

GENERAL OVERVIEW OF SOCIO-ECONOMIC SITUATION IN ST. PETERSBURG



July-August 2020 № 166



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Founder: ICSEER Leontief Centre

Editor in chief:

Nina Odina

Editors:

Olga Varlamova

Denis Kadochnikov

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In compiling this review, the report data of St. Petersburg Statistic Committee for 2007-2020 on the Socio-Economic Situation in St. Petersburg and the Leningrad Oblast was used.

1. CITY MANAGEMENT

APPOINTMENTS

New Vice-Governor in the Government of St. Petersburg

On July 8, 2020, deputies of the Legislative Assembly approved the appointment of A. Belsky to the position of a Vice-Governor. As a member of the City Government, A. Belsky is responsible for youth policy, the press and interaction with the media, cooperation with local governments, religious associations, political parties and subjects of public control. Prior to this appointment, A. Belsky headed the Territorial Development Committee from January 2019. Since 2014 he was the head of the municipality - Chairman of the Municipal Council of the city of Sestroretsk, and served as the Deputy Chairman of the Council of municipal entities of St. Petersburg.

New head of the Property Control Committee of St. Petersburg

In accordance with the order signed by the Governor of St. Petersburg, S. Muravyov was appointed to the position of Chairman of the Property Control Committee from August 10, 2020. Prior to this appointment, he served as the Deputy Chairman of the Committee on Industrial Policy, Innovation and Trade of St. Petersburg. Previously, the Committee was headed by A. Korotkov, who was appointed special representative of the Governor on July 21, 2020. The duties of the Chairman of the Committee were temporarily performed by the Deputy Chairman M. Petrov, and the first Deputy Chairman E. Pastukhova. The Property Control Committee implements state policy in the sphere of control over the use and preservation of state property in St. Petersburg (with the exception of housing stock), ensuring the inventory of non-residential objects. The Committee is responsible for land relations in terms of ensuring the land inventory count and inventory count of public green areas, land control, detection and prevention of unauthorized construction activities, and organization of dismantling of unauthorized buildings.

The head of the State Construction Supervision and Expertise Service of St. Petersburg has been replaced

In accordance with the order signed by the Governor of St. Petersburg, V. Boldyrev was appointed head of the State Construction Supervision and Expertise Service from August 24, 2020. Before being appointed to this post, he worked as the chief of staff of the Vice-Governor of St. Petersburg, N. Linchenko. The State Construction Supervision and Expertise Service organizes state expertise of project documentation and engineering survey results, and issues construction permits

for capital construction projects; for works on the creation of an artificial land plot formed on a water body that is in Federal ownership; for capital construction projects and putting artificial land plots into operation. In addition, the Agency carries out regional state construction supervision.

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

The meeting was held on August 20, 2020 under the chairmanship of Governors A. Beglov and A. Drozdenko. The Coordinating Council was formed on the basis of a joint decision of the Governments of St. Petersburg and the Leningrad region on November 13, 2012 as a permanent advisory body under the Governments of the City and the region. The meeting focused on issues of coordination and integration of social support measures provided to residents of the City and region. During the meeting, an agreement was reached to set a single patent value of 4 thousand rubles for 2021. rubles for foreigners who come to work in St. Petersburg and Leningrad region. In addition, the issue of maintenance and operation of regional and inter-municipal roads was considered. On the territory of the City and the region there are 35 interconnected, actually shared roads. The meeting participants also discussed the interaction of city and regional organizations that provide medical care during the spread of covid-19 infection.

The Coordination Council for social protection of citizens affected by radiation has resumed its work

The resolution of the Government of St. Petersburg on the resumption of the work of the Coordination Council was signed on August 31, 2020. The decision was made following a meeting between the Governor and representatives of the Chernobyl community organizations. The work of the Coordination Council was suspended in 2014. Its functions were performed by the Coordinating Council for disabled people under the Governor of St. Petersburg.

LEGISLATION

Approved was the Regulation on accounting for objects of incomplete construction in the state property in St. Petersburg

This regulation was approved by resolution no. 570 of the Government of St. Petersburg dated July 29, 2020. Objects subject to accounting are those that are reflected in the budget accounting accounts of executive bodies of state power, state unitary enterprises, and state-owned, budgetary, and autonomous institutions of St. Petersburg. Accounting is conducted by the property holder by

approving data cards (so-called accounting cards). The methodology for creating and approving accounting cards is developed and approved by the Committee for Economic Policy and Strategic Planning of St. Petersburg. The same Committee is responsible for maintaining the consolidated register of objects of state property under construction in St. Petersburg.

The list of apartment buildings recognized decrepit and subject to resettlement was approved

The list was approved by the order of the Government of St. Petersburg No. 20-RP dated August 3, 2020. It includes a list of residential apartment buildings that have been recognized decrepit and are subject to resettlement and demolition in 2020-2021. The list includes only three low-rise residential buildings. Two of them are located in Kurortniy district, and one – in Krasnogvardeyskiy district. 42 people (19 families) live in these houses; the total area of residential premises is 669.2 sq. m. The residents of these buildings will be provided with other residential premises in apartment buildings built at the expense of budget funds or purchased in the state ownership of St. Petersburg.

In St. Petersburg, part of the restrictive measures to counteract the spread of covid-19 infection has been canceled

Restrictive measures were established on the basis of the decree of the Government of St. Petersburg No. 167 of March 30, 2020. As the epidemiological situation improves, the previously established restrictions are relaxed. In accordance with the decree of the Government of St. Petersburg No. 608 of August 6, 2020, the operation of amusement parks located under the open sky was resumed on August 8. Before resuming operations, park administrations were required to adopt a safe operation standard and receive a unique QR code confirming that they were ready to comply with this standard. In addition, since August 8, the ban on street sports, cultural and entertainment events, as well as citizens' visits to cemeteries in St. Petersburg, has been lifted. Owners of shopping and entertainment centers are required not to allow citizens to stay in public areas without personal respiratory and hand protection. In accordance with the decree of the Government of St. Petersburg of August 14, 2020. No. 616 from August 17 it was allowed to carry out educational activities for the implementation of educational programs of secondary vocational education, subject to compliance with sanitary and epidemiological requirements. At the same time, a number of other restrictive measures were extended until August 30.

MEETINGS, COOPERATION

The Governor of St. Petersburg held a working meeting with the head of the North-Western Sberbank

The meeting was held on August 7, 2020. The participants discussed the construction of a new Sberbank office on the alluvial territories of Vasilievsky island. Sberbank representatives announced their readiness to invest in the Marine facade project. It is planned to create an innovative quarter here. In order to develop the project concept, it is planned to announce an international competition. The meeting also discussed the implementation of digital solutions based on Sberbank's cloud platform in the urban economy. Sberbank's digital platform can be used to improve the quality and accessibility of public services.

St. Petersburg and the Russian Post have signed a cooperation agreement

The agreement was signed on August 11, 2020 in Smolny by the Governor of St. Petersburg A. Beglov and the General Director – Chairman of the Board of JSC "Russian Post" M. Akimov. The agreement provides for cooperation in the implementation of the Post quarter project. Its territory includes an area of 25 hectares, bounded by the Novo-Admiralteiskiy Canal, Moika River Embankment, Bolshaya Morskaya Street, Isaakievskaya Square and Galernaya Street. The concept of the project, which provides for the creation of comfortable public spaces in the historical center of the city, has yet to be developed. According to the submitted proposals, a large pedestrian zone, a Museum space, a Congress hall, a concert hall, and public catering facilities are planned to be created within the Postal district. Engineering infrastructure and other property objects in St. Petersburg are being repaired at the expense of the budget.

2. EMPLOYMENT

In June 2020, 1499.7 thousand people were employed at large and medium-sized enterprises (table 1). Full-time employees accounted for 95.6% of those employed at these enterprises. Compared to the previous month, the number of full-time employees decreased by 0.5%, the number of part-time employees decreased by 5%, and the number of contracted employees increased by 7.1%

In January-June 2020, the number of employees at these enterprises increased by 2.6% compared to the same period in 2019. The number of full-time employees increased by 2.8% over the same period. The number of part-time employees fell by 0.7%, while the number of contracted employees fell by 3.4%.

In June 2020, the largest number of jobs was in education, transport and communications,

manufacturing, healthcare, wholesale and retail trade, and the smallest number was in agriculture and forestry, hotels and restaurants, and other services (table 2).

In the City, 48.1% of all employees of large and medium-sized enterprises worked in the public sector of the economy.

In the 2nd quarter of 2020, the number of economically active population (EAP) was 3080.3 thousand people, including 2996.9 thousand employed and 83.4 thousand unemployed. Persons outside the labor force accounted for 1496,7 thousand people.

During the period under review, the employment rate was 65.5% (the share of the employed in the total population aged 15 to 72 years),

the level of economic activity - 67.3% (the share of the economically active population in the total population aged 15 to 72 years) (<http://ktzn.gov.spb.ru/analiticheskaya-informaciya/>).

According to Petrostat, the number of employees scheduled for discharging in the third quarter of 2020 in organizations of St. Petersburg (without small businesses) amounted to 1,694 people or 0.11% of the total number of employees of organizations of St. Petersburg (without small businesses) in May 2020.

In July 2020, the demand of St. Petersburg enterprises for employees amounted to 33.2 thousand people (table 3).

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

	June 2020		January-June 2020 in % to January-June 2019
	'000 people	In % to May 2020	
Filled jobs total, including:	1499.7	99.6	102.6
Registered permanent employees	1433.9	99.5	102.8
External by-workers	30.8	95.0	99.3
Contracted labour	35.0	107.1	96.6

TABLE 2. Employment at enterprises and organizations of St. Petersburg by the type of economic activity in June 2020 (without small enterprises)

Industry	Total employment	
	'000 people	% of the total
Total, including:	1499.7	100.0
Manufacturing	210.6	14.0
Production and distribution of electric power, gas and water	44.6	3.0
Agriculture and forestry	5.3	0.4
Construction	53.2	3.5
Transportation and telecommunications	213.8	14.3
Finance	53.4	3.6
Real estate transactions, leasing and services	37.6	2.5
Wholesale and retail trade, repair of motor vehicles and home appliances	171.7	11.4
Hotels and restaurants	25.9	1.7
Public administration, security and social care	91.2	6.1
Education	214.4	14.3
Healthcare and social services	168.3	11.2
Culture, sports, entertainment	46.8	3.1
Science and technology	119.2	7.9
Administrative services	37.4	2.5
Other services	6.3	0.5

TABLE 3. St. Petersburg enterprises' demand for workforce, October 2019 – July 2020

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
October	35.4	0.6	100	1.5 times
November	33.9	0.6	100	120
December	31.2	0.7	116.7	140
January 2020	30.3	0.7	100	116.7
February	31.1	0.8	114.3	133.3
March	30.8	0.8	100	133.3
April	31.8	2.2	280	3.7 times
May	32.9	2.8	127.3	5.6 times
June	34.0	3.1	110.7	6.2 times
July	33.2	3.5	112.9	7 times

By the end of July 2020, the number of unemployed persons registered at State Employment Service per one declared vacancy was 3.5 people against 0.5 people at the end of July 2019.

At the end of July 2020, the need for employees declared by employers to the Employment Service amounted to 33187 vacancies, of which 57.2% were in working professions (<http://ktzn.gov.spb.ru/analiticheskaya-informaciya/>).

In January-July 2020, the largest number of vacancies was declared by organizations related to the following types of economic activities: transportation and storage -14.0%; manufacturing -13.6%; activities in the field of health and social services -10.3%; wholesale and retail trade, repair of motor vehicles and motorcycles -9.4%; administrative and related services -7.9%; education -5.5%; construction -5.5%; hotels and catering -5.3%; state administration and military security -4.7%; real estate operations -3.0%; professional, scientific and technical activities -2.9% (<http://ktzn.gov.spb.ru/analiticheskaya-informaciya/>).

In July 2020, as in the same period of 2019, programmers, engineers, doctors of various specializations, and policemen remain are in the top ten professions with the shortage of specialists. In 2020, the deficit of policemen and medical staff increased, and the deficit of programmers and engineers decreased. There was a shortage of operational duty guards, architects, process engineers, managers, information security engineers, and nurses.

In July 2020, compared to the same period of the previous year, car drivers are still in short supply among specialists in working professions, although their deficit has decreased. There was a shortage of truck drivers, crane operators, painters, locksmiths, metal hull assemblers, plasterers, seamstresses, and operators of software-controlled machines.

In July 2020, 114.7 thousand people were registered at St. Petersburg Employment Service. This is a record for the last three years (table 4). In July 2020, 89.0% of those registered with the employment Service were officially recognized as unemployed.

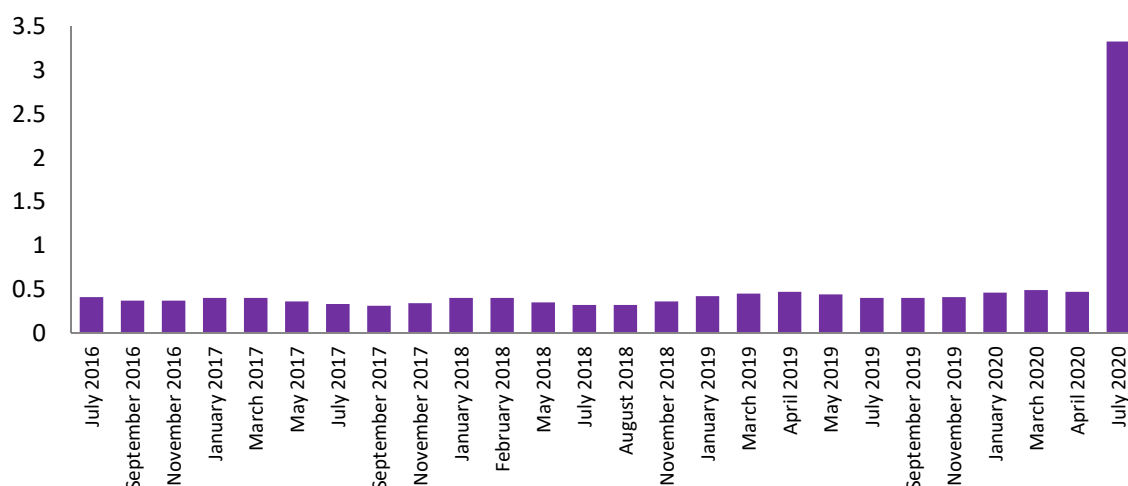
At the end of July 2020, the total number of people who applied to the State Employment Service of St. Petersburg was 122,732 (at the end of July 2019 – 27,037).

In January-July 2020, the employment Service received 283,097 applications from citizens for the provision of public services, including 39,990 applications for professional orientation, and 75,634 applications for informing about the situation on the labor market.

The number of registered unemployed citizens at the end of July 2020 was 102,138, including: women - 61.5%; young people aged 16-29 - 23.6%; disabled people - 1.9%, citizens of pre-retirement age - 8.1% (at the end of July 2019, the number of unemployed was 12,298 people) (<http://ktzn.gov.spb.ru/analiticheskaya-informaciya/>).

TABLE 4. Change in the number of officially registered unemployed people in St. Petersburg, 2019, January-July 2020

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 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
August	20.5	11.9	97.0	124.3
September	22.1	11.9	99.6	124.4
October	21.4	12.3	103.1	118.4
November	21.7	12.5	102.2	115.1
December	21.3	13.9	110.8	115.1
January 2020	22.6	13.9	100.3	109.6
February	24.0	14.6	104.7	105.8
March	24.2	15.1	103.8	111.1
April	70.0	32.5	2.1 times	2.3 times
May	93.3	73.9	2.3 times	5.5 times
June	106.4	91.8	124.2	7.4 times
July	114.7	102.1	111.3	8.3 times

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

In July 2020, 15.8 thousand people received the status of an unemployed (13.3 thousand more than in July 2019). The job-placement of the unemployed in July 2020 was 2.2 thousand people more / 4.1 times more than in the same period of 2019, and amounted to 2.9 thousand people.

According to Rosstat, in the 2nd quarter of 2020, the unemployment rate (according to the methodology of the International Labor Organization) amounted to 2.7% of the economically active population (EAP). St. Petersburg had one of the lowest unemployment rates among the Russian regions (in the North-Western Federal district- 5.0%, in Moscow – 2.0%, in the Russian Federation on average – 6.0%).

The registered unemployment rate (the ratio of the number of registered unemployed to the labor force on average for 2019) at the end of July 2020 was 3.33% (at the end of July 2019, this indicator was 0.40%). (www.rspb.ru) (picture 1). This is the lowest indicator among the regions of the North-Western Federal district.

3. PERSONAL INCOMES AND EXPENDITURES

PRICES

In January-July 2020, prices in the consumer sector of the economy of St. Petersburg increased by 3.0%. In a similar period in 2019, the price growth rate was similar.

Consumer price growth in January-July 2020 in St. Petersburg was the same as the national average. In July 2020, consumer prices increased by 0.5% (table 5).

In January-July 2020, tariffs for paid services to the population increased by 2.7% in St. Petersburg. For comparison, their growth in January-July 2019 was 3.6%.

The increase in prices for paid services in Petersburg in January-July 2020 was 0.3% higher than the national average. Prices for paid services increased by 1.3% in July 2020.

In January-July 2020, prices for food and non-food products increased by 4.7% and 1.8%, respectively. The growth of prices for food products in St. Petersburg in January-July 2020 was higher than the average Russian level by 0.4%, and for non-food products - lower than the average Russian level by 0.3%.

Prices for food products in July 2020 in St. Petersburg increased by 0.1%, and for non-food products-by 0.2%.

In July 2020, there was an increase in prices for butter and fats (by 1.5%), sausages and fish (by 0.9%), confectionery (by 0.5%), meat and poultry (by 0.3%), milk and dairy products (by 0.2%), alcoholic beverages (by 0.1%), bread and bakery products (by 0.01%). Over the same period, prices fell for cheeses (by 1.1%), cereals and legumes (by 0.7%), fruit and vegetable products (by 0.5%).

In July 2020, price of lemons fell by 8.3%, bananas - by 7.8%, fresh cucumbers – by 6.6%, tomatoes – by 5.7%, and potatoes – by 5.0%. At the same time, price of apples rose by 10.1%, beets – by 9.6%.

Among non-food products in July 2020, St. Petersburg recorded an increase in prices for perfumes and cosmetics (by 4.4%), tableware (by 1.1%), hosiery medicines (by 0.5%), construction materials, detergents and cleaning products (by 0.4%), (by 0.7%), tobacco products (by 0.3%), haberdashery and electrical goods (by 0.2%). Prices fell for fabrics (by 1.3%), shoes (by 1.2%), clothing (by 0.3%), white paper and stationery (by 1.2%), and knitwear (by 0.1%).

In July 2020, charges for electricity increased by 3.7%, for housing maintenance and repair, operating costs by 3.2%, for cold and hot water supply, sanitation by 3.0% and for gas by

0.8%. Fees for capital repairs of housing remained unchanged.

In July 2020, compared to June 2020, tariffs for housing and communal services provided to the population increased by an average of 2.9%. Accommodation in hotels has become more expensive by 15.7%, the cost of air travel - by 9.1%, and health and wellness services – by 3.7%. The fee for using consumer credit decreased by 3.5%.

In January - July 2020, gasoline prices increased by 1.5%, while diesel prices fell by 0.2%. In July 2020, gasoline prices rose by 0.6% and diesel prices by 0.2%.

PERSONAL INCOMES AND EXPENDITURES

In June 2020, real salary in St. Petersburg has increased by 0.3%, and in Russia on average - by 0.6% (picture 2).

The average monthly nominal salary accrued in St. Petersburg in January 2020 was 70,494 rubles. The average nominal salary of Russian citizens on average in June 2020 was 26.1% less than in St. Petersburg and amounted to 52,123 rubles.

Salary arrears as of August 1, 2020 amounted to 56.6 million rubles. Construction accounted for 84.1% of the total debt, transport - 8.1%, and processing industries -7.8%.

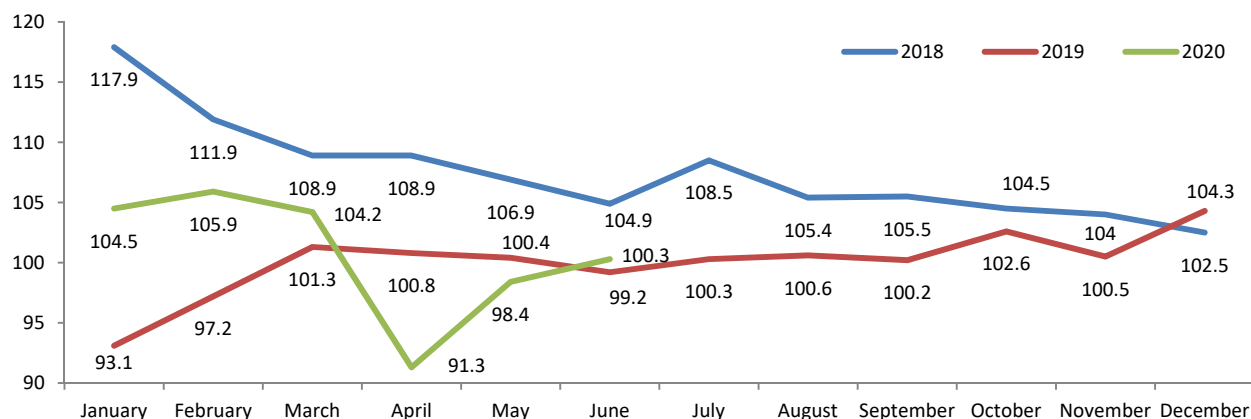
TABLE 5. Consumer price index dynamics in 2019, January-July 2020, % to the previous month

	<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 2019	101.1	101.8	100.5	101.0	101.0	101.3	100.6	101.1
December 2019	100.4	100.5	100.1	100.6	100.4	100.7	100.1	100.2
January 2020	100.7	101.0	100.2	101.1	100.4	100.7	100.2	100.2
March	100.8	101.3	100.9	100.2	100.6	101.0	100.5	100.1
April	100.7	101.8	100.3	100.1	100.8	101.7	100.4	100.1
May	100.1	99.8	100.0	100.3	100.3	100.2	100.3	100.5
June	100.0	99.9	100.3	99.8	100.2	100.2	100.3	100.1
July	100.5	100.1	100.2	101.3	100.4	99.9	100.3	101.0
July 2020 in % to December 2019	103.0	104.7	101.8	102.7	103.0	104.3	102.1	102.4
July 2019 in % to December 2018	103.0	103.7	101.9	103.6	102.7	102.7	101.9	103.6

TABLE 6. Salary arrears in St. Petersburg in 2019, January-August 2020 (on the 1st of each month), mln. rubles

	June	July	August	September	October	November	December	January 2020	February	March	April	May	June	July	August
Total arrears	85.9	94.3	115.8	139.6	118.3	175.3	290.9	145.3	144.2	113.2	87.5	93.7	79.3	61.4	56.6
Including arrears due to the lack of budget financing	0.0	0.0	0.0	0.0	3.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.4	0.0	0.0

PICTURE 2. Real salary in St. Petersburg to the same month of the previous year, 2018- 2020, %



DIFFERENTIATION OF SALARIES IN ST. PETERSBURG

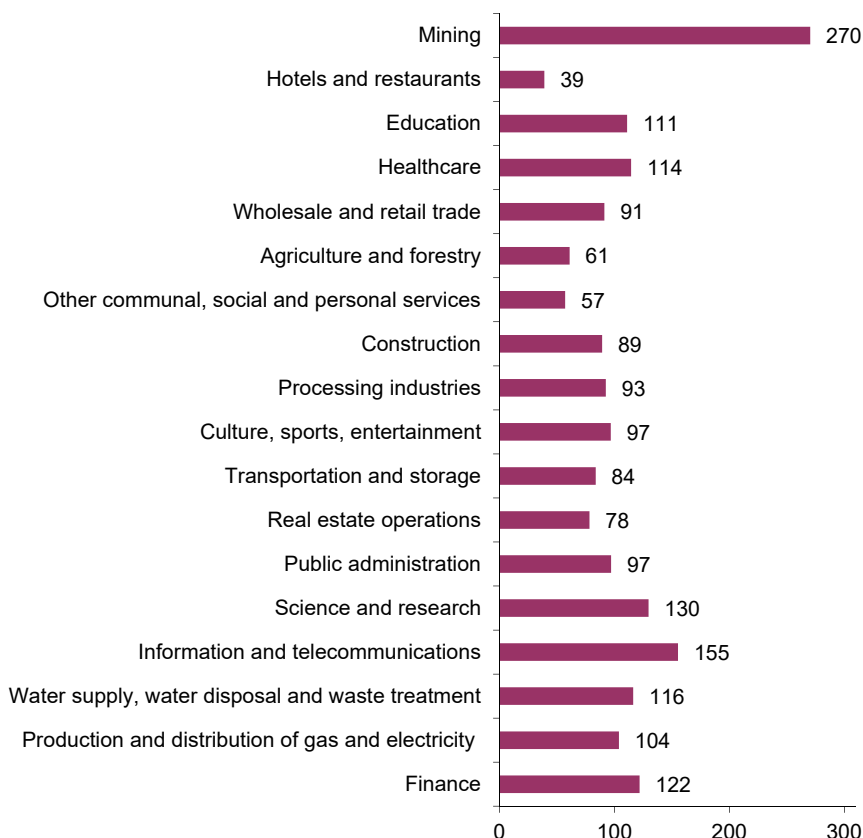
In June 2020, the level of inter-industry wage differentiation decreased compared to April 2020 (picture 3). So, the gap between the highest salary (mining) and the lowest (hotels) it was 6.9 times in this month against 7.4 times in April and 4.8 times in February 2020.

The highest salary in June 2020 was in mining (the salary of employees in this industry was 2.7 times higher than the average salary in St. Petersburg).

In June 2020, the average salary in St. Petersburg was significantly exceeded by the salary in the field of information and communications (by 55.3%), in the field of scientific and technical activities (by 29.6%), and in financial activities (by 21.8%).

And the lowest wages were paid to employees in hotels and restaurants (39% of the average salary), provision of other public, social and personal services (57.1% of the average salary) and agriculture (61% of the average salary).

PICTURE 3. Inter-industry differentiation of average salary in June 2020 in St. Petersburg, % of the average salary (the average salary = 100%)



4. INDUSTRY

The index of industrial production in St. Petersburg in January-July 2020 compared to January-July 2019 was 96.0%, in July 2020 compared to July 2019 – 103.6%.

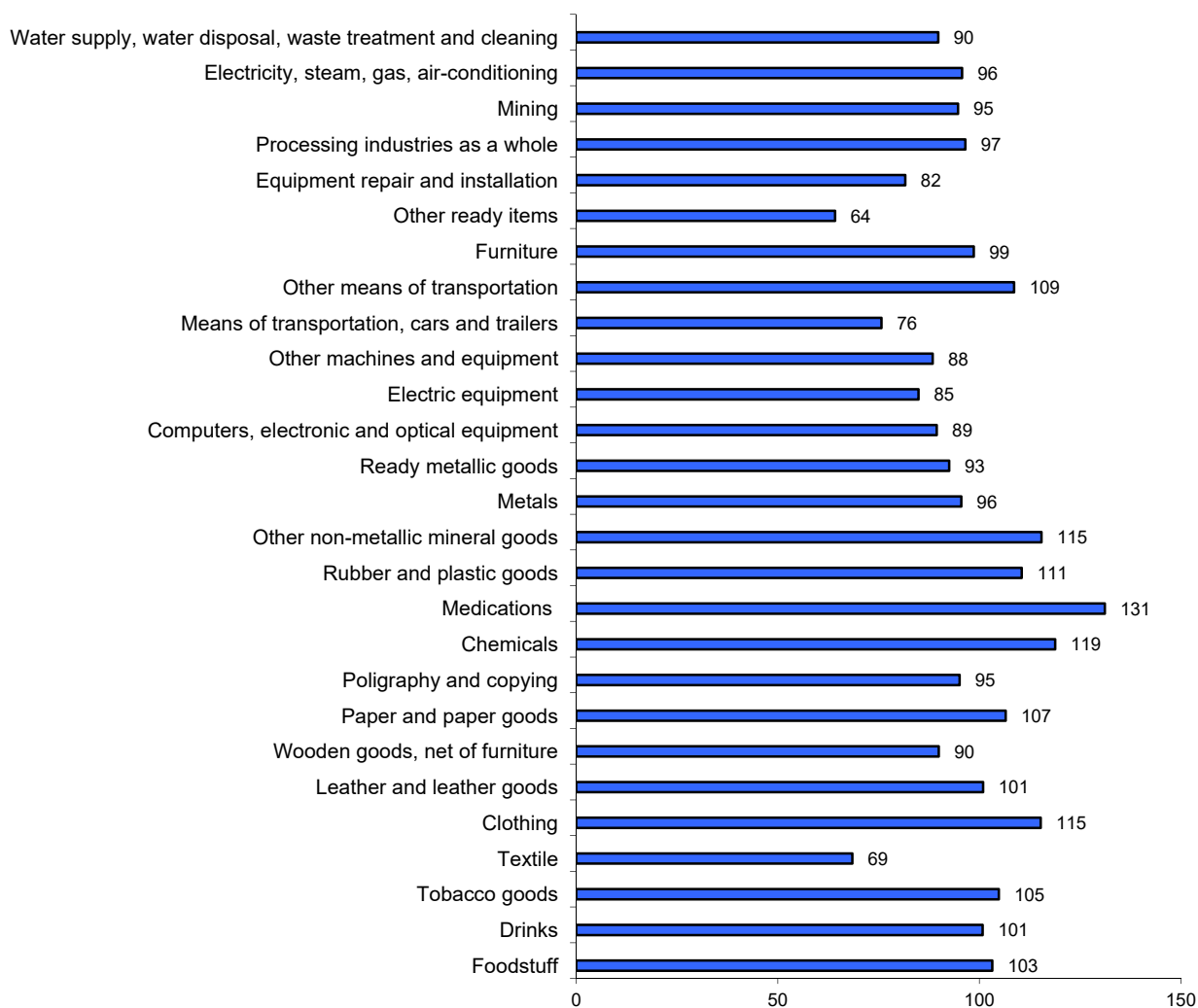
Obukhov plant JSC, part of the Almaz-Antey military-industrial concern, has launched production of desktop 3D printers. Development of its own 3D printer began in 2018. In 2019, Obukhov plant JSC signed a cooperation agreement with the Education Committee under the Government of St. Petersburg and launched a pilot production of Helios-1 3D printers. The system is 90% made of Russian-produced components (<https://3dtoday.ru/> 31.07.2020).

On July 21, 2020, the flag raising ceremony was held on the first serial frigate of project 22350 "Admiral of the Fleet Kasatonov" designed by the

Northern design Bureau and built at the Severnaya Verf shipyard. The frigate's acceptance certificate was signed on July 15. The ship will be part of the Northern fleet. The ship was laid down on November 26, 2009. Two more frigates of this series have already been launched, and five are under construction (www.ria.ru 21.07.2020).

The first Russian electric catamaran was launched in St. Petersburg on June 27. An electric passenger ship designed and built by NPC Morsvyazavtomatika was named Ecovolt. The vessel has a passenger capacity of up to 86 people, a crew of 2 people, and a travel distance of up to 10 hours (up to 140 km). A contract has already been signed for the supply of five electric catamarans for the Hermitage-Peterhof tourist line. Serial production of catamarans will be carried out at the company's own shipyard in the Leningrad region (tass.ru 27.06.2020).

PICTURE 4. Industrial production dynamics in St. Petersburg by industry, January-July 2020 in % to January-July 2019



5. FINANCE

In January–June 2020, the net financial result (profit minus loss) of organizations amounted to 390.3.2 billion rubles, which is 64.7% of the level of the corresponding period in 2019.

In January-June 2020, the number of unprofitable organizations increased by 228 units or 29.2% compared to the same period in 2019, and the amount of loss increased by 46.6 %.

According to operational data of the Federal tax service of the Russian Federation for St. Pe-

tersburg in January-June 2020, the budget system received taxes, fees and other mandatory payments in the amount of 693.9 billion rubles, which in nominal terms is 8.4% more than in January-June 2019.

CITY BUDGET

The information on the implementation of the consolidated budget is presented in table 7.

STATE DEBT

The information on the structure of the state debt as of September 1, 2020 is presented in tables 8 and 9.

Table 7. Consolidated budget execution as of July 1, 2020 (mln rubles)

	Revenues	Expenditures	Surplus + / Deficit -
<i>January-May</i>	258 339	242 458	15 880
<i>January-June</i>	299 306	307 491	-8 185

Source: Petrostat

Table 8. St. Petersburg's state debt structure on September 1, 2020

	Mln rubles
State domestic debt of St. Petersburg, including:	55 000
Bonds	55 000
Budget credits	0.0
State external debt of St. Petersburg	0.0
Total	55 000

Source: City Committee of Finance

Table 9. Debt service expenditures of the budget of St. Petersburg, as of September 1, 2020 (mln rubles)

Item	Plan for 2020	Fact on 01.09.2020
Domestic debt service costs	2750.0	624.9
Total	2750.0	624.9

Source: City Committee of Finance

6. MUNICIPAL AFFAIRS

BEAUTIFICATION, RESTORATION, CAPITAL REPAIRS

State expertise body of Russia issued a positive opinion on the overhaul of the Kronverksky bridge, which connects Petrogradsky Island and Zayachy Island. The start of work is planned for 2021, the estimated cost of the reconstruction will be more than 140 million rubles. The need for repairs is due to the emergency condition of bridge structures, insufficient load capacity and wear of the beams of the superstructures and the pile foundation of the bridge. The reconstruction project provides for the complete replacement of spans, decking and pavement. (Based on TASS materials)

In Tsarskoye Selo, works began on the restoration of the Zubovsky wing of the Catherine Palace, which was completely destroyed during the Second World War. The project, which has a total cost of more than 600 million rubles and is being implemented with the support of PJSC Gazprom, aims at recreating the interiors of the Blue hall, the Mirror and Silver cabinets, the Bedchamber and some other rooms of the wing. The expected completion date is the end of 2023. (Based on the materials of «Kommersant»)

The Administration of St. Petersburg has announced a competition for the construction of a continuation of Marshal Blucher Avenue from Industrial Avenue to the intersection with Komuny Street and the development of the road network in the Rzhavka industrial zone. The total cost of the work is 970 million rubles. The new highway will be eight-lane, and one of them will be intended for public transport. In addition, the project provides for the extension of Potapov Street from Revolution highway to Marshal Blucher Avenue and the construction of a new tram line along this street, which will be connected to the existing line at Nastavnikov Avenue. (Based on RBC materials)

TRANSPORTATION, ENERGY, WATER SUPPLY

In January-July 2020, St. Petersburg transport organizations transported 10,683 thousand tons of cargo and 208.2 million passengers (37.1% lower than in the same period of 2019). At the same time, cargo turnover amounted to 4474 million ton-km, and passenger turnover – 1228.8 million passenger-km (37.2% lower than in 2019). The number of road accidents was 2723, which is 22.1% lower than in the same period of 2019. It is expected that the consequences of the quarantine will continue to have a significant negative impact on the above indicators in 2020. (According to Pestrostat)

Passenger traffic at Pulkovo airport in January-June 2020 decreased by 2.1 times compared

to the same period of the previous year and amounted to 4.15 million passengers (in January-June 2019-8.77 million passengers). The main reason for this significant reduction in passenger traffic was the restrictive measures on domestic and foreign flights related to the covid-19 pandemic, including a complete ban on flights abroad in the spring of 2020. In July 2020, according to the Pulkovo airport operator, passenger traffic on domestic flights recovered to the level of July 2019. (Based on Interfax materials)

At the end of July, TGC-1 completed major repairs to the gas turbine and generator at the Yuzhnaya central heating station and started work on the reconstruction of the Avtovskaya central heating station, which supplies electricity and heat to the Admiralteysky, Kirovsky, Moskovsky, and Krasnoselsky districts of St. Petersburg and was commissioned in 1956. The work, which will increase the capacity of steam turbines and increase the reliability of electricity supply to consumers, is planned to be completed by 2025. (According to the materials of «Kommersant»)

The Administration of St. Petersburg has announced a competition for the development of project documentation for the continuation of the purple branch of the St. Petersburg metro. The initial cost of the contract is 40 million rubles. Documentation should include developing a construction project site from station "Shuvalovsky prospect" to station "Kolomyazhskaya" with an electrodepot "Kolomyazhskoye". (Based on the materials of «Delovoy Petersburg»)

MAJOR CITY PROJECTS

Arsenal real estate group presented to the Government of Leningrad region a project to create a light-rail transport line from the Parnas metro station through the village of Bugry to the Devyatkinino metro station, which is planned to be implemented jointly with the Canadian Vision Transportation Group. Improving the transport accessibility of the district can help increase the demand for mobility in the North of St. Petersburg. The investment volume may amount to more than 30 billion rubles, and the project is planned to be completed by 2025 if approved. (Based on RBC materials)

Project documentation for the construction of a section connecting the Western high-speed diameter highway to the Latitudinal highway (formerly the Eastern high-speed radius) was approved by the State expertise body of Russia. The agreement on the construction of the highway with a total length of 27.4 km was adopted at the St. Petersburg international economic forum in 2019. The new 2.6 km section, which will connect two high-speed highways and pass through the Kirovsky, Moskovsky and Frunzensky districts, will

be built to the North of the interchange with Blagodatnaya Street. (According to the materials of «Kommersant»)



7. REAL ESTATE

CONSTRUCTION

In June 2020, 56 houses for 5169 apartments with a total area of 245,802 square meters were commissioned in the City, mainly in the Primorsky and Krasnoselsky districts.

According to the press center of the Construction Committee, 212 thousand square meters of housing were commissioned in July. This is 14% less than in June. A total of 38 houses for 4,674 apartments were commissioned in Vyborgsky, Moskovsky and Primorsky districts.

Despite the epidemic, the program of renovation of residential buildings will not be reduced— by the end of this year, it is planned to perform 2.3 thousand works for a total of 13.8 billion rubles. (restate.ru)

In July, at a meeting of the coordination headquarters under the Plenipotentiary representative of the President of the Russian Federation for preventing and combating the spread of the new covid-19 infection in the Northwestern Federal district, the Governor of St. Petersburg A. Beglov said that the City still planned to commission 3.7 million square meters of housing by the end of the year (in the first half of the year, only about 700 thousand square meters were commissioned out of earlier planned million). In August, Vice-Governor N. Linchenko said that this year the aim for new residential real estate was at the level of 3 million square meters. This level is comfortable for the City authorities, since the social and transport infrastructure will simply not be ready for a greater pace of housing construction. The figure of 3 million square meters is lower than in 2019 (3.45 sq.meters) and almost 20% less than the target for the national project "Housing", writes Delovoy Peterburg.

On August 27, during a meeting of the President with members of the Government, Vice-Premier Marat Khusnullin reported that, in addition to the task of accelerating the resettlement of dilapidated housing, there are also other approaches to the problem of dilapidated housing that require the adoption of certain legislative initiatives. As part of further reducing administrative barriers, it is planned to make 30 more amendments to regulations that have been previously worked out with the State Duma and the Federation Council. It is necessary to organize the use of various tools to attract financing, including infrastructure bonds, consolidation of state customers in construction, and changing 2-3 thousand outdated construction norms.

Marat Khusnullin said that the rate of housing construction in Russia will decrease by 5% compared to last year.

In July, 16 infrastructure facilities were commissioned in St. Petersburg. This includes a shopping and entertainment center in the Nevsky district, a private school in Primorsky district, and a clinic for 340 visits per shift in Petrodvortsovy district.

In the first half of the year, only 12 thousand square meters of warehouse space were put into operation on the territory of the city. These data are from an analytical study of the consulting company Knight Frank St Petersburg, reports restate.ru. 60% of the leased space in the current year was built for companies' own needs, and only 40% - for renting.

In the first half of the year, 44.5 thousand square meters of office space are expected to be put into operation, while a total of 120 thousand square meters are expected for the year, which is the lowest figure in the last 10 years.

TERRITORIAL DEVELOPMENT, REGULATION

Prime Minister Mikhail Mishustin has signed a decree on the recognition of more than 30 regulatory acts and individual provisions containing requirements for control in the construction and housing sector as invalid. They will cease to operate from January 1, 2021. These include a decree approving the standard for disclosure of information by management organizations, according to which organizations must publish reports and general information about apartment buildings on the official website, which is determined by the Federal Agency responsible, as well as on the website of the regional government or on their own resource. Since 2017, management organizations publish information on the GIS housing and utilities website, guided by the Housing Code. Nine orders of the Ministry of Construction are also canceled, including those regulating the management of the register of specialists in the field of architecture and construction and the development of design documentation for a capital construction project. These acts either contain outdated requirements, or their provisions are duplicated in existing legislation.

The review of regulations and the elimination of unjustified or outdated requirements is carried out within the framework of the "regulatory guillotine" mechanism, which reduces the regulatory burden in the main sectors of the economy.

In an interview with the "Parliamentary Newspaper", the head of the Ministry of Construction and Housing of Russia V. Yakushev said that the restructuring of housing finance, which started in 2019, demonstrates positive results of the transition of the construction industry to a new scheme for attracting funds, and the number of projects using escrow accounts is growing. Currently, 35 million square meters (35% of the total construction volume) is already under construction using

project financing. A year ago, the share of construction using project financing was less than 3%. The volume of built housing for projects using escrow accounts for 6 months of 2020 is 754.4 thousand square meters. The largest number of construction projects using escrow accounts is concentrated in Moscow and Moscow oblast, Krasnodar kray, St. Petersburg and Sverdlovsk oblast. Another positive effect of switching to working with escrow accounts is the stability of the implementation of such projects. In the context of the spread of covid-19 infection the restrictions imposed have led to a decrease in business activity, but the financing of construction projects implemented under the new rules is carried out in accordance with the planned deadlines.

On August 25, a draft order of the Ministry of Culture appeared, "On approval of the subject of protection, territory borders and requirements for city-building regulations within the territory of the historical settlement of Federal significance of the city of St. Petersburg". The project was developed on the basis of materials prepared by KGIOF in 2016.

"Combinations of components of the historical urban landscape with accents and dominants against the sky in the visible space", i.e. panoramas, are subject to protection. This limit is 11 km for urban dominants and 6 km for major ones. As reported fontanka.ru, the KGIOF notes that after the borders and the subject of protection of the historical settlement are confirmed, panoramas and views of the city will be protected at a distance of up to 10 km. This will allow the implementation of urban development activities to preserve the unique views of St. Petersburg, including those outside the borders of the historical settlement.

In the rules of land use and construction, the height of an object will also be calculated based on the fact that historically valuable panoramas and views should be preserved to a depth of 10 km.

8. INVESTMENT PROJECTS

According to Petrostat, the volume of investments in the fixed capital by St. Petersburg organizations in January-June amounted to 261.6 billion rubles, including investments in:

- Residential buildings and premises - 36.1 billion rubles (13.8% of the total);
- Buildings (other than residential) and structures, land improvement expenditures - 66.2 billion rubles (25.3% of the total);
- Machinery and equipment, including household inventory, and other items- 142.4 billion rubles(54.4% of the total);
- Intellectual property - 9.4 billion rubles (3.6% of the total volume);

- Other investments - 7.4 billion rubles (2.8% of the total).

In the structure of investments in fixed capital, out of the total amount of funds used (excluding small businesses) organizations' own funds accounted for 63% of the total. Of the funds raised, 12.3% were allocated by the budgets of different levels, including 9.3% allocated by the budget of St. Petersburg.

St. Petersburg has launched a service for the delivery of eco-friendly household chemicals

Eco-friendly household chemicals are bottled into purchaser's own containers. The team buys goods in large volumes and pours them into multi-time containers of 1 liter or more. When re-ordering, the cans that have been released are taken away and refilled. Among the suppliers there are both Russian manufacturers - Mi&Ko, St. Petersburg's Freshbubble, and foreign ones - Sonett, Attitude, Ecover. In the future, the authors of the project plan to expand the range and get eco-friendly cosmetics, and to consider cooperation with local manufacturers. The total investment amounted to about 1 million rubles.

The Postal Quarter modernization project has been launched.

An Agreement on cooperation was signed between St. Petersburg and JSC "Russian post" within the framework of the project "Postal Quarter". The idea of transforming the territory between Truda Square and Isaakievskaya Square was first presented in 2019 at the St. Petersburg international economic forum. Pedestrian zones and a new museum space are to be built on the territory of the Quarter. The center of the updated space will be the main post office, where they plan to open a concert hall similar to London's Albert Hall.

The developer of the preliminary financial and economic model was VTB-Capital. The approximate cost of the project is estimated at 6 billion rubles. The concept of the project was prepared by architectural bureaus Kleinewelt architekten and Habidatum, as well as by the investment and development company MR Group.

Severstal launches a new business - the production of shelving structures and their delivery to retail chains

The company signed its first contract with the Lenta chain, which includes the delivery of shelving equipment to the Lenta distribution center in St. Petersburg. Under the terms of the contract, Severstal undertakes to solve the entire block of tasks related to equipping warehouses with steel structures. Another partner of Severstal in this project will be the online retailer Utkonos, with which the company is also linked by common owners. However, the press service of Severstal reported that in the future the company is counting on contracts with other federal retailers and has already won a tender for the supply of equipment for the

largest Russian Internet retailer Wildberries. Sev-
erstal estimates that the capacity of the Russian
market for shelving structures in natural terms is
300-350 thousand tons annually.

**In St. Petersburg, the production of
equipment for laser-induced growing of parts
has been established**

The laser equipment made by the Institute
of Laser and Welding Technologies of SPBGMTU
is designed for the manufacture and repair of high-
strength parts of vessels, including those operated
in ice conditions. In the future, this technology can
be used in other industries.

**Construction of ITMO Highpark, the first
resident of the Yuzhny Satellite City project,
will begin in autumn**

The project of the first stage provides for the
construction of a dormitory building, the main aca-
demic building, and the student club. In the fall,
the University hopes to receive a construction
permit, and plans to start the construction in the
fourth quarter of 2020 – or the first quarter of
2021.

Construction of the second stage will begin
immediately after the first. At this stage, an infor-
mation technology center, a photonics center, a
life and health sciences center, a sports complex,
a business incubator, and another dormitory build-
ing will be built.

In addition, the construction of a data pro-
cessing center, business incubator, and social in-
frastructure of the Satellite City of Yuzhny is
planned for 2024-2027, which will be developed in
parallel with the construction of the ITMO
Highpark.

In total, 41 billion rubles were allocated for
the project. Federal budget investments amount to
21.8 billion rubles, private investments - 14.4 bil-
lion rubles, and another 4.8 billion rubles will be
allocated by the Government of St. Petersburg

**A container town opens in Petrogradskiy
district**

Avenue-Box is a small town with small
shops, showrooms and coffee shops. Similar pro-
jects are already available in Moscow and St. Pe-
tersburg, and their main advantage is small in-
vestments and a simple distribution mechanism.

The Avenue-Box project involves six ship-
ping containers in the business neighborhood,
hosting the Avenue business center, business
class apartment hotel and Avenue–Page co-
working space. There will be stores selling nuts
and dried fruits, hookahs and doughnuts and a
coffee shop.

The company notes that small offices or
showrooms can be set up in containers for de-
signers, and for interior and furniture companies.
The idea was to complement the existing infra-
structure of the quarter. In summer, there is a suc-
cessful outdoor cinema, bar, restaurant terrace.

There is good traffic — employees of companies,
guests of the apartment–hotel, residents of neigh-
boring residential complexes. The containers
rental costs is 50 thousand rubles per month.



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/>