

GENERAL OVERVIEW OF SOCIO-ECONOMIC SITUATION IN ST. PETERSBURG



July-August 2019 № 160



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- 1. CITY MANAGEMENT:** *New Committee within the City Government*

 - 2. EMPLOYMENT:** *Labor market situation remains stable*

 - 3. PERSONAL INCOMES AND EXPENDITURES:** *Inflation rate is up*

 - 4. INDUSTRY:** *Elevators production line is launched*

 - 5. FINANCE:** *Information on the execution of the consolidated budget*

 - 6. CITY AFFAIRS:** *Renovated State Memorial Museum of the Siege and Defense of Leningrad opens*

 - 7. REAL ESTATE:** *Problematic apartment buildings by “Gorod” construction company have been completed*

 - 8. INVESTMENT PROJECTS:** *Draft agreement on the establishment of a clinical - diagnostic center in Pushkinsky district*
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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

A regular meeting of the Coordinating Council of St. Petersburg and the Leningrad region in the field of socio-economic development

The meeting was held on July 16, 2019 in Smolny with the participation of the acting Governor of St. Petersburg A. Beglov and the Governor of the Leningrad region A. Drozdenko. The focus was on the problems of the territories adjacent to the administrative borders between St. Petersburg and Leningrad region. It was decided to make an inventory of the problems, determine measures to address them and assess the prospects for the development of zones of mutual influence of the city and the region. St. Petersburg will assist the neighboring region in improving the transport accessibility of rapidly growing settlements located near administrative borders. The priority measures considered were the construction of the metro in Kudrovo and a fast tram line from the metro station "Street Dybenko" through Kudrovo to Novosaratovka.

A regular meeting of the Staff to improve business conditions was held

On July 31, 2019 in Smolny, under the chairmanship of acting Governor A. Beglov, a regular meeting of the Staff to improve business conditions was held. The meeting addressed issues related to the formation of a favorable economic climate, improving the availability of energy resources and removing administrative barriers. The meeting participants reviewed the report of representatives of "Lenenergo" on the pilot project aimed at simplifying the procedure for submitting documents for connection to the power grid. To do this, the company plans to upgrade its online services. A. Beglov instructed to organize a similar system of work in other resource-consuming companies of St. Petersburg. The work of multifunctional centers for the provision of public and municipal services can be taken as a model. During the session, information was made public that St. Petersburg took 1st place in the June media rating of the investment climate of Russian regions according to the Agency for strategic initiatives (ASI).

A new Committee has started functioning in the structure of the executive bodies of the state power of St. Petersburg

On 1 August 2019, the Committee on industrial policy, innovation and trade began its work. It was created because of the merger of two committees – on industrial policy and innovation, and on the development of entrepreneurship and the con-

sumer market. The regulations on the Committee were approved by resolution No. 482 of the Government of St. Petersburg of July 23, 2019. The Committee is responsible for industrial and innovation policy, the agro-industrial complex, the development of entrepreneurship and the consumer market (wholesale and retail trade, catering, consumer services, and funeral services), licensing of certain types of activities and ensuring food safety. The head of the new Committee, Yu. Kalabin, previously held the position of the Chairman of the Committee on industrial policy and innovation. Before joining the city administration in January 2019, Yu. Kalabin served as the General Director of JSC "KRP-invest" (part of the holding company "RZD"), and previously – Deputy Director for Economics and Finance of JSC "Leningrad Metal Plant".

Plan to create a Council on ethnic issues in St. Petersburg

On August 22, 2019, the acting Governor of St. Petersburg A. Beglov met with the heads of national and cultural associations and representatives of Russian regions in the House of nationalities. 137 national and cultural autonomies are registered in the city, more than 600 events with the participation of national diasporas are held every year. In order to increase the efficiency of interaction between the city authorities and representatives of national and cultural associations, a Council on ethnic issues will be established in the city.

The St. Petersburg branch of the Social Insurance Fund has celebrated 25 years since its establishment

A solemn meeting of the Coordinating Council of the St. Petersburg branch of the Social Insurance Fund (SIF) was held August 28, 2019. St. Petersburg branch of SIF takes 2nd place in Russia by the number of insured - 330 thousand legal entities and 3.2 million individuals, 114 thousand disabled people and more than 10 thousand victims at work accidents are registered and centrally provided with state services. According to the results of work in 2018, the budget of the regional branch amounted to 52.5 billion rubles and was executed with a surplus.

LEGISLATION

Amendments to the Law on administrative offences in St. Petersburg

The amendments were made based on the Law of St. Petersburg No. 386-78 of July 2, 2019. The changes concern the clarification of the issues related to the imposition of administrative fines for the placement of vehicles in certain territories. These zones include areas: green spaces of gen-

eral use; green spaces performing special functions; green spaces of limited use; playgrounds, sports grounds; areas for walking and training animals.

Changes to the Social code of St. Petersburg have been made

The whole block of amendments were made based on the Laws of St. Petersburg of July 4, 2019: № 390-86, № 400-87, 402-87, 404-89, 422-93. Based on the provisions of these laws, a number of categories of St. Petersburg residents will receive additional social support measures.

The law on the execution of the budget of the territorial Fund of compulsory medical insurance of St. Petersburg for 2018 has been adopted

The law of St. Petersburg of July 4, 2019 No. 412-90. The revenues of the budget of Territorial Fund of obligatory medical insurance of St. Petersburg for the 2018 have been approved in the amount of 99.67 billion rubles, expenses – in the amount of the 99.35 billion. The excess of revenues over expenditures amounted to 323,3 million.

Amendments to the Law on urban development in St. Petersburg

The changes (Law of St. Petersburg from July 11, 2019 No. 396-99) concern the provisions of the Law of October 28, 2009 No. 508-100 "On urban planning in St. Petersburg", regarding the organization and carrying out auctions on the right of conclusion of the contract on the development of the territory for the construction and exploitation of houses, commercial and social use.

The Law on the types of objects of regional importance, to be displayed in the Master plan of St. Petersburg, was adopted

The law of St. Petersburg No. 380-94 of July 11, 2019 defines the types of objects to be displayed in the materials of the Master plan of the city. According to the Law, these objects are divided into 22 groups. These include: roads of regional importance and the road network; urban passenger transport; air transport; water transport; prevention of regional emergencies, natural disasters, epidemics and elimination of their consequences; education; health care; physical culture and sports; electricity; heat; gas; water supply; water disposal; treatment, utilization, neutralization, placement of solid municipal waste; cleaning of the territory of St. Petersburg; environmental protection and some others.

The Environmental code of St. Petersburg has been amended

The amendments were made based on the Law of St. Petersburg No. 384-96 of July 11, 2019. The changes the "Environmental code of St. Petersburg" relate to environmental education and to

the clarification of certain provisions regarding protected territories of regional value.

The amounts of budget investments for the purchase of housing for state needs of St. Petersburg have been determined

In accordance with the decree of St. Petersburg Government of July 30, 2019 No. 501 "On the budget investments on acquisition in 2019-2020 of residential premises in the public ownership of St. Petersburg», the city government will buy apartments to be commissioned no later than December 31, 2020. In 2019 the city budget will allocate for these purposes 1 763,45 million rubles, in 2020 – 8 422,46 million rubles.

In St. Petersburg, the minimum subsistence level was set in the 2nd quarter of 2019.

Based on the decree of St. Petersburg Government of August 22, 2019 No. 558 the following values of subsistence minimum for various categories of the population have been established in St. Petersburg for the 2nd quarter of 2019. The average per capita minimum subsistence level has been determined in the amount of 11 465,3 rubles, for able-bodied population – 12 584,3 rubles, for pensioners – 9 303,8 rubles, for children – 11 176,2 rubles.

The program of palliative care system development has been approved

The program has been approved by order No. 31-RP of the Government of St. Petersburg of August 28, 2019. The program was prepared in accordance with the instruction of the President of Russia following the meeting of the State Council of Russia on December 27, 2018. The purpose of the Program is to ensure the improvement of the availability and quality of palliative care in St. Petersburg, including in the treatment of chronic pain syndrome. The program implementation period is 2019-2024.

The program of development of volunteering in St. Petersburg has been approved

The program has been approved by the order No. 32-RP of the Government of St. Petersburg of 28 August 2019. In accordance with the presidential decree following the meeting of the State Council of Russia on December 27, 2018. The purpose of the Program is to ensure the improvement of interdepartmental interaction between Federal and city Government agencies, local governments, public associations, voluntary (volunteer) organizations, socially oriented non-profit organizations, the media and other organizations in the development of the volunteer movement in St. Petersburg, as well as involvement in the voluntary (volunteer) activities of the population. The program will be implemented in the period up to 2025.

MEETINGS, COOPERATION

A Memorandum of cooperation between the Government of St. Petersburg and the Kurchatov Institute has been signed

The Memorandum was signed on July 2, 2019, as a part of the 7th European conference on neutron scattering. The document was signed by the acting Governor A. Beglov and the President of the research center "Kurchatov Institute" M. Kovalchuk. Education, healthcare and industry were identified as priority areas of cooperation. It is planned to organize structural units of the Kurchatov Institute in the universities of St. Petersburg, which will train highly qualified specialists in science-intensive programs. On the same day, within the framework of the 7th European conference on neutron scattering, a micro-symposium was held to discuss the application of natural science methods for the study of cultural heritage objects. The central topic of discussion was the implementation of the project "Imperial ring", aimed at the organization of intercultural, artistic and scientific space on the territory of St. Petersburg suburbs and the city of Gatchina. The main initiator of the project is the international neutron center of the Petersburg Institute of nuclear physics, located in Gatchina.

Deputy Prime Minister of Russia D. Kozak and the acting Governor of St. Petersburg A. Beglov discussed the development of industry

The meeting of D. Kozak and A. Beglov was held on July 12, 2019 as part of the visit to the Kirov plant. The city uses the mechanisms of financial, tax, investment and tariff policies as the main measures to stimulate the growth of production volumes. The head of the city informed that 800 St. Petersburg enterprises participating in the implementation of the national project "Labor Productivity and employment support" have started modernization of production facilities. As an example, A. Beglov cited the Kirov plant, which invests significant funds in technical re-equipment and development of new types of products.

Museum strategy of St. Petersburg to be developed

The corresponding decision was made on July 10, 2019, at the meeting of the acting Governor of St. Petersburg A. Beglov with the representatives of the museum community of the city. Following the meeting, a Protocol of intent on the creation of a Museum strategy of St. Petersburg was signed between the city Government, the Union of museums of Russia and the Creative Union of museum workers of St. Petersburg and the Leningrad region

The IX International naval salon was held in St. Petersburg

The event took place in the period from July 10 through July 14, 2019. The opening ceremony

was held in the exhibition Association "Lenexpo" on July 11. The naval salon is one of the three largest world marine exhibitions of military equipment and is held once in 2 years. In 2019, the exhibition presented samples of military weapons, military and special equipment. The total number of registered participants was 353, including 28 foreign companies from 20 countries. The business program of the salon consisted of about 20 measures. A total of 17 ships, boats and vessels of the Russian Navy and the Border service of the FSB of Russia were presented to the salon participants at the berths of the Marine station and the adjacent water area of the Gulf of Finland. As part of the salon was held children's sailing regatta.

St. Petersburg is preparing to host the European Championship in professional skills

To prepare for this significant event, which will be held in St. Petersburg in 2022, an organizational Committee was established on July 25, 2019. Its members are heads of the executive authorities of the city, territorial departments of federal executive authorities, associations of employers, representatives of co-organizers of the championship –WorldSkills Union Russia and OOO "Expoforum-International". The head of the organizing Committee is the acting Governor of St. Petersburg A. Beglov. Euroskills is a nonprofit international development organization aimed at developing vocational education and increasing the prestige of working professions. Russia already has a positive experience of conducting such events. From 22 to 27 August 2019, Kazan hosted the WorldSkills professional skills championship.

Main naval parade of Russia in St. Petersburg

On July 28, 2019, the day of the Navy, the main naval parade was held in St. Petersburg with the participation of all the fleets of Russia, the Caspian flotilla and military aviation. Parade formations of ships and submarines passed along the Neva river and the Kronstadt roadstead. The parade ended with the passage of aircraft and helicopters of naval aviation. In total, more than 40 ships, submarines and boats, 41 aircrafts and a helicopter were involved in the parade.

St. Petersburg is preparing to welcome tourists with electronic visas

In accordance with the decree of the President of Russia dated July 18, 2019 № 347, from October 1 this year, foreign citizens will have the right to enter and leave Russia through checkpoints in St. Petersburg and Leningrad region with electronic visas. Electronic visas are issued at least 4 calendar days before the expected date of entry into Russia for up to 30 calendar days with a permitted stay of not more than 8 days. According to the Ministry of foreign affairs of Russia, the list of countries whose citizens can obtain e-visas to visit St. Petersburg and the Leningrad region is

being worked out. Perhaps, as in the case of Kaliningrad, the list will include 53 countries of the world. Currently in St. Petersburg there is a visa-free regime for Chinese tourist groups. Largely due to this, the tourist flow from China annually increases by 1.5-1.8 times. 15 years ago, visa-free 72-hour stay in St. Petersburg was introduced for foreign tourists arriving on cruise ships and ferries. Since the establishment of such a regime, 9 million sea tourists have used the right of visa-free visit.

On the eve of the new school year the city Teachers' Council and all-Russian Parents' meeting were held

The City Pedagogical Council, which has already become a tradition, was held on August 26, 2019 at the Oktyabrsky hall. The theme of the Council – "St. Petersburg school: ahead of time". The acting Governor A. Beglov, Chairman of the Legislative Assembly V. Makarov, Chairman of the Committee on education Zh. Vorobyova, heads of educational institutions, teachers and parents, attended the Council. Speakers at the Council noted the great success of urban pedagogical collectives, school students and graduates, spoke about the challenges in the development of the education system of St. Petersburg. It was noted in the speeches that by the end of the current year, 11 schools and 44 kindergartens for 14.5 thousand places would be opened in the city due to the receipt of 10 billion rubles from the Federal budget. According to the index of educational infrastructure of Russian regions for 2018-2019 academic year, St. Petersburg took the 2nd place among all Russian regions.

II St. Petersburg digital forum

The forum was held on 29 and 30 August 2019 in the exhibition complex "Lenexpo". The forum was organized by the Government of St. Petersburg. The forum is a platform for direct dialogue about the problems, achievements and prospects of the digital economy in Russia. Within the framework of the forum, 9 agreements were signed in the sphere of creation and use of digital technologies, including with the Leningrad region to create a single information space "Safe region".

St. Petersburg strengthens ties with Dresden

On August 30, 2019, in Smolny there was a meeting of the acting Governor A. Beglov with the

Chief Burgomaster of Dresden D. Hilbert. The meeting discussed the implementation of the Roadmap for 2018-2025. Among the priority areas of cooperation were transport, utilities, housing and road construction, information technology, culture, tourism, humanitarian ties. In 2021, Dresden and St. Petersburg will celebrate the 60th anniversary of twinning ties. On the evening of 31 August, the Dresden Opera ball was held in the center of the city. The event was held at the Mikhailovsky theatre and in the great hall of the Philharmonic. The ball was broadcast live on a large video screen for the audience in the Arts square, and a special show program was presented on the open stage

2. EMPLOYMENT

In June 2019, large and medium sized enterprises employed 1510.1 thous. people (Table 1). Staff employees amounted to 95.3% of all the employed. Compared to the previous month the number of staff fell by 0,1%, the number of by-workers fell by 4.1%, and that of contracted workers – by 1.5%.

In January-June 2019, the number of employees at these enterprises grew by 2.6% compared to the same period of 2018. The number of staff during the period grew by 2.8% that of by-workers fell by 3.2%, the number of contracted workers grew by 1.8%.

In June 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 48.3% of all employed at large and medium organizations.

In Q2 2019 the number of economically active population (EAP) amounted to 3065.0 thous. persons, of them 3023,3 thous. employed and 41.6 thous. unemployed. During the reporting period, the employment rate was 66,2% (share of employed people in total population aged 15 to 72 years), the level of economic activity – 67,1% (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

	June 2019		January-June 2019 in % to January-June 2018
	'000 people	In % to May 2019	
Filled jobs total, including:	1510,1	99,8	102,6
Registered permanent employees	1438,4	99,9	102,8
External by-workers	32,1	95,9	96,8
Contracted labour	39,6	98,5	101,8

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

Industry	Total employment	
	'000 people	% of the total
Total, including:	1510,1	100,0
Manufacturing	217,9	14,4
Production and distribution of electric power, gas and water	44,2	2,9
Agriculture and forestry	4,8	0,3
Construction	59,5	3,9
Transportation and telecommunications	208,0	13,8
Finance	56,7	3,8
Real estate transactions, leasing and services	37,3	2,5
Wholesale and retail trade, repair of motor vehicles and home appliances	165,3	11,0
Hotels and restaurants	30,5	2,0
Public administration, security and social care	93,1	6,2
Education	213,0	14,1
Healthcare and social services	166,8	11,1
Culture, sports, entertainment	49,1	3,3
Science and technology	118,6	7,9
Administrative services	36,5	2,4
Other services	8,8	0,4

TABLE 3. St. Petersburg enterprises' demand for workforce, January 2018 – July 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
April	38,3	0,6	85,7	85,7
May	39,9	0,6	100	120,0
June	42,2	0,5	83,3	100
August	44,0	0,5	100	100
October	47,8	0,4	80,0	80,0
November	46,5	0,5	125,0	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
May	43,7	0,5	83,3	83,3
June	44,5	0,5	100	100
July	44,2	0,5	100	100

The number of employees to be discharged in Q3 amounted to 1815 thousand people or 0,12% of the total employment (without small enterprises).

In July 2019, the demand of St. Petersburg enterprises for new workforce amounted to 44.2 thous. people (table 3).

In January-July 2019, the Employment Service received 210649 applications from citizens for the provision of public services, including 40496 applications for vocational guidance and 85415 applications for information on the situation on the labor market (<http://ktzn.gov.spb.ru/analiticheskaya-informaciya/>).

In January-July 2019, the largest number of vacancies was announced by organizations related to the following types of economic activities: transportation and storage-12.4%; administrative

and related services-11.4%; manufacturing-9.3%; wholesale and retail trade, repair of motor vehicles and motorcycles-8.6%; construction-8.3%; activities in the field of health and social services-7.5%; public administration and military security-6.7%; education-5.6%; hotels and catering - 5.2%; professional, scientific and technical activities-3.3%; activities operations-Yam real estate is 3.2% (<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 July 2019 amounted to 0.46 persons per vacancy (at the end of July 2018 - 0.55 persons/vacancy).

In January 2019, 20.4 thous. persons were registered at the Employment Service of St. Petersburg. It is 12.4% less than in July 2018 (ta-

ble 4). In July 2019, 60.3% of those registered at the Employment Service were officially considered unemployed.

At the end of July 2019, the total number of those who turned to the State Employment Service of St. Petersburg amounted to 27037 people (at the end of July 2018 – 28113 people).

The number of registered unemployed persons at the end of July 2019 was 12298, of them females – 53.5%; youth aged 16-29 – 10.8%; disabled persons – 14.6% (at the end of July 2018 the number of the unemployed was 9694 persons) (<http://ktzn.gov.spb.ru/analiticheskaya-informaciya/>).

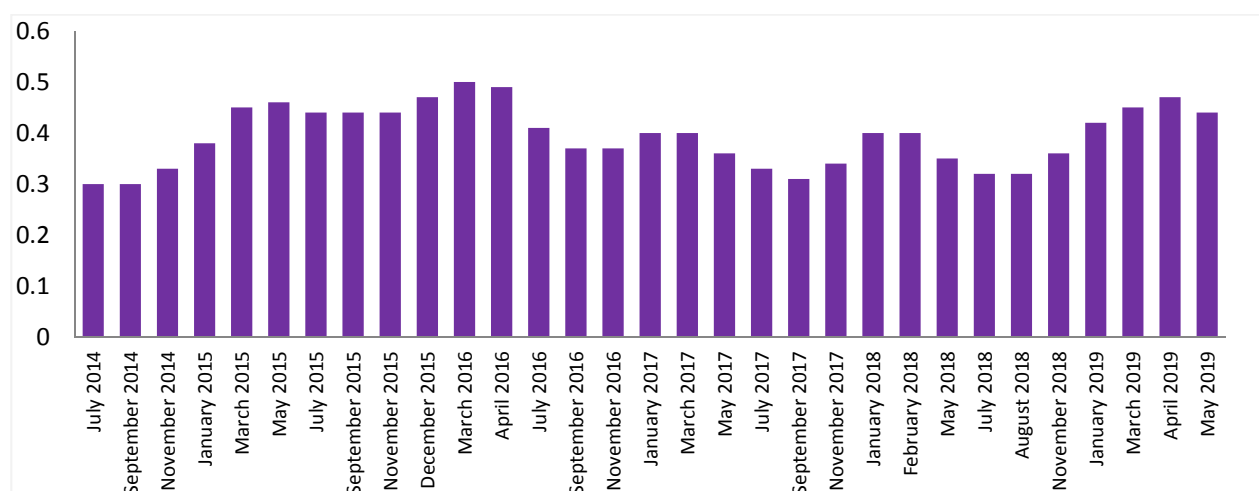
In July 2019, the status of an unemployed was assigned to 2.5 thous. persons (500 people or 24.9% more than in July 2018). The number of the job-placements in July 2019 was by 100 people or by 11.7% more than in the same period of 2018, and amounted to 700 people.

According to Rosstat, in Q2 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 – 3,5%, Moscow – 1,3%, Russia as a whole – 4,6 %).

TABLE 4. Change in the number of officially registered unemployed people in St. Petersburg, 2018, January-July 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
April	24,1	14,2	104,4	126,7
May	21,7	13,3	94,0	123,8
June	20,4	12,3	92,4	126,6
July	20,4	12,3	99,8	126,9

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



The level of registered unemployment (ratio of registered unemployed to the economically active population on average) at the end of July 2019 amounted to 0,40% of the economically active population (at the end of July 2018, the figure was 0,32%) (www.rspb.ru) (picture 1). This is the lowest figure among the regions of the Northwestern Federal district.

3. PERSONAL INCOMES AND EXPENDITURES

PRICES

In January-July 2019 consumer prices growth in St. Petersburg was equal to 3,0%. In 2018, it was 2,7%.

The growth of consumer prices in January-July 2019 in St. Petersburg was 0,3% higher than in Russia on average. In July 2019, consumer prices grew by 0.3% (Table 5).

In January-July 2019, tariffs for paid individual services in St. Petersburg grew by 3.6%. For comparison: their growth in the same period of 2018 was 3.1%.

The rate of growth of tariffs for paid individual services in January-July 2019 was equal to the Russia's average. Tariffs for paid services in July 2019 grew by 0.7%.

In January-July 2019, prices of foodstuff grew faster than in Russia on average by 1% and those of non-foodstuff goods at the same rate as

in Russia on average. The growth was correspondingly – 3.7% and 1.9%.

In July 2019, the prices of food products in St. Petersburg decreased by 0.1%, and of non-food products — grew by 0.3%.

In July 2019, prices grew for milk and dairy products (1.1%), fish, meat and poultry, confectionery (0.4%), alcohol (0.2%), sausages (0.1%).

The prices of fruits and vegetables fell by 1.7% during the period under review, those of cereals and legumes by 0.6%, of bread and bakery products by 0.3%, of cheeses by 0.05%, of oil and fats 0.04%.

Among non-food products in July 2019 in St. Petersburg, prices have increased for tobacco products (by 1.8%), building materials (by 1.0%), detergents and detergents, furniture (by 0.7%), tableware (by 0.6%), haberdashery (by 0.5%), clothing (by 0.1%), knitwear and hosiery (by 0.04%).

Perfumery and beauty products fell in price for the period by 0.4%, shoes-by 0.03%. In July 2019, the payment for cold water supply and sanitation by 3.2%, for the maintenance and repair of housing, for operating costs increased by 2.1%, for gas by 1.4%, for electricity by 0.9%. During the same period, the fee for hot water decreased by 0.6%. Capital repair fees remained unchanged.

In July 2019, flying in airplanes increased by 6.9%, travel in long-distance trains-by 3.9%, urban telephone communication-by 3.2%, the subscription fee for the television antenna-by 2.8%.

In January-July 2019, gasoline prices increased by 1.8%, and diesel fuel prices decreased by 2%. In July 2019, the price of gasoline increased by 0.3%, that of diesel fuel - by 0.2%.

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

	St. Petersburg				Russian Federation			
	CPI	Including:			CPI	Including:		
		Foodstuff	Non-food goods	Personal services		Foodstuff	Non-food goods	Personal services
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
July	99,8	99,2	100,1	100,1	100,0	99,9	100,2	100,3
August	100,04	99,5	100,4	100,4	100,2	99,6	100,4	100,2
September	100,3	100,4	100,6	99,7	100,4	100,6	100,5	99,9
October	100,4	101,2	100,2	99,7	100,5	101,0	100,4	100,0
November	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
May	100,5	100,6	100,2	100,7	100,3	100,4	100,2	100,4
July	100,3	99,9	100,3	100,7	100,2	99,7	100,2	100,9
July 2019 in % to December 2018	103,0	103,7	101,9	103,6	102,7	102,7	101,9	103,6
July 2018 in % to December 2017	102,7	102,4	102,5	103,1	102,4	101,8	102,4	103,0

TABLE 6. Real salary in St. Petersburg and the Russian Federation in 2018, January-June 2019, %

	St. Petersburg		Russian Federation	
	Real salary			
	To the previous month	To the same month of the previous year	To the previous month	To the same month of the previous year
January 2018	80,5	117,9	76,3	111,0
February	99,5	111,9	102,5	110,5
March	104,7	108,9	104,7	108,7
April	98,3	108,9	102,4	107,6
May	95,6	106,9	100,9	107,6
June	109,1	104,9	103,6	107,2
July	95,0	108,5	92,2	107,5
August	94,3	105,4	97,5	106,8
September	102,3	105,5	100,9	104,9
October	100,9	104,5	101,0	105,2
November	100,2	104,0	100,0	104,2
December	132,3	102,5	128,4	102,5
January 2019	72,5	93,1	74,8	101,1
February	102,8	97,2	101,1	100
March	109,5	101,3	107,2	102,3
April	98,4	100,8	103,2	103,1
May	95,3	100,4	101,6	99,4
June	107,5	99,2	102,9	102,9

TABLE 7. Salary arrears in St. Petersburg in June-December 2018, January-August 2019 (on the 1st of each month), mln. rubles

	June	July	August	September	October	November	December	January 2019	February	March	April	May	June	July	August
Total arrears	281,6	195,7	323,4	223,8	154,9	174,3	159,8	129,1	136,8	90,9	53	75,4	85,9	94,3	115,8
Including arrears due to the lack of budget financing	1,1	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0

PERSONAL INCOMES AND EXPENDITURES

In June 2019 real salary in St. Petersburg grew by 7,5%, in Russia on average - by 2,9% (table 6).

Average monthly nominal salary in St. Petersburg in June 2019, was 65 286 rubles average nominal salary in Russia on average in June 2019 was 24.4% less than in St. Petersburg and amounted to 49 348 rubles.

Salary arrears on August 1, 2019 amounted to 115,8 million rbl. The amount of arrears has increased compared to July 1, 2019 by 122,9%, to August 1, 2018 – by 35.8%. Manufacturing accounted for 44.5% of the total debt, construction – 32.7%, research and development - 22.8%.

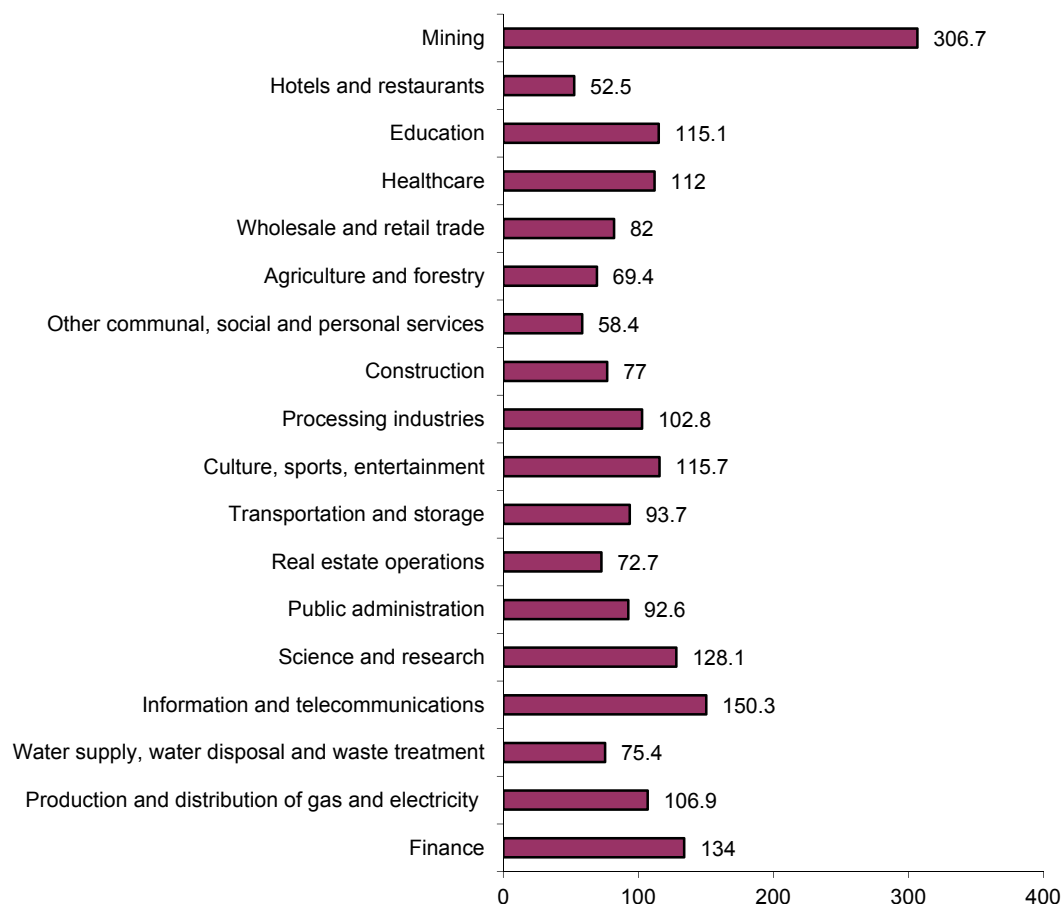
DIFFERENTIATION OF INCOMES AND SALARIES IN ST. PETERSBURG

In June 2019, the level of interindustry salary differentiation decreased compared to April

2019 (picture 2). The gap between the highest salary (mining) and the lowest (provision of other services) was 5.8 times, compared to 7 times in April 2019.

The highest salary in June 2019 was in mining industry (the salary in this industry was 3.07 times higher than the average salary in St. Petersburg).

In June 2019, the average salary in St. Petersburg was significantly exceeded by that in the field financial activities (by 34%), in information and telecommunications sector (by 50.3%), in the field of scientific and technical activities (by 28.1%). The lowest salary was paid to those employed in hotels and restaurants (52.5% of the average salary), and in agriculture and forestry (69.4% of the average salary).

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

4. INDUSTRY

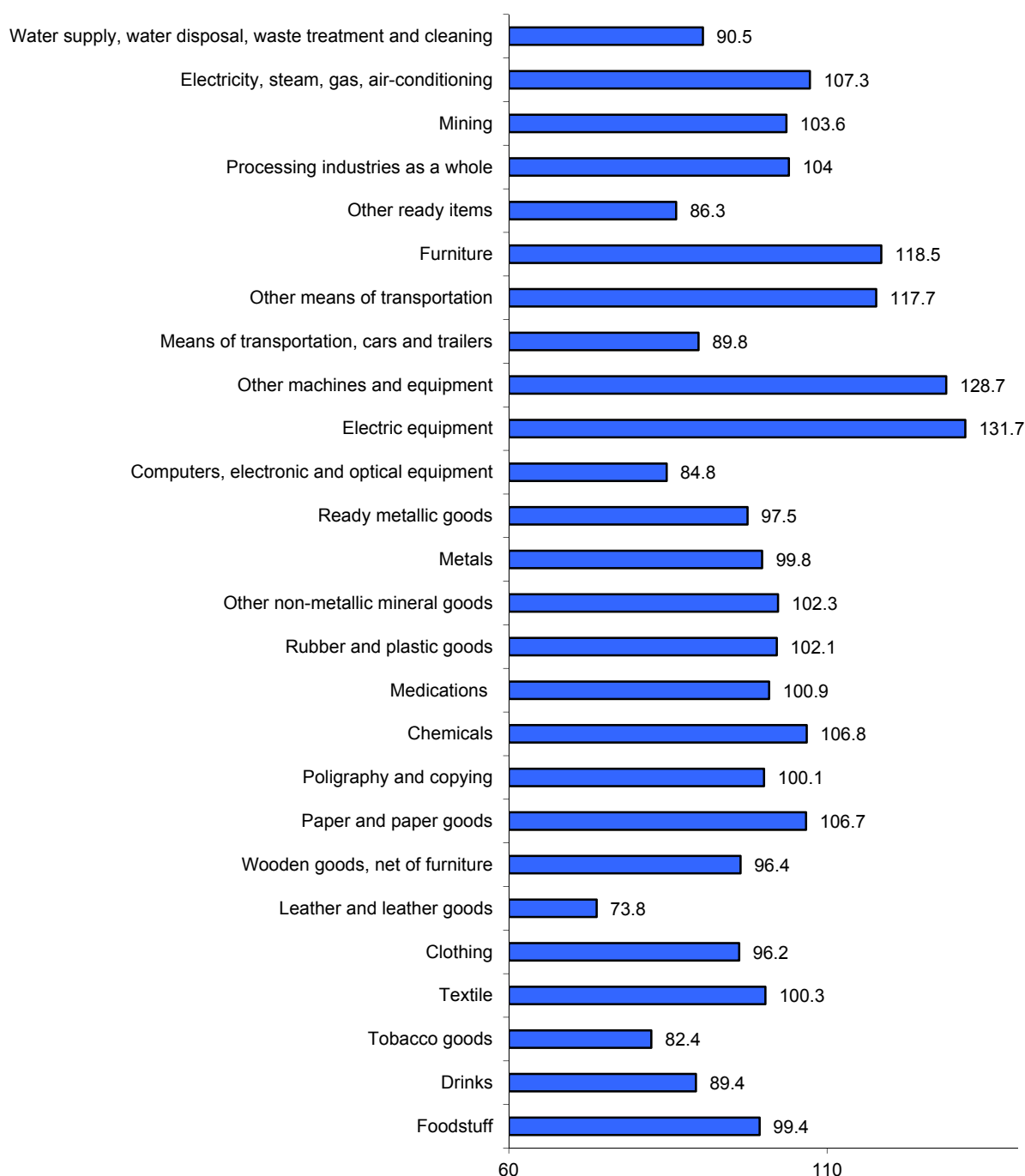
The index of industrial production in St. Petersburg in January-July 2019 compared to January-July 2018 amounted to 104.2%.

According to the Agency "Auto-Dealer-SPb", in January-July 2019 St. Petersburg plants of Hyundai, Nissan and Toyota have released 213 600 cars, which is 4% more than the amount for the same period in 2018. In July, the production growth amounted to 8%, there were 24 400 cars made. The share of St. Petersburg auto industry in relation to the all-Russian volume of production of cars in January-July amounted to 23.9% (a year ago – 23.4%) (spb-adlr.ru 28.08.2019).

OOO "MLM Nevsky lift" has started its own production of elevators in St. Petersburg. The investments in the new production line amounted to approximately 50 million rubles. The line will reach full capacity in Q3 2019. In the first year, it is planned to produce up to 1 thousand elevators with lifting capacity of 630 and 400 kg, in the next three years the production volume will increase to 2 thousand elevators per year (www.newskolpino.ru 16.07.2019).

St. Petersburg tractor plant has launched mass production of an updated model of agricultural tractor "Kirovets K-7". Over the last three years, the tractor plant has invested 4 billion rubles in technical re-equipment, which doubled the tax deductions to the city budget. The number of workers increased by one thousand people. Another 5 billion will be invested in production until 2022. St. Petersburg tractor plant is part of PAO "Kirovskiy Zavod", which aims at the modernization of production, creation of new products and jobs (www.gov.spb.ru 12.07.2019).

According to the newspaper "Kommerisant", the service for the delivery of food packages Grow Food, having the largest turnover in Russia, has launched its own production in Kolpino on a site of 2.2 thousand sq. m. Production capacity of the plant in Kolpino is 12 tons a day, 1-1.2 million servings per month, staff of the enterprise is 270 people. The investments amounted to 200 million rubles. (www.kommersant.ru 26.08.2019)

PICTURE 3. Industrial production dynamics in St. Petersburg by industry, January-July 2019 in % to January-July 2018

5. FINANCE

In January-June 2019 the consolidated financial result (profit minus loss) of organizations (excluding banks, insurance companies and budget organizations, without small businesses) amounted to 643.5 bln rubles, which is 1.8 times more than in the corresponding period last year. In January-June 2019, the number of unprofitable enterprises in comparison with the same period of

2018 fell by 14 units or by 1.8%, the amount of the loss fell by 35.2%.

CITY BUDGET

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

STATE DEBT

The information about the structure of the state debt as of April 1, 2019, is presented in the tables 10 and 11.

Table 9. Consolidated budget execution as of July 1, 2019 (mln rubles)

	Revenues	Expenditures	Surplus + / Deficit -
January - May	271 821	225 280	46 541
January - June	309 173	289 031	20 141

Source: Petrostat

Table 10. St. Petersburg's state debt structure on August 1, 2019

	Mln rubles
State domestic debt of St. Petersburg, including:	30 100
Bonds	30 100
Budget credits	0,0
State external debt of St. Petersburg	0,0
Total	30 100

Source: City Committee of Finance

Table 11. Debt service expenditures of the budget of St. Petersburg, as of August 1, 2019 (mln rubles)

Item	Plan for 2019	Fact on 01.08.2019
Domestic debt service costs	4 442,5	1 155,5
Total	4 442,5	1 155,5

Source: City Committee of Finance

6. MUNICIPAL AFFAIRS

BEAUTIFICATION, RESTORATION, CAPITAL REPAIRS

In late August the overhaul of the Zhdanovskaya embankment from Maly Avenue of Petrogradskaya side to Zhdanovsky bridge has been completed. The works included the modernization of engineering networks, replacement of the embankment wall, renovation of the granite bollards and installation of the new wall blocks. The road was also renovated. (Based on the materials of "Kommersant")

During the preliminary consideration of the budget of St. Petersburg for 2020, the Committee on beautification has requested additional 5.6 billion rubles for street cleaning, and the Committee on transport infrastructure development has proposed to increase funding for current (by 5.7 billion rubles) and capital (by 1.2 billion rubles) road repairs. The need to increase the cost of these items is associated, inter alia, with the poor quality of street cleaning in the winter of 2019 (according to IA REGNUM)

Works begin on the overhaul of the Commercial bridge over the Kryukov canal. The traffic on the bridge will be closed from August 2019 to May 2020, the winner of the competition for work – FOR "Revival", the total value of the contract is 80 million rubles. The works include replacement of

the bearing parts of the bridge, restoration of metal and granite cladding, laying of new asphalt pavement, as well as the future increase of load capacity of the bridge. (Based on the materials of "Kommersant")

In the early September, a new exposition of the State Memorial Museum of the Defense and Siege of Leningrad opens in Solyanoy pereulok. 150 million rubles were allocated from the Reserve Fund of the President of the Russian Federation to create a new exhibition. In addition, the Ministry of defense of the Russian Federation plans to transfer additional areas occupied by its structures located in neighboring buildings to the new branch of the Museum. (Based on the materials of "Kommersant")

TRANSPORTATION, ENERGY, WATER SUPPLY

In January-June 2019, the transport organizations of St. Petersburg transported 4.8 million tons of cargo (which exceeds the figures for the logical period of 2018 by 14.2%) and 286.9 million passengers (which is lower than in January-June 2018 by 1.2%). At the same time, the cargo turnover amounted to 2943 million ton-km (2.3 times more than in January-June 2018), and the passenger turnover-1679 million pass-km (which is higher than in 2018 by 1.1%). The num-

ber of road accidents decreased slightly (by 2%) compared to the analogous period of 2018 (according to Petro-stat)

In January-July 2019, Pulkovo airport served 10.9 million people, which is 9.1% higher than in the same period of 2018. The volume of traffic on international routes increased by 4.8%, amounting to 4.2 million people. On domestic routes passenger traffic reached 6.7 million people — 12% more than in January-July of 2018. In Pulkovo for the first seven months of 2019 there were more than 95 thousand takeoff and landing operations. The leaders in terms of traffic in January-July 2019 were the airlines "Russia", "Aerofleet", "Victory", S7 Airlines and "Ural airlines". The most popular Russian destinations are Moscow, Simferopol and Sochi, while the international destinations are Antalya, Minsk and Frankfurt am Main. (According to the materials of the press service of "VVSS»)

MAJOR CITY PROJECTS

In the early September, the new Western high-speed diameter interchange with Novoye highway was opened. The total length of the viaduct is 130 m, and that of the three congresses — 2.1 km. The task of constructing a junction is to accelerate the path from WHSD to Kurortniy district. The total cost of works is 807 million rubles, the main contractor of works under the contract with the operator of the highway — PO "Vozrozhdenie". (Based on RBC)

In 2019, the state Museum-reserve Tsarskoye Selo will receive more than 1 billion rubles from the federal budget for the restoration of the Alexander Palace. At the same time, the Museum-reserve will direct 746 million rubles of its own funds for the same purposes. The works include reconstruction of historical interiors of the palace, equipment of halls for exhibitions and office premises. The total estimated cost of the project is about 3 billion rubles. (According to TASS)

In accordance with the agreement between the Government of St. Petersburg and PAO "Gazprom", the waterfront at "Lakhta center" must be completed by the end of 2020. The first phase of the works includes strengthening of the southern and eastern embankments, the second stage includes technical and architectural decoration of the embankment. After commissioning, the embankment, which is located on the territory of Lakhta center, owned by PAO Gazprom, will become the property of the city. (Based on Interfax materials)

HOUSING AND CONSTRUCTION

According to the Construction Committee in July 2019 in St.-Petersburg there was put into operation 220 068,4 square meters of housing, 60 homes for 5407 apartments, including individual construction.

Most of the housing was built in Krasnoselskiy district, where there were commissioned 90285,20 square meters of housing, 6 houses for 2598 apartments. In addition, in the Primorsky district there were built 939,40 42 square meters of housing, 3 1166 apartments, and in the Nevsky district - 2 884 apartments with a total area 38681,30 sq. m.

According to the website restate.ru in the ranking of the portal of the Unified register of developers in the first half of 2019, the company "Baltic pearl" is the leader, it put into operation 61 820 sq.m. of residential real estate.

In addition, in July 2019, it is planned to put into operation 22 objects of civil purpose, including a sports club in the Vyborg district, a kindergarten for 100 seats in the Primorsky district, a house of creativity in the Central district. 10 objects have already been commissioned. According to the Deputy Chairman of the Committee on construction Ye. Baranovsky, out of 15 planned kindergartens there have been completed 6, out of 4 planned schools there have been completed 3, as well as 1 doctor's office and a youth club. In 2020, it is planned to build 23 social infrastructure facilities, including 2 schools and 15 kindergartens.

CO-INVESTORS

On July 1, 2018, the amendments on escrow accounts and bank support came into force, and the transition of all construction projects, including already under construction, to contracts for participation in shared construction using escrow accounts began. From this date, the ban on the sale of new buildings of low readiness under equity contracts comes into force. The reform of the industry is overdue because of the acute problem with defrauded shareholders.

The real estate commission of the Consumer Society of St. Petersburg and the Leningrad region has compiled a memo listing the main changes in the equity legislation that came into force on July 1. The full text is available at www.restate.ru/.

Construction projects that are already being implemented by the country's developers find themselves in different situations and regimes: first, projects that will receive project financing and continue to be built according to the new mechanism. Another group of projects will receive the possibility of financing under the old scheme, i.e. with the involvement of equity holders to the account of the developer, without the use of escrow accounts. Criteria - the degree of readiness of the object is not less than 30% and the number of

7. REAL ESTATE

signed equity agreements (DDA) - not less than 10% (of the total area of residential and non-residential premises).

In St. Petersburg, the houses that were to be built by the group of companies "City" were a problem. Their construction began in 2010 and the first equity contracts were concluded in 2011. By June 2015, construction of all houses was completely suspended. In early 2019, the situation was brought under the control of the City administration. As a result, to date, there have been completed all 13 houses for 5 956 apartments with the total area of 261 796 sq.m. in three residential complexes, previously controlled by "Gorod" - "Lenin Park", "Starfish" and "Baltic". The total number of defrauded shareholders in these facilities was 5001 people. Equity contracts were concluded for both apartments and commercial premises and parking lots. Now the citizens who were in the register of victims are excluded from it as their violated rights of participants of shared construction are restored. In addition, a kindergarten has been built inside the blocks, a landfill has been eliminated, the construction of a school is being completed, engineering works are being conducted for the construction of an ambulance substation, which will be built in 2020, and of two kindergartens.

Vice-Governor Nikolai Linchenko at the business brunch "Transformation of a square meter: how will the real estate market of St.-Petersburg change" has declared that development companies of the city are adopting new rules of construction with the use of escrow accounts without shocks. St. Petersburg was one of the first to prepare for the transition, to play by the new rules. 75% of the facilities under construction today will be completed according to the old rules. 18 projects in the city have already received project funding.

TERRITORIAL DEVELOPMENT, REGULATION

The reform of shared-equity construction is taking place against the backdrop of an ambitious national goal to increase housing commissioning to 120 million sq.m. by 2024.

Construction Minister Vladimir Yakushev in an interview to the Rossiyskaya gazeta on August 26 said that the resettlement of emergency housing are implemented and financed under the national project "Housing and urban environment". Agreements on the implementation of the first stage of the program have been concluded with all regions participating in the project. Local executive authorities in 2019-2020 will have to relocate almost 64 thousand people from more than 26 thousand residential premises in emergency houses. More than 8 thousand citizens will move to new housing by the end of the year. In total, 35.4 billion rubles have been allocated from the federal budget for the implementation of the first stage.

All regions have sent applications to the Housing Fund for financial support, and they have already been approved. Over 10 billion rubles have been transferred to the regions of the Russian Federation. The remaining 70 % will be transferred when the regions provide registers of contracts for the purchase of apartments for resettlement. The project participants drew up schedules for the conclusion of contracts. The distribution of funding for the next stage in 2020-2021 directly depends on how the regions will cope with the task at the start of the program. The Housing Fund has already begun to accept applications from Russian regions for funding for the implementation of the next stages of the program - 2020-2021 and 2021-2022.

The Ministry of construction is implementing the "Smart city" project, which was launched in Russia in 2018, and since 2019 is implemented within the national program "Digital economy" and the national project "Housing and urban environment". The project involves all settlements with a population of more than 100 thousand people, as well as, at the request of the federal subject, cities with fewer inhabitants. The task of the project participants is to achieve compliance with the basic requirements of the standard - the creation in 2019 and 2020 of a digital platform for the involvement of citizens in urban processes. The standard also includes measures to digitalize the housing and utilities sector, transport system, urban space, public and environmental safety systems, tourism and services. The implementation of the mandatory points of the standard will be linked to the volume of subsidies to the regions for the improvement of the urban environment.

The pilot cities, with which the Ministry of construction signs agreements, take on additional obligations: not only to fulfill the standard ahead of schedule, but also to implement a set of additional measures. The goal of "Smart city" is not only digital transformation and automation of processes, but also a comprehensive increase in the efficiency of urban infrastructure

8. INVESTMENT PROJECTS

According to Petrostat, the volume of investments in the fixed capital of the city organizations in January-June 2019 amounted to 206.7 billion rubles, or 79.1% to the corresponding period of the last year. The specific structure of investments in fixed assets is presented in table 12. More than half of the investment was directed to equipment and machinery, including household inventory and other objects, as well as buildings (except residential) and facilities, land improvement costs.

Table 12. Investments in physical capital

Type of physical capital	Bln. rubles	% of the total
Total, Including:	206,7	100
Residential premises	27,0	13,1
Non-residential buildings and land improvement	61,4	29,7
Machines and equipment	104,7	50,7
Intellectual property	7,7	3,7
Other	5,8	2,8

New conceptual restaurant opens in St. Petersburg

The restaurant called Memo will be located on the corner of Malaya Morskaya street and Voznesensky Prospekt. The restaurant, which is scheduled to open in September, will be designed for 150 seats, the average bill may be 2.5 thousand rubles. The Concept of the new restaurant will not be associated with any national cuisine – it will focus on the dishes prepared on the grill, including desserts.

Gazpromneft and Burger King launch a joint project in St. Petersburg. At one hundred gas stations of "Gazpromneft" will open fast food restaurants. The first of them - under the brand of Burger King – has opened at the station, located on the Pulkovo highway. The building has its own hall as well as an auto window. Now Gazpromneft is also negotiating with KFC, McDonald's and Mgrill.

Yekaterinburg network "Golden Apple" (OOO "World of beauty") opens in St. Petersburg the first shop

The company rented a room on the first floor of the shopping center "Nevsky center". The opening of the store is planned for the end of the year. Golden Apple plans to open two or three more stores in St. Petersburg. Their location has not yet been determined; the company is negotiating with shopping centers.

Moscow food sets delivery service JustFood enters St. Petersburg market

According to JustFood, the company will begin to fulfill orders in St. Petersburg at the end of August. JustFood specializes in getting food packages for people who are oriented at a healthy lifestyle. The service offers two menu options - basic sports nutrition and nutrition for those who want to lose weight. The consumer can choose the quality of the menu and the duration of the subscription to the service. In Moscow, the price of subscription for six days and 2 thousand calories is 6720 to 7750 rubles. In St. Petersburg JustFood will maintain this pricing policy. At the first stage, it is planned to use Moscow production facilities, and only the distribution center will operate in St. Petersburg. With the successful development of the project, JustFood will launch production in St. Petersburg, significantly expand the courier staff

and increase the area served by the distribution center.

Czech-Russian manufacturer of electrical equipment Hakel (AO "Hakel") began the construction of a new plant

AO "Hakel" was established in St. Petersburg 17 years ago as a joint Czech-Russian company and is the official distributor of Hakel in Russia and CIS countries. In addition, it designs and manufactures electrical equipment, earthing and lightning protection devices.

Plant for the production of devices for protection against pulse overvoltage. These devices protect against damage to electrical networks, they are installed in industrial enterprises, in apartment buildings and private homes. The plant is under construction in the industrial Park "Greenstate" in the Lomonosov district of the Leningrad region, it will be focused on the production of devices for protection against impulse overvoltage. According to the company, investments in the project will amount to 350 million rubles.

The Government of St. Petersburg has approved a draft agreement on the construction of a consulting and diagnostic center in the Pushkin district of the city

The author of the private concession project is OOO "Russian Baltic", a member of the group "Euromed". It is expected that the project will be implemented by 2023, the investments amount to 1.8 billion rubles. The company already has experience of cooperation with the Government — a joint project of "Polis" on establishment of clinics in different areas of the city, which already operate 16 medical centers, receiving patients on the required medical insurance policy in areas where there are no public clinics. Investments in each center ranged from 15 to 30 million rubles.

Now several projects are being implemented in St. Petersburg in the field of health care through the joint efforts of regional authorities and business. In the spring of 2019, the medical center "XXI century" began construction of a large rehabilitation center for 3 billion rubles in the city of Kommunard, Gatchina district of Leningrad region. This will be the first project in the region in the field of medicine, implemented under the model of public-private partnership. The investor will provide

services under the PPP system. A consortium of Italian Pizzarotti and Gazprombank in the framework of PPP is building a new medical building of the hospital № 40 in Sestroretsk. The volume of investments will be 6.5 billion rubles. After the completion of construction, the investor will operate the building, and the hospital itself will provide medical services. In addition, St. Petersburg is working on a project for the reconstruction of maternity hospital No. 17, which should also be implemented under a PPP model.

The German company Sarstedt began construction of a plant for the production of medical equipment in the Industrial Park "Maryino "(Petrodvorets district of St. Petersburg)

Sarstedt, one of the world's largest suppliers of laboratory and medical equipment, develops, manufactures and markets equipment and consumables for medical and scientific purposes. The project is implemented under the Memorandum on joint activities between Sarstedt, St. Petersburg and VTB Bank. The new plant will have a capacity of 50 jobs. In addition to the production building, the complex will include a two-story administrative building and storage facilities. The main share of production will be blood collection systems: S-Monovette and Microvette. It is planned that the products will be supplied to medical institutions of St. Petersburg and other regions of Russia, as well as to the countries of the near abroad. The investments in the project amount to more than 1.5 billion rubles.



GENERAL OVERVIEW OF SOCIO-ECONOMIC SITUATION IN ST. PETERSBURG

This analytical overview is a publication of the International Centre for Social and Economic Research "Leontief centre" and is issued 6 times per year in Russian and English since 1992.

Each issue (20-25 pages) contains, in concentrated form, statistics and information (incl. unpublished) describing the situation in the industry, urban infrastructure, the budget sphere, the progress of privatization and investment projects in St. Petersburg, as well as the standard of living and employment.

The review provides a unique opportunity for investors, entrepreneurs, scholars, public figures to regularly and quickly obtain information about the development of the city.

All editions of the overview are posted on the website <http://www.obzor.leontief.ru/>