

GENERAL OVERVIEW OF SOCIO-ECONOMIC SITUATION IN ST. PETERSBURG



January - February 2018 № 151



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1. CITY MANAGEMENT

APPOINTMENTS, GOVERNMENT COUNCILS

New head of the Presidium of St. Petersburg City Court

In accordance with the decree of the President of the Russian Federation No. 1 dated January 1, 2018 A. Lakov has been appointed the Chairman of the Presidium of St. Petersburg City Court for a 6-year term. Previously V. Epifanova headed the City court. A. Lakov has many years of experience as a judge. Since 2015, A. Lakov worked as a Deputy Chairman of St. Petersburg City Court. He was responsible for appeals in criminal cases.

New head of the Northwestern administration of the Central Bank of Russia

On February 4, 2018 the long-term Director of St. Petersburg and Northwestern administration of the Central Bank of Russia N. Savinskaya left the position due to retirement. In the system of the Central Bank of Russia (CBR) she worked since 1990. In 1996, she was appointed the head of the administration of the Central Bank of the Russian Federation in St. Petersburg. In 2013, she joined the Board of Directors of the Central Bank. From May 2014 to February 2018 she was the head of the North-West administration of the Central Bank of the Russian Federation. The new head of the Northwestern administration of the Central Bank of the Russian Federation is I. Petrova. Before her appointment, I. Petrova headed Urals administration of the Central Bank.

L. Kulakov was appointed Chairman of the Construction Committee of St. Petersburg

On February 19, 2018, L. Kulakov was presented to the staff of the Construction Committee. Earlier the Committee was led by S. Morozov, who left the position on November 28, 2017. Thereafter the duties of the Chairman of the Construction Committee were performed by E. Baranovskiy. The new head of the Committee is an experienced state manager. Since 2000 L. Kulakov held a position of the chief of the Department of construction and land use of the Administration of the Kurortniy district, since 2006 he was the Deputy Chairman, and since 2010 the first Deputy Chairman of the Committee on the records of Acts of Civil Status. From 2012 to February 2018 L. Kulakov headed the Service of the State Construction Supervision and Expertise of St. Petersburg.

New Chairman of the Committee on economic policy and strategic planning of St. Petersburg appointed

On February 19, 2018, Governor Georgy Poltavchenko has signed a decree on the new Chairman of the Committee on economic policy and strategic planning of St. Petersburg - I. Filippov. The new Chairman took office on February 21, 2018 with a probationary period of six months. Prior to his appointment, Filippov worked for Aeroflot, the largest Russian airline, as a Deputy Director of the corporate finance department. Previously, the Committee on economic policy and strategic planning for two years was headed by E. Ulyanov, who left his position on February 15, 2017, and then for more than a year the duties of the Chairman were performed by V. Moskalenko (at present - the first Deputy Chairman of the Committee).

A regular meeting of the Commission for sustainable development of the economy and social stability in St. Petersburg

The meeting was held on January 30, 2018 in Smolny under the chairmanship of the Governor G. Poltavchenko. The participants of the meeting considered proposals for the implementation of 11 priority urban projects in St. Petersburg. From this list, 3 projects are already being implemented: "The unified system of the construction complex", "The unified map of St. Petersburg" and "Bicycle Petersburg". In addition, 4 priority urban projects have been considered and approved. Among them: "The development of congress and exhibition activities in St. Petersburg", "St. Petersburg fashion industry center", "Public spaces of St. Petersburg" and "Electronic healthcare". Another project considered at the meeting (a project to improve productivity and support employment) was returned for revising.

A regular meeting of St. Petersburg Industrial Council

The meeting was held in Smolny on January 31, 2018, under the chairmanship of G. Poltavchenko. The meeting participants considered the issues of development of the State information system for industry (GISP) and summarized the results of work of the Fund of development of industry of St. Petersburg in 2016-2017. At the end of 2017, the index of industrial production in St. Petersburg amounted to 105.5%, which is 4.5% above, than in Russia on average. The volume of industrial production amounted to 2.9 trillion rubles, which is 6.6% more than in 2016. The average monthly salary of an employee in the industry amounted to 57 thousand rubles, which is 10.5% higher than in 2016. The GISP includes "The atlas of industry", "The navigator of support measures", "The showcase of investment projects" and a number of other services. With the help of the GISP, enterprises can post information about products and projects, search suppliers, customers and sign deals.

A meeting of the extended Board of the Federal tax service's branch for St. Petersburg was held

The meeting was held February 20, 2018, to sum up the work of tax authorities in 2017, and to outline main objectives for 2018. At the meeting it was noted that in 2017 in St. Petersburg the collected amount of taxes and fees has reached 688 bln rubles. This is 12% more than a year earlier. The Federal budget received 265 bln rubles, which is 9% more than in 2016, the budget of St. Petersburg - 423 bln rubles (14% more than in 2016). The collection of insurance premiums for compulsory social insurance in 2017 amounted to 423 bln rubles, which is 10.5% more than in 2016.

LEGISLATION

The procedure for granting subsidies for financing capital repairs of common property in multi-apartment buildings has been set

The order of the Government of St. Petersburg of January 23, 2018 No. 42 establishes the procedure for granting subsidies to finance the provision of services and (or) performance of works on capital repairs of common property in apartment buildings. In addition, the procedure has been set for reimbursement of costs for the provision of services and (or) performance of works on major repairs of common property in apartment buildings in St. Petersburg, executed and financed in 2016-2017. The validity of the procedure is extended to 2018.

Amendments to St. Petersburg Law on green plantings of the general use

The amendments were made based on the law of St. Petersburg dated January 26, 2018 № 3-1. The changes relate to scheme of 13 territories of green plantings of the general use in Petrograd district of St. Petersburg (municipal district "Chkalovskaya"). Besides, additions are made to the List of territories of green plantings of public use of citywide importance.

The regulation on project activity in executive bodies of the state power of St. Petersburg is approved

The regulation was approved by resolution No. 66 of the Government of St. Petersburg of 30 January 2018. The same resolution approved the organizational structure of the project management system in the executive bodies of St. Petersburg. Under the regulation, project management consists of activities aimed at achieving the objectives of priority projects and programs. The goals are achieved through the development, optimization, monitoring and control, management of changes in priority projects and programs under resource constraints.

Headquarters for the coordination of work in the field of suppression of unauthor-

ized trade and the liquidation of illegal non-stationary trade objects

The headquarters are established based on resolution No. 5-PG of the Governor of St. Petersburg of 30 January 2018. This decree sets the regulation on the headquarters. The members of the staff carry out measures to prevent unauthorized trade and liquidation of illegal trade objects on the land plots that are in the state property of St. Petersburg or in the state property which is not differentiated.

MEETINGS, COOPERATION

St. Petersburg is developing cooperation with the Russian Post

On January 12, 2018, Governor Poltavchenko held a meeting with the General Director of the Russian Post N. Podguzov. The meeting was attended by the Vice-Governor K. Serov. As of the beginning of 2018, there are 275 offices and 41 issuing and receiving centers in the city. There is a steady increase in the load on the mail due to the increase in the population and the volume of trade through the Internet. During the meeting, the participants discussed projects of organizing public cultural space in the historic building of the main post office, modernizing the logistics hub and developing the company "Post technologies".

The official delegation of St. Petersburg visited Madrid with a short-term visit

On January 19, 2018 the delegation of St. Petersburg headed by Governor G. Poltavchenko visited Madrid. During the meeting, talks were held on St. Petersburg hosting the 23rd General Assembly of the United Nations World Tourism Organization (UNWTO) in 2019. This international organization is headquartered in Madrid. The members of the St. Petersburg delegation took part in the international tourist exhibition FITUR. The exhibition stand of St. Petersburg was dedicated to the World Cup 2018.

Saint Petersburg and Kaliningrad oblast are planning to jointly develop passenger navigation in the Baltic Sea

On January 24, 2018 at Smolny G. Poltavchenko met with the governor of the Kaliningrad region A. Alihanov. During the conversation the sides discussed prospects of development of cruise industry and creation of a new cruise ship company in the Baltic Sea basin. St. Petersburg annually hosts about half a million of cruise passengers. Passenger port of St. Petersburg is the only governmental specialized harbor of such profile in the North-West of Russia. Since its opening in 2008, the cruise passenger traffic in Saint Petersburg more than doubled. The implementation of the project of the new cruise company involves joining the Passenger seaport and the Sea vokzal. To organize year-round navigation, it is planned to purchase a modern passenger vessel of ice class.

Currently, in the town of Pionerskiy of Kaliningrad region to a new cargo and passenger terminal is under construction. After the start of work in 2020, it will become one of the points of the cruise route.

The delegation of St. Petersburg headed by the Governor took part in the Russian investment forum in Sochi

The forum was held on February 15-16, 2018. In the framework of the forum St. Petersburg delegation has signed a number of agreements. In particular, a concession agreement was concluded between St. Petersburg and Zenit arena LLC on transferring into its trust management of the football stadium on Krestovsky island for 49 years. The Governors of St. Petersburg and the Leningrad oblast (G. Poltavchenko and A. Drozdenko), as well as the Director of the Union "Autoprom North-West" M. Sviridov signed an agreement on the participation of the Leningrad oblast in the creation of an industrial cluster "Autoprom North-West". In the framework of the Sochi forum, the presentation of the prospects of governmental investment projects of St. Petersburg was held: the construction of the East high-speed diameter, reconstruction of the Imperial stables, the creation of ITMO high-park.

Saint Petersburg is strengthening its ties with Latvia

On February 20, 2018 in Smolny Governor G. Poltavchenko met with the Ambassador Extraordinary and Plenipotentiary of the Latvian Republic in Russia M. Riekstins. Numerous issues of development of bilateral relations between St. Petersburg and Latvia were discussed during the meeting. It was noted that trade and economic relations between Latvia and St. Petersburg are developing dynamically. At the end of 2017, trade turnover increased by 71% compared to 2016 and amounted to more than 490 million US dollars.

The Governor of St. Petersburg met with the President of the international non-profit association WorldSkills Europa

The meeting of G. Poltavchenko and Mrs. D. Traidas took place on February 21, 2018 in Smolny. WorldSkills Europa (WSE) is an international non-profit association, whose activities are aimed at improving the status and standards of vocational training and qualification, promotion of working professions through international competitions. During the meeting there was a presentation of the application of St. Petersburg for the right to host in 2022 the European Championship in professional skills EuroSkills. The final decision on the possibility of holding this event in St. Petersburg will be made based on consideration of the Russian application, an inspection visit, a decision

of the Board of Directors and its ratification by the WSE General Assembly.

Congress of municipal formations of St. Petersburg

The Congress took place on February 27, 2018 in cultural-leisure center "Moscow". The delegates summed up the results of development of local self-government in 2017 and outlined the objectives for 2018. The Congress was attended by the Governor of St. Petersburg Georgy Poltavchenko. The Congress was held in the year of the 20th anniversary of local self-government in St. Petersburg. In 2017, the revenue part of local budgets amounted to 13.3 bln rubles, which is 11% more than a year earlier. Expenditures of local budgets over the past year have increased by 12% and amounted to 12.8 bln rubles. The main direction of spending is beautification and communal works. In 2017, 6.8 bln rubles were allocated for this purpose.



2. EMPLOYMENT

In December 2017, large and medium sized enterprises employed 1477.9 thous. people (Table 1). Staff employees amounted to 94.8% of all the employed. Compared to the previous month the number of staff grew by 0.4%, the number of by-workers fell by 0.7%, and that of contracted workers grew by 5.6%.

In January – December 2017 the number of employees at these enterprises grew by 2.3% compared to the same period of 2016. The number of staff during the period grew by 2.2% that of by-workers fell by 0.7%, the number of contracted workers grew by 9.8%.

In December 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 46.2% of all employees of large and medium-sized enterprises of the City.

In Q4 2017 the number of economically active population (EAP) amounted to 3026.8 thous. persons, of them 2980.0 thous. employed and 46.8 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 St. Petersburg

	December 2017		January-December 2017 in % to January-December 2016
	'000 people	In % to November 2017	
Filled jobs total, including:	1477,9	100,4	102,3
Registered permanent employees	1401,3	100,3	102,2
External by-workers	36,4	99,3	99,3
Contracted labour	40,2	105,6	109,8

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

Industry	Total employment	
	'000 people	% of the total
Total, including:	1477,9	100,0
Manufacturing	210,4	14,2
Production and distribution of electric power, gas and water	48,8	3,3
Agriculture and forestry	5,6	0,4
Construction	57,3	3,9
Transportation and telecommunications	183,7	12,4
Finance	57,2	3,9
Real estate transactions, leasing and services	36,5	2,5
Wholesale and retail trade, repair of motor vehicles and home appliances	159,4	10,8
Hotels and restaurants	26,6	1,7
Public administration, security and social care	89,9	6,1
Education	235,5	15,9
Healthcare and social services	143,0	9,7
Culture, sports, entertainment	47,5	3,2
Science and technology	134,1	9,1
Administrative services	31,8	2,2
Other services	10,6	0,7

In December 2017, the demand of St. Petersburg enterprises for new workforce amounted to 37.9 thous. people (table 3).

In the end of January 2018, 35945 vacancies have been reported to the Employment service, 59.1% of them – workers' positions (<http://ktzn.gov.spb.ru/analiticheskaya-informaciya/>).

In January 2018 the greatest demand for employees was declared by the enterprises and organizations of such economic activities, as cargo transportation and storage – 17.9% of all reported vacancies; processing industries – 15%, construction – 18.4%.

In January this year, as in the same period of 2017, among the employees who fell into the top ten professions in demand, the most popular were doctors, engineers, managers, police officers. The deficit of managers was down, there was a shortage of craftsmen, inspectors, nurses. In January 2018, compared with the same period of the previous year, there was a shortage of car drivers, welders, cashier supervisors, fitters, bricklayers. Workers in the construction industry are

still in short supply: a concrete worker, a designer of reinforced concrete products, an installer for the installation of steel and reinforced concrete products (<http://ktzn.gov.spb.ru/analiticheskaya-informaciya/>).

In January 2018 24.8 thous. persons were registered at the Employment Service of St. Petersburg. It is 3.9% less than in January 2017 (table 4). In January 2018, 47.9% of those registered at the Employment Service were officially considered unemployed.

At the end of January 2018, the total number of those who turned to the State Employment Service of St. Petersburg amounted to 27739 people.

The number of registered unemployed at the end of January was 11919 persons, of them women – 52.2%; young people aged 16-29 years – 13.8%; persons with disabilities – 15% (at the end of January 2017 the number of unemployed amounted to 11916 persons) (<http://ktzn.gov.spb.ru/analiticheskaya-informaciya/>).

TABLE 3. St. Petersburg enterprises' demand for workforce, January 2016 – January 2018

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
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
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
July	45,1	0,5	100	100
August	45,2	0,5	100	100
November	41,4	0,6	120	120
December	37,9	0,6	100	100
January 2018	35,9	0,7	116,7	116,7

In January 2018, the status of unemployed was assigned to 1.4 thous. persons (138 people or 8.8% less than in January 2017). The number of the job-placements in January 2018 was by 32 people or by 6.6% more than in the same period of 2017, and amounted to 500 people.

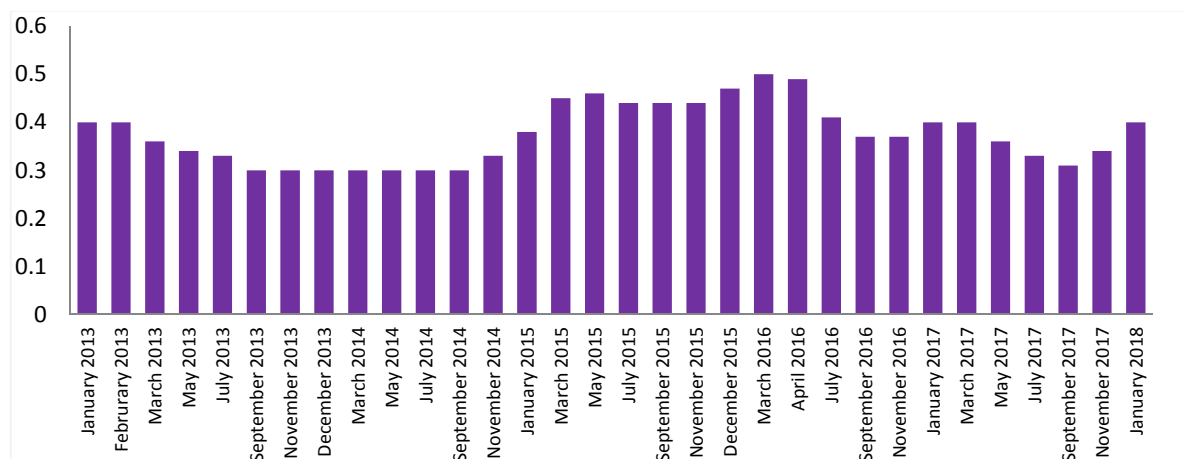
According to Rosstat, in Q4 2017, the unemployment rate (according to methodology of the International Labor Organization) amounted to 1.5% of the economically active population (EAP). Over the same period in 2016, it was 1.6%. St. Petersburg had one the lowest levels of unem-

ployment among the subjects of the Russian Federation (in the North-Western Federal district – 4.4%, Moscow - 1.3%, Russia – 5.1 %).

The level of registered unemployment (ratio of registered unemployed to the economically active population on average) at the end of January 2018 amounted to 0,40% of the economically active population (at the end of January 2017, the figure was 0,40%) (www.rspb.ru) (figure 1). This is the lowest figure among the regions of the North-western Federal district.

TABLE 4. Change in the number of officially registered unemployed people in St. Petersburg, 2016, 2017, January 2018

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
May	30,1	14,1	97	107
July	25,2	12,2	95	97
August	24,9	11,8	96	98
September	24,9	11,1	94	94
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
July	22,0	9,9	97	81
August	21,7	9,8	99	83
September	21,9	9,2	94	83
October	23,2	9,8	106	90
November	24,0	10,2	104	92
December	23,6	11,8	116,1	100,7
January 2018	24,8	11,9	100,7	100

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

3. PERSONAL INCOMES AND EXPENDITURES

PRICES

In 2017 consumer prices growth in St. Petersburg was equal to 3.7%. In the same period of 2016, it was 5.2%.

The growth of consumer prices in 2017 in St. Petersburg was 1.2% more than in Russia on average. In January 2018, consumer prices fell by 0.5% (Table 5).

In 2017, tariffs for paid individual services in St. Petersburg grew by 6.5%. For comparison: their growth in the same period of 2016 was 3.8%.

The rate of growth of tariffs for paid individual services in 2017 was 2.1% higher than Russia's average. Tariffs for paid services in January 2018 grew by 0.02%.

In 2017, prices of foodstuff grew faster than in Russia on average by 0.8% and those of non-foodstuff goods – by 0.4%. The growth was correspondingly – 1.9% and 3.2%. In January 2018, prices of foodstuff grew by 1.2% and those of non-food goods - by 0.2%.

In 2017 prices grew for milk and dairy products (+6.5%), bread and bakery products (+5.6%), alcohol (+4.9%), fish (+4.3%), sausage

(+2.8%), oil and fats (+2.6%), cheese (+2.3%), confectionary (+1.2%), fruits and vegetables +0.8%).

Prices fell for cereals and beans (-11.5%), meat and poultry (-3.2%).

Among non-food items in 2017 in St. Petersburg, prices grew for tobacco products (+12.0%), kitchenware (+6.9%), construction materials (+6%), footwear (+5.3%), haberdashery (+4.4%), clothing (+3.9%), textiles, perfumery and beauty products (+3.7%), furniture (+2.2%), cleaning and maintenance products (+1.6%).

In December 2017 fees for maintenance and repair of housing, operating costs, cold water supply and sewerage, hot water, gas and electricity have not changed.

In 2017, St. Petersburg process increased by 18.9% for passenger transport services, by 6.4% for physical culture and sports, by 5.1% for sightseeing services, by 3.6% for communications, by 3.2% for cultural events, by 3.1% for paid education, and by 3.0% for sanatorium and health-improving services.

In 2017, gasoline price increased by 6.7%, diesel fuel price – by 9.1%. In December 2017, gasoline price increased by 1.2%, diesel fuel price- by 1.7%. In January 2018, gasoline price increased by 0.1%, diesel fuel - by 1.4%.

TABLE 5. Consumer price index dynamics in 2016, 2017, January 2018, % to the previous month

	St. Petersburg				Russian Federation			
	<i>CPI</i>	<i>Including:</i>			<i>CPI</i>	<i>Including:</i>		
		<i>Food-stuff</i>	<i>Non-food goods</i>	<i>Personal services</i>		<i>Food-stuff</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
August	99,5	98,2	100,1	100,3	99,5	98,2	100,1	100,4
September	99,9	99,4	100,2	100,1	99,9	99,3	100,3	100,1
October	100,2	100,4	100,5	99,5	100,2	100,4	100,3	99,8
November	100,2	100,3	100,3	100,0	100,2	100,2	100,3	100,1
December	100,3	100,5	100,1	100,2	100,4	100,6	100,3	100,3
December 2017 in % to December 2016	103,7	101,9	103,2	106,5	102,5	101,1	102,8	104,4
December 2016 in % to December 2015	105,2	105,4	106,1	103,8	105,4	104,6	106,5	104,9
January 2018	100,5	101,2	100,2	100,02	100,3	100,5	100,3	100,1

TABLE 6. Salary arrears in St. Petersburg in 2017, January-February 2018 (on the 1st of each month), mln. rubles

	January 2017	February	March	April	July	August	September	October	November	December	January 2018	February
Total arrears	99,6	116,0	127,0	81,9	116,3	246,7	210,1	168,5	208,8	271,7	189,2	236,9
Including arrears due to the lack of budget financing	14,1	13,2	13,5	14,8	8,9	4,6	5,1	19,1	12,1	10,4	0,0	0,0

TABLE 7. Real monetary incomes and real salary in St. Petersburg and the Russian Federation in 2016, 2017, %

	<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 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
July	92,9	104,2	94,7	98,6	92,1	103,1	96,3	98,4
August	96,7	105,0	88,2	99,7	98,1	102,4	100,9	99,7
September	102,2	106,0	109,4	99,6	102,8	104,3	100,4	99,6
October	102,2	106,3	96,2	94,2	100,6	105,4	99,4	98,3
November	100,7	106,4	108,1	103,5	101,1	105,8	99,9	99,9
December	132,8	106,0	160	93,4	131,2	106,2	146,8	98,6

PERSONAL INCOMES AND EXPENDITURES

Real incomes in St. Petersburg in 2017 fell by 3.4%, in Russia – by 1.7%. The real salary in St. Petersburg in 2017 grew by 6%, in Russia on average –by 3.5% (table 7).

The average monthly nominal salary in St. Petersburg in December 2017 amounted to 72342 rubles, in Russia on average – 51197 rubles, 29.2% less.

Salary arrears on February 1, 2018 amounted to 236.9 mln. rubles. Processing industries were responsible for 47.8% of the total, construction industry – for 39.9%, transportation – for 12.3%.

In December 2017, the share of savings in deposits grew to 20.4% and the share of foreign currency purchase fell to 6.2% (table 8).

DIFFERENTIATION OF INCOMES AND SALARIES IN ST. PETERSBURG

In December 2017, the level of inter-industry salary differentiation grew compared to October 2017 (Picture 2). The gap between the highest salary (mining) and the lowest salary (hotels and restaurants) was during this month equal to 13.8 times compared to 7.1 times in October, 8.1 times in June, 7.8 times in April 2017.

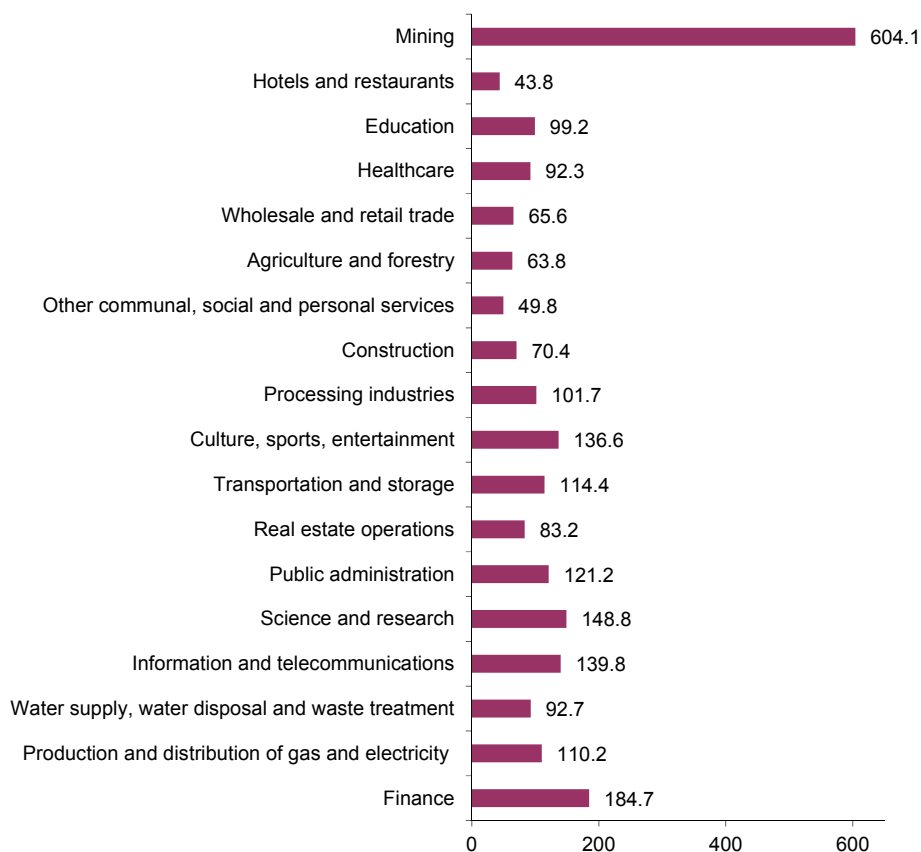
The highest salaries in December 2017 were paid in mining (the salary in this sector was 6 times higher than the average for St. Petersburg).

In December 2017 the average for the City was significantly exceeded by the salary in the financial sector (by 84.7%), in information and telecommunication sector (by 39.8%), in R&D sector (by 48.8%).

The lowest salary was paid in the provision of other services (49.8% of the average), at hotels and restaurants (43.8% of the average).

TABLE 8. Personal expenditures of St. Petersburg's residents in 2016, 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
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
June	69,5	15,6	14,8	8,1	- 7,6
July	74,7	21,4	3,2	9,1	-9,0
August	81,6	15,4	3,5	11,1	- 12,2
September	81,0	13,2	5,8	9,2	- 9,6
October	84,2	15,7	1,8	9,0	- 11,1
November	76,7	14,9	9,5	7,9	- 8,1
December	57,8	15,9	20,4	6,2	- 2,0

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

4. INDUSTRY

The index of industrial production in St. Petersburg in January-December, 2017 in comparison with January-December 2016 amounted to 105.5%. The index of industrial production in January 2018 in comparison with January 2017 amounted to 101.6%.

In 2017, Hyundai, Nissan and Toyota car plants in St. Petersburg produced 346800 passenger cars, which is 24% more than in 2016, IA REGNUM reports with reference to Auto-Dealer-SPb. The growth of production of cars occurred for the first time since 2013. In December 2017, 31 100 cars were produced, 23% more than in December 2016 (regnum.ru 30.01.2018).

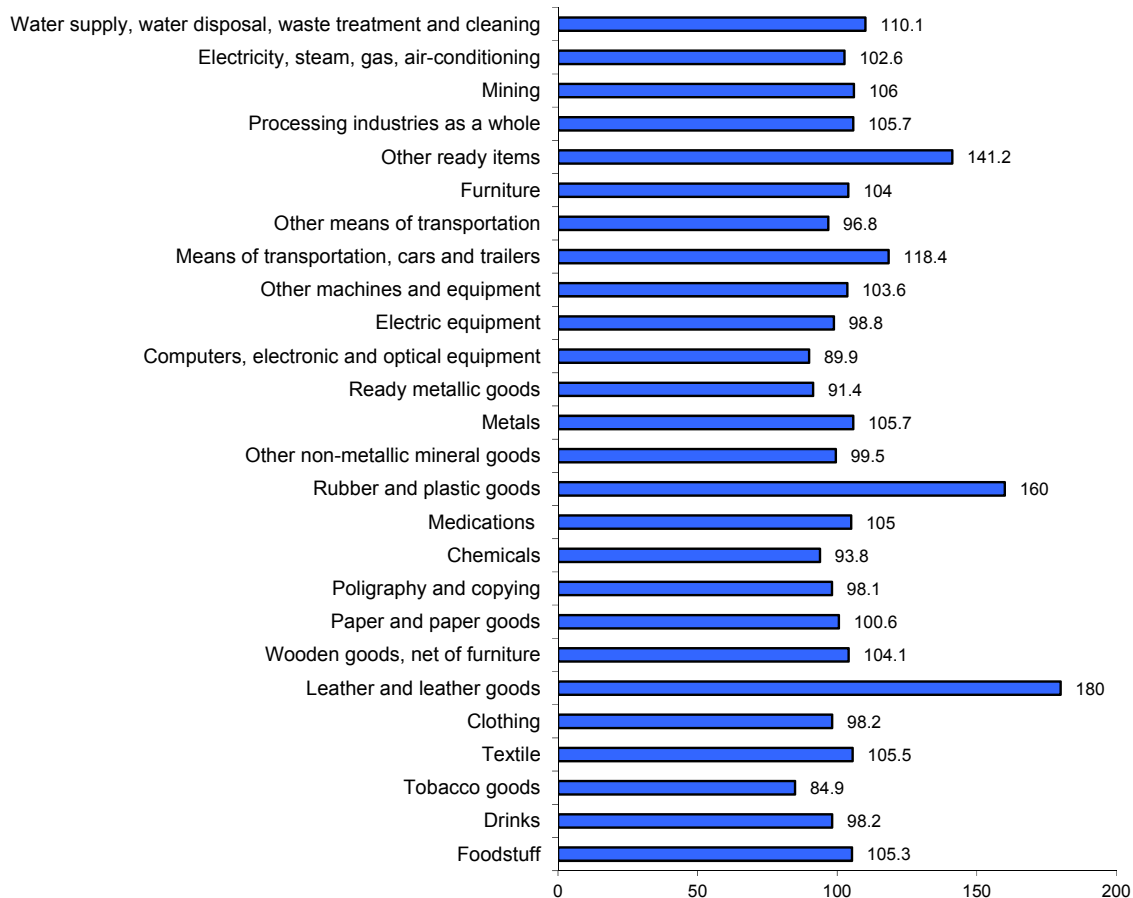
In January 2018, Hyundai, Nissan and Toyota plants in St. Petersburg increased the production of passenger cars by 12% compared to the same period of the previous year. January this

year proved to be the most successful in the last four years - St. Petersburg plants produced 28 300 cars, exceeding by 12% the figures for January 2017 (riafan.ru 20.02.2018).

"Petersburg tractor plant" in 2017 supplied to internal and external markets more than 2,000 tractors "Kirovets" and spare parts for a total of 12.7 bln rubles, which is one of the best indicators for the last 25 years. Most of the machines sold are designed for agricultural purposes (www.dairynews.ru 24.01.2018).

At the Sredne-Nevisky shipyard (part of USC), work is underway on the re-design of the slip — a multifunctional descent and lifting complex. After the reconstruction, the launching facility will allow to complete the ship lifting operations of ships and ships weighing up to 2700 tons, up to 100 meters in length and up to 4.5 meters in draft. The completion of reconstruction of facilities scheduled for March 2018 (www.korabel.ru 30.01.2018).

PICTURE 3. Industrial production dynamics in St. Petersburg by industry, January-December 2017 in % to January-December 2016



5. FINANCE

CITY BUDGET

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

According to the data of the Federal tax service of Russia in St. Petersburg in January 2018 the revenues from taxes, fees and other obligatory payments amounted to 63.3 bln rubles, which in nominal terms is 64.4% of the amount for the corresponding period last year. In January 2018, compared with the previous month revenues to the budget system decreased by 40.2%.

In January-November 2017 the consolidated financial result (profit minus loss) of organizations (excluding banks, insurance companies and budget organizations, without small businesses) amounted to 684.6 bln rubles, which is 3.8% less than in the corresponding period last year. In January-November 2017 the number of unprofitable enterprises in comparison with the same period of 2016 grew by 89 units or by 18.2%, the amount of the loss grew 1.7 times.

STATE DEBT

The information about the structure of the state debt as of March 1, 2018, is presented in the tables 10 and 11.

6. CITY AFFAIRS

BEAUTIFICATION, RESTORATION, REPAIRS

The restoration of the facades of the Mikhailovsky theatre was completed in February 2018. In the course of the work, 5.4 thousand sq. m. of the roof were reconstructed, as well as stucco and plaster decoration on the facade of the theater. In addition, cornices, mascarons and other decorative elements on the side of the Arts Square were restored, Windows with historical parting, marble window sills and fittings were recreated, works have also been carried out in the yard. The total cost of works that lasted more than a year and a half amounted to 326.6 million rubles. (Interfax materials).

GKU "Center for complex beautification" has signed a contract with OOO "Profil" on the implementation of works on beautification of a park in Kupchino, between Sofiyskaya ul., ul. Dimitrova, and the Bucharestskaya ul. The area of the new recreation area is 46.6 hectares. Under the contract, it is planned to carry out works on landscaping, the creation of the park infrastructure, as well as the installation of a skate-park. The total cost of the works is 500 million rubles. (Materials of Delovoy Peterburg)

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

	Revenues	Expenditures	Surplus
<i>January - October</i>	437797	419028	18769
<i>January - November</i>	475182	468670	6512

Source: Petrostat

Table 10. St. Petersburg's state debt structure on 01.03.2018

	mln rubles	share, %
State domestic debt of St. Petersburg, including:	34 842,8	100,0
Bonds	30 100,0	86,4
Credits	4 742,8	13,6
State external debt of St. Petersburg	0,0	0,0
Total	34 842,8	100,0

Source: St. Petersburg Committee of Finance

Table 11. Debt service expenditures of the budget of St. Petersburg, as of March 1, 2018 (mln rubles)

Item	Plan 2018
Domestic debt service costs	3 658,8
Total	3 658,8

Source: St. Petersburg Committee of Finance

The Administration of St. Petersburg will perform restoration work at the Kushelev-Bezborodko Palace on Gagarinskaya ul. where the European University was previously located. In 2016, the City Property Management Committee terminated the long-term lease agreement with the University. In the future, the building is planned to be used to house the Academy of digital technologies. Terms of completion of restoration works-2019-2022 (TASS materials).

TRANSPORTATION, ENERGY, WATER SUPPLY

In January 2018, transport organizations of St. Petersburg transported 0,42 million tons of cargo and 46.6 million passengers, which exceeds the figures for the same period 2017 (19.2% and 10.2%, respectively). At the same time, freight turnover amounted to 144 million ton-km (13.4% more than in the same period of 2017), and passenger turnover – 265 million pass-km (9.4% more than in January 2017). The number of road accidents decreased slightly compared to the same period of 2017 in January 2017. recorded 471 accidents (2.9% less than in January 2017), which killed 24 people. At the same time, the number of accidents involving children under 16 years of age decreased by 15.7% to 43 (According to Petrostat).

Passenger traffic of "Pulkovo" airport in January of 2018, totaled more than 1 million people, which is 10% higher than the similar figure for January 2017 and the number of passengers on domestic flights increased by 6% and on international - by 18%. It is expected that the passenger traffic of the airport in 2018 will be about 18 million people, which is much higher than in previous years. The main factor in this increase is the holding of the World Cup, during which it is planned to take additional charter flights. (On materials of RIA Novosti)

GUP "Vodokanal of St. Petersburg" in February 2018, opened credit line in Sberbank for 1.89 bln rubles for the refinancing of previously obtained loans in the European bank for reconstruction and development. The line of credit is calculated till 2024. Vodokanal will pay 596 million rubles of interest payments at the rate of 8.9% per annum. The investment program of the enterprise for the next few years includes the reconstruction of the aeration plant and sludge treatment complex With the construction of two combustion lines at the Central aeration station, as well as the construction of the second line of the collector-understudy of the main tunnel sewer number of the Northern part of the City (Materials of Delovoy Peterburg).

MAJOR CITY PROJECTS

A tender for the construction of an Aeroexpress from Vitebsky station to the airport "Pulkovo" will be announced in April 2018. Currently, St. Petersburg Administration is finalizing

tender documentation. The launch of the Aeroexpress is planned for 2022; according to preliminary estimates, the cost of the project will be more than 24 bln rubles (Materials of "Kommersant").

In February 2018 the stadium on Krestovskiy Island has been transferred to the football club "Zenit". The concession agreement provides for the obligation of the city to transfer the stadium property to the concessionaire for 49 years. During the operation, the club will carry out technical maintenance and modernization of the facility, assuming all operating costs. In order to improve the performance and operational capabilities of the stadium, the concessionaire will invest at least 500 million rubles by 2023. The primary tasks to be solved by the concessionaire include the establishment of catering places, the modernization of engineering systems of the football field, the purchase of equipment for the maintenance of the facility. In addition, FC "Zenit" should ensure the holding in St. Petersburg matches of the World Cup 2018 (Materials of TASS and the Investment Committee of St. Petersburg)



7. REAL ESTATE

HOUSING

According to preliminary estimates, the volume of housing commissioning in Russia in 2017 fell by 2% compared to the previous year (78.6 million sq. m. and 80.2 million sq. m., respectively). At the same time, as Mikhail Men said at the meeting on housing policy, half of the housing built is economy class apartments, or "standard" housing.

By the end of 2017 Leningrad oblast demonstrated the best change in the volume of housing construction; according to Rosstat, the volume of construction in the region grew by 20.7%. However, the leader in terms of the volume of housing construction is Moscow oblast, although the volume relative to 2016 fell by 1.3%. It is followed by Krasnodar krai and St. Petersburg.

The targeted investment program of St. Petersburg in terms of construction in the first half of the year was executed for 15.9%, in the first three quarters – for 34.4%.

At the end of October, Vice-Governor Albin threatened with "personnel decisions" to the officials of the Committee for the low performance of the targeted program, later he ordered all the facilities of the engineering and transport infrastructure to be transferred to the relevant committees. In addition, in November the Chairman of Committee Sergey Morozov left the post at own will. (Materials Restate.ru)

KGIOP of St. Petersburg has formed a preliminary list of 262 houses-objects of cultural heritage and newly identified objects, the facades of which will be restored at the expense of the

budget. A bill is ready amending the subprogram "Heritage" of the State program of St. Petersburg "Development of culture in St. Petersburg", reports the press service of the Smolny.

Now the program includes residential houses. For the restoration of facades in the period from 2018 to 2024, it is planned to spend 17.384 bln rubles, including for the design - more than 800 million rubles.

In total in St. Petersburg, about 2 thousand houses have protected status. Only buildings with facades in poor condition were included in the program.

REAL ESTATE MARKET

The volume of investment in real estate in St. Petersburg in 2017 increased almost 1.5 times compared to 2016 - up to 86 bln rubles, according to analysts of NAI Becar. According to the calculations of the City government, the annual growth of GRP was 2.6%, which is 1.5 times higher than in 2016 and exceeds the forecast figures for Russia (according to various estimates 1.8-2.0%).

Half of the investments were in land, half - in commercial real estate. About 41% in the structure of investments into commercial objects is into offices.

HOUSING CO-INVESTORS

Back in 2017, the President of Russia instructed to improve, among other things, the criteria housing co-investors recognition as deceived / victims by December 1. In late November, the Ministry of construction of the Russian Federation has initiated public discussion of the amendment to the current order no 560 of August 12, 2016. The criteria were expanded due to these amendments.

Four significant changes are made. First, the registry will include deceived real estate investors, the transfer of apartments to whom has been delayed for six months. Now this term is nine months.

Secondly, the co-investors will be deemed to be deceived if the bankruptcy procedure is introduced in respect of the developer – at any stage.

In addition, the facility will be recognized as problematic, and the investors will be recognized as victims, if the developer has violated the project documents. Now such violation is not a reason to consider the subject a problematic one.

The Ministry of construction of the Russian Federation by its order "On amendments to the criteria for the classification of citizens whose funds are involved for the construction of multi-apartment buildings and whose rights are violated, as the affected citizens " from 24.01.2018 №37/PR has introduces additional criteria for determining deceived co-investors.

LEGISLATION, REGULATION

The Federation Council has approved of the law prepared by the Ministry of construction of the Russian Federation, replacing public hearings on urban projects with discussions in the internet at the sites of multifunctional centers and internet portals. Any suggestions and comments will be registered, recorded in the final conclusion and placed in public information resources, as well as in the book of visitors.

Deputies of the Legislative Assembly of St. Petersburg in October, after the adoption of the bill by the State Duma in the first reading, objected against the public hearings on the internet. As the deputy M. Amosov noted "In our society there is a big problem: we do not know how to talk to each other on important issues. Now it will be either the Internet or the street. The Federal legislator proposes to abolish the only platform that works well. This is a disgrace». Earlier, the practice of public discussions involved audio recording of the event and a protocol, where opinions were indicated. Now public hearings are held on the draft master plans and laws of land use and development of municipal formations, draft documentation on the planning of territories, on the granting of permission for the conditionally resolved type of use of land or the object of capital construction, on the reduction of the limit parameters of construction, reconstruction of objects of capital construction. (Materials of Restate.ru)

From July 1, 2018, KIO of St. Petersburg increases the rent for the city-owned land and non-residential facilities, the press service of the Committee reports. The Committee emphasizes that rental rates have not changed for three years, so even after the increase, they will remain below market rates.

The base rate remains unchanged - the increase is due to inflation and, accordingly, will be 4%. The annual rate of real estate market dynamics and the index of annual change in the size of the rental rate for non-residential premises will be increased.

From July 1 to the end of the current year, the annual market dynamics coefficient will be 1.24-until this time it is 1.2; the rent index will grow to 1.04 – now it is 1.

In 2017, 23.4 thousand land plots with a total area of 132 million sq. m. and 7.5 thousand objects of non-residential premises with a total area of 1.5 million sq. m. have been leased out.

8. INVESTMENT PROJECTS

According to Petrostat, the volume of investments in fixed assets of the City's economic organizations in January-September 2017 amounted to 384.6 bln rubles (95.9% compared to the same period last year).

The largest volume of investments were directed to buildings (other than residential), construction and land improvement, vehicles, equipment, machinery and inventory (see table 12)

As the table 13 indicates the internal financing accounts for almost 60% of fixed capital investment. A significant percentage of private funds consists of bank loans - 6.5%, budget financing from the federal subjects - 14.4%, money of organizations and the population for shared construction - 8.3%. By types of activity it is possible to note 2,7 times increase to 89,3 bln rubles of the volume of investments in real estate of St. Petersburg in comparison with the similar period of 2016.

Chinese company "SBI" plans to build in a Congress and exhibition Center "Friendship» in Krasnoselskiy district

The draft plan of the territory was agreed upon in the beginning of 2016. According to it about 500 thousand sq. m. will be devoted to exhibition space. It is also planned to build two 25-storey towers, which will house business centers and a hotel. Among other functions of the object – trade, catering, sports facilities, etc. The planned completion date is 2026. The announced volume of investments is 35.6 bln rubles.

In St. Petersburg, it is planned to build a business center of unusual design

"The first basis" managing company will build a business center for factories of new format, which will include three buildings in Primorskiy district of St. Petersburg. Each building will consist of six blocks. A distinctive feature of the project is the possibility of adding a second floor at the request of the customer due to the rapid construction of the inter-storey partition. These building are mainly for enterprises of wood-metal-working profile, as well as companies working in the field of food industry, chemistry, pharmaceuticals and construction materials

Table 12. Investments by type

	Bln rubles	% of the total
Investments into fixed capital, including:	384,6	100
Housing	94,7	24,6
Non-residential premises, structures and land improvement	157,7	41,0
Vehicles, equipment, machinery and inventory	121,6	31,6
Intellectual property	7,2	1,9
Others	3,4	0,9

Table 13. The structure of investments into fixed capital and non-produced non-financial assets (without small enterprises) by the source of financing in January – September 2017

	Amount	% of the total
Total	300458	100
Including, by the source of financing:		
<i>Internal / own financing</i>	179150	59,6
<i>External financing, including:</i>	121308	40,4
<i>Bank loans</i>	19617	6,5
<i>Other organization's loans</i>	1728	0,6
<i>Foreign investment</i>	2715	0,9
<i>Budget financing, including:</i>	57633	19,2
<i>Federal budget</i>	14155	4,7
<i>Budgets of federal subjects</i>	43300	14,4
<i>Local budgets</i>	178	0,1
<i>Extrabudgetary funds</i>	192	0,1
<i>Shared construction financing by organizations and individuals, including:</i>	24936	8,3
<i>Individuals' financing</i>	11726	3,9
<i>Others</i>	14487	4,8

RBI group will be engaged in the reconstruction of the building of the legendary Levashovskiy bakery

In 2012 Levashovskiy bakery was recognized as an object of cultural heritage of regional significance. The company plans to invest about 1 bln rubles in the reconstruction of the building. About 90 million rubles of these funds will be directed to the organization of cultural space with exhibition facilities, lecture halls and street light installations. On a plot of land near the plant, the developer will build 20 thousand sq. m. of housing, investing in this construction 2.5-3 bln rubles. All facilities are planned to open by 2022. According to the project, the reconstructed building of the plant will be divided into several zones: assembly hall, exhibition space, space for workshops, bakery, bookstore. A part of the public space will house an exposition dedicated to the Siege of Leningrad.

The Russian post intends to implement a program of modernization of logistics infrastructure and postal network in St. Petersburg

The company plans to renovate 40 offices throughout the year. In addition to modernizing post offices, it is planned to create a modern logistics hub. The company has already invested 5 million euros in the acquisition of a new sorting line for the processing of international mail coming to Russia through St. Petersburg, mainly from Finland, Baltic states and other countries. The line was opened in Sofiyskaya ul. It can handle 220 thousand shipments per day. It is planned to increase its capacity to 500 thousand postal items per day.



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/>