. Poltavchenko and Mrs. A. Lammila, who was appointed in May of this year the Consul General of Finland in Saint Petersburg, discussed the issues of cooperation. The parties noted that Saint Petersburg and Finland have traditionally enjoyed warm and dynamically developing relations. By the end of 2016, the mutual trade turnover amounted to almost USD 400 mln. In Saint Petersburg there are more than 400 Finnish companies. According to A. Lammila among all areas of cooperation the Finnish side is most interested in developing cooperation in the sphere of construction, ecology, food and marine industries.

The delegation of Saint Petersburg visited the city of Turku (Finland)

Saint Petersburg delegation headed by Governor Georgy Poltavchenko was in Turku from July 21 to 23, 2017. During the visit, Georgy Poltavchenko met with the President of the Republic of Finland S. Niinistö and mayor of Turku A. Randall. During the meeting with President of Finland discussed the celebration of the 100th anniversary of Finland's independence and prospects for further implementation of the project "Northern dimension". In the fall of 2017 in Saint Petersburg, Russian-Finnish cultural forum is to be held, dedicated to this memorable date. During the meetings in the municipality of the city of Turku, in pursuance of the provisions of the Agreement on cooperation between Saint Petersburg and Turku 2016, several agreements were signed between Saint Petersburg and Finnish organizations.

The football stadium "Saint Petersburg" on Krestovsky Island is to become a stage for the opera "Aida"

The initiative for large-scale productions came from the artistic director of the theater "Music Hall" F. Mastrangelo. The project was discussed on July 27, 2017, in Smolny at a meeting of the Governor G. Poltavchenko and the President of the Italian company GK Investment Holding Group K. Gribi. During the meeting, they also discussed the participation of Italian companies in the financing of projects in the fields of culture, healthcare and pharmaceuticals.

The Main Naval Parade of Russia was held in Saint Petersburg

On July 30, 2017, the tradition of holding the Main Naval Parade with the participation of all fleets was revived in Saint Petersburg. The events dedicated to the Parade were attended by the President of Russia V. Putin, defense Minister S. Shoigu, chief of the Navy V. Korolev, Governor of Saint Petersburg G. Poltavchenko and other officials, veterans of the Navy, members of the clergy and the urban community. Ships and submarines passed through the Neva river and the Kronstadt raid. In the parade near the island of Kotlin the flagship of the Russian Navy heavy nuclear-powered missile submarine "Dmitry Donskoy" and heavy nuclear missile cruiser "Peter the Great" took part. In total, the parade involved about 5 thous. service members and more than 90 ships, submarines, aircraft and helicopters of the Navy. From 2017, the holding of the Main Naval Parade in Saint Petersburg will become a tradition.



2. EMPLOYMENT

In June 2017, large and medium sized enterprises employed 1469.7 thous. people (Table 1). Compared to the previous month the number of staff fell by 0.1%, the number of by-workers fell by 4.3%, and that of contracted workers grew by 6.1%.

In January – June 2017 the number of employees at these enterprises grew by 2.8% compared to the same period of 2016. The number of staff during the period grew by 2.7% that of by-workers fell by 0.4%, the number of contracted workers grew by 9.7%.

In June 2017, the largest number of vacancies filled was in education, processing industries, real estate operations, transportation and telecommunications, healthcare, and the least - in agriculture and forestry, hotels and restaurants, other services (Table 2). The public sector employed 41% of all employees of large and medium-sized enterprises of the City.

In Q2 2017 the number of economically active population (EAP) amounted to 3028.4 thous. persons, of them 2979.1 thous. employed and 49.3 thous. unemployed. During the reporting period, the employment rate was 73.5% (share of employed people in total population aged 15 to 72 years), the level of economic activity – 74.7% (share of economically active population of the total population aged 15 to 72 years) (<http://ktzn.gov.spb.ru/analiticheskaya-informaciya/>).

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

	June 2017		January - June 2017 in % to January - June 2016
	000 people	in % to May 2017	
Filled jobs total, including:	1469,7	99,9	102,8
Registered permanent employees	1394,8	99,8	102,7
External by-workers	35,6	95,7	99,6
Contracted labour	39,2	106,1	109,7

TABLE 2. Employment at enterprises and organizations of Saint Petersburg by the type of economic activity in June 2017 (without small enterprises)

Industry	Total employment	
	'000 people	% of the total
Total, including:	1469,7	100,0
Manufacturing	211,1	14,4
Production and distribution of electric power, gas and water	48,3	3,3
Agriculture and forestry	6,0	0,4
Construction	62,8	4,3
Transportation and telecommunications	179,2	12,2
Finance	54,5	3,7
Real estate transactions, leasing and services	36,7	2,5
Wholesale and retail trade, repair of motor vehicles and home appliances	155,5	10,6
Hotels and restaurants	27,1	1,8
Public administration, security and social care	87,6	6,0
Education	229,6	15,6
Healthcare and social services	143,5	9,8
Culture, sports, entertainment	46,6	3,2
Science and technology	133,6	9,1
Administrative services	36,8	2,4
Other services	10,8	0,7

TABLE 3. Saint Petersburg enterprises' demand for workforce, January 2016 – July 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 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
February	40,9	0,7	117	117
March	39,4	0,7	100	100
April	41,0	0,7	100	88
May	45,1	0,5	71	83
June	45,2	0,5	100	100
July	45,1	0,5	100	100

In July 2017, the demand of Saint Petersburg enterprises for new workforce amounted to 45.1 thous. people (table 3).

In the end of July 2017, 45088 vacancies have been reported to the Employment service, 61.3% of them – workers' positions (<http://ktzn.gov.spb.ru/analiticheskaya-informaciya/>).

In January-July 2017 the greatest demand for employees was declared by the enterprises and organizations of such economic activities, as car-

go transportation and storage – 13.5% of all reported vacancies; processing industries – 12.1%, construction – 12.0%; wholesale and retail trade – 9.2%.

The pressure in the labor market (the number of unemployed citizens registered at the Employment Service per one vacancy) at the end of July 2017 was 0,49 persons per vacancy (at the end of July 2016 – 0,48 persons per vacancy).

In July 2017 22.0 thous. persons were registered at the Employment Service of Saint Pe-

tersburg. It is 10.2% less than in December 2016 (table 4). In July 2017, 45.0% of those registered at the Employment Service were officially considered unemployed.

At the end of May 2017, the total number of those who turned to the State Employment Service of Saint Petersburg amounted to 29592 people (at the end of May 2016 – 36604 people).

The number of registered unemployed at the end of July 2017 was 9888 persons, of them women – 50.4%; young people aged 16-29 years

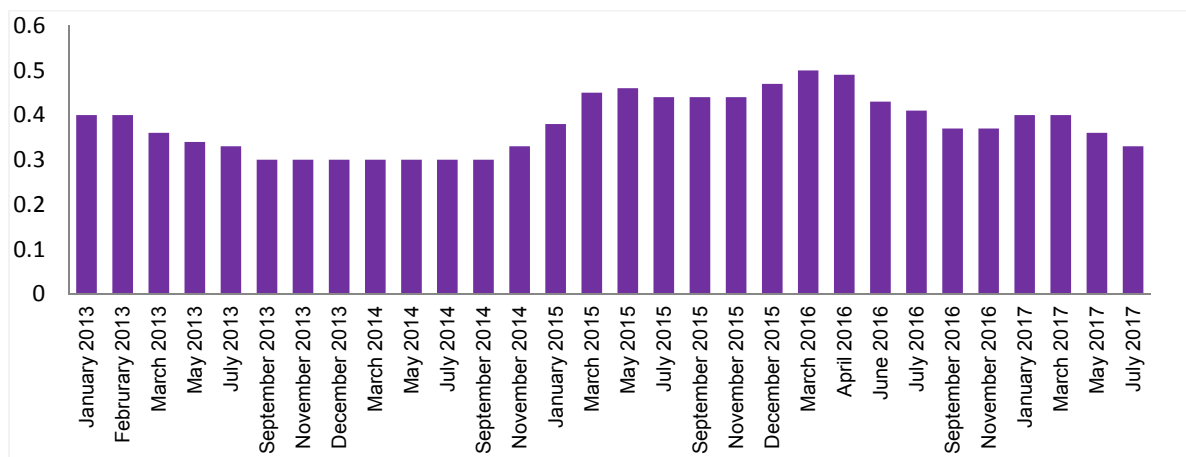
– 14.1%; persons with disabilities – 16.2% (at the end of July 2016 the number of unemployed amounted to 12226 persons) (<http://ktzn.gov.spb.ru/analiticheskaya-informaciya/>).

In July 2017, the status of unemployed was assigned to 1.8 thous. persons. The number of the job-placements in July 2017 was by 200 people or by 24% less than in the same period of 2016, and amounted to 600 people.

TABLE 4. Change in the number of officially registered unemployed people in Saint Petersburg, 2016, January – July 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 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
February	27,9	12,4	104	85
March	28,5	12,1	98	83
April	27,1	11,7	97	81
May	24,4	11,0	94	78
June	22,4	10,1	92	79
July	22,0	9,9	97	81

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



According to Rosstat, in Q2 2017, 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 1.6%. Saint Petersburg had one the lowest levels of unemployment among the subjects of the Russian Federation (in the North-Western Federal district – 4.1%, Moscow - 1.4%, Russia – 5.2 %).

The level of registered unemployment (ratio of registered unemployed to the economically active population on average) at the end of July 2017 amounted to 0,33% of the economically active population (at the end of July 2016, the figure was 0,41%) (www.rspb.ru) (figure 1). This is the lowest figure among the regions of the Northwestern Federal district.

3. PERSONAL INCOMES AND EXPENDITURES

PRICES

In January-July 2017 consumer prices growth in Saint Petersburg was equal to 3.6%. In the same period of 2016, it was 4.1%.

The growth of consumer prices in January-July 2017 in Saint Petersburg was 1.2% more than in Russia on average. In July 2017, consumer prices grew by 0.3% (Table 5).

In January-July 2017, tariffs for paid individual services in Saint Petersburg grew by 6.4%.

For comparison: their growth in the same period of 2016 was 4.1%.

The rate of growth of tariffs for paid individual services in January-July 2017 was 2.8% higher than Russia's average. Tariffs for paid services in July 2017 grew by 2.1%.

In January-July 2017, prices of foodstuff grew faster than in Russia on average by 3.1% and those of non-foodstuff goods – by 2.0%. The growth was correspondingly – 0.7% and 0.6% higher than in Russia on average. In July 2017, prices of foodstuff fell by 0.9% and those of non-food goods grew by 0.1%.

TABLE 5. Consumer price index dynamics in 2016, January – July 2017, % to the previous month

	<i>Saint 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 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
January 2017	101,4	101,1	100,6	102,5	100,6	100,9	100,5	100,5
February	100,4	100,5	100,3	100,2	100,2	100,2	100,2	100,3
March	100,2	100,4	100,3	100,0	100,1	100,1	100,2	100,0
April	100,5	100,8	100,3	100,3	100,3	100,6	100,2	100,2
May	100,5	100,7	100,2	100,5	100,4	100,6	100,2	100,4
June	100,4	100,5	100,1	100,7	100,6	100,1	100,1	100,7
July	100,3	99,1	100,1	102,1	100,1	99,0	100,1	101,6
July 2017 in % to December 2016	103,6	103,1	102,0	106,4	102,4	102,4	101,4	103,6
July 2016 in % to December 2015	104,1	104,2	104,1	104,1	103,9	103,2	104,2	104,4

In July 2017 prices grew for oil and fats (+1.3%), fish (+0.4%), milk and dairy products (0.2%), confectionery products (+0.1%), sausage (+0.03%).

Prices fell for fruits and vegetables (-6.1%), cereals and beans (-3.2%), cheese (-1.1%), meat and poultry (-0.6%), bread and bakery products (-0.3%), alcohol (-0.1%).

Among non-food items in July 2017 in Saint Petersburg, prices grew for tobacco products (+1.9%), kitchenware (+1.6%), construction materials (+0.8%), cleaning and maintenance products (+0.3%), footwear (+0.2%), textiles, clothing, haberdashery (+0.1%). Prices fell for perfumery and beauty products (-0.4%).

In July 2017 fees for maintenance and repair of housing, operating costs increased by 7.9%, for cold water supply and sewerage - by 10% for hot water - by 3.5%, for gas - by 3.8%, for electricity - by 4.9%.

In July 2017 in Saint Petersburg prices have increased for resort services by 13.6%, for television repairs - by 7.3%, for air tickets - by 6.7%, for repairs of refrigerators - by 4.2%, for ser-

vices of outbound tourism - by 3.3%, for repairs of apartments - by 1.2%.

In January-July 2017 the price of gasoline increased by 4.1%, that of diesel fuel by 3.6%. In July 2017, the price of gasoline increased by 0.2%, while that of diesel fuel decreased by 0.1%.

PERSONAL INCOMES AND EXPENDITURES

The real salary in Saint Petersburg in June grew by 9.4%, in Russia on average - by 4.1% (table 6).

The average monthly nominal salary in Saint Petersburg in June 2017 amounted to 57422 rubles, in Russia on average - 42091 rubles, 26.7% less.

Salary arrears on August 1, 2017 amounted to 246.7 mln. rubles. Processing industries were responsible for 62.7% of the total, construction industry - for 32.6%, education - for 4.6%, transportation - for 0.1%. State budget arrears were 4.6% of the total.

In June 2017, the share of savings in deposits grew and the share of foreign currency decreased (table 8).

TABLE 6. Real monetary incomes and real salary in Saint Petersburg and the Russian Federation in 2016, January - June 2017, %

	Saint Petersburg				Russian Federation			
	Real salary		Real income		Real salary		Real income	
	To the previous month	To the same month of the previous year	To the previous month	To the same month of the previous year	To the previous month	To the same month of the previous year	To the previous month	To the same month of the previous year
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
January 2017	72,1	106,4	34,9	97,0	74,0	103,1	52,6	108,0
February	106,3	104,3	150	92,8	101,4	101,0	119,5	96,2
March	106,7	104,2	107,6	98,0	106,8	103,2	101,6	97,7
April	99,6	107,4	106,5	94,7	103,4	103,7	102,1	92,5
May	97,6	103,8	88,7	99,7	100,6	102,8	95,5	99,9
June	109,4	106,7	114,8	99,8	104,1	103,9	110,3	100,0

DIFFERENTIATION OF INCOMES AND SALARIES IN SAINT PETERSBURG

In June 2017, the level of inter-industry salary differentiation grew compared to December 2016 (Picture 2). The gap between the highest salary (mining) and the lowest salary (hotels and restaurants) was during this month equal to 8.1 times compared to 7.4 times in April, 6.4 times in February 2017.

The highest salaries in June 2017 were paid in mining (the salary in this sector was 4.19

times higher than the average for Saint Petersburg).

In July 2017 the average for the City was significantly exceeded by the salary in the financial sector (by 36%), in information and telecommunication sector (by 30.2%), in R&D sector (by 27.1%).

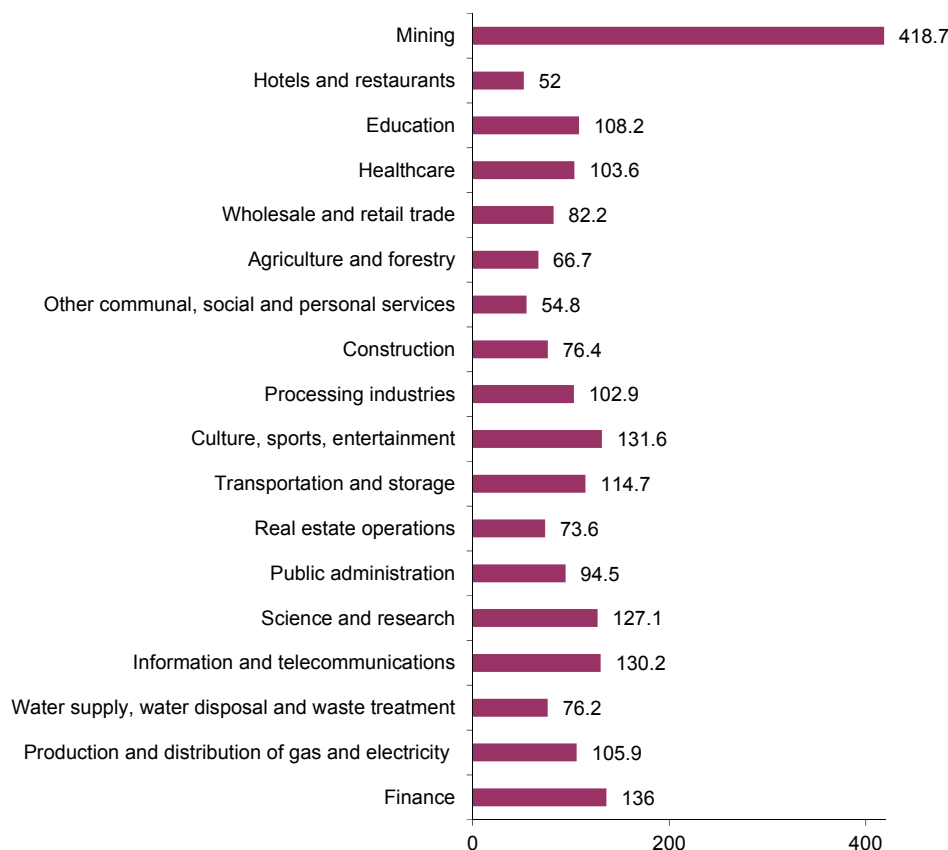
The lowest salary was paid to those employed at hotels and restaurants (52% of the average), in the provision of other services (54.8%).

TABLE 7. Salary arrears in Saint Petersburg in January - August 2017 (on the 1st of each month), mln. rubles

	January 2017	February	March	April	May	June	July	August
Total arrears	99,6	116,0	127,0	81,9	94,8	112,8	116,3	246,7
Including arrears due to the lack of budget financing	14,1	13,2	13,5	14,8	20,6	11,7	8,9	4,6

TABLE 8. Personal expenditures of Saint Petersburg's residents in 2016, January – June 2017 (% 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 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
January 2017	109,1	15,8	0,4	9,3	- 39,4
February	71,9	15,4	9,5	8,8	- 8,9
March	73,8	15,0	9,2	8,6	- 10,7
April	68,5	14,2	12,4	8,3	- 2,3
May	83,7	16,4	2,3	8,4	- 11,3
June	69,5	15,6	14,8	8,1	- 7,6

PICTURE 2. Inter-industry differentiation of average salary in June 2017 in Saint Petersburg, % of the average salary (the average salary = 100%)

4. INDUSTRY

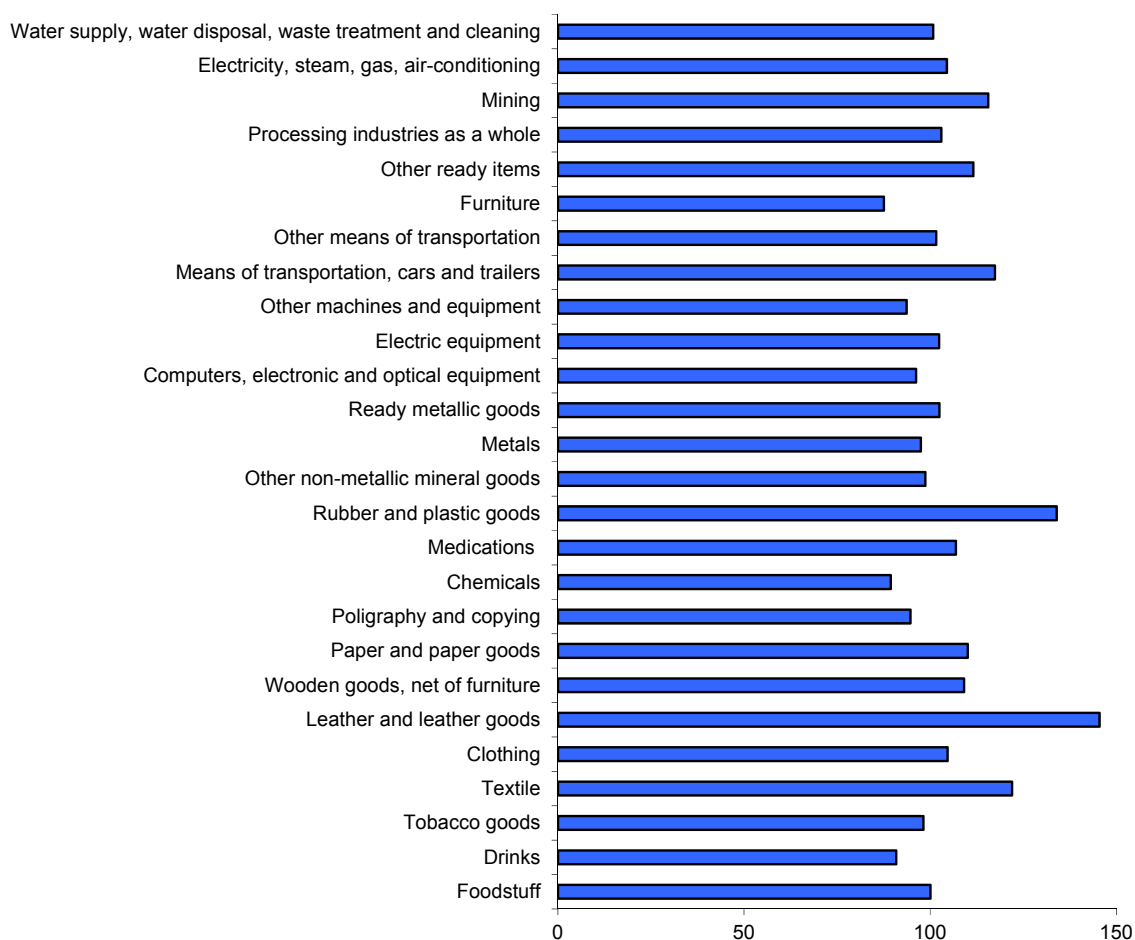
The industrial production index in Saint Petersburg in January – July 2017 compared to the same period of 2016 amounted to 103.0%.

According to the portal vistanews.ru with reference to the analytical Agency "Auto-Dealer-SPb", in July, plants in Saint Petersburg have produced 20 800 cars, which is 28% higher than the last year's result. In August 2016, the production of two new models –Toyota RAV4 and Hyundai Creta began. In January-July this year, Saint Petersburg auto industry has produced 25.8% cars of Russia's total. Saint Petersburg plants produce such models as Nissan Qashqai, X-Trail, Murano, Pathfinder, Toyota Camry, RAV4, Hyundai Solaris, Kia Rio and Creta (vistanews.ru, 21.08.2017).

Sredne-Nevisky shipbuilding plant on August 24 has launched the second boat of the project P1650 "Rondo" built for the needs of the Border service of FSB of the Russian Federation. The

multipurpose boat is designed to perform the tasks of the patrol inspection service, incurring duty in designated areas, delivery and removal of special personnel from vessels subject to inspection, group transportation of special personnel and cargo, rescuing people in areas of duty. The boat P1650 "Rondo" has a number of advantages that significantly reduce the cost of operation and maintenance (snsz.ru, 24.08.2017).

The shipbuilding wharf "Severnaya Verf" on June 30 has launched the head corvette of the project 20385 "Gremyashiy" for the Pacific fleet. The corvette is able to carry onboard a powerful set of weapons, including cruise missiles "Caliber". After the testing is completed in 2018, it will be transferred to the Navy (dp.ru, 30.06.2017).

PICTURE 3. Industrial production dynamics in Saint Petersburg by industry, January-July 2017 in % to January-July 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 Saint Petersburg in January-August 2017 the revenues from taxes, fees and other obligatory payments amounted to 727.4 bln rubles, which in nominal terms is 21.6% more than the corresponding period last year. In August

2017, compared with the previous month revenues to the budget system fell by 15.1%.

In January-July 2017 the consolidated financial result (profit minus loss) of organizations (excluding banks, insurance companies and budget organizations, without small businesses) amounted to 441.1 bln rubles, which is 6.5% less than in the corresponding period last year. In January-July the number of unprofitable enterprises in comparison with the same period of 2016 grew by 53 units or by 9.2%, the amount of the loss grew by 1.8%.

Table 9. Consolidated budget execution in 2017 (mln rubles)

	Revenues	Expenditures	Surplus
<i>January-June</i>	256126	244845	11280
<i>January-July</i>	313452	291917	21534

Source: Petrostat

6. MUNICIPAL SERVICES

BEAUTIFICATION, RESTORATION, REPAIRS

In the Central district of Saint Petersburg, the restoration of Panteleymonovsky bridge has begun. The contractor is ZAO "Stroyinvest". Also during the autumn-winter of 2017, it is proposed to carry out restoration works (restoration of the protective layer of metal spans, railing and gilded decorative elements) at Malokonyushenniy and Teatralniy bridges. The total cost of the works – 33 mln rubles, the date of completion of the restoration – December 31, 2017 (based on materials of GBU "Mostotrest")

In July-August 2017, the City began to overhaul Murinsky Park and the Summer garden in Kronstadt. In Murinsky Park it is planned to create a ski-roller track with the length of 5.7 km, a network of footpaths with a width of 3 m and with rest areas, three artificial ponds, as well as to build four bridges across Murinsky Creek. The total cost of works will amount to more than 300 mln rubles, the completion of works is scheduled for the end of October 2017. In the Summer garden it is planned to reconstruct the oak alley and to plant young trees, repair walks, large granite steps and the grotto, and to beautify areas around monuments, playgrounds and lookouts. The total cost of the works is more than 80 mln rubles, the completion date is July 2019 (based on materials of Rossiyskaya Gazeta and ASN agency).

TRANSPORTATION, ENERGY, WATER SUPPLY

In January-July 2017 transportation organizations of Saint Petersburg have transported 2.6 mln tons of cargo and 315.8 mln passengers, which exceeds the figures for the same period, 2016 (by 16.7% and 1.2%, respectively). The freight turnover amounted to 762.3 mln ton-km (32.6% more than the same period in 2016), and the passenger traffic – to 1802,7 mln passenger-km (0.1% more than in January-July 2016). The number of road accidents decreased in comparison with the same period in 2016. In January-July 2017 there were 3349 accidents (1.2% less than in January-July 2016), which killed 131 people. The number of accidents involving children under 16 increased by 13.5% to 312 (According to Petrostat).

The passenger traffic of the airport "Pulkovo" in the first half of 2017 has increased compared to the same period in 2016 by 25% and amounted to 7.1 mln people. The passenger traffic on domestic flights increased by 21% to 4.6 mln, and the number of passengers carried on international routes increased by 34% to 2.5 mln. (Based on the materials of the Administration of Saint Petersburg)

The Bank "Saint Petersburg" has acquired 51% of shares of OAO "Cargo terminal Pulkovo" and has become the major shareholder of the company. The cost of the package is estimated at 600 mln rubles. Principal activities of the cargo terminal – ground servicing of all aircraft at the airport "Pulkovo", warehouse and loading-unloading works, customs services for import and export cargo. The company's revenue for 2016 was more than 650 mln rubles (Based on the materials of "Vedomosti").

OAO "Metrostroy" finished the main part of the works on the construction of a tunnel on the Nevsko-Vasileostrovskaya line between the metro station "Primorskaya" and the new station "Novokrestovskaya", which is created for the world Cup in 2018. The total length of the tunnel is 5.2 km, the expected period of putting the station into operation is March 30, 2018, the cost of the contract is 30.1 bln rubles. At present, the work is continuing on the construction of stations "Novokrestovskaya" and "Begovaya" (based on materials of TASS).

MAJOR CITY PROJECTS

The Investments Committee of Saint Petersburg has announced an open competition for the right to conclude a concession agreement on the construction of a tram network route from metro station "Kupchino" to Shushary – Slavyanka. The winner will have to attract investments of no less than 25.9 bln rubles, to develop urban planning and design documentation, to carry out the construction of a speed tram line with a length of 21 km, as well as to build tram depot and to purchase 22 trams. The main criterion of the competition is the estimated expenditures (construction and maintenance) that the investor will pay for in the process of implementation of the project. The initial value is 89,6 bln rubles. The agreement with the concessionaire is to be signed in March-April, 2018, the term of the agreement is 30 years. (Based on materials of the Administration of Saint Petersburg and the webportal torgi.gov.ru)

The preparation of the stadium "Saint Petersburg" on Krestovskiy Island for the 2018 World Cup will require additionally more than 400 mln rubles. These costs are associated with the relocation of the media center from the area that is necessary to roll-out the field, as well as with the operation and security of individual buildings, originally not included in the estimate. (Based on materials of "Kommersant")



7. REAL ESTATE

HOUSING

According to Rosstat in the first half of 2017, in the whole country, the decline in housing construction amounted to 11.3%. Only in 27 regions, the volume of housing construction has grown in comparison with the first half of 2016.

In the earlier leading regions in the first half of 2017 there was a decline - in Moscow there have been commissioned nearly 40 percent less housing than in the same period last year, in Moscow oblast - 0.7% less, in Krasnodar region -3.8% less. In general in the Central Federal district the decline was 12.4% in the North-West - 2.2%, the negative dynamics of housing commissioning has been recorded in all federal districts.

However, in Saint Petersburg in January-June there were commissioned 1,636 mln sq m of housing, 28.6% more than the same period of 2016 - 77 apartment buildings for 32 542 apartments, 394 objects of individual construction as well as renovation projects.

In June 2017 in Saint Petersburg there were commissioned 177414,3 sq. m of housing - 40 houses for 3148 apartments, of which 27 houses were individual houses. Most new homes in June came in Krasnoselsky district - 104 738,30 sq m (13 houses for 2029 apartments). Most individual houses (154) in the past 6 months have been built in Pushkin district.

Also in June, over 34 civil use building have been completed. Among them is a bridge with access to Krestovsky Island in the alignment of the Yachtennaya street, an indoor sports complex without tribunes for the audience (swimming pool) in the Nevsky district, a complex project of engineering infrastructure for the needs of the quarter 19 of the project "Northern valley" in the Vyborg district, a number of industrial, warehouse and retail spaces.

The volume of investments in the real estate market of Saint Petersburg in the Q2 2017 amounted to 11.7 bln rubles, which is 44% less than in Q1 (42% in USD terms), according to the estimate by analysts of NAI Becar (Based on Re-state.ru).

The main share - 53% - occurred in the industrial warehouse segment. The most notable deal was the acquisition by Raven Russia of all assets of Finnish investment Fund EPI Russia located in Saint Petersburg I K (131 thous sq m) for 4.9 bln rubles.

The share of foreign investment in Saint Petersburg real estate currently is 26%.

CO-INVESTORS

Among the appeals on the issues of shared construction to the Commission on real estate of the Society of consumers of Saint Petersburg and Leningrad oblast the majority is about violation of construction timing. Since the beginning of the year, lawyers helped about 200 co-investors facing this problem, with delays in the transfer of flats ranging from six months to two years.

An estimated date of completion is specified in the project declaration, which a developer is obliged to publish on its official website online. If this date is changed - changes in the project declaration must be made. Such changes must be published within 5 working days after they are made.

As reported by the Committee on construction, in the first half of 2017, 16 problematic houses, the construction of which involved money of co-investors have been completed. This is 6547 apartments with a living area of over 328 thous. sq. m. On August 7, a permission was issued for the commissioning of a 26-storey residential building with inbuilt and attached premises and an underground parking at the address: Saint Petersburg, Ushinskogo ul., 14, A, by the developer SK "Dalpiterstroy". There are 250 apartments in the house with a total living area of 8002,2 sq. m. The construction of the facility began in 2013. Originally the house completion was planned for September 2016, but the date was postponed. The house was included in the list of problems by the Construction Committee.

As was noted by the Deputy Chairman of the Construction Committee Ye. Baranovskiy, "Today in Saint Petersburg there is a positive trend in the commissioning of the problematic objects... We aim to increase the speed of completion of problematic objects, which were caused by activities of unscrupulous developers, so that each co-investor of Saint Petersburg will get its long-awaited housing". The biggest problems are associated with the groups of companies "Gorod" and "Okhta Modern".

LEGISLATION, REGULATION

The State Duma has adopted in the third and final reading the draft law "On public-law company to protect the rights of citizens-participants of shared construction in case of insolvency (bankruptcy) of developers and on amendments to certain legislative acts of the Russian Federation", limiting the rights of developers.

The law will restrict the rights of developers: they can build housing only when having relevant permission.

Also introduced are stricter requirements for capital adequacy of developers. They should be at least 10% of the planned value of the object (eliminating the possibility of summation of authorized capitals of affiliated persons), the same mini-

imum balance in the special account in an authorized bank must be maintained.

The size of contributions to the Compensation Fund is set in the amount of 1.2% of the price of each contract during the transitional period. It is assumed that the value of the Fund during the transition period may be about 4.5 bln rubles, the contribution rate may be changed no more often than once a year and only through changes in the corresponding federal law.

The document also contains provisions on competitive selection of a developer, to be given a compensation from the Fund for the completion of problematic objects.

The law provides for the creation of an information system of housing construction, which will display information about the objects of shared construction, not put into operation.

The Accounting chamber will monitor the activities of the Fund, while the Supervisory Board will include representatives of the State Duma and the Federation Council.

As the Director of the Department of housing policy of the Ministry of construction and housing of the Russian Federation O. Kornienko said at the business brunch "Investments and innovations in development: development priorities of the Moscow region", organized by "Kommersant", the Compensation Fund for the protection of citizens - participants of shared construction will begin accepting contributions from developers after October 29, 2017. The Fund will be the first public legal company in Russia. 100% owned by the state, it will meet high demands for transparency and strict control over spending.

In the first six months in Russia, according to the Ministry of construction, there were about 45 thous defrauded co-investors into 769 problematic objects. Almost half of the defrauded shareholders are registered in the respective registers of the ten regions: Novosibirsk oblast, Krasnodar Krai, Samara oblast, Moscow, Chelyabinsk oblast, Tatarstan, Moscow oblast, Saint Petersburg, Rostov oblast and Omsk oblast. In the capital there were recorded 24 problematic objects, in Moscow oblast — 25.

In fact, there are more problematic sites and deceived co-investors, but not all are subject to federal assistance, including buyers of apartments in houses that are being built according to the scheme of housing construction cooperative. For example, in the Leningrad region there are 1,300 people registered as defrauded co-investors – they are included in either the federal or the regional register. There are 35 problematic objects. However the register includes only 343 people from 11 problem houses, as was reported by the deputy chairman of the Committee for state construction supervision and state expertise of Leningrad oblast Dmitry Lobanovsky.

The Constitutional Court of Russia) has recognized the rules on the allocation of costs in cases of cadastral errors unconstitutional. The

land owners should not have to pay legal costs for dealing with errors in the establishment of cadastral cost, RNS reports, citing the court order.

"The state is not entitled, by introducing the mechanism of mass valuation of real estate for taxation, to shift to the taxpayer the burden of uncompensated forced costs associated with the removal of admitted errors which actually occur on the basis of application of contested norms", —the order says.

The errors in taxation cannot put taxpayers in a worse position than those whose property has been evaluated correctly; the court has noted (Restate.ru).



8. INVESTMENT PROJECTS

According to Petrostat, the investment in fixed assets of enterprises in January-June 2017 amounted to 249.8 bln rubles, which is 1.4% more than during the same period of the last year.

As shown in the table 10, the bulk of investments were directed to buildings (other than residential), structures, improvements of land (37% of the total investments) and vehicles, equipment and machinery, including households Inventory (37,0% respectively).

The volume of investments in fixed capital and non-productive non-financial assets (without small business entities) has amounted to 195,2 bln rubles, In terms of the sources of financing own savings amounted to 60.7 per cent, attracted financing - 39.3 per cent, of which investment from abroad was 0.3 per cent.

The City Government will initiate the redevelopment of the territory of the plant "Red triangle"

"Red triangle" is located in the block bounded by Staro-Petergofsky prospect, the Obvodny channel, the streets of Rosenstein and Ivan Chernykh. The area is 34 hectares, of which the City owns 9.9 hectares. Total area of buildings – 545 thous sq m, including 205 thous sq m of the City property. Of the 80 buildings, about half have a protected status.

Now the site has a new status - a project of integrated sustainable development of territories (KURT), which allows forced withdrawing of objects not only from tenants, but even from owners, even if they don't agree to participate in the project. The operator of the process is the Property fund, which expects to receive 150 mln rubles from the City budget on the development of the concept, consultation and promotion of the project.

The City considered the idea of redeveloping the area before. The last attempt was in 2016. It was planned to build on the area a center for international cooperation, a hotel, a camping, facilities for educational and research institutions, labs, as well as a theme park, clubs, cinemas and art

spaces, retail spaces. The company "Temple Groups" has performed the examination of the area. However, investors were not interested due to high cost of the redevelopment.

The total cost of the project could reach 40-45 bln rubles.

An Israeli chain Cofix, opens its first restaurant in Nevsky prospect.

The first Cofix coffee shop was opened in Nevsky prospect, in the test mode. The official opening is scheduled for September 12. The room is designed for 20 seats and offers a menu of 50 items, the standard for the entire chain. The main feature of the Israeli brand is a fixed price for all products sold in Russia - 50 rubles.

As the Russian representative of the company informed, before the end of the year in Saint Petersburg there will be another 15-20 points open. The new chain will be concentrated in the Central district of Saint Petersburg, it is already known that in Nevsky Prospect in the near future several points will begin work, also some coffee shops will be located in the largest shopping centers of the City. The average investment in one coffee shop is 4-5,5 mln rubles, varying depending on floor space.

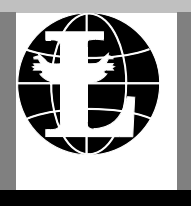
The Hat Group of restaurants launches a new project — "Anonymous Society of Diligent Tasters"

The new facility at the same time contains a butcher's shop, a winery and a snack bar. The second butcher's shop of a similar format will be open in September — the total amount of investments into the project will amount to 20 mln rubles.

The Hat Group is known for such projects as The Hat Bar, Apotheke Bar, and Fiddler's Green. In June, the restaurant group has opened a Russian cuisine restaurant "Complete ballet" in Gorokhovaya street. The new facility is located at the corner of Rubinstein street on the site of the former grocery store Bylina and the coffee shop Mitte. Recently The Hat Group has opened its own production of dry-cured meat and sausages. The monthly production volume is 3 tons of finished products, mainly made of meat (beef, pork and lamb) from Ryazan, Bryansk and Pskov. The amount of investments into the production is 1.5 mln rubles, mainly into the purchase of equipment.

Table 10. The structure of investments into fixed capital

	Bln rubles	% of the total
Investments into fixed capital, including	249,8	100
Housing	56,7	22,7
Non-residential construction, improvement of land	93,9	37,6
Vehicles, machinery and equipment, household inventory	92,0	37,0
Intellectual property	4,6	1,8
Others	2,1	0,9



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/>