

GENERAL OVERVIEW OF SOCIO-ECONOMIC SITUATION IN ST. PETERSBURG



November-December 2020 № 168



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1. CITY MANAGEMENT

APPOINTMENTS

Changes have taken place in the composition of the city Government

On November 10, 2020, Mikhail Shaskolsky completed his work as Vice-Governor - a member of the Government of St. Petersburg. He has been in this position since January 23, 2019, and was in charge of tariff regulation and energy development. His departure from his position in the executive bodies of the state power of St. Petersburg is connected with his appointment as the head of the Federal Antimonopoly Service from November 11, 2020.

New head of St. Petersburg metro

The new head of St. Petersburg metro is E. Kozin. On November 13, 2020, the Governor of St. Petersburg presented him during a visit to the Avtovo depot and a meeting with the personnel. Prior to this appointment, from August 5, 2020, E. Kozin served as the acting head of St. Petersburg Metro. The new chief has been working in the city's subway system since 1992. In 2020, the city's metro system turns 65 years old.

New head of the administration of Kurortny district

On November 27, 2020, N. Chechina was released from the post of the head of the administration of the Kurortny District. The acting head was the ex deputy head I. Belokopytov. Since December 4, 2020, A. Zabaykin has been appointed to the post of the head of the administration of the Kurortny District. Previously, he worked in senior positions in the Committee on Civil Registration and in the office of the Governor of St. Petersburg.

The composition of the Commission on Issues of Pardon in the territory of St. Petersburg has changed

In December 2020, new members were added to the Commission. Among them are People's Artist of Russia N. Burov, writer V. Zavorotny, Chairman of the Public Council under the Transport Department of the Ministry of Internal Affairs of Russia for the Northwestern Federal District Yu. Tretyakov and the chairman of the Public Supervisory Commission for St. Petersburg A. Kholodov. The Commission on Pardons in the territory of St. Petersburg examines the proceedings and gives expert opinions on them. Decisions on pardons are made by the President of Russia. Over the years of the Commission's existence in St. Petersburg, 400 applications were considered, and only 20 were given positive conclusions.

New head has been appointed to the Archive Committee

On December 14, 2020, the Governor of St. Petersburg signed an order appointing P. Tishchenko to the post of the Chairman of the Archive Committee. Prior to this appointment, P. Tishchenko worked as a deputy chairman of the Committee on Labor and Employment.

The head of the Committee on Civil Registration has been appointed

On December 16, 2020, the Governor of St. Petersburg signed an order appointing O. Matalina to the post of the head of the Committee on Civil Registration. Prior to this appointment, O. Matalina worked in the same Committee as a deputy chairman.

A Regional Management Center has been established in St. Petersburg

On November 25, 2020, the Regional Management Center will start operating in the Nevsky Town Hall. Similar centers are being created in all regions of Russia. The Center coordinates the monitoring and processing of complaints addressed to the authorities and their subordinate institutions. The Center is responsible for 8 areas: housing and communal services, social protection of the population, education, road network, transport, healthcare, energy and municipal waste.

A meeting of the Scientific and Technical Council under the Governor of St. Petersburg was held

The meeting was held on November 26, 2020, under the chairmanship of Governor A. Beglov. The participants of the meeting discussed the draft Concept of Scientific and Technological Development of St. Petersburg, which defines the priority areas for the development of science and technology in the city for the period up to 2030. When finalizing the project, the developers were recommended to link its provisions with the content of a similar project in the Leningrad Region.

LEGISLATION

St. Petersburg is once again taking restrictive measures to counteract the spread of coronavirus infection

The restrictive measures were established based on the resolution of the Government of St. Petersburg No. 167 of March 30, 2020. In August and September 2020, as the epidemiological situation improved, decisions were made to ease the previously established restrictions. However, due to the growing number of cases of coronavirus infection, some of the restrictions were restored at the end of October 2020. The strengthening of restrictive measures continued in November-

December 2020. In particular, in accordance with the decree of the Government of St. Petersburg of November 5, 2020 No. 901 from November 9, 2020, food courts and food places were closed. The temporary restriction did not apply to delivery of orders to homes, businesses and hotel rooms, as well as to the activities of public catering enterprises that provide services on the territory of train stations, airports and gas stations. From November 5 to December 27, 2020, it is prohibited to carry out educational activities for the implementation of additional general education programs in the premises of state organizations of additional education. Educational activities should be carried out using e-learning and distance learning technologies.

Amendments were made to the Law of St. Petersburg on the Protection of the Population and Territories from Natural and Man-made Emergencies

The amendments were made in accordance with the Law of St. Petersburg No. 509-110 of November 23, 2020. They relate to the clarification of the concept of "emergency". It is understood as a situation that has developed as a result of an accident, a dangerous natural phenomenon, a catastrophe, the spread of a disease that poses a danger to others, a natural or other disaster that may cause or have caused human casualties, damage to human health or the environment, significant material losses and disruption of people's living conditions.

The Strategy of Socio-economic Development of St. Petersburg has been amended

The amendments were made in accordance with the Law of St. Petersburg No. 507-112 of November 26, 2020. They relate to the content of the priority direction "Development of human capital". In particular, the wording of several tasks aimed at achieving the goals of ensuring sustainable natural population growth, improving health indicators, increasing life expectancy, developing physical culture and sports, tourism, rational use of labor resources, ensuring guarantees of life safety, as well as patriotic education based on mentoring activities was clarified.

The Law on the budget of St. Petersburg for 2021-2023 was adopted.

In accordance with the Law of St. Petersburg of November 26, 2020 No. 549-114, the parameters of the budget of St. Petersburg for the next 3 years were approved. The total revenue of the budget of St. Petersburg for 2021 is determined in the amount of 651.7 billion rubles, and the cost is 741.3 billion rubles. The main priorities of the budget of St. Petersburg for 2021 were social spending and ensuring the maximum socio-economic efficiency of investments.

In St. Petersburg, the amount of the subsistence minimum in the 3rd quarter of 2020 is set

Based on the resolution of the Government of St. Petersburg No. 1003 of December 2, 2020, the amount of the subsistence minimum in St. Petersburg for the 3rd quarter of 2020 is established for various categories of population. On average, the subsistence minimum per inhabitant is determined in the amount of 11,684. 5 rubles (in the 3rd quarter of 2019-11,465. 3 rubles), for the working – age population-12,826. 3 rubles(12,584. 3 rubles), for pensioners-9,478 rubles (9,303. 8 rubles), for children – 11,391. 1 rubles. (11,176. 2 rubles). Compared to the 3rd quarter of 2019, the cost of living, on average, increased by 1.9%.

The Territorial Program of State guarantees of free provision of medical care to citizens in St. Petersburg and the main parameters of the budget of the Territorial Fund of Compulsory Medical Insurance of St. Petersburg have been approved

The main parameters of the budget of the Territorial Fund of Compulsory Medical Insurance of St. Petersburg (TFOMS) for 2021-2023 are approved by the Law of St. Petersburg of December 3, 2020 No. 551-121. The budget of the TFOMS is balanced: total revenues and expenditures for 2021 are determined in the amount of 121 billion rubles. The territorial program of state guarantees for the free provision of medical care to citizens was approved by the Law of St. Petersburg No. 620-134 of December 18, 2020. The document was developed in order to provide free medical care in St. Petersburg to citizens who are entitled to receive such assistance in accordance with Russian legislation.

Tax incentives are established for enterprises participating in the implementation of regional investment projects

The status of a regional investment project is granted to projects whose purpose is the production of goods and which simultaneously meet the requirements of the provisions of the Tax Code of the Russian Federation. The benefits are established based on the Law of St. Petersburg No. 601-131 of December 18, 2020. From January 1, 2021, the rate of income tax credited to the regional budget will be 10% for participants in the implementation of regional investment projects. There is a zero tax rate on property created as part of the implementation of a regional investment project. The tax benefits will remain in effect until the end of 2028.

Additional requirements are set for regional investment projects in St. Petersburg

The new requirements, in addition to the provisions of the Tax Code of the Russian Federation, are established on the basis of the Law of St.

Petersburg No. 611-143 of December 22, 2020. The provisions of the Law establish that a regional investment project implemented on the territory of St. Petersburg must meet the requirements of the section "Products of processing industries" of the OKVED. The exception is the goods, the production of which relates to the types of activities specified in subparagraph 2 of paragraph 1 of Article 25_8 of the Tax Code of the Russian Federation. Participants in regional investment projects are provided with incentives in accordance with the provisions of the Law of St. Petersburg of June 28, 1995 No. 81-11 "On Tax Benefits".

In St. Petersburg, the payments for the overhaul of common property in apartment buildings are raised

Based on the resolution of the Government of St. Petersburg of December 22, 2020 No. 1141, the minimum size of the contribution for the overhaul of common property in apartment buildings in St. Petersburg is established. The amount of the contribution varies depending on the category of the house. On average, the cost of the contribution increased by 30% compared to 2020.

The legislative and executive bodies of the state power of St. Petersburg have differentiated the powers to protect and promote capital investments

The distinction was made based on the provisions of the Law of St. Petersburg No. 6391-145 of December 24, 2020. Thus, the Legislative Assembly is responsible for the adoption of laws in the field of protection and promotion of capital investments, as well as monitoring their implementation. The powers of the city Government include the approval of a number of documents regulating actions to protect and promote capital investments. These documents include: the procedure for concluding agreements on the protection and promotion of investments, monitoring of the stages of the investment project, the form of a Declaration on the implementation of the investment project, in addition, the city Government has the right to assess decision-making on the provision of measures of state support of investment projects, to sign on behalf of St. Petersburg agreements on the protection and the promotion of investment and additional agreements to them, and perform a number of other powers.

MEETINGS, COOPERATION

The President of Russia has held a working meeting with the Governor in St. Petersburg

The meeting was held on November 3, 2020. Vladimir Putin and Alexander Beglov discussed issues of socio-economic development of St. Petersburg. The focus was on the problems of combating coronavirus infection, the work of the shipbuilding complex, and the creation of new

metro stations. The President of Russia and the Governor of St. Petersburg took part in the solemn ceremony of launching the diesel-electric icebreaker "Viktor Chernomyrdin". The icebreaker was built on the Admiralty shipyards for Rosmorport. Unique in its capabilities, the vessel is able to overcome two-meter ice, perform emergency rescue and underwater work, work as a fire ship, and eliminate oil spills.

St. Petersburg is recognized as the leader of international cultural tourism

On November 27, 2020, at the World Travel Awards 2020 ceremony in Moscow, St. Petersburg won the World's Leading Cultural City Destination 2020 award. St. Petersburg has managed to beat the 14 most popular tourist centers in the world, including Paris, London, Rome, Venice and others.

Palmyra Day held in St. Petersburg

Events dedicated to the legendary city were held on December 2, 2020 under the auspices of the Russian Commission for UNESCO. It was initiated by the Institute of the History of Material Culture of the Russian Academy of Sciences, the State Hermitage Museum and the Architectural Workshop of M. Atayants. The State Hermitage Museum hosted a round table discussion on the preservation of the archaeological monuments of Palmyra. Three exhibitions dedicated to the scientific and cultural relations of St. Petersburg and Palmyra were held.

The construction of the metro in St. Petersburg will be carried out by a new company

In December 2020, 65% of the shares of JSC "Metrostroy of the Northern Capital" were transferred to the ownership of St. Petersburg. The agreement on the gratuitous transfer of shares was signed in Smolny on December 14, 2020 in the presence of Governor A. Beglov and President-Chairman of the Management Board of PJSC VTB Bank A. Kostin. JSC Metrostroy of the Northern Capital was established in October 2020. The sole founder at the time of the company's registration was VTB Development LLC. The new company should become the largest contractor for the construction of new metro stations. In December 2020, V. Schmidt was appointed General Director of JSC "Metrostroy of the Northern Capital". Previously, he headed Pilon CJSC and has experience as a deputy chairman of the Committee for the Development of Transport Infrastructure in St. Petersburg. Currently, the construction of the metro in the city is engaged in JSC "Metrostroy", which is in a pre-bankruptcy situation. St. Petersburg owns 25% of the shares of Metrostroy.

An agreement on the transportation of residents of St. Petersburg and the Leningrad Region by public passenger transport was signed

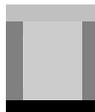
The Agreement on transportation was signed on December 15, 2020. Based on the Agreement, from January 1, 2021 until the end of 2023, the two regions have a preferential travel regime for citizens with corresponding benefits. This category of citizens includes residents of St. Petersburg and the Leningrad region: labor veterans, rehabilitated persons, home front workers, pensioners, students of general education organizations from large and large foster families, federal beneficiaries, etc. The Agreement provides preferential travel for certain categories of citizens-residents of St. Petersburg on the territory of the Leningrad Region and residents of the Leningrad Region on the territory of St. Petersburg. The Agreement was approved by the Law of St. Petersburg No. 622-142 of December 16, 2020.

The Prime Minister of Russia held a working meeting with the Governor of St. Petersburg

During the meeting, held on December 25, 2020, the issues of combating coronavirus infection and other important areas of socio-economic development of the city were discussed. The Governor informed the Prime Minister that St. Petersburg had spent 53 billion rubles on combating the pandemic, of which 23 billion rubles were allocated by the federal center. An agreement was reached on the allocation of additional federal funding to the city, including 1 billion rubles for the construction of a high-speed latitudinal highway. On December 25, 2020, Chairman of the Government of the Russian Federation M. Mishustin, Minister of Industry and Trade of Russia Dmitry Manurov, Governor of St. Petersburg Alexander Beglov and other officials took part in the opening ceremonies of the new pharmaceutical plant of the company "Active Component" and the launch of the production of the antiviral vaccine "Sputnik V" at the pharmaceutical plant of the biotechnological company "Biocad".

St. Petersburg will participate in the creation of an operator company for the management of solid municipal waste

The corresponding decision was made on December 28, 2020. In addition to St. Petersburg, the company's founders will include Leningrad Region, PJSC Inter RAO UES and PJSC VTB Bank. The authorized capital of the company will be 99.99 million rubles, the share of St. Petersburg-25%. The agreement of Intent on the establishment of the operator company was signed on October 7, 2020. The Company will operate on the territory of St. Petersburg and the Leningrad Region and will organize the separate collection, transportation, processing, disposal, neutralization and disposal of solid waste.



2. EMPLOYMENT

In October 2020, 1489.1 thousand people were employed at large and medium-sized enterprises (table 1). In particular, full-time employees accounted for 95.2% of those employed at these enterprises, 2.2% were part-time employees, 2.6% of the total number of employees were employed under temporary contracts. Compared to the previous month, the number of full-time employees decreased by 0.6%, the number of part-time employees increased by 4.2%, and the number of employees hired under contracts - by 4.84%

For the 10 months of 2020, the number of employees at these enterprises increased by 3.0% compared to the same period in 2019. The number of full-time employees increased by 3.2% over the same period. The number of part-time employees increased by 0.5%, and the number of employees working under contracts fell by 3.0%.

In October 2020, the largest number of filled jobs was in education, transport and communications, manufacturing, healthcare, wholesale and retail trade, while the smallest number was in agriculture and forestry, hotels and restaurants, and other services (table 2). The public sector of the economy employed 49% of all those employed in large and medium-sized enterprises in the city.

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

	October 2020.		January-October 2020 in % to January-October 2019
	'000 people	In % to September 2020	
Filled jobs total, including:	1509,2	100,8	103,0
Registered permanent employees	1436,8	100,6	103,2
External by-workers	32,5	104,2	100,5
Contracted labour	39,9	104,4	97,0

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

Industry	Total employment	
	'000 people	% of the total
Total, including:	1509,2	100,0
Manufacturing	211,9	14,1
Production and distribution of electric power, gas and water	44,9	3,0
Agriculture and forestry	5,0	0,3
Construction	50,3	3,3
Transportation and telecommunications	215,3	14,2
Finance and insurance	53,6	3,6
Real estate transactions, leasing and services	37,9	2,5
Wholesale and retail trade, repair of motor vehicles and home appliances	169,0	11,2
Hotels and restaurants	27,1	1,8
Public administration, security and social care	91,4	6,1
Education	220,0	14,6
Healthcare and social services	169,8	11,3
Culture, sports, entertainment	48,7	3,1
Science and technology	119,1	7,9
Administrative services	38,2	2,5
Other services	7,0	0,5

In August-October 2020, the number of economically active population (EAN) was 3101.9 thousand people, including 2983.3 thousand employed and 118.6 thousand unemployed. Not included in the labor force were 1,479.9 thousand people. During the period under review, the employment rate was 65.2% (the share of the number of employed in the total population aged 15 to 72 years), the level of economic activity - 67.7% (the share of the number of 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 fourth quarter of 2020 in organizations of St. Petersburg (without small businesses) amounted to 2,184 people or 0.15% 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 third quarter of 2020 in organizations in St. Petersburg (without small businesses) was 77.4 thousand people.

In November 2020, the need for employees of the Petersburg enterprises was 38.9 thousand people (table 3).

By the end of November 2020, the number of the unemployed people registered with the Employment service per one declared vacancy was 2.8 people, compared to 0.6 people at the end of November 2019.

At the end of November 2020, the demand for employees declared by employers to the Employment Service amounted to 38,896 vacancies, of which 58.1% were in working professions (<http://ktzn.gov.spb.ru/analiticheskaya-informaciya/>).

In January-November 2020, the largest number of vacancies was declared by organizations related to the following types of economic activities: transportation and storage-12.7%; manufacturing - 11.9%; administrative and related services-11.5%; wholesale and retail trade, repair of motor vehicles and motorcycles – 9.1%; health and social services-8.1%; public administration and military security-7.8%; construction-6.0%; education-5.4%; hotels and catering establishments – 5.5%; real estate operations-2.9%; professional, scientific and technical activities-2.9% (<http://ktzn.gov.spb.ru/analiticheskaya-informaciya/>).

In November 2020, as in the same period of 2019, programmers, managers, engineers, translators, and doctors of various specializations remain the most popular among employees who were among the top ten specialists in short supply. In 2020, the shortage of process engineers, doctors, and translators increased, and the shortage of managers decreased. The shortage of programmers and engineers is still large. There was a shortage of nurses, community relations specialists, and chemists.

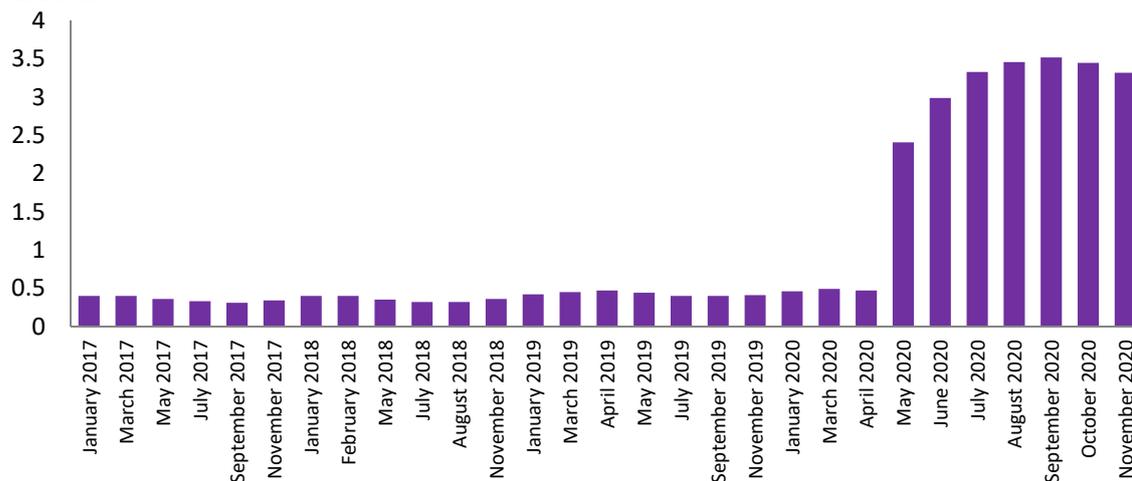
Among the specialists of working professions in November 2020, in comparison with the analogous period of the previous year, there are still in short supply assemblers of metal ship hulls, painters, crane operators. The shortage of metal hull painters and assemblers has increased, while the shortage of crane operators has decreased. There was a shortage of qualified shipbuilding workers - choppers, fitters and assemblers-ship builders, as well as electric welders on automatic and semi-automatic machines, tractor drivers, painters, concrete workers.

TABLE 3. St. Petersburg enterprises' demand for workforce, January 2019 – November 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	150
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	370
May	32,9	2,8	127,3	560
June	34,0	3,1	110,7	620
July	33,2	3,5	112,9	700
August	32,3	3,6	102,9	720
September	32,8	3,5	97,2	580
October	37,4	3,0	85,7	500
November	38,9	2,8	93,3	470

TABLE 4. Change in the number of officially registered unemployed people in St. Petersburg, 2019, January-November 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	210	230
May	93,3	73,9	230	550
June	106,4	91,8	124,2	740
July	114,7	102,1	111,3	830
August	115,7	106,1	103,8	890
September	114,6	107,8	101,6	910
October	111,1	105,8	98,2	860
November	108,1	101,8	96,2	810

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

In November 2020, 108.1 thousand people were registered with the Employment Service of St. Petersburg (table 4). In November 2020, 94.2% of those registered with the Employment Service were officially recognized as unemployed.

At the end of November 2020, the total number of applicants to the State Employment Service of St. Petersburg (Employment Service) was 110,566 people (at the end of November 2019-27,009 people).

In January-November 2020, the Employment Service received 431,858 applications from citizens for the provision of public services, including 59,563 applications for vocational guidance and 132,838 applications for informing about the situation on the labor market.

The number of registered unemployed citizens at the end of November 2020 was 101,848, including women – 62.5%; young people aged 16-29-21.6%; citizens of pre-retirement age-8.9%; disabled-2.2% (at the end of November 2019, the number of unemployed was 12,515 people. (<http://ktzn.gov.spb.ru/analiticheskaya-informaciya/>).

In November 2020, 10.4 thousand people received the status of unemployed (by 7.6 thousand people or 3.8 times more than in November 2019). The size of employment of unemployed people in November 2020 was 4.8 thousand people or 6.3 times more than in the same period of 2019, and amounted to 5.7 thousand people.

According to Rosstat, in August-October 2020, the unemployment rate (according to the methodology of the International Labor Organization) was 3.8% of the economically active population (EAN). St. Petersburg had one of the lowest unemployment rates among the Russian regions (in the North-Western Federal District-5.9%, Moscow – 3.7%, the Russian Federation – 6.3%).

The level of registered unemployment (the ratio of the number of registered unemployed to the number of the labor force on average for 2019)

at the end of November 2020 was 3.32% (at the end of November 2019, this indicator was 0.41%) (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-November 2020, prices in the consumer sector of the economy of St. Petersburg increased by 3.7%. In the same period of 2019, it was 2.6%.

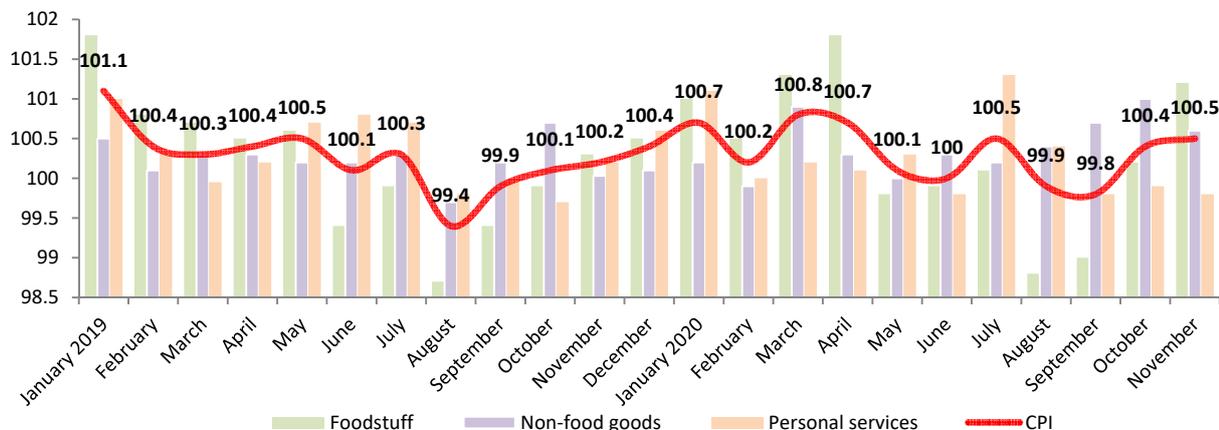
The growth of consumer prices in January-November 2020 in St. Petersburg was the same as the national average. In November 2020, consumer prices increased by 0.5% (picture 2).

In January-November 2020, in St. Petersburg, tariffs for paid services to the population increased by 2.6%. For comparison, their growth in January-November 2019 was 3.3%.

The increase in prices for paid services in St. Petersburg in January-November 2020 was 0.4% higher than the national average. Prices for paid services decreased by 0.2% in November 2020.

In January-November 2020, prices for food and non-food products increased by 3.9% and 4.4%, respectively. The growth of prices for food products in St. Petersburg in January-November 2020 was higher than the average Russian level by 0.2% and for non-food products-higher than the average Russian level by 0.6%.

Prices for food products in November 2020 in St. Petersburg increased by 1.2%, for non-food products increased by 0.6%.

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

In November 2020, there was an increase in prices of fruit and vegetable (6.1%), oils and fats (2.9%), cheese (2.5%), confectionery (1.2%), milk and dairy products (0.5%), meat products (0.004%), fish (for 0.002).

Over the same period prices fell for bread and bakery products (0.9%), cereals and legumes (0.4%), alcoholic beverages (0.1%).

In November 2020, tomatoes' price rose by 27.2%, that of potatoes - by 13.5%, onions - by 11.7%, grapes - by 3.4%, while oranges became cheaper by 2.9%, bananas - by 2.3%.

Sugar, eggs became more expensive by 8.1%, canned fruit and berry products for baby food - by 3.2%, pasta made from wheat flour - by 3.1%, mayonnaise - by 2.5%, while rice became cheaper by 2.5%.

Among non-food items in November 2020, in St. Petersburg, prices grew for building materials (by 2.6%), electronics (2.2%), furniture (1.4%), dry goods and cookware (1.1%), detergents and cleaning products (1.0%), medicines (0.8%), paper and paper stationery (0.4%), tobacco products and fabrics (0.3%), shoes (by 0.2%), and hosiery (by 0.1%).

Prices fell for perfumes and cosmetics (by 0.4%), knitwear (by 0.2%), and clothing (by 0.1%).

In November 2020, payments for electricity, housing maintenance and repairs, operating expenses, cold and hot water supply, sanitation, gas, and capital repair fees remained unchanged.

In November 2020, the cost of accommodation in hotels fell by 8.1%, travel on long-distance trains – by 5.4%, the cost of air flights-by 4.35, mandatory car insurance services – by 2.5%, and health and wellness services-by 1.3%. The cost of printing color photos, services of baths and showers rose by 1.0%, laundry services-by 0.9%.

In January - November 2020, gasoline prices increased by 2.0%, while diesel prices increased by 0.6%. In November 2020, prices for gasoline rose by 0.1%, and for diesel fuel - by 0.7%.

PERSONAL INCOMES AND EXPENDITURES

Real accrued wages, calculated taking into account the consumer price index, in October 2020 amounted to 99.1% compared to the level of September 2020 and 100.3% compared to the level of October 2019 (picture 3).

The average monthly nominal salary accrued in St. Petersburg in October 2020 was 66952 rubles. The average nominal salary of Russian citizens in October 2020 was 30.5% less than in St. Petersburg and amounted to 46549 rubles.

Salary arrears as of December 1, 2020 amounted to 124.7 million rubles. The amount of debt amounted to 149.2% compared to the level of September 1, 2020. The construction sector accounted for 37.9% of the total debt, research and development for 32.2%, and processing industries for 29.9%.

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

DIFFERENTIATION OF SALARIES IN ST. PETERSBURG

In October 2020, the level of intersectoral wage differentiation decreased compared to August 2020 (picture 4). Thus, the gap between the highest salary (mining) and the lowest (hotels) was 6.9 times, compared to 7.2 times in August.

The highest salary in October 2020 was in mining (the salary of employees in this industry was 3.2 times higher than the average salary in St. Petersburg).

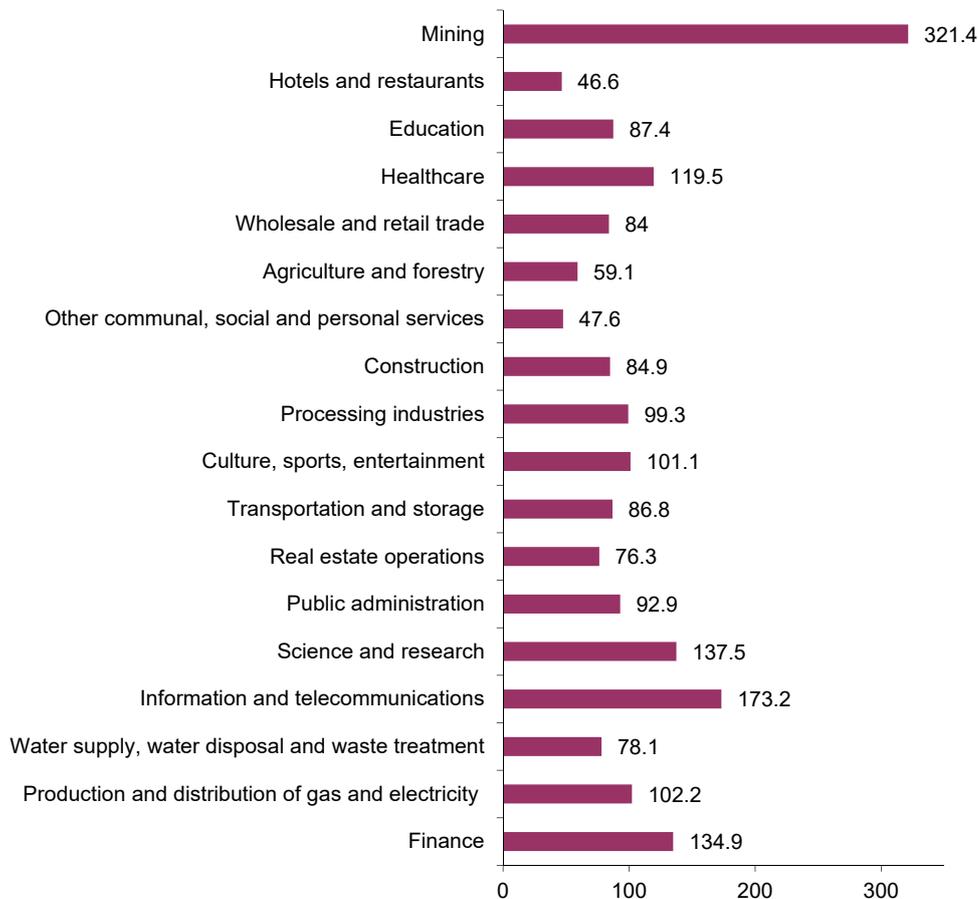
In October 2020, substantially higher than the average salary in St. Petersburg were the wages of employees in the field of information and communication (at 73.2 %), in the field of scientific and technical activities (37.5%), and financial activities (34.9%).

And the lowest wages were paid in hotels and restaurants (46.6% of the average wage), other community, social and personal services (47.6% of average salary) and agriculture (59.1% of the average wage).

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

	Total arrears	Including arrears due to the lack of the budget financing
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
November	86,6	30
December	124,7	32,2

PICTURE 4. Inter-industry differentiation of average salary in October 2020 in St. Petersburg, % of the average salary (the average salary = 100%)



4. INDUSTRY

The industrial production index in St. Petersburg in January-November 2020 compared to January-November 2019 was 97.4%, in November 2020 compared to November 2019 - 98.4%.

On December 24, the line for the production of LEDs at the "Klever" plant was launched in St. Petersburg. The new line will produce analogs of the most common LEDs on the market. As a result of the launch of the new production, the total output will be increased to 100-150 million LEDs per year. The volume of investments in the new line amounted to more than 350 million rubles. PC Klever was established by RUSNANO in 2017. The investments in equipment amounted to 85.4 million rubles. Later, the project attracted a strategic investor "MSK "BL GROUP", which invested another 88.9 million rubles. Overall, the investment in the project amounts to more than 1 billion rubles (December 24, 2020, www.rusnano.com/).

In St. Petersburg, the industrial production of the vaccine against coronavirus infection "Gum-COVID-Vak" ("Sputnik V") was launched at the

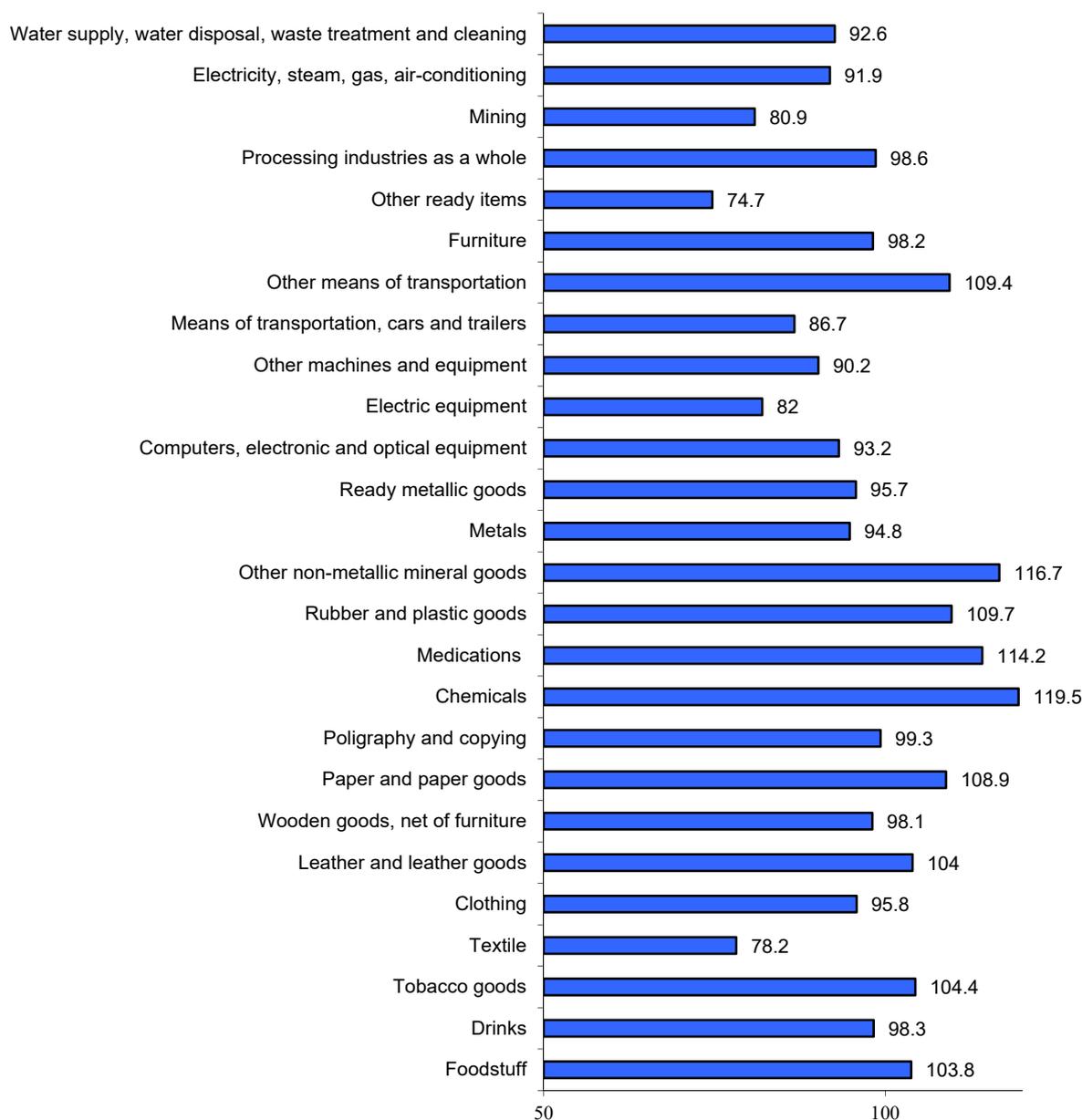
plant of the company "BIOCAD". The official opening ceremony was held in the presence of Mikhail Mishustin, Chairman of the Government of the Russian Federation, federal ministers and Alexander Beglov, Governor of St. Petersburg. On September 21, 2020, an agreement was signed between "BIOCAD" and the Federal State Budgetary Institution "Gamaleya Institute" of the Ministry of Health of the Russian Federation on the industrial production of the vaccine "Gum-COVID-Vak". "BIOCAD" is one of the largest Russian innovative biotechnological companies, founded in 2001. It unites world-class research centers, modern pharmaceutical and bio-technological production, and a system of preclinical and clinical research that meets international standards. The company employs more than 2,600 people, of which about 800 are scientists and researchers (December 25, 2020, www.gov.spb.ru/).

Admiralty Shipyards (part of USC) have launched an ice-resistant self-propelled platform (LSP) "North Pole" of the project 00903, built for

the Federal Service for Hydrometeorology and Environmental Monitoring (Roshydromet). The contract between the "Admiralty Shipyards" and Roshydromet was signed in April 2018. The ship was laid down on April 10, 2019. The construction of the order is carried out within the framework of the state program for the socio-economic development of the Arctic region of the Russian Federation. LSP "North Pole" has the functionality of a

research center and is designed for year-round expeditions in the high latitudes of the Arctic Ocean. The vessel is designed to conduct geological, acoustic, geophysical and oceanographic studies; it can pass through the ice without the involvement of an icebreaker, as well as take on board heavy helicopters (December 18, 2020, www.aosk.ru/).

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



5. FINANCE

In January–October 2020, the organizations' net financial result (profit minus loss) amounted to 616.4 billion rubles, which is 23.8% less than in the corresponding period of 2019.

In January–October 2020, the number of loss-making organizations increased by 188 units, or 24.7%, compared to the same period in 2019, and the amount of the loss increased by 25.2 times.

According to the operational data of the Federal Tax Service of the Russian Federation for St. Petersburg in January–October 2020, the

budget system received taxes, fees and other mandatory payments in the amount of 1,251.4 billion rubles, which in nominal terms is 12.4% more than in January–October 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 January 1, 2021 is presented in tables 7 and 8.

TABLE 6. Consolidated budget execution as of December 1, 2020 (Bln rubles)

	Revenues	Expenditures	Surplus + / Deficit -
<i>January–October</i>	539	519	20
<i>January–November</i>	593	589	15

Source: Petrostat

TABLE 7. St. Petersburg's state debt structure on January 1, 2021

	mln. py6.
State domestic debt of St. Petersburg, including:	85 006,1
Bonds	85 006,1
Budget credits	6,1
State external debt of St. Petersburg	0,0
Total	85 006,1

Source: City Committee of Finance

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

Item	Plan for 2020	Fact on 01.12.2020
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

The North-Western Directorate for the construction of Cultural objects has entered into an agreement with the contractor JSC "Politechstroy" for the restoration of the building of the St. Petersburg Conservatory. The total cost of the work will be 13.6 billion rubles, the funds are allocated from the Federal budget. The restoration work, according to the contract, should be completed by the end of 2025 (According to the materials of "Kommersant")

The Ministry of Culture of the Russian Federation has announced a new competition for the restoration and adaptation to modern use of Quartermaster Warehouses. The contract with the previous contractor, "Glastros", was terminated due to the irregularities and delay. The work on the object with a total cost of more than 270 million rubles is expected to be completed by the end of 2023, applications are accepted until the end of January 2021 (According to the materials of "Kommersant")

At the end of December 2020, the Directorate of Transport Construction announced two tenders for the repair of roads in the south and north of St. Petersburg with a total cost of about 6 billion rubles. The works, according to the tender documentation, are scheduled for 2021 and 2022. The general list of road works in the northern part of the city includes, in particular, the capital repair of Engels Avenue from Parnas Way to the Ring Road, 2nd Murinsky Avenue, part of Polyustrovsky Avenue, part of Piskarevsky Avenue and Bolshevik Avenue from Kollontai Street to Far Eastern Avenue. In the southern part of the city, repairs are planned for parts of Marshal Zhukov Avenue, Tram Avenue, Constitution Square, and part of the Obukhovskaya Defense Avenue. (Based on the materials of the Administration of St. Petersburg and the Dorinfo portal)

Restoration and repair work continue at several sites in the center of St. Petersburg. The restoration of the state rooms has been completed in the Mikhailovsky Castle, which is part of the Russian Museum. From the beginning of 2021, the Resurrection and Throne Halls, the Arabesque Gallery, as well as the apartments of the Lady-in-Waiting Protasova and of the Chief Marshal Naryshkin will be reopened to the public. The capital repair of the embankment of the Griboyedov Canal which began in 2019, is scheduled to be completed in October 2021 (Based on the materials of RBC and the newspaper "Paper").

TRANSPORTATION, ENERGY, WATER SUPPLY

In January-November 2020, transport organizations of St. Petersburg transported 17581

thousand tons of cargo and 355.6 million passengers (32.5% lower than in the same period of 2019). At the same time, cargo turnover amounted to 7283 million ton-km, and passenger turnover – 2085 million pass-km (33.7% lower than in 2019). The number of road accidents was 4747, which is 20.3% lower than in the same period of 2019. The indicators for January-November 2020 show a positive trend compared to the data for January-July, but it can be assumed that the consequences of restrictive measures in connection with the spread of coronavirus infection will continue to have a significant negative impact on the indicators. (According to Petrostat)

Passenger traffic at Pulkovo Airport in January-November 2020 decreased by more than 40% compared to the same period of the previous year and amounted to about 10 million passengers (in January-November 2019 - about 18 million passengers). The main reason for this significant reduction in passenger traffic was the restrictive measures on domestic and foreign flights associated with the coronavirus pandemic, including a complete ban on flights abroad in the spring and summer of 2020. In November 2020, according to the airport operator Pulkovo, passenger traffic amounted to 821 thousand people – 40% less than a year earlier. The number of take-off and landing operations in January-November 2020 decreased by 29% to 1,545. (According to the materials of VVSS).

In accordance with the decree of the Governor of St. Petersburg, residents of the city and of Leningrad Region in 2021-2023 will be able to use preferential travel cards in the public transport of the neighboring regions. The beneficiaries will include, in particular, labor veterans, pensioners and rehabilitated individuals. The list of preferential routes will include more than 400 public transport routes in St. Petersburg and more than 650 routes in Leningrad Region. (Based on the materials of "Business Petersburg").

MAJOR CITY PROJECTS

The project of connecting the Western Speed Diameter to the Latitudinal Highway of Rapid Traffic (formerly the Eastern Speed Radius) and the construction of a transport connection with Vitebsk Avenue will receive funding from the reserve fund of the Government of the Russian Federation. For its implementation, 1.01 and 0.99 billion rubles will be allocated from the City and Federal budgets, respectively. The project is implemented within the framework of the agreement on public-private partnership between the city administration, JSC "ZSD" and LLC "Northern Capital Highway". (Based on the materials of "Interfax").

The project to build a high-speed railway between Moscow and St. Petersburg, implemented by Russian Railways, may require the creation of a new station (terminal) in the area of Ligovsky Prospekt to receive high-speed trains. In December 2020, at a meeting in the KGIOP, in particular, the possibility of excluding the former warehouses of Kokorev, as well as several neighboring buildings, from the list of historical buildings for the subsequent construction of a terminal in their place was discussed. At present, these buildings are located in the development regulation zone, and according to the law, it is prohibited to demolish buildings in such zones. (According to the materials of "Business Petersburg").

7. REAL ESTATE

CONSTRUCTION

In accordance with the National Project "Housing and Urban Environment" and within the framework of an Agreements with the Ministry of Construction, at least 3 million square meters of housing should be introduced in St. Petersburg every year. For 2021, the plan is almost the same as it was in 2020 – 3.19 million square meters. In 2022, it will increase to 3.4 million square meters, and then sharply decrease to 2.6-2.8 million square meters.

According to the Committee on Construction, in November, 669485.4 square meters of housing were commissioned, that is, 305 houses for 14051 apartments. In total, by mid-December, 2272673.2 square meters of housing were put into operation in the city, that is, 1027 residential buildings, 46956 apartments. This is 20% more than in the corresponding period of the previous year.

According to restate.ru, in 2020, the KIT company has built and commissioned a residential building for those in the waiting lists on Oleko Dundicha Street using budget funds. The house has 295 apartments. The Housing Committee distributes them to the district administrations to provide those in the city waiting lists of various categories. One house is currently being built in Kamenska for 265 apartments City using budget financing – it will be delivered at the end of 2021.

According to preliminary data, the volume of commissioning of office space in St. Petersburg will be 196 thousand square meters, which is 55% higher than last year.

According to the press center of the Construction Committee, the works that began in 2015 on Yakhtennaya Street have been completed. The facility (kindergarten) was built, with three contractors changed during this time. The facility was built as part of the Targeted Investment Program of the Construction Committee. The three-storey building, with an area of 5460 square meters, is to host 190 kids. The building has a swimming pool, mu-

sic and sports halls, and offices for individual work with children.

CO-INVESTORS

The Governor of St. Petersburg, Alexander Beglov, said on the air of Channel 78 that, according to his data, 82% (1025 people) registered in the register of defrauded co-investors have received housing. The remaining 192 shareholders (registered in 2019) will receive the keys in the summer of 2021. By 2023, it is planned to complete the two most problematic objects within the city limits – these are "Three Oranges" and "On Zarechnaya". For these purposes, 2.5 billion rubles were allocated from the city budget.

TERRITORIAL DEVELOPMENT, REGULATION

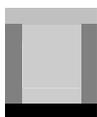
According to the website of the Ministry of Construction of the Russian Federation, a two-party project between Russia and experts of the Organization for Economic Cooperation and Development (OECD) on the preparation of the "Review of the National Urban Policy of the Russian Federation" started on November 16. The OECD review will consolidate all the information about Russia's urban policy and suggest the most effective ways to develop the country. Deputy Minister of Construction and Housing and Communal Services of the Russian Federation Maxim Yegorov listed the tools for assessing the development of the urban environment, for example, the Urban Environment Quality Index according to 36 criteria, which helps local authorities to determine the strengths and weaknesses of the city, suggests what to work on. Images of the GLONASS system, data from search engines and social networks are evaluated. Together with the Moscow State University, to assess the effectiveness of measures for the digitalization of cities, an integral index for assessing the progress and effectiveness of the digital transformation of the urban economy ("IQ of cities") was developed. A separate index for the housing and communal services sector - the Index of technical readiness of housing and communal services facilities — is being prepared.

The project "Creating a comfortable Urban Environment" was launched in 2017. The press center of the Ministry of Transport of the Russian Federation reports on the results of the VTSIOM survey of citizens on the topic of changes in the urban environment. According to the results of the study, over the past three years, 70% of respondents noted an improvement in the urban environment, while in 2017 only 44% held this opinion.

Respondents notice positive changes in the following areas: visual appearance (32%), landscaping (32%) and public transport (31%). At the level of their district, citizens are most satisfied with the progress in the arrangement of yard areas (40%), landscaping of streets (37%) and

cleaning of public areas (26%). Only 8% of respondents spoke about the deterioration of the situation in the urban environment in the city and in a particular area, compared to 14% in 2017.

On November 17, the State Duma has adopted in the first reading a draft law on the integrated development of built-up areas and on the demolition of emergency housing. The document gives regions the right to approve targeted programs for the demolition and reconstruction of apartment buildings, and residents - to make a decision on the inclusion of their housing in these programs, which will require 2/3 of the votes. The territory of the complex development may include both emergency and dilapidated housing, and the redevelopment areas of industrial zones may not include multifamily housing. The program is planned to be carried out in the territories that are occupied by emergency and dilapidated housing for at least half.



8. INVESTMENT PROJECTS

RENTA Invest (part of RENTA Group of Companies) has started a construction of a restaurant mall in Murino

The project will be a continuation of the existing restaurant complex on Mendeleev Boulevard. Earlier in St. Petersburg, it was announced the creation of six more food halls, which are the most popular format among investors in the restaurant industry. The space will unite about 50 restaurants, each of which will have its own premises and a common space under a hinged roof. Investments in the project will amount to about 200 million rubles. The food mall will be completed by the end of 2021.

The Russian importer of medical test systems, Melon, invests in the production of rapid tests for antibodies to COVID-19

It is planned to establish production at the facilities of the distributor's subsidiary, Biohit, which has production facilities in the territory of the special economic zone "Saint Petersburg". Coronavirus drugs are planned to be produced under a production contract. Melon has already signed a long-term agreement with a Chinese partner on the phased transfer of technologies to St. Petersburg site. The tests can be used in medical institutions and laboratories, and will require blood for testing. The result can be obtained within 10 minutes. According to Biohit, the diagnostic sensitivity for antibodies to the coronavirus IgM is 99%, IgG-100%. In the future, Biohit intends to independently develop the production of monoclonal antibodies — this is one of the components of the test systems. In June 2020, LLC "Melon" received the registration certificate of Roszdravnadzor and works in the Russian market of rapid tests for the

detection of antibodies to COVID-19 as a distributor.

Preparatory and registration work is already underway at the St. Petersburg site. In order to start producing tests, a permanent registration is required. The company plans to receive it in the spring of 2021. Biohit plans to sell test systems through two main channels — public procurement and private clinics.

The total amount of investments declared in the project is 491.2 million rubles, about half of this amount is intangible assets. At the first stage, it is planned to launch the production of six different test systems (one of them is for antibodies to COVID-19). The amount of funds already invested in the company is estimated at 80 million rubles.

A new plant of the company "Active Component" was opened in St. Petersburg

The plant will produce pharmaceutical substances, including anticoagulants-azithromycin, umifenovir and favi-pyvir, as well as antiviral substances for the treatment of HIV, antitumor, gastrointestinal, neurotropic and other deceases.

After the opening of the new plant, the production capacity of the pharmaceutical company will be up to 250 tons of products per year. The volume of investments in the project amounted to 2.7 billion rubles.

In St. Petersburg, the industrial production of the Sputnik V vaccine against coronavirus was also officially launched. The company "Biocad" invested in the production 500 million rubles.

The federal chain of stores "First furniture" plans to open the first retail outlet in the shopping mall "Piter Raduga"

The investments exceeded 30 million rubles. They are aimed at repairs, the composition of the exhibition, commercial equipment and decoration. In the near future, "First furniture" plans to open several more retail outlets in St. Petersburg. Currently, negotiations are underway with several shopping centers and the most convenient locations are selected.

Recently, various furniture companies have been developing quite actively in St. Petersburg. On December 23, IKEA opened a design studio on Nevsky Prospekt, and in the spring of 2021 it will launch another one, with an area of about 400 square meters, in the Pearl Plaza shopping center.

In the Fall, Kubatura furniture center opened in Kupchino with a total area of about 150 thousand square meters. One of the anchor tenants in it is the Hoff store. At the same time, the Hoff chain previously closed two of its outlets in St. Petersburg.

Jewelry chain "585 * Gold" launches a new format in St. Petersburg

The highly specialized shop "Center of Wedding Rings" started its work at the end of De-

center at Moskovsky Prospekt, 216. Previously, the company developed the wedding direction only in the shop-in-shop format, where the corresponding assortment was separately displayed in the premises.



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/>