

GENERAL OVERVIEW OF SOCIO-ECONOMIC SITUATION IN ST. PETERSBURG

March – April 2019 № 158



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In compiling this review, the report data of St. Petersburg Statistic Committee for 2007-2019 on the Socio-Economic Situation in St. Petersburg and the Leningrad Oblast was used.

1. CITY MANAGEMENT

APPOINTMENTS, GOVERNMENT COUNCILS

The head of Vodokanal of St. Petersburg was replaced

The General Director of "Vodokanal of St. Petersburg" E. Tselikov was dismissed on March 18, 2019. The reason for the dismissal was the results of the audit of the enterprise by the Chamber of control and accounts of St. Petersburg. E. Tselikov worked in Vodokanal since 1995. He was appointed the head of the enterprise in the beginning of October 2016, succeeding F. Karmazinov, who headed the company for nearly 30 years. Previously, he held the position of deputy general director. "Vodokanal of St. Petersburg" is one of the largest and strategically important enterprises of the city, responsible for water supply and sanitation, city fountains, public toilets and stationary snow melting points. The company employs more than 8.2 thousand people; the level of wastewater treatment is 98.6%, the costs and losses during transportation of water amount to 9.8% (according to 2018). After the resignation of E. Tselikov, A. Danilov became the acting director general of "Vodokanal of St. Petersburg".

The head of the Press and Media Relations Committee was replaced

On March 20, 2019, based on the order of the acting Governor of St. Petersburg, the chairman of the Committee on press and media relations S. Serezleev, who had been working in this position since January 2015, was dismissed. The reason for S. Serezleev's dismissal was the results of the audit of the Committee by the Chamber of control and accounts of St. Petersburg. The new Chairman of the Committee from March 21, 2019 is V. Ryabovol, who worked as an adviser to the Governor of St. Petersburg. The new Chairman of the Committee on press and media relations has worked almost all his career in the field of advertising business, was the head of the company Outdoor media management, and from 2016 to 2017 he held the post of President of the National Association of Visual Communications.

The Chairman of the Housing Committee was replaced

The dismissal of the Chairman of the Housing Committee V. Shiyan took place on March 25, 2019 based on the decision of the acting Governor of St. Petersburg A. Beglov. The main reasons for this decision were numerous violations of cleaning of the City territories from snow and unsatisfactory capital repairs of facades of buildings in the historical part of the city. V. Shiyan headed the Housing Committee since November 2011. After the dis-

missal of V. Shiyan, V. Osipov was appointed acting Chairman of the Housing Committee.

The Acting Governor of St. Petersburg took part in the meeting of the Government Commission for the prevention and elimination of emergencies and for fire safety

The Commission meeting was held on March 1, 2019 in the form of a videoconference chaired by the head of EMERCOM of Russia E. Zinichev. The participants of the meeting discussed the protection of the population and territories from natural and man-made emergencies, and measures to prevent accidents that may be associated with spring floods. As for the St. Petersburg problem, it was reported that the main condition for the trouble-free passage of the spring flood period in the city is the proper condition of hydraulic engineering co-weapons. There are 112 such structures on the territory of the city. To prevent possible negative consequences of the flood, the Main Department of EMERCOM of Russia in St. Petersburg plans to involve up to 15 thousand specialists and about 2.5 thousand units of equipment.

Acting Governor of St. Petersburg and the representative of the Federation Council of the Federal Assembly of Russia discussed the law on the prohibition of hostels in residential buildings

On March 12, 2019, the acting Governor A. Beglov met with Chairman of the Federation Council, representative of the Government of St. Petersburg in the Federation Council V. Matvienko. During the conversation, the problems related to the adoption of the Federal law on March 6, 2019, establishing a ban on the placement of hostels and hotels in residential buildings and the use of residential premises for the provision of hotel services were discussed. A. Beglov asked V. Matvienko, when considering the law in the Federation Council, to postpone the time of its entry into force. The Chairman of the Federation Council promised to take into account the opinion of the leadership and representatives of the tourism industry of the Northern capital.

A meeting of the Organizing Committee for the preparation and holding of the final tournament of the European Football Championship in 2020 was held

The meeting was held on March 12, 2019 in Smolny under the chairmanship of the acting Governor of St. Petersburg A. Beglov. The Deputy Minister of sports of Russia P. Novikov, representatives of the city committees and organizations also took part in his work. The European Football Championship will be held from June 12 to July 12, 2020 in 12 European cities. In St. Petersburg, there will be four matches, including the quarterfinal. It was noted at the meeting that the main attention should be paid to organizational issues:

adaptation of the temporary infrastructure adjacent to the stadium to the requirements of UEFA, preparation of the legal framework, introduction of the Fan ID system, organization of free travel for fans, recruitment of volunteers.

To improve the efficiency of the implementation of state programs of St. Petersburg, a working group was formed

The working group was established based on the decree of the Government of St. Petersburg dated March 22, 2019 № 167. The same resolution approved the regulation on the working group. The co-chairs of the working group are Vice-governors E. Elin and V. Knyaginina. The newly created structure is based on the analysis of the state programs of St. Petersburg, the preparation of proposals to change the composition and values of the target indicators, the adjustment of measures, the improvement of the activities of the Executive bodies of state power of St. Petersburg.

A meeting of the Council on digital economy development under the Council of Federation of the Federal Assembly of the Russian Federation was held in St. Petersburg

The meeting was held on March 26, 2019 at ITMO University under the chairmanship of Deputy Chairman of the Federation Council A. Turchak. The theme of the meeting: "Human capital as the main asset of digital economy". The meeting considered proposals for the creation of a system for assessing the level of development of digital technologies in the regions and the formation of a regional rating of digital development.

Prime Minister of Russia Dmitry Medvedev met with the acting Governor of St. Petersburg A. Beglov

The meeting was held on March 27, 2019 in Moscow. The parties discussed topical issues of St. Petersburg development. In the center of attention was the request for financial assistance to St. Petersburg from the Federal budget for social activities. To improve the network of social infrastructure facilities, the city plans to purchase 17 kindergartens, 4 schools, 15 offices of general practitioners and polyclinics from developers. In addition, it is necessary to eliminate the deficit of providing the residents of the city with vital and essential medications.

A regular meeting of the Council for the preservation of cultural heritage under the Government of St. Petersburg was held

The meeting was held on March 28, 2019 under the chairmanship of the acting Governor A. Beglov. The meeting considered the materials of the first stage of the Concept of preservation of monuments of architecture, prepared by the Architectural Bureau "Studio 44". The meeting participants considered the possibility of amending the legislation, promoting the program "Monument rent

for 1 Euro per 1 sq. meter". In the materials under consideration, it is noted that there are 271 objects on the territory of St. Petersburg that are monuments of wooden architecture, 109 of them are privately owned, 67 are attached to the city, 54 are in the Federal property, 4 more are in the mixed form of property. For 37 objects, the form of property has not been established.

Council for strategic development and projects of St. Petersburg was established

The first meeting of the Council was held on April 2, 2019 in Smolny under the chairmanship of the acting Governor A. Beglov. The work of the Council will focus on three important areas: expert support for the decisions taken, monitoring the implementation of projects and developing recommendations for the executive authorities. For each project, a project committee will be organized, which will include representatives of business circles, science, culture, social sphere and public organizations. In the near future, the project committees will assess the proposals of citizens on the projects "My budget" and "My district". The establishment and work of the Council will make a great contribution to enhancing the openness of the city authorities.

A working group on the development of Kronstadt was formed

The working group was formed in accordance with the decree of the Government of St. Petersburg dated April 4, 2019 № 198. Its activities will be led by acting Governor of St. Petersburg A. Beglov. Vice-Governor of St. Petersburg E. Batanov and Deputy Minister of defense of Russia T. Ivanov (by agreement) are appointed as deputies.

Russian President Vladimir Putin met with acting Governor of St. Petersburg Alexander Beglov

The meeting was held on April 10, 2019 in St. Petersburg. The parties discussed the allocation of 10.6 bln rubles from the Federal budget to the city for the purchase of kindergartens, schools and medical institutions from developers to provide for the population living in new buildings. The pace of housing construction is ahead of the introduction of social infrastructure. In 2018, 3.9 mln square meters of housing were built in the city, this year it is planned to put into operation 3.4 mln square meters of housing. The leadership of St. Petersburg took the initiative of charging tourist tax from foreign guests. The fee should be 100 rubles per day per tourist. As a result, the city will be able to get to the revenue part of the budget of over 1 bln rubles. The money will be spent on the reconstruction of the historical center and the development of tourist service.

LEGISLATION

Stricter penalties for damage and destruction of green plantings in St.-Petersburg

Based on the Law of St. Petersburg of March 7, 2019 № 100-17, the Law of St. Petersburg of May 12, 2010 № 273-70 "On administrative offenses in St. Petersburg" has been amended. Carrying out works related to the damage and (or) destruction of green spaces, without the installation of an appropriate information shield, entails the imposition of an administrative fine on officials - from 20 thousand to 50 thousand rubles; for legal entities - from 100 thousand to 500 thousand rubles.

In St. Petersburg, the minimum subsistence level for the IV quarter of 2018 is set

Based on the resolution of the Government of St. Petersburg dated March 7, 2019 № 120 the subsistence minimum for different categories of the population of St. Petersburg for the IV quarter of last year was established. The subsistence minimum was: on average per inhabitant – 11 055 rubles (in the IV quarter of 2018 – 10 791.6 rubles.), for the working population – 12 118 rubles. (11 868.7 rubles.), for pensioners – 8 981 rubles. (8 612.2 rubles.), for children – 10 783 rubles. (10 403.2 rubles.). The minimum subsistence level in the fourth quarter of 2018 is indicated in brackets. The size of the subsistence minimum is an important indicator for the adoption of decisions on the provision of social support (child benefits, pension supplements, etc.).

The Law of St. Petersburg on the reservation of jobs for citizens having trouble in finding a job has been adopted

The law of St. Petersburg dated March 12, 2019 No. 104-21 defined the legal basis for the reservation of jobs for persons who have difficulties in finding a job. The law establishes that an enterprise with an average registered number of employees exceeding 100 is obliged to reserve two jobs for the employment of citizens having trouble in finding work. Employers are required to adopt legal regulations containing information about such jobs and to provide information about them to the public institutions of the employment service. An authorized executive body of the state power of St. Petersburg shall establish the form and timing of such information.

A Plan of measures to promote competition in St. Petersburg for 2019-2021 has been approved

An action plan ("road map") was approved by the order of the Government of St. Petersburg dated March 22, 2019 № 8-RP. The action plan was prepared in order to implement the decree of the President of Russia dated December 21, 2017 № 618 "On the main directions of the state policy for the development of competition" on the basis of the order of the Government of Russia dated September 5, 2015 № 1738-R and the order of the Government of St. Petersburg dated November 6, 2018 № 46-RP "On approval of the list of key indi-

cators of competition development in industries (spheres) of St. Petersburg economy". The action plan aims at achieving the targets for the development of competition in the 41st sector of the economy of St. Petersburg.

The rules of granting budget loans to municipal entities of St. Petersburg are defined

Rules of granting (use, return) in 2019 of the budget credits provided from the budget of St. Petersburg to budgets of intracity municipal formations are approved by the post of the Government of St. Petersburg of March 25, 2019 No. 174. The rules determine that budget loans from the budget of St. Petersburg are provided to cover temporary cash gaps arising in the performance of local budgets.

The Law of St. Petersburg on urban development has been amended

The amendments were made based on the Law of St. Petersburg dated April 4, 2019 № 147-33. Now among the powers of the Government of St. Petersburg is the decision on the demolition of unauthorized construction or the decision on the demolition of unauthorized construction or its commissioning in accordance with the limit parameters of permitted construction, reconstruction of capital construction projects established by the current legislation.

The Law of St. Petersburg, authorizing the expenditure of maternal (family) capital in St. Petersburg for the construction of a garden house

This option is provided on the basis of the Law of St. Petersburg dated April 11, 2019 No. 175-38 "On amendments to some laws of St. Petersburg in order to ensure that the expenditure of means of the parent (the family capital) for the construction of the garden house".

MEETINGS, COOPERATION

Acting Governor of St. Petersburg held a meeting with the deputies of the Legislative Assembly

The meeting was held on March 10, 2019 in an informal atmosphere during the celebration of Maslenitsa in Kirov Central Park. Among the participants of the meeting were 3 members of the faction "Party of growth" O. Dmitriyeva, S., Rahmanina and M. Reznik, 2 members of the faction "Fair Russia": A. Egorov, N. Tikhonov and one representative from the faction "Yabloko" (B. Vishnevskiy) and the "United Russia" (A. Anokhin).

Acting Governor of St. Petersburg held a meeting with experts of the mission of the Center peace heritage UNESCO

The meeting was held on March 20, 2019. The mission of the world heritage Centre UNESCO George. Tabet and A. Sidorenko arrived in St. Petersburg to assess the General condition and safety

of the world heritage site "Historical center of St. Petersburg and related groups of monuments". During the conversation, the issues of preservation of the historic center of the city and cooperation between UNESCO and the authorities of St. Petersburg were discussed.

St. Petersburg strengthens cooperation with "Russian Railways"

The issues of cooperation development were discussed during the working meeting on April 5, 2019 between the acting Governor of St. Petersburg A. Beglov and the General Director-Chairman of the Board of JSC "Russian Railways" O. Belozеров. The head of JSC "Russian Railways" reported that 88 bln rubles of the total funding of the program of development of Railways of Russia will be sent to St. Petersburg, including 22 bln rubles for the improvement of passenger traffic. A. Beglov has noted the necessity of building in St. Petersburg, 17 overpasses. In the period up to 2024 it is planned to build 6 overpasses at the expense of joint financing of JSC "Russian Railways" and St. Petersburg. The amount of financing from the city will be 30 bln rubles.

The V International Arctic forum "Arctic – the territory of dialogue" was held in St. Petersburg»

The Forum events were held from April 8 to 10, 2019 at the Expoforum convention and exhibition center. The Arctic forum 2019 was attended by more than 3.6 thousand representatives of political, scientific, business and public organizations, enterprises, and the media from 52 countries. For comparison, the previous forum (held in 2017) was attended by 2,4 thousand delegates from 31 states. During the forum, 45 agreements were signed for a total amount of 69.8 bln rubles (excluding agreements which are a trade secret).

Acting Governor of St. Petersburg held a meeting with the head of The Federal tax service in St. Petersburg

The meeting was held on April 11, 2019. A. Beglov and A. Gnedykh reviewed the situation with tax collection in St. Petersburg. During the meeting, there was a positive trend in income taxes and personal income. This indicates an improvement in the business climate and a decrease in the share of "gray" wages. A. Beglov told about the intention to increase the revenue part of the city budget to 1 trillion rubles in 3-4 years.

Priorities for the development of St. Petersburg districts will be determined taking into account the population

On April 15, 2019 in the city launched the project "Native district", which consists in a large-scale survey of the population on the development of urban areas. To submit their proposals, residents must fill out a special questionnaire. This can be done in one of the district multifunctional centers for the provision of public services or on the Internet portal (gov.spb.ru: <https://www.gov.spb.ru/gov/admin/polls/6/>).

A Week of city changes was held in St. Petersburg

The events of the Week of urban change were held from April 17 to 19, 2019. Within the framework of this large-scale event, the work of creative travels was organized; project sessions and workshops, forums and business meetings, debates about the city, lectures, master classes and excursions were held. The main venue of the Week's events was the Center of design and architecture "Artplay" (Krasnogvardeyskaya square, 3E). The central events of the Week of urban change were two international forums. On April 17, the V International forum of spatial development "Harmony of diversity" was held. On April 18 and 19, the I International forum of public participation "Public participation in the development of megacities: expanding opportunities» was held.

2. EMPLOYMENT

In February 2019, large and medium sized enterprises employed 1509.4 thous. people (Table 1). Staff employees amounted to 95.3% of all the employed. Compared to the previous month the number of staff grew by 0,3%, the number of by-workers grew by 1.8%, and that of contracted workers – by 9.8%.

In January-February 2019, the number of employees at these enterprises grew by 3.5% compared to the same period of 2018. The number of staff during the period grew by 3.6% that of by-workers fell by 1.4%, the number of contracted workers grew by 4.3%.

In February 2019, the majority of jobs was in processing industries, education, transportation and telecommunications, healthcare, wholesale and retail trade, the least was in agriculture and forestry, hotels and restaurants and other services (table 2). The public sector employed 48.4% of all employed at large and medium organizations.

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

| | February 2019 | | January-February 2019 in % to January-February 2018 |
|--------------------------------|----------------------|-----------------------------|--|
| | '000 people | In % to January 2018 | |
| Filled jobs total, including: | 1509,4 | 100,6 | 103,5 |
| Registered permanent employees | 1438,6 | 100,3 | 103,6 |
| External by-workers | 34,1 | 101,8 | 98,6 |
| Contracted labour | 36,4 | 109,8 | 104,3 |

TABLE 2. Employment at enterprises and organizations of St. Petersburg by the type of economic activity in February 2019 (without small enterprises)

| Industry | Total employment | |
|--|------------------|----------------|
| | '000 people | % of the total |
| Total, including: | 1509,4 | 100,0 |
| Manufacturing | 218,6 | 14,5 |
| Production and distribution of electric power, gas and water | 44,2 | 2,9 |
| Agriculture and forestry | 5,1 | 0,3 |
| Construction | 59,3 | 3,9 |
| Transportation and telecommunications | 206,1 | 13,7 |
| Finance | 56,0 | 3,7 |
| Real estate transactions, leasing and services | 37,1 | 2,5 |
| Wholesale and retail trade, repair of motor vehicles and home appliances | 165,5 | 11,0 |
| Hotels and restaurants | 29,8 | 2,0 |
| Public administration, security and social care | 93,5 | 6,1 |
| Education | 216,2 | 14,3 |
| Healthcare and social services | 166,6 | 11,0 |
| Culture, sports, entertainment | 48,3 | 3,2 |
| Science and technology | 119,0 | 7,9 |
| Administrative services | 36,1 | 2,4 |
| Other services | 8,0 | 0,6 |

In December 2018 – February 2019 the number of economically active population (EAP) amounted to 3073,0 thous. persons, of them 3031,0 thous. employed and 42.0 thous. unemployed. During the reporting period, the employment rate was 66,6% (share of employed people in total population aged 15 to 72 years), the level of economic activity – 67,5% (share of economically active population of the total population aged 15 to 72 years) (<http://ktzn.gov.spb.ru/analiticheskaya-informaciya/>).

According to Petrostat, the number of employees to be dismissed in the first quarter of 2019 in the organizations of St. Petersburg (without small business entities) amounted to 1 787 people, or 0.12% of the total number of employees of organizations of Saint Petersburg (excluding small businesses) in January 2019. Meanwhile the

number of workers required at the end of the fourth quarter of 2018 in the organizations of St. Petersburg (without small businesses) amounted to 61 382 people.

In March 2019, the demand of St. Petersburg enterprises for new workforce amounted to 40.5 thous. people (table 3).

In January-March 2019, the Employment Service received 93270 applications from citizens for the provision of public services, including 19166 applications for vocational guidance and 38903 applications for information on the situation on the labor market. At the end of March 2019, the need for employees declared by employers amounted to 40512 vacancies, of which 56.9% in working professions (<http://ktzn.gov.spb.ru/analiticheskaya-informaciya/>).

TABLE 3. St. Petersburg enterprises' demand for workforce, January 2018 – March 2019

| 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 2018 | 35,9 | 0,7 | 116,7 | 116,7 |
| February | 37,4 | 0,7 | 100 | 100 |
| March | 37,5 | 0,7 | 100 | 100 |
| April | 38,3 | 0,6 | 85,7 | 85,7 |
| May | 39,9 | 0,6 | 100 | 120 |
| June | 42,2 | 0,5 | 83,3 | 100 |
| August | 44,0 | 0,5 | 100 | 100 |
| September | 43,9 | 0,5 | 100 | 100 |
| November | 46,5 | 0,5 | 125 | 83,3 |
| December | 42,0 | 0,5 | 100 | 83,3 |
| January 2019 | 39,6 | 0,6 | 120 | 85,7 |
| February | 40,4 | 0,6 | 100 | 85,7 |
| March | 40,5 | 0,6 | 100 | 85,7 |

In March 2019, the largest number of vacancies was announced by organizations related to the following types of economic activities: transportation and storage -14.9%, construction-9.8%, administrative and related additional services-9.8%, processing production – 9.5% of all declared vacancies; wholesale and retail trade, repairs of vehicles and motorcycles - 8.7%; activities in the field of health and social services – 6.8%; activities with real estate – 3.7%; public management and providing military security - 6.8%, the operation of hotels and public catering enterprises – 5.9%; professional and scientific activities – 3.5%.

In March 2019, as in the same period of 2018, among the employees who fell into the top ten scarce professionals, the most popular were programmers, doctors, police, engineers, managers, electric engineer, masseurs, data protection engineers, translators.

Among the specialists of working professions in March 2019 in demand are fitters, electricians, car drivers, installers, painters. The shortage of fitters-electricians and installers has increased, that of painters and car drivers has decreased. There was a deficit of slingers, excavator operators, concrete workers, masons, and tilers (<http://ktzn.gov.spb.ru/analiticheskaya-informaciya/>).

The pressure on the labor market (the number of unemployed citizens registered with the State employment service per vacancy) at the end of March 2019 amounted to 0.60 per persons per vacancy (at the end of March 2018 - 0.67 persons/vacancy).

In March 2019, 24.2 thous. persons were registered at the Employment Service of St. Petersburg. It is 3.2% less than in March 2018 (table 4). In March 2019, 56.2% of those registered at

the Employment Service were officially considered unemployed.

At the end of March 2019, the total number of those who turned to the State Employment Service of St. Petersburg amounted to 29199 people (at the end of March 2018 – 29542 people).

The number of registered unemployed persons at the end of March 2019 was 13598, of them females – 52.2%; youth aged 16-29 – 12.4%; disabled persons – 14.6%, pre-pensioners – 16% (at the end of March 2018 the number of the unemployed was 11430 persons) (<http://ktzn.gov.spb.ru/analiticheskaya-informaciya/>).

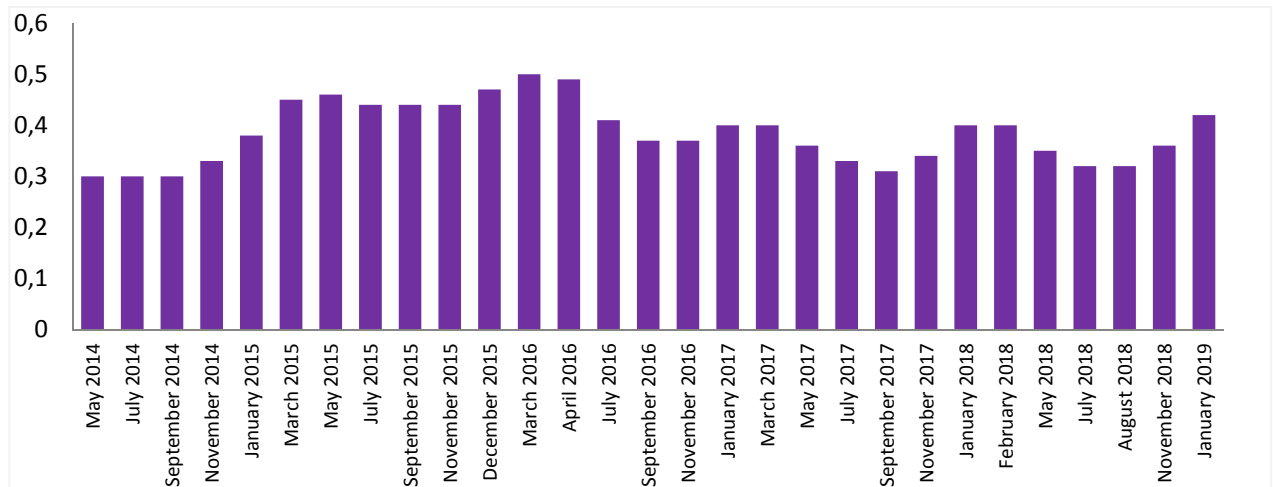
In March 2019, the status of an unemployed was assigned to 2.7 thous. persons (800 people or 43.4% more than in March 2018). The number of the job-placements in March 2019 was by 100 people or by 11.1% more than in the same period of 2018, and amounted to 800 people.

According to Rosstat, in December 2018-February 2019, the unemployment rate (according to methodology of the International Labor Organization) amounted to 1,4% of the economically active population (EAP). St. Petersburg had one the lowest levels of unemployment among the subjects of the Russian Federation (in the North-Western Federal district – 3,8%, Moscow – 1,2%, Russia as a whole – 4,8 %).

The level of registered unemployment (ratio of registered unemployed to the economically active population on average) at the end of March 2019 amounted to 0,45% of the economically active population (at the end of March 2018, the figure was 0,38%) (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, 2018, January-March 2019

| 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 2018 | 24,8 | 11,9 | 100,7 | 100 |
| February | 25,8 | 12,2 | 102,6 | 98,8 |
| March | 25,0 | 11,4 | 93,5 | 94,7 |
| April | 24,8 | 11,2 | 98,0 | 96,1 |
| May | 23,5 | 10,8 | 96,2 | 98,2 |
| June | 21,5 | 9,7 | 90,4 | 96 |
| July | 23,3 | 9,7 | 99,5 | 98 |
| August | 20,3 | 9,6 | 99,0 | 98,2 |
| September | 20,5 | 9,6 | 99,5 | 103,7 |
| October | 20,6 | 10,3 | 108,3 | 105,7 |
| November | 21,7 | 10,9 | 105,1 | 106,6 |
| December | 22,0 | 12,0 | 110,7 | 101,7 |
| January 2019 | 22,6 | 12,7 | 105,4 | 106,5 |
| February | 24,3 | 13,8 | 108,5 | 112,6 |
| March | 24,2 | 13,6 | 98,8 | 119,0 |

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

3. PERSONAL INCOMES AND EXPENDITURES

PRICES

In January-March 2019 consumer prices growth in St. Petersburg was equal to 1,9%. In the same period of 2018, it was 1,1%.

The growth of consumer prices in January-March 2019 in St. Petersburg was 0,1% more than in Russia on average. In March 2019, consumer prices grew by 0.3% (Table 5).

In January-March 2019, tariffs for paid individual services in St. Petersburg grew by 1.2%. For comparison: their growth in the same period of 2018 was 0.4%.

The rate of growth of tariffs for paid individual services in January-March 2019 **was** 0,3% lower than the Russia's average. Tariffs for paid services in March 2019 fell by 0.05%.

In January-March 2019, prices of foodstuff grew faster than in Russia on average by 0,7% and those of non-foodstuff goods lower than in Russia on average by 0.3%. The growth was correspondingly – 3.3% and 0.9%.

TABLE 5. Consumer price index dynamics in 2018, January-March 2019, % to the previous month

| | <i>St. Petersburg</i> | | | | <i>Russian Federation</i> | | | |
|-----------------------------------|-----------------------|-------------------|-----------------------|--------------------------|---------------------------|-------------------|-----------------------|--------------------------|
| | <i>CPI</i> | <i>Including:</i> | | | <i>CPI</i> | <i>Including:</i> | | |
| | | <i>Foodstuff</i> | <i>Non-food goods</i> | <i>Personal services</i> | | <i>Foodstuff</i> | <i>Non-food goods</i> | <i>Personal services</i> |
| January 2018 | 100,5 | 101,2 | 100,2 | 100,02 | 100,3 | 100,5 | 100,3 | 100,1 |
| February | 100,2 | 100,3 | 100,2 | 100,02 | 100,2 | 100,4 | 100,1 | 100,1 |
| March | 100,4 | 100,7 | 100,1 | 100,4 | 100,3 | 100,5 | 100,2 | 100,1 |
| April | 100,5 | 100,6 | 100,5 | 100,4 | 100,4 | 100,4 | 100,4 | 100,3 |
| May | 100,4 | 99,8 | 101,0 | 100,3 | 100,4 | 99,9 | 100,9 | 100,4 |
| June | 100,4 | 100,2 | 100,4 | 100,6 | 100,5 | 100,4 | 100,4 | 100,7 |
| August | 99,8 | 99,2 | 100,1 | 100,1 | 100,0 | 99,9 | 100,2 | 100,3 |
| October | 100,3 | 100,4 | 100,6 | 99,7 | 100,4 | 100,6 | 100,5 | 99,9 |
| December | 100,7 | 101,3 | 100,4 | 100,4 | 100,8 | 101,7 | 100,2 | 100,4 |
| January 2019 | 101,1 | 101,8 | 100,5 | 101,0 | 101,0 | 101,3 | 100,6 | 101,1 |
| February | 100,4 | 100,8 | 100,1 | 100,3 | 100,4 | 100,8 | 100,9 | 101,3 |
| March | 100,3 | 100,7 | 100,3 | 99,95 | 100,3 | 100,5 | 101,2 | 101,5 |
| March 2019 in % to December 2018. | 101,9 | 103,3 | 100,9 | 101,2 | 101,8 | 102,6 | 101,2 | 101,5 |
| March 2018 in % to December 2017. | 101,1 | 102,1 | 100,5 | 100,4 | 100,8 | 101,4 | 100,6 | 100,4 |

DIFFERENTIATION OF INCOMES AND SALARIES IN ST. PETERSBURG

In February 2019, the level of interindustry salary differentiation decreased compared to December 2018 (picture 2). The gap between the highest salary (mining) and the lowest (provision of other services) was 5.4 times, compared to 8.3 times in December 2018.

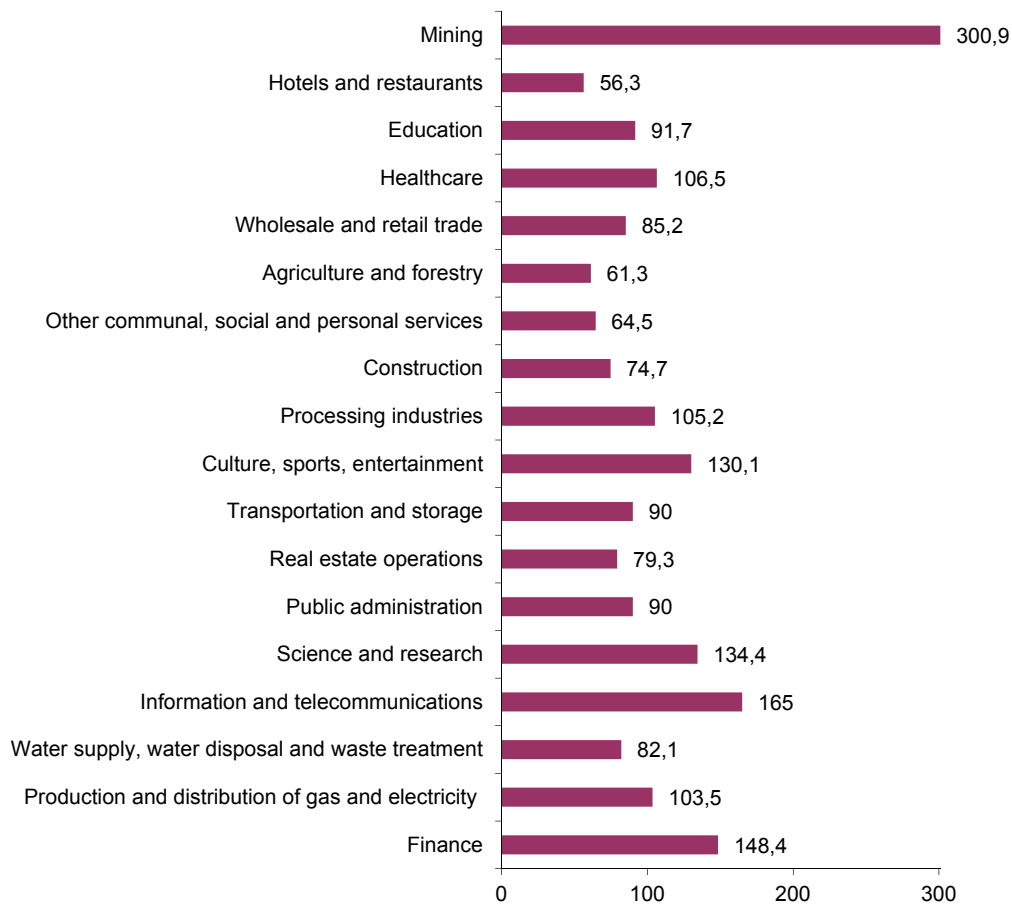
The highest salary in February 2019 was in mining industry (the salary in this industry was 3

times higher than the average salary in St. Petersburg).

In February 2019, the average salary in St. Petersburg was significantly exceeded by that in information and telecommunications sector (by 65.0%), in financial activities (by 48.4%), in the field of scientific and technical activities (by 34.4%).

The lowest salary was paid to those employed in hotels and restaurants (56.3% of the average salary), and in agriculture and forestry (61.3% of the average salary).

PICTURE 2. Inter-industry differentiation of average salary in February 2019 in St. Petersburg, % of the average salary (the average salary = 100%)



4. INDUSTRY

The index of industrial production in St. Petersburg in January-March 2019 compared to January-March 2018 amounted to 104.8%.

In the village of Levashovo in the Vyborg district of St. Petersburg, in the industrial Park "Orion" on April 4, the plant of the Finnish company Vilakone Oy for the production of urban cleaning equipment was opened. The plant will produce small-sized machines for cleaning of small areas. The equipment is designed for year-round operation in all weather conditions. According to the General Director of Vilakone, the plant will produce 300-350 units of technology per year, which is comparable to the capacity of the company's financial enterprise. The main supplies will go to St. Petersburg (April 4, 2019, gazeta.spb.ru).

The Diakont group, a company in the field of development and production of high-tech equipment to ensure safety and improve efficiency in high-tech industries, including nuclear, oil and gas, aerospace and military-industrial sectors, has opened a new facility of automated assembly of engines for industrial devices (March 19, 2019, gov.spb.ru).

On March 28, a solemn ceremony of launching the Petropavlovsk-Kamchatsky submarine of project 636 was held in St. Petersburg. The submarine will be the first in a series that the St. Petersburg shipbuilders are building for the Pacific fleet of the Russian Navy. The contract for the construction of a series of six submarines of the project 636.3 for the Russian Pacific fleet between the Ministry of defense of the Russian Federation and JSC Admiralty shipyards was signed in September 2016 within the framework of the International military-technical forum army-2016. Under the terms of the contract, the first ship will be de-

livered to the customer in 2019, the construction of the entire series is planned to be completed in 2022 (March 28, 2019, rg.ru).

From January to March in St. Petersburg, 93 thousand cars were produced, which is 6% more than the volume of production during the same period of last year, according to the publication "Auto-Dealer-SPb". In March of this year, the enterprises of the St. Petersburg automobile industry produced 32 thousand cars, which is 11% more than in March 2018. Now in St. Petersburg there are plants for the production of cars of Hyundai, Nissan and Toyota brands (April 23, 2019, Auto-Dealer-St. Petersburg).

5. FINANCE

In January-February 2019 the consolidated financial result (profit minus loss) of organizations (excluding banks, insurance companies and budget organizations, without small businesses) amounted to 136.7 bln rubles, which is 1.8 times more than in the corresponding period of the last year.

In January-February 2019, the number of unprofitable enterprises in comparison with the same period of 2018 fell by 57 units or by 6%, the amount of the loss fell by 12.4%.

CITY BUDGET

The information on the budget execution is presented in the table 8.

STATE DEBT

The information about the structure of the state debt as of April 1, 2019, is presented in the tables 9 and 10.

Table 8. Consolidated budget execution on April 1, 2019 (mln rubles)

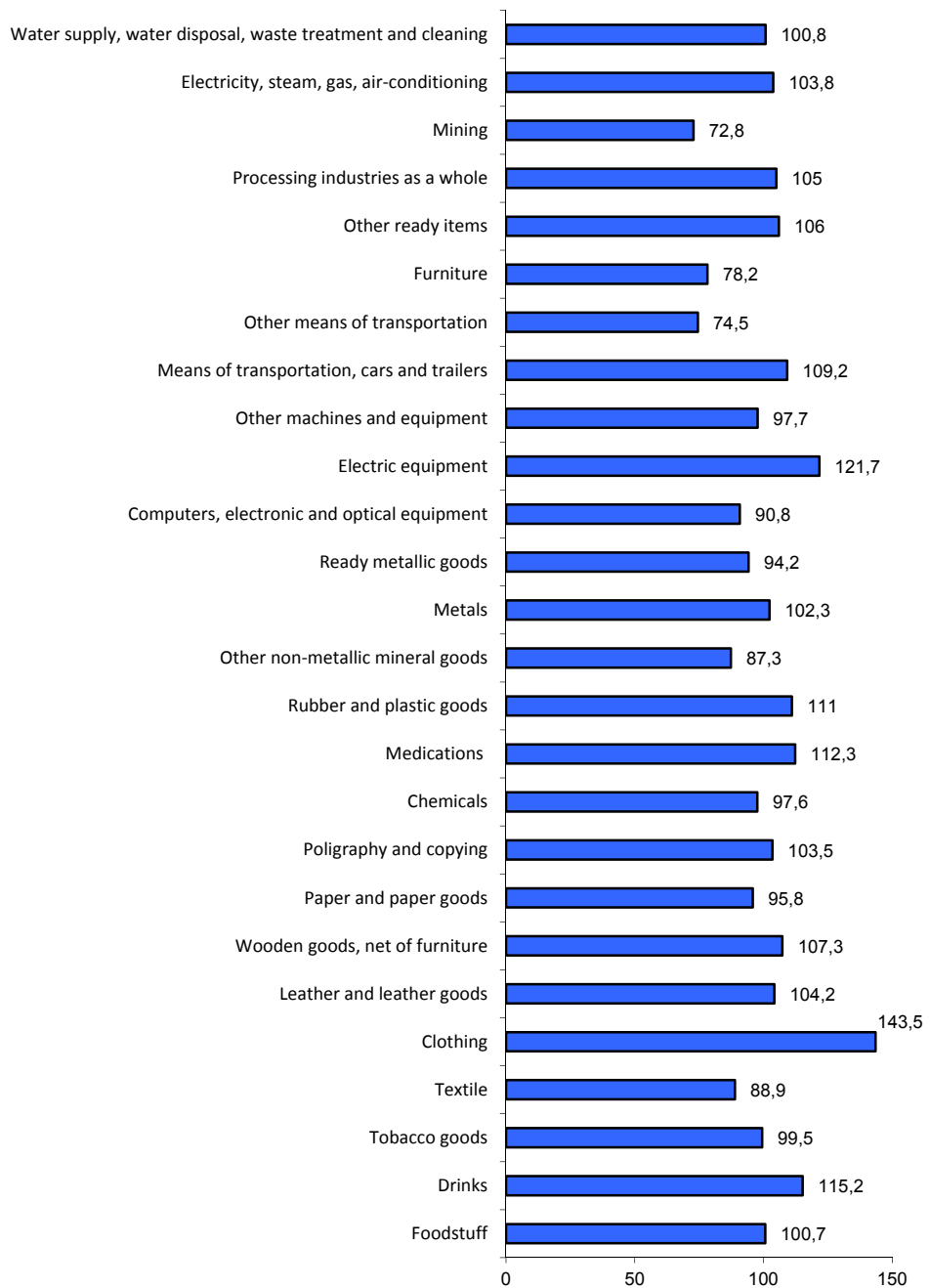
| | Revenues | Expenditures |
|----------------------|----------|--------------|
| <i>January-March</i> | 146 884 | 120 717 |

Source: City Committee of Finance

Table 9. St. Petersburg's state debt structure on April 1, 2019

| | mln rubles |
|---|------------|
| State domestic debt of St. Petersburg, including: | 30 100 |
| Bonds | 30 100 |
| State external debt of St. Petersburg | 0,0 |
| Total | 30 100 |

Source: City Committee of Finance

PICTURE 3. Industrial production dynamics in St. Petersburg by industry, January-March 2019 in % to January-March 2018**Table 10. Debt service expenditures of the budget of St. Petersburg, as of April 1, 2019 (mln rubles)**

| Item | Plan for 2019 | Fact on 01.04.2019 |
|-----------------------------|---------------|--------------------|
| Domestic debt service costs | 4442,5 | 0,0 |
| Total | 4442,5 | 0,0 |

Source: City Committee of Finance

6. MUNICIPAL AFFAIRS

BEAUTIFICATION, RESTORATION, CAPITAL REPAIRS

St. Petersburg state agency "Directorate of transport construction" held a competition for the execution of works on the overhaul of Roshchin street on the site from Yalta street to the Warsaw railway line. CJSC "Trust" was declared the winner. The total cost of the work will be 161.3 mln rubles; the completion date is October 2021. The 646 meter long section will be repaired, including sidewalks, cables, sewerage, gas and water supply networks. Simultaneously, the Directorate entered into a contract for the construction of new Parfenovskaya street – to continue Warsaw street from Obvodny canal embankment to Malaya Mitrofanyevskaya street with a length of 1.5 km. The cost of work – 570,8 mln rubles, the deadline is October 20, 2021, the contractor selected is "SK "Orion plus"". (Based on materials of "Kommersant»)

St. Petersburg state organization "Mos-totrest" has announced a repeated contest to overhaul the Green Bridge. During the previous contest "Vozrozhdenie", the only pretender, filed an application with the inappropriate tender documentation license. The total cost of works under the contract – 497.6 mln rubles. (Based on RBC)

The restoration of the Beloselsky-Belozersky Palace begins, with the elimination of emergency sections of the bearing and enclosing structures of the building and the overhaul of the ground floor, as well as the strengthening of 19 sections of the ground floor with a total area of 1.98 thousand square meters. m. The funding comes from the federal budget; the general designer is OOO "Restron". (According to the TASS and Glavgosexpertiza).

The Committee on beautification of St. Petersburg and its subordinate institutions have announced five tenders for the supply of specialized road machines for street cleaning. It is planned to purchase more than 100 multi-functional loaders with a set of attachments worth more than 1 bln rubles, as well as 350 combined additional machines and tractors. The total initial (maximum) purchase price is more than 3 bln rubles (Based on materials of "Kommersant»).

TRANSPORTATION, ENERGY, WATER SUPPLY

In January-March 2019, transport organizations of St. Petersburg have transported 2.2 mln tons of cargo (which exceeds the figures for the same period of 2018 by 15.7%) and 141.9 mln passengers (which is lower than the figures for January-March 2018 by 1%). At the same time, the cargo turnover amounted to 1325.7 mln ton-

km (2.3 times more than in January-March 2018), and the passenger turnover – 814.8 mln pass-km (which corresponds to the indicators of 2018). The number of road traffic accidents increased slightly compared to the similar period of 2018 (According to Petrostat).

In January-March 2019, Pulkovo airport has served 3.6 mln people, which is 14.7% higher than in the same period of 2018. The volume of traffic on international routes increased by 11.6% — 1.2 mln people. On domestic airlines, the traffic amounted to 2.5 mln people (+16.2% compared to January-March 2018). In total, more than 36000 take-off and landing operations were completed in Pulkovo in the first three months of 2019. Now Pulkovo airport occupies the fourth place in terms of passenger traffic in Russia. (According to the press service of "NCSG»)

In 2019, the Government of St. Petersburg plans to allocate 3.6 bln rubles in the form of subsidies to passenger transport companies for the modernization and renewal of the rolling stock. Of these funds, 2.5 bln rubles will be provided to the GUP "St. Petersburg metro" to repay loans for the purchase of new trains, as well as the modernization of escalator control systems and equipment of intelligent video surveillance systems of several stations. GUP "Gorelektrotrans" will receive more than 300 mln rubles for the reconstruction of the contact network of tram and trolleybus lines. GUP "Passazhiravtotrans" will receive more than 750 mln rubles for the purchase of 37 new buses of an extra-large class. (Based on TASS materials)

MAJOR CITY PROJECTS

The Government of St. Petersburg has made a proposal to include 17 infrastructure facilities with a total cost of more than 440 bln rubles in the Federal comprehensive plan for the development of the transportation infrastructure until 2024. The largest projects from the list are: the passenger railway ring around the city with a preliminary cost of 170 bln rubles; the Eastern high-speed diameter (156 bln rubles, with co-financing from the Federal budget – 57 bln rubles); the construction of the transport and logistics center in Bronka (12.3 bln rubles); the reconstruction of the Moscow highway (7 bln rubles); some other projects of construction of roads, highways and interchanges. The evaluation of projects from the list will be carried out by the Analytical center under the Government of the Russian Federation. (Based on the "Vedomosti").

7. REAL ESTATE

HOUSING

According to the press service of the Construction Committee, in March 2019, there have been put into operation 187 927.20 sq.m. of housing, 362 buildings for 3227 apartments, including individual construction.

Most of the new housing was built in the Nevsky district— 60 126,20 square meters of housing, 5 buildings for 1246 apartments. The next in terms of the housing construction is Pushkinsky district – there were 39 259,80 square meters of housing built, 128 buildings for 775 apartments. The third is Moskovsky district, which has commissioned 22 buildings for 413 apartments with total area of 24 769,10 sq. m.

In addition, in March 2019, 20 civil facilities were put into operation, including a trade complex in the Krasnogvardeysky district, an administrative building in the Kirovsky district, a warehouse complex in the Vyborgskiy district.

The Housing Committee has reported that from 2008 to 2019, 46 792 communal apartments were resettled in St. Petersburg, 106 226 people have improved their living conditions. In 2018, 3700 communal apartments were resettled. In 2019, it is planned to resettle 3300 communal apartments (based on bsn.ru).

CO-INVESTORS

In accordance with the new legal requirements, after July 1, 2019 the accumulation of funds for shared housing construction on objects not put into operation is allowed only with the use of escrow accounts under contracts of participation in shared construction, submitted for state registration after July 1, 2019. Exceptions will be made for construction objects, which correspond to the criteria established by the Government of the Russian Federation, determining the degree of readiness of such objects and the number of concluded agreements of participation in shared construction.

461 shared-equity construction projects have been registered in St. Petersburg, of which 152 may be transferred to the system with the use of escrow accounts, as reported by the deputy Chairman of the Construction Committee E. Baranovsky at a meeting on strengthening control over the transition of developers to project financing. It is assumed that from July 1 in St. Petersburg the construction of 5 mln square meters of housing will be transferred to the use of escrow accounts. Another 9 mln of 14 mln square meters will be built on a mixed system.

According to restate.ru in St. Petersburg the new rules are being used by the company

"LenRusStroy", which is building a complex, "New Gorelovo" in Krasnoselsky district.

At the same time, in Leningrad oblast, most of the projects with a total area of 7 mln square meters will be completed without switching to escrow accounts. According to the website bsn.ru in total, the region implemented 228 projects. Of these, 155, with a degree of readiness above 30%, fall under the category of completed by the old rules. 68 projects will have to be transferred to project financing and escrow accounts.

Developers of 19 projects have already applied for loans, 18 are in talks with banks. According to Gosstroy nadzor, the developers mostly choose Sberbank, Bank "DOM.RF" and VTB. Yet 60 banks are authorized to provide project financing and open escrow accounts.

At the end of 2018, the number of problematic new buildings in Russia has increased: instead of 239 completed objects, 303 new ones were formed. Thus, the growth amounted to 64 objects. This was announced by the Minister of construction and housing and communal services of the Russian Federation Vladimir Yakushev (restate.ru).

The problem of defrauded real estate co-investors in St. Petersburg has not lost its relevance. Over the period from December 2018, the register of affected co-investors has been reduced by almost half, now 658 deceived shareholders remain in the register. At a meeting with Yakushev, the acting Governor A. Beglov said that the city administration is going to solve this problem in 2020 by attracting new investors.

Meanwhile, according to the website restate.ru a group of deputies from different factions submitted to the State Duma a bill that offers the subjects of the Russian Federation to create unitary non-profit organizations in the form of funds similar to the Fund for the protection of co-investors in regions. Such NGOs will be financed by the Fund for the protection of co-investors, as well as by budgets of different levels and public companies. Using their contributions, it is expected to complete the problematic long-term construction projects.

TERRITORIAL DEVELOPMENT, REGULATION

At the end of April, according to NSP.ru the deputy D. Chetyrbok, presented a bill to make it easier for investors the process of resettlement of "Khrushchev" apartment buildings. The amendments to the law on the development of built-up areas allow the investor to offer a "starting" plot within the boundaries of the same municipality in which the house to be resettled is located. Now construction companies are required to provide residents of a building to be rebuilt apartments within the same block where their house was. The transfer to another territory requires the written consent of the tenant. After the final adoption of the amendments, the boundaries of the

possible place of resettlement will be expanded to include entire municipality.

Also introduced is the requirement for gradual resettlement, so that investors, when developing interesting plots, do not forget to develop less profitable areas.

8. INVESTMENT PROJECTS

Russia's largest Thailand shrimp production facility will be launched near St. Petersburg in July 2019.

By the end of the year, the company "Northern shrimp" plans to produce at least 30 tons of shrimp. In addition to shrimps, the company plans to produce sea cucumbers, asparagus and blue Australian crayfish at the aquafarm. The investments in the project amount to 350 mln rubles.

FASHION HOUSE Group intends to invest in the creation of an outlet center "FASHION HOUSE Outlet Centre St Petersburg" on the Tallinn highway

The opening of the first stage of the center is planned in the fourth quarter of 2019. According to the project, the center will accommodate 120 shops of major global and Russian brands, and a large restaurant zone. Year-round discounts will be 30-70% of the original prices. The investments in the project are estimated at 52 mln euros.

The company "Northern Capital Sky Gates", managing "Pulkovo" plans to start large-scale reconstruction of the airport

The second phase of reconstruction will include driveway construction, installation of additional drives in certain areas, modernization-modernizing the commercial area of domestic airlines. In the Northern landing gallery of international lines, the operator plans to build transitions with telescopic ladders, in the southern gallery — several transitions and a platform. According to the plan, the work will be completed in 2025-2030. The volume of investments is estimated at 0.5 bln euros.

The plant for the production of dough and flour mixtures "Avangard Innovations" will begin work in St. Petersburg

It is supposed to compete with already operating enterprises due to the use of aerosol cans — the speed of baking from the dough, which is stored in cylinders, is higher than from the frozen dough. In addition, the dough in cylinders is stored longer than usual. However, the cost of "Innovation dough" will be more expensive.

The founder of the network of bakeries "Bakeries of F. Volchek" begins the development of a network of dairy shops

This year it is planned to open 10 retail outlets of dairy products of OOO "Dairy shop", which will sell products under its own brand of the company. The investments in the opening of one institution can amount to 4-6 mln rubles.

The restaurant holding "Ginza" presented the project of reconstruction of greenhouses in the Taurida garden

The concept plan of the company implies preserving the form, proportions, height and transparency of the structures with simultaneous transformation of the neglected places into a modern, well maintained, comfortable and environmentally friendly public space. According to the preliminary concept, the main part of the updated space will be occupied by a "Large walking greenhouse" with a winter garden, an open concert hall, a playground, food stalls and a flower shop. The "Educational greenhouses" will open a public garden, a children's club, workshops, lectures and thematic shops. Also a "Greenhouse gastro market" is planned. The company is ready to invest 1.7 bln rubles in the project.

"Kirovsky Zavod" intends to invest in the production of road equipment at its subsidiary "Universal Mash"

Within the framework of the project, it is planned to launch the production of modernized models of special machinery: front-end loaders, including universal road vehicles, wheeled bulldozers, tractor tractors and special vehicles on their basis. The company will also start production of new types of road equipment — medium-load loaders, graders and self-dumps. It is assumed that the share of Russian components in the new production will be 90%. The investment in the project will amount to 1.1 bln rubles, of which 744 mln rubles in the form of preferential loan from the Industry Development Fund (PDF).

An American network is launching a new project in St. Petersburg.

Becar Asset Management Group ("Becar") and Wyndham Hotels & Resorts have announced the opening of a new hotel chain in Russia. The first object under the brand Ramada Encore will appear in the Moscow district of St. Petersburg. According to the plans of the investors, five buildings of the hotel complex on Ordzhonikidze street will be built by 2025. The first building — under the brand Ramada Encore — will be built until 2022. The investments in this building will amount to 1.7 bln rubles. It will be designed for 469 rooms of the "three stars" class. The first two floors of the 26-storey building will be occupied by multifunctional public areas. Becar plans to develop the second building under the brand Vertical. In the third building there will be a hostel under the management of the international network, and in the fourth and fifth — service apartments. Total investment in the project are estimated at 9 bln rubles.

Eurasia group intends to invest in the opening of new restaurants and the renovation of existing ones.

This year "Eurasia" plans to open 10 more establishments of the same name in different parts of the city (now the network has 78 restaurants). In the near future, restaurants will start working in the shopping mall "Grand Canyon", the shopping mall "Mercury" and the shopping mall "Baltic pearl". The investments in the development of the network will amount to about 300 mln rubles. The same amount the company will invest in the renovation of its existing restaurants. The update will affect about 20 units.



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/>