

GENERAL OVERVIEW OF SOCIO-ECONOMIC SITUATION IN ST. PETERSBURG



September-October 2020 № 167



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1. CITY MANAGEMENT

APPOINTMENTS

The Head of the Committee on youth policy and interaction with public organizations was replaced

In accordance with the order of the Government of St. Petersburg on September 25, 2020, Yu. Ablets was dismissed from the post of the Chairman of the Committee on youth policy and interaction with public organizations. First Deputy Chairman of the Committee B. Zastavny has been appointed acting Chairman since September 26, 2020. As the head of the Committee on youth policy and interaction with public organizations, Yu. Ablets has been working since January 2019. Before that, from 2018, she was an adviser to the Governor of St. Petersburg. From September 30, 2020, Ables became Deputy Director General of ANO "Dialogue - Regions".

The head of Admiralteysky district of St. Petersburg was replaced

Since October 1, 2020, the head of the Admiralteysky district is S. Ovcheruk. Prior to this appointment for many years S. Ovcheruk he worked as the Deputy head of the Nevsky district. Previously, since December 2014, the post of head of the Admiralteysky district was held by S. Shtukova. On October 1, 2020, S. Shtukova was appointed Director of the Russian State Historical Archive, which is under the jurisdiction of the Federal archival Agency of Russia.

A new coordinator of the Trilateral Commission on regulation of social and labor relations has been appointed

On October 2, 2020, the Governor of St. Petersburg signed a decree appointing Vice-Governor V. Knyaginina as the coordinator of the Trilateral Commission for regulating social and labor relations. The appointment is related to the redistribution of powers between Vice-governors of St. Petersburg. Previously, the coordinator of the Trilateral Commission was the Chairman of the Committee on labor and employment D. Cherneyko. The coordinator should ensure a balance of interests between regional associations of trade unions, employers and state authorities of St. Petersburg.

The head of St. Petersburg Committee on beautification has been appointed

In accordance with the order signed by the Governor of St. Petersburg, S. Malinin was appointed to the post of Chairman of the Committee on beautification from October 19,

2020. Since October 2019, S. Malinin served as the acting Chairman of the Committee after the resignation of the previous head V. Rublevsky.

A meeting of the Maritime Council under the Government of St. Petersburg

The Council meeting was held on September 17, 2020 under the chairmanship of Governor A. Beglov. The participants discussed the development of yacht tourism and sailing in St. Petersburg. The creation of a marina for yacht vessels is planned in Kronstadt. In total, there are five yacht parks in the City. The meeting participants considered the issue of allocating a zone in the Malaya Neva water area for sailing training.

A meeting of the Council for strategic development and project activities of St. Petersburg

On September 30, 2020, a meeting of the Council on the topic "Comfortable City" was held via videoconference. The priorities of St. Petersburg's urban development laid down in the draft of the new master plan were considered. The forecast period of the master plan is 30 years - up to 2050. The participants also reviewed the results of the international competition for the development of the landscape and architectural concept of the Tuchkov Buyan Art Park. More than 200 applications from Russian and foreign bureaus were submitted for the contest. The winner was an international consortium consisting of Studio 44 (Russia, St. Petersburg) and an architectural firm from Rotterdam (the Netherlands) WEST 8.

A meeting of the Headquarters for improving business conditions in St. Petersburg

The meeting was held on October 7, 2020 in the format of a video conference chaired by Governor A. Beglov. The meeting participants summed up the preliminary results of their work under the restrictions imposed to counter the spread of coronavirus infection. The meeting participants noted not only difficulties, but also some positive results of economic development. For example, in the first 9 months of 2020, the volume of construction works increased by 15.4%. Deputy Chairman of the Public Chamber of St. Petersburg, President of the Union of construction associations and organizations A. Vakhmistrov noted that in the conditions of the pandemic, builders have learned to quickly and efficiently develop and coordinate projects and build medical facilities.

The Council for the preservation of cultural heritage under the Government of St. Petersburg approved projects for the restoration of Kronstadt forts

At the Council meeting held on October 8, the draft projects for restoration and adaptation for modern use of the forts "Alexander I", "Kronshtadt" and "Peter I" were considered and approved. When performing the work, it is planned to preserve the historical appearance of the forts, built in the first third of the XX century. The total construction area will be 347 thousand square meters. The territory will house: a marina, a lyceum, two hotels, historical park, food outlets, playgrounds, and a branch of the Naval Museum.

A meeting of the Public Council for small business development under the Governor of St. Petersburg

At the meeting on October 9, issues of small business operation in the context of the coronavirus infection and related restrictions were considered. It was noted that after the gradual lifting of restrictions, since June business activity has been restored in the City. In the first eight months of 2020, personal income tax revenues increased by 2.3% compared to the same period in 2019. The meeting participants considered initiatives to maintain a moratorium on the introduction of trade fees and reduced tax rates in 2021. In St. Petersburg, almost 337 thousand small and medium-sized organizations and individual entrepreneurs are registered. More than 1 million people work in the small business sector.

LEGISLATION

Some of the restrictive measures to counteract the spread of coronavirus infection in St. Petersburg have been canceled and then restored

Restrictive measures were established based on the Decree of the Government of St. Petersburg dated March 30, 2020 No. 167. As the epidemiological situation improved, the previously established restrictions are relaxed. In accordance with the Decree of the Government of St. Petersburg No. 681 of September 2, 2020, theaters, cinemas, and other performing arts organizations have resumed operating since September 12, subject to compliance with the requirements and recommendations of Rospotrebnadzor, the standard of safe operation, and citizens' social distance. The ban on holding sports, cultural and entertainment events for adults has been lifted. At the same time, for children, the ban on holding these events in the premises is maintained until September 20. An exception is made for cultural and entertainment events held by theaters and cinemas, provided that children are accompanied by their parents, guardians, or guardians. Retail trade and provision of services in the common areas of shopping centers have been resumed, food courts and food places

have started working, and the ban on booking, receiving and accommodating citizens in boarding houses, rest homes, sanatoriums and other objects of sanatorium treatment and recreation has been lifted. Pre-registration for visitors to swimming pools, fitness centers, libraries and archives has been canceled. Since September 7, residents of St. Petersburg began receiving social services in the premises of social service organizations in full-time, subject to the requirements and recommendations of Rospotrebnadzor.

Due to the growing number of cases of coronavirus infection, in accordance with the Decree of the Government of St. Petersburg dated October 22, 2020 No. 863, some restrictions were restored. In particular, from October 26 to November 29, the activity of restaurants, cafes, canteens, buffets, bars, snack bars and other public catering enterprises is suspended from 23 hours to 6 hours. Children's playrooms with an area of more than 50 square meters located on the territories of retail and public catering facilities, as well as in shopping and entertainment complexes were closed down.

In St. Petersburg, the minimum subsistence level for the second quarter of 2020 is set

Based on the decree of the Government of St. Petersburg No. 687 of September 9, 2020, the subsistence minimum for various categories of the population of St. Petersburg for the second quarter of this year is set. The cost of living was: on average, 11658.4 rubles per inhabitant, 12796.8 rubles for the working – age population, 9458.1 rubles for pensioners, and 11366.1 rubles for children.

Changes were made to the rules of beautification of St. Petersburg

The Decree of the Government of St. Petersburg No. 856 of October 16, 2020 amended the rules of beautification regarding the requirements for signage. Standard external types of outdoor information and equipment are introduced. It is allowed to use dynamic image change on separate elements of outdoor information, signs on canopies are allowed.

MEETINGS, COOPERATION

The Governor of St. Petersburg held a meeting with the head of VTB Bank

The meeting was held on September 12, 2020. A. Beglov and A. Kostin reviewed plans for the implementation of several large-scale investment projects. Among them is the development of Pulkovo airport and the construction of a high-speed Latitudinal highway.

As part of the Accessible Arctic Forum, the Governor of St. Petersburg held working meetings with the head of the Federal Tourism Agency and the Governor of the Murmansk region

The Accessible Arctic Forum was held on September 18 at the Tauride Palace. During the forum, Governor A. Beglov held a working meeting with the Governor of the Murmansk region A. Chibis. The meeting discussed issues of developing cooperation between the regions. On the same day, A. Beglov met with the head of the Federal Agency for tourism Z. Doguzova. During the meeting, an agreement on information cooperation was signed between the Federal Tourism Agency and the Committee for tourism development of St. Petersburg.

St. Petersburg and Leningrad region agreed to jointly develop a waste management concept plan

The agreement was reached following a meeting of the governors of St. Petersburg and the Leningrad region- A. Beglov and A. Drozdenko, which took place on October 2. To develop the concept plan, the City and the region will create a joint-stock company with equal participation of the parties. In addition to the City and region, PJSC inter RAO UES and VTB Bank are ready to act as founders of the company. Based on the interaction of the parties, in addition to the concept plan, it is planned to develop a single territorial scheme in the field of waste management. The Leningrad region will provide several sites for waste processing enterprises. In follow-up to the decisions taken, an agreement of intent was signed on October 7, 2020 to develop cooperation and exchange experience in implementing joint projects in the field of waste management.

The Governor of St. Petersburg held a working meeting with the federal Minister of industry and trade

The meeting between A. Beglov and D. Manturov took place on October 6. The parties discussed issues of industrial development in St. Petersburg. According to the Governor, in the

context of the general decline in economic indicators, growth was recorded in a number of areas. For example, food production in the City increased by 4.7%, that of medications and materials - by 35.4%, chemical production showed an increase by 13.8%. The company "Hyundai" laid a new plant for the production of automobile engines.

The online stage of the XIX all-Russian Forum of strategic planning in regions and cities of Russia was held in St. Petersburg

The online stage of the forum was held from October 20 to 30, 2020. The forum focused on the implementation of national development goals, events in 2020, and the agenda for the coming decade. The main face-to-face part of the forum has been moved to April 2021.

The International Arctic forum will be held in St. Petersburg in 2021

The decision to hold it in St. Petersburg was approved by order of the Russian Government No. 1380-R of May 22, 2020. In order to prepare for such a significant event, on October 29, 2020, the Governor of St. Petersburg signed a decree on the creation of a working group for the preparation and holding of the VI International Arctic forum "The Arctic – the territory of dialogue". In 2019, St. Petersburg has already hosted guests of the Arctic forum. At that time, it was attended by more than 3600 representatives of Russian and international political, scientific and business circles.

2. EMPLOYMENT

In August 2020, 1489.1 thousand people were employed at large and medium-sized enterprises (table 1). Full-time employees accounted for 95.6% of those employed in 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 2.8%, and the number of employees hired under contracts increased by 0.8%.

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

	August 2020		January-August 2020 in % to January-August 2019
	'000 people	In % to July 2020	
Filled jobs total, including:	1489,1	99,5	102,6
Registered permanent employees	1423,4	99,5	102,8
External by-workers	28,3	97,8	100,5
Contracted labour	37,4	100,8	98,0

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

Industry	Total employment	
	'000 people	% of the total
Total, including:	1489,1	100,0
Manufacturing	209,3	14,1
Production and distribution of electric power, gas and water	44,6	3,0
Agriculture and forestry	5,1	0,3
Construction	52,3	3,5
Transportation and telecommunications	213,5	14,3
Finance	53,2	3,6
Real estate transactions, leasing and services	37,7	2,5
Wholesale and retail trade, repair of motor vehicles and home appliances	169,6	11,4
Hotels and restaurants	26,2	1,8
Public administration, security and social care	90,8	6,1
Education	209,7	14,1
Healthcare and social services	167,5	11,3
Culture, sports, entertainment	47,0	3,2
Science and technology	118,2	7,9
Administrative services	37,3	2,5
Other services	7,1	0,4

In January-August 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 0.5%, and the number of employees working under contracts by 2.0%.

In August 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). 48.5% of all employees at large and medium-sized enterprises of the City worked in the public sector of the economy.

In July-August 2020, the number of economically active population (EAP) was 3092.7 thousand people, including 2981.7 thousand employed and 111 thousand unemployed. Persons outside the labor force accounted for 1496700 people. During the period under review, the employment rate was 65.1% (the share of the number of employed in the total population aged 15 to 72 years), the level of economic activity - 67.5% (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 1694 people or 0.11% of the total number of employees of organizations of St. Petersburg (without small businesses) in June 2020. At the same time, the number of required employees for vacant jobs at the end of the second quarter of 2020 in organizations of St. Petersburg (without small businesses) amounted to 73.4 thousand.

In September 2020, the need of St. Petersburg enterprises for employees amounted to 32.8 thousand people (table 3). Of these, 56.5% are in working professions (<http://ktzn.gov.spb.ru/analiticheskaya-informaciya/>).

By the end of September 2020, the load of the unemployed population registered in state institutions of the employment service for one declared vacancy was 3.5 people compared to 0.6 people at the end of September 2019.

In the first 9 months of 2020, the largest number of vacancies was declared by organizations related to the following economic activities: transportation and storage-13.7%; manufacturing - 12.5%; wholesale and retail trade, repair of motor vehicles and motorcycles-9.3%; administrative and related services-9.3%; health and social services-9.2%; education-5.9%; hotels and catering – 5.8%; construction-5.5%; public administration and military security - 4.8%; professional, scientific and technical activities-3.0%; real estate operations - 2.9% (<http://ktzn.gov.spb.ru/analiticheskaya-informaciya/>).

TABLE 3. St. Petersburg enterprises' demand for workforce, January 2019 – September 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
January 2019	39,6	0,6	120	85,7
February	40,4	0,6	100	85,7
March	40,5	0,6	100	85,7
April	40,9	0,6	100	100
May	43,7	0,5	83,3	83,3
June	44,5	0,5	100	100
July	44,2	0,5	100	100
August	44,2	0,5	100	100
September	37,6	0,6	120	120
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
August	32,3	3,6	102,9	7,2 times
September	32,8	3,5	97,2	5,8 times

In September 2020, as in the same period in 2019, programmers, engineers, and doctors of various specializations remain the most popular among employees who are among the top ten specialists in short supply. In 2020, there is a shortage of translators, information security engineers, architects, police officers, managers, quality engineers, and process engineers.

In September 2020, bricklayers and concrete workers are still in short supply in comparison with the same period of the previous year, while their deficit has increased. There was a shortage of tractor drivers, metal hull assemblers, ship pipeliners, electric welders on automatic and semi-automatic machines, excavator drivers, painters, seamstresses, and road workers.

In September 2020, 114.6 thousand people were registered with the employment Service of St. Petersburg (table 4). In September 2020, 94.1% of those registered with the employment Service were officially recognized as unemployed.

At the end of September 2020, the total number of applicants to the State Employment Service of St. Petersburg (Employment Service) was 116838 people

(at the end of September 2019 - 29493 people).

In January-September 2020, the Employment Service received 357863 applications from citizens for the provision of public services, including 49041 applications for professional orientation, and 105021 applications for informing about the situation on the labor market.

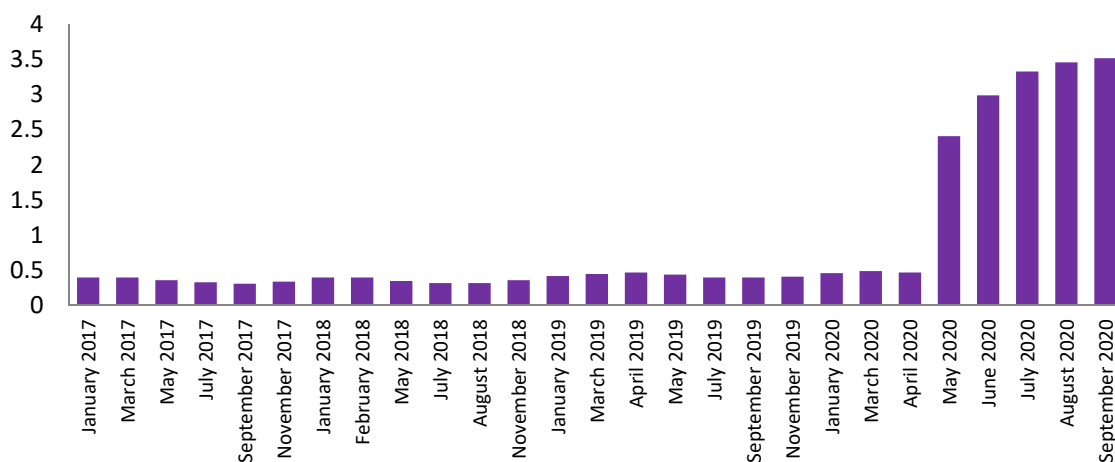
The number of registered unemployed citizens at the end of September 2020 was 107766 people, including women – 62.5%; young people aged 16-29 years-22.3%; citizens of pre-retirement age-8.5%; disabled people-2.1% (at the end of September 2019, the number of unemployed was 11884 people). (<http://ktzn.gov.spb.ru/analiticheskaya-informaciya/>).

In September 2020, 12.9 thousand people received the status of unemployed (by 10.1 thousand people or 4.6 times more than in September 2019). The job-placement of the unemployed in September 2020 was 6.9 thousand people or 8.6 times more than in the same period of 2019, and amounted to 7.8 thousand people.

TABLE 4. Change in the number of officially registered unemployed people in St. Petersburg, 2019, January-September 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
August	115,7	106,1	103,8	8,9 times
September	114,6	107,8	101,6	9,1 times

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



According to Rosstat, in June-August 2020, the unemployment rate (according to the methodology of the International Labor Organization) was 3.6% 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 – 5.8%, Moscow – 2.7%, and the Russian Federation – 6.3%).

The registered unemployment rate (the ratio of the number of registered unemployed to the labor force on average for 2019) at the end of September 2020 was 3.52% (at the end of September 2019, this indicator was 0.39%). (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-September 2020, prices in the consumer sector of the economy of St. Petersburg increased by 2.7%. In the same period of 2019 - by 2.3%.

Consumer prices growth in January-September 2020 in St. Petersburg was 0.2% less than the national average. In September 2020, consumer prices decreased by 0.2% (picture 2).

In January-September 2020, in St. Petersburg, tariffs for paid services to the population increased by 2.9%. For comparison, their growth in January-September 2019 was 3.4%.

The growth of tariffs for paid services in St. Petersburg in January-July 2020 was 0.5% higher than the national average. Prices for paid services decreased by 0.2% in September 2020.

In January-September 2020, prices for food and non-food products increased by 2.4% and 2.9%, respectively. The growth of prices for food products in St. Petersburg in January-September 2020 was above the national average of 0.6%, nonfood goods - below the national average by 0.1%.

Prices for food products in September 2020 in St. Petersburg fell by 1% and of non-food goods - increased by 0.7%.

In September 2020, there was an increase in prices for cheeses (by 1.0%), butter and fats (by 0.5%), sausages (by 0.2%) bread and bakery products (by 0.3%), and confectionery (by 0.1%). Over the same period, fish and vegetable products fell in price (by

8.8%), cereals and legumes (by 2.0%), meat and poultry, milk and dairy products (by 0.3%), alcoholic beverages (by 0.1%).

In September 2020, carrot and vegetable products fell by 23.2%, white cabbage-by 17.6%, apples-by 15.6%, beets-by 14.5%, grapes-by 13.9%, pears-by 6.8%, onions - by 6.7%, while bananas became more expensive by 3.4%.

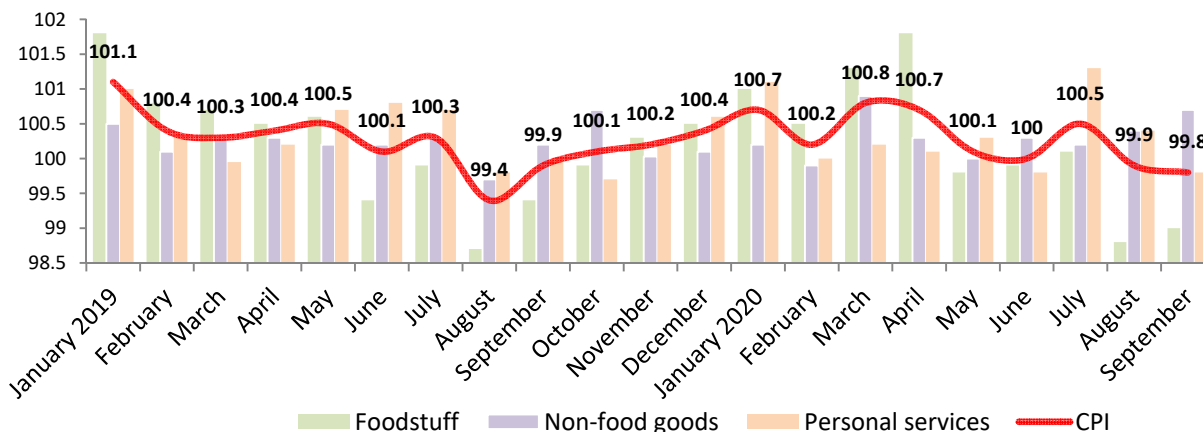
Among non-food products in September 2020, St. Petersburg recorded an increase in prices for hosiery (by 2.7%), perfumes and cosmetics (by 1.9%), knitwear (by 1.0%), tobacco products, detergents and cleaning products (by 0.7%), clothing (by 0.6%), medicines (by 0.5%), construction materials (by 0.4%), shoes, electrical goods (by 0.2%). White paper and office supplies fell in price (by 1.2%), haberdashery (by 0.6%), tableware (by 0.1%), and fabrics (by 0.01%).

In September 2020, payments for electricity, housing maintenance and repairs, operating costs, cold and hot water supply, sanitation, gas, and capital repairs remained unchanged.

In September 2020, hotel accommodation became cheaper by 17.5%, travel in long – distance trains – by 15.8%, the cost of air travel-by 7.8%, health and wellness services – by 3.3%. The cost of living in a student hostel increased by 6.9%, and the fee for a TV antenna increased by 5.4%. Animal vaccination has become more expensive by 4.0%, paid education services-by 1.4%.

In January - September 2020, gasoline prices increased by 1.8%, while diesel prices fell by 0.1%. In September 2020, gasoline prices rose by 0.01%, while diesel prices remained unchanged.

PICTURE 2. Consumer price index dynamics in 2019, January-September 2020, % to the previous month



PICTURE 3. The dynamics of real wages in Saint Petersburg, 2018, 2019, January-August 2020, %

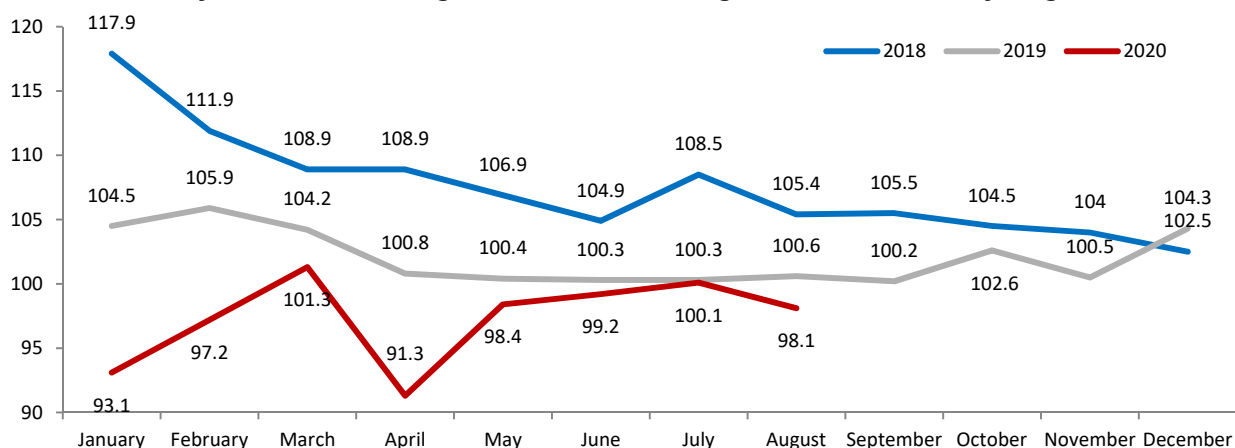


TABLE 5. Salary arrears in St. Petersburg in August-December 2019, January-October 2020 (on the 1st of each month), mln. rubles

	<i>Total arrears</i>	<i>Including arrears due to the lack of the budget financing</i>
August	115,8	0
September	139,6	0
October	118,3	3,8
November	175,3	0
December	290,9	0
January 2020	145,3	0
February	144,2	0
March	113,2	0
April	87,5	0
May	93,7	0
June	79,3	1,4
July	61,4	0
August	56,6	0
September	63,7	0
October	63,5	3,2

PERSONAL INCOMES AND EXPENDITURES

Real accrued wages, calculated taking into account the consumer price index, in August 2020 amounted to 93.1% compared to the level of July 2020 and 98.1% - to the level of August 2019 (picture 3).

The average monthly nominal salary accrued in St. Petersburg in August 2020 was 63279 rubles. The average nominal salary of Russian citizens in August 2020 was 24.7% less than in St. Petersburg and amounted to 47649 rubles.

Salary arrears as of October 1, 2020 amounted to 63.5 million rubles. The amount of debt amounted to 99.6% by September 1, 2020, and 53.7% by October 1, 2019. Construction sector accounted for 79.8% of the total debt, manufacturing - 17.0%, research and development - 3.2%.

DIFFERENTIATION OF SALARIES IN ST. PETERSBURG

In August 2020, the level of inter-industry wage differentiation increased compared to April 2020 (picture 4). The gap between the highest salary (mining) and the lowest (hotels) was 7.2 times in this month against 6.9 times in June.

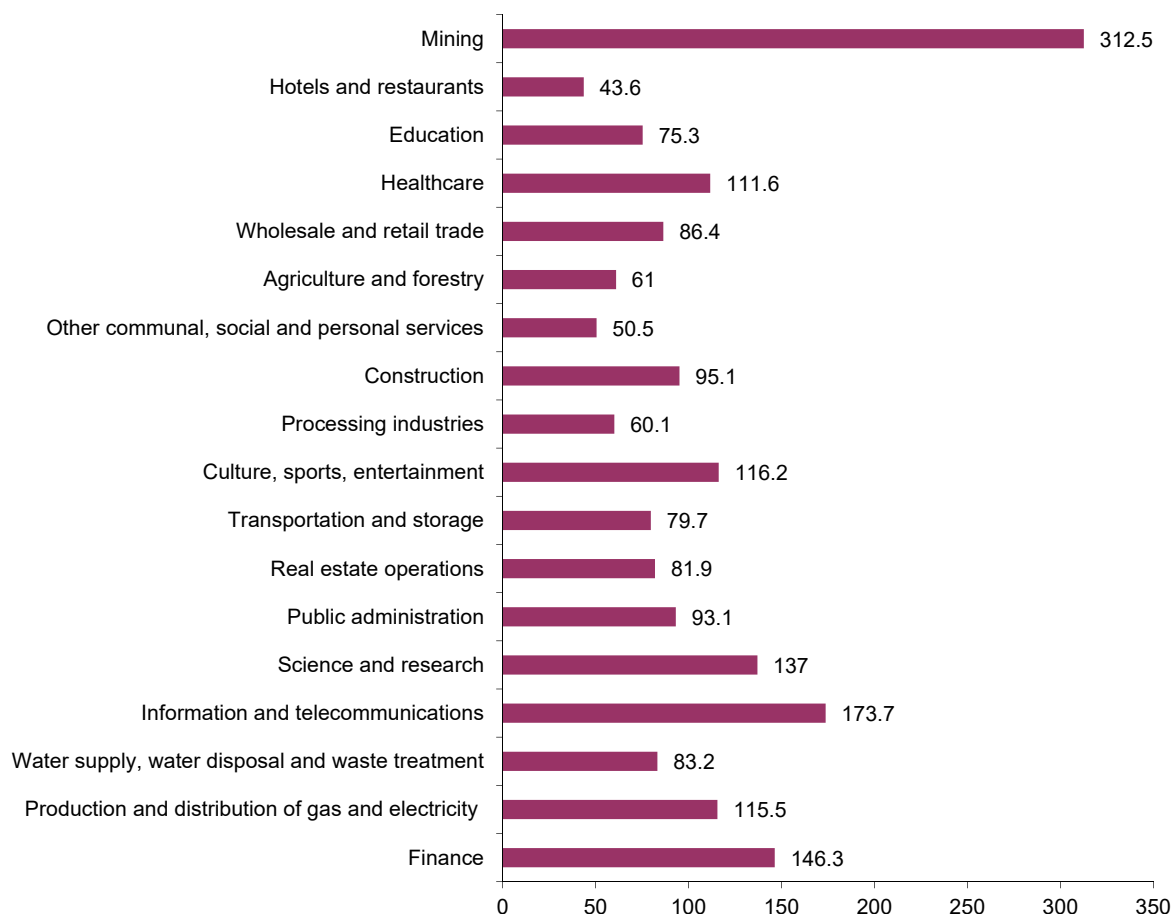
The highest salaries in August 2020 was in mining (the salary of employees in this industry was 3.1 times higher than the average salary in St. Petersburg).

In August 2020, the average salary in St. Petersburg was significantly exceeded by the remuneration of employees engaged in information and communication activities (by 73.7%), in financial activities (by 46.3%), and in scientific and technical activities (by 37%).

And the lowest wages were paid to employees in hotels and restaurants (43.6% of the average salary), providing other public, social and personal services (50.5% of the average

salary) and agriculture (61% of the average salary).

PICTURE 4. Inter-industry differentiation of average salary in August 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–September 2019 was 96.3%, in September 2020 compared to September 2019 – 100.5%.

The «Admiralty shipyards» plant handed over to the Russian Navy a large diesel-electric submarine Volkhov of project 636.3 of the Rubin design bureau (part of the USC). The Volkhov submarine is the second in a series of six project 636.3 ships being built at the St. Petersburg enterprise for the Pacific fleet.

The submarine belongs to the third generation of diesel-electric submarines and, due to its low noise level, is able to provide guaranteed pre-emptive detection and the ability to attack enemy ships from a long distance (ria.ru 24.10.2020).

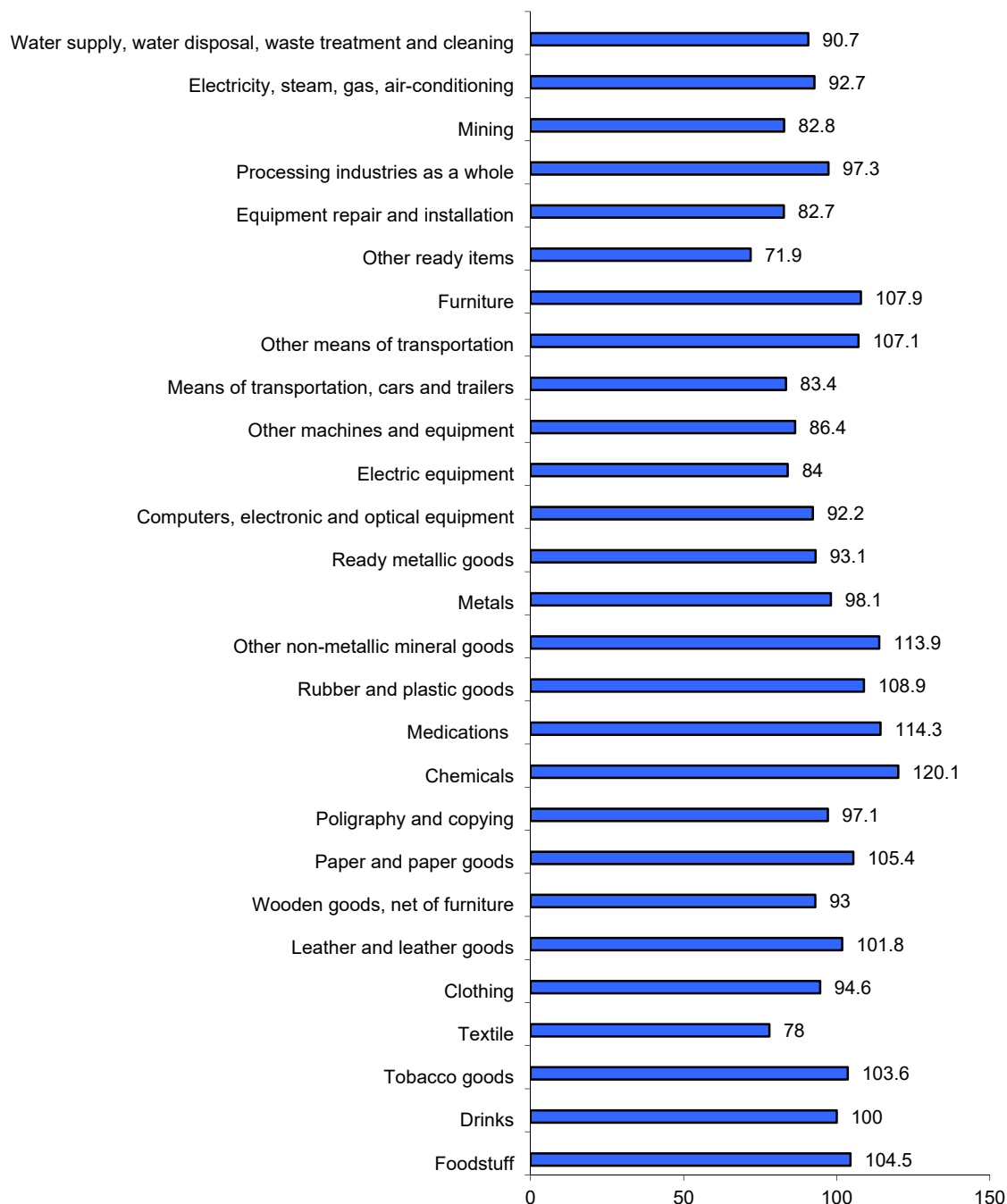
The «Power machines» company continues to implement the project to create a large-capacity gas turbine. In October of this year, production of the first set of rotor disks of the domestic gas turbine GTE-170 was completed. Turning of the compressor and turbine disks is performed in full. The results of the inspection confirmed that the disk geometry meets the requirements of the design documentation. Production of high-power gas turbines is carried out at the «Leningrad metal plant» of the «Power machines». Three production sites and 1645 units of equipment are involved in the project to create fully domestic gas turbines by the Power machines. The company is implementing 48 investment projects for retrofitting of production for manufacture of gas turbines. The total investment in retrofitting production exceeds 4 billion rubles. (<https://power-m.ru/> 23.10.2020).

On September 17, the first tram in Russia with a body made of aluminum was presented at the «Nevsky Electric Transport

Plant» (part of the «Transport systems»). The new modification of the tram 71-931 M was named "Vityaz-Leningrad". To create a tram body, the Transport systems has upgraded its own production site in Tver. Final assembly,

testing and running-in take place at the «Nevsky Electric Transport Plant». The rolling stock is planned to be sold in Russia and also exported (<https://www.metainfo.ru/> 18.09.2020).

PICTURE 5. Industrial production dynamics in St. Petersburg by industry, January-September 2020 in % to January-September 2019





5. FINANCE

In January–August 2020, the net financial result (profit minus loss) of organizations amounted to 496.7 billion rubles, which is 32.4% less than in the corresponding period of 2019.

In January-August 2020, the number of unprofitable organizations increased by 169 units or 20.9% compared to the same period in 2019, and the amount of loss increased by 1.6 times.

According to the Tax Service of Russia in St. Petersburg, in January-August 2020 the budget received taxes, fees and other obligatory payments in the amount of 956, 5 billion rubles, which in nominal terms is 10.7 % more than in January-August 2019.

CITY BUDGET

The information on the implementation of the consolidated budget is presented in table 6.

STATE DEBT

Information on the structure of the state debt as of November 1, 2020 is presented in tables 7 and 8.

THE DRAFT BUDGET 2021

The Legislative Assembly held the first reading of the draft budget of St. Petersburg for 2021.

The main financial plan of the City was reviewed on October 28, 2020. According to the draft budget, revenues were set at 623.5 billion rubles, expenses at 710.7 billion rubles, and the deficit at 87.2 billion rubles (14.6% of own revenues). The budget developers described it as a "recovery growth" budget. The budget is based on the basic scenario of the forecast of socio-economic development of St. Petersburg for 2021-2023, which provides for the stabilization of the sanitary and epidemiological situation, the refusal to return to strict restrictions, and the improvement of key macroeconomic indicators.

Table 6. Consolidated budget execution as of September 1, 2020 (mln rubles)

	Revenues	Expenditures	Surplus + / Deficit -
January-July	373 504	361 589	11 915
January-August	416 885	406 579	10 306

Source: Petrostat

Table 7. St. Petersburg's state debt structure on November 1, 2020

	Mln rubles
State domestic debt of St. Petersburg, including:	85 000
Bonds	85 000
Budget credits	0,0
State external debt of St. Petersburg	0,0
Total	85 000

Source: City Committee of Finance

Table 8. Debt service expenditures of the budget of St. Petersburg, as of November 1, 2020 (mln rubles)

	Plan for 2020	Fact on 01.11.2020
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

St. Petersburg metro has announced a competition for major repairs to the Mayakovskaya metro station. The works include repairs to the station's incline and lobby, modernization of the machine, escalator and ticket halls, and improvement of the station's waterproofing characteristics. The total cost of the work is 385 million rubles, the repair completion date is December 2021. In addition, by 2025, it is planned to carry out major repairs of six more stations – Moskovskaya-2, Udelnaya, Ladozhskaya, Ozerki, Technological Institute-2 and Prospect Bolshevikov. (Based on TASS materials)

The restoration of the forts of Kronstadt ("Alexander I", "Kronsnot", and "Peter I") was included in the state program of the Ministry of culture of the Russian Federation. It is planned that the forts will be restored, and a museum complex and public spaces will appear on their territory. Simultaneously with the restoration of the forts, it is planned to modernize the transport infrastructure, including the reconstruction of the Citadel overpass and the Kronstadt highway with their connection to the ring road. (Based on the materials of «Kommersant»)

The completion of the reconstruction of the Mayakovskiy Central City Public Library has been postponed to March 2021, and its opening to the public is scheduled for September 2021. In the library building, work is being carried out to strengthen the foundation, to create new load-bearing structures made of monolithic reinforced concrete, to restore the facades and to update the building's engineering communications. The total cost of the work is 710 million rubles, the contractor is the design and construction bureau "Zhilstroy". (Based on the materials of the Administration of St. Petersburg)

The restoration of the facades of the main building of the Alexandrinsky women's hospital is being completed. The total cost of the works financed from the budget of St. Petersburg amounted to more than 72 million rubles. To date, the roof has been repaired, the truss system has been replaced, and the plaster layer and the architectural decoration of the facades have been restored. The works on the cultural heritage site will continue in 2021. (Based on the materials of Kommersant»)

TRANSPORTATION, ENERGY, WATER SUPPLY

In January-September 2020, St. Petersburg transport organizations transported 14086 thousand tons of cargo and 283.3 million passengers (33% lower than in the same period of 2019). At the same time, cargo turnover was 5888 million ton-km, and passenger turnover was 1654 million pass – km (34.6% lower than in 2019). The number of road accidents was 3805 which is 20.5% lower than in the same period of 2019. In January-September 2020 the indicators show a positive trend compared to the data for January-July, but it is expected that the consequences of restrictive measures in connection with coronavirus infection will continue to have a significant negative impact on the above indicators in 2020. (According to Petrostat)

Passenger traffic at Pulkovo airport in January-August 2020 decreased by 48% compared to the same period of the previous year and amounted to 6.80 million passengers (in January-June 2019 – 13.19 million passengers). The main reason for this significant reduction in passenger traffic was the restrictive measures on domestic and foreign flights related to the coronavirus pandemic, including a complete ban on flights abroad in the spring of 2020. In August 2020, according to the operator of Pulkovo airport, passenger traffic amounted to 1.52 million people -1.4 times less than a year earlier (2.21 million people). (Based on the materials of Interfax»)

The fare for one-time travel in the St. Petersburg metro in 2021 will rise to 60 rubles, in urban land transport - up to 55 rubles. At the same time, the draft City budget for 2021 provides for an increase in subsidies for passenger transportation by land transport (up to 13.2 billion rubles), electric transport (up to 10.4 billion rubles) and metro (up to 20.6 billion rubles). (According to Kommersant»)

GUP "TEK SPb" announced a competition for the reconstruction of the main heat network in the Vyborg district of St. Petersburg. Work will be carried out on the section from the boiler house "Parnas" to Engels Avenue; they must be completed by October 2022. The total cost of work will be 457 million rubles (according to the materials of the public procurement portal)

GUP "TEK SPb" and GUP "Vodokanal SPb" announced tenders for obtaining renewable credit lines in the amount of 3.3 and 1.8 billion rubles, respectively. The purpose of obtaining loans is to replenish working capital and to refinance current debt due, among other things, to the shortfall in funds from utility customers and to the increased accounts receivable. (Based on materials from Interfax and Delovoy Peterburg»)

MAJOR CITY PROJECTS

A subsidiary of VTB in October established AO «Metrostroy of the Northern capital», the main statutory activity of which was the construction of railways and metro. It is assumed that the company can take the main place in the market of metro construction in St. Petersburg. Its establishment is also connected with the crisis caused by the overdue debt of OAO Metrostroy in the amount of more than 5 billion rubles and the introduction of a monitoring procedure for this company. The City administration will receive a controlling stake (75%) of the newly established company, the rest of the shares will be owned by VTB. (Based on the materials of Kommersant»)



7. REAL ESTATE

CONSTRUCTION

In St. Petersburg, about 3 million square meters of housing are introduced annually. However, the Ministry of construction of Russia has developed targets for housing commissioning (5 million square meters), which exceed the annual volume. Since the beginning of 2020, 1347.7 thousand square meters of housing have been commissioned in St. Petersburg. In September, 180 thousand square meters of housing were put into operation — 57 houses with 4265 apartments, including individual construction.

The Committee for construction of St. Petersburg explained that the process of coordinating the target figures for the introduction of new housing with the Ministry of construction of the country is currently underway. The City administration explains the need of maintaining the current rate of housing commissioning by the requirement to build social facilities and infrastructure, the shortage of which is traditional for new quarters. The Ministry of construction received a letter from Governor A. Beglov about plans for housing construction in 2020-2030 with a total volume of 31597 million square meters.

For reference: in 2019, 3.47 million square meters of housing were commissioned in St. Petersburg (645 houses, 72,752 apartments), which was 102.1% of the planned amount of work. This year, 433 houses with 28,377 apartments were built, the construction Committee said.

The long-term impact is expected from the adoption of measures to support demand in the housing market. This involves subsidizing the rate under the program of preferential mortgages in the primary market for citizens at 6.5 % per annum. The Government has decided

to allocate subsidies to credit organizations to compensate for lost income on soft loans issued to developers for housing construction. The program of preferential lending has been extended until July 2021. In St. Petersburg, such demand cannot but affect prices — prices throughout the market are growing. An important factor is the reduction in supply. As representatives of the construction industry explain (CEO of the IC "Dalpiterstroy" Arkady Skorov), due to the pandemic and the transition to escrow accounts, developers did not put on sale so many new objects. The supply has declined due to a shortage in the housing market under construction, which in turn was caused by banal downtime on construction sites — first due to the introduction of project financing and escrow accounts last year, and later due to lockdown during the declared pandemic. (Based on <https://www.fontanka.ru/2020/10/30/69522895/>).

The Chairman of the Housing Committee V. Borshchev said that within the framework of the National Project "Housing and urban environment" it is necessary to resettle five emergency houses recognized as such in 2017, two of them have already been completely resettled, and three more are still being worked on. In 2019, 17 families were relocated from emergency homes. And in the first 9 months of 2020, 44 families were relocated from emergency homes, including the settlement of a house in the village of Pesochny. 41 families from among the resettled this year were paid more than 161 million rubles, which they will spend on the purchase of new housing. By the end of 2020, it is planned to relocate 19 more families.

CO-INVESTORS

According to the Governor A. Beglov, at the beginning of 2019, the Register of defrauded shareholders in the City included 832 people in 15 problematic objects. Since then, 13 overdue construction projects have been completed, which made it possible to exclude 602 shareholders from the list.

By the end of this year, it is planned to hand over five problematic residential buildings for a total of 524 apartments. In 2021- a total of 21 overdue construction projects for 5986 apartments. The exception is two houses of the third stage of the residential complex "Na Zarechnaya", which will be completed in 2023. The readiness there is 5%, and the construction cycle for the project is two years. By the end of 2021, it is planned to put into operation 26 overdue construction projects. A final solution to this problem is expected in 2023.

In total, as of October 22, the Unified register of problematic objects in St. Petersburg

includes 31 overdue buildings, 28 of them are residential buildings.

TERRITORIAL DEVELOPMENT, REGULATION

At the meeting of the board of the Ministry of construction on October 22, the results of 2019 and interim results of 2020 were summed up for the implementation of the National project «Housing and urban environment»

The main event in this area was the reform of shared construction. The introduction of the new financing mechanisms through escrow accounts and at the same time the definition of criteria of what projects can be completed under the old rules allowed the industry to avoid possible negative consequences. At the same time, the unified housing construction information system was introduced, which allows monitoring the situation for each object that is being built with the involvement of citizens' funds. So, according to the system, 98.9 million square meters of housing are currently under construction. This includes 41 million square meters of housing projects that are being built under the new rules with the use of project financing and the opening of escrow accounts.

An important event in the recent history of the construction industry was the adoption of the 151st Federal law, which allows to solve pricing issues for budget construction. The Methodology for calculating the indices of changes in the estimated cost of construction, taking into account the economic characteristics of each region, was approved. Centers for monitoring prices of construction resources have been formed in each region, Minister V. Yakushev said.

Developers are given the opportunity of expert support when adjusting the design documentation. Also last year, a fundamental step was taken to introduce information modeling technologies – for the first time in urban planning legislation, the concept of information modeling was fixed, and in September of this year, the Federal Government approved a number of documents for the transformation of the industry: rules for forming and maintaining an information model, rules for forming and maintaining a classifier of construction information, rules for maintaining the GISOGD of the Russian Federation.

The head of the Ministry of construction of Russia also emphasized that work has continued on the implementation of other significant programs and projects. So, under the Federal program "Stimulus" last year, projects were implemented in 42 regions, which allowed to put into operation 7 million square meters of housing. This year, the geography of the program has expanded – the construction of

transport, social and engineering infrastructure is already underway in 57 regions of the country, which indicates the growing interest of the regions in stimulating housing construction. This year, the program's facilities should provide additional commissioning of another 7 million square meters of housing.

In addition, 30 billion rubles were allocated to the Fund for the protection of the rights of citizens participating in shared construction to complete the construction of problematic facilities. According to the results of the analysis of the construction sector, 76 construction and housing organizations are included in the list of system-forming ones.

In 2020, the so-called "regulatory guillotine" was launched. Documents from the Soviet era were still part of the legal system, and they needed to be revised or cancelled. More than 300 acts have already been canceled.



8. INVESTMENT PROJECTS

Major restaurant chains in St. Petersburg initiated the creation of a professional association

The creators of the Association are "Teremok", "Eurasia", "Tokyo City", "Bakhroma", "Russian fishing". They set the task of making St. Petersburg the gastronomic capital of Russia. At the moment, documents are being prepared for registration with the Ministry of Justice. In parallel, negotiations are underway with other major chains, individual restaurants and food producers.

The Magnit company, which manages the retail chain of the same name, has increased the number of stores in St. Petersburg. The federal chain of stores has signed long-term lease agreements for 77 premises that were previously occupied by Intertorg (Semya and Spar) stores.

According to experts, the volume of investment in new facilities will exceed 400 million rubles. The company expects that the expansion of the network will help it take a more prominent position in the local market. Now the share of Magnit in St. Petersburg, according to the FAS, is 5.76%.

The fifth **geological park** in Russia will appear on the border of St. Petersburg and Leningrad region. The main part of the project will be a unique Baltic-Ladoga clay or ledge with an age of 11 thousand years. In 2018, the object was included in the list of unique geological monuments of Russia.

At the moment, routes and guides have been developed for visitors, and a map of the project is in production. Presumably, the Yam,

Koporye and Staroladozhskaya fortresses, as well as the Pulkovo Observatory, will be available for tourists.

A center for the sale and maintenance of special equipment was opened in St. Petersburg.

A center for the sale and maintenance of earthmoving, road construction and logging equipment has opened on Pulkovskoe highway. The company-owner, «Traktorodetal», claims that their representative office is the largest in the North-West. According to the company, more than 400 million rubles were invested in the project. The center is located on the site of the former Metrica hypermarket, and, according to experts, it is a profitable place to demonstrate equipment along a busy highway. On the territory of the center there are open and closed exhibition areas, a warehouse of spare parts and boxes for maintenance and repair.

In St. Petersburg, the **City's first specialized ice rink for Curling** has opened.

The construction of the rink was carried out as part of the Federal project "Sports – the norm of life". The new two-storey building is equipped with a high-tech ice rink with six playing lanes, as well as three sports halls of different orientation, adapted for holding competitions of any level, including international ones, as well as administrative premises.

The Eurospar store chain is entering the North–West market for the first time.

Until January 2021, six new premises should open in St. Petersburg. Their development will be handled by SPAR Middle Volga LLC — the largest partner of the Dutch company Spar in Russia. The first stores will start operating in November in "Passage" on Nevsky Prospect, and in "Vladimirsky Passage".



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/>