

GENERAL OVERVIEW OF SOCIO-ECONOMIC SITUATION IN ST. PETERSBURG



May-June 2021 No 171



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1. **CITY MANAGEMENT:** Staff changes at the Committee of State Financial Control of St. Petersburg

 2. **EMPLOYMENT:** Labor market situation stabilizing

 3. **PERSONAL INCOMES AND EXPENDITURES:** Consumer prices growth

 4. **INDUSTRY:** «Nevsky Electric Transport Plant» has presented a new model of electric bus

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

 6. **MUNICIPAL AFFAIRS:** New Pulkovo airport terminal to be built by 2025

 7. **REAL ESTATE:** Three long-delayed objects have been completed

 8. **INVESTMENT PROJECTS:** It is planned to build a plant for the production of transmissions for passenger cars
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1. CITY MANAGEMENT

APPOINTMENTS

The head of the State Financial Control Committee of St. Petersburg has been replaced

On June 3, 2021, based on the decree of the Government of St. Petersburg, the chairman of the State Financial Control Committee, A. Zhukov, was dismissed from his post. Since June 4, 2021, the temporary performance of the duties of the Chairman of the Committee was entrusted to the Deputy Chairman S. Makeev.

In St. Petersburg, the minimum wage was set

Since May 1, 2021, it is 19190 rubles. The new minimum wage level is set by the provisions of the regional agreement on wages in St. Petersburg for 2021. On April 30, 2021, it was concluded by the Government of St. Petersburg, the Lenin-grad Federation of Trade Unions and the Union of Industrialists and Entrepreneurs of St. Petersburg. From October 1, 2021, the minimum wage will be increased to 19650 rubles. At the same time, the tariff rate of the employee of the 1st category and the fixed part of the salary of an employee should not be less than 14300 rubles. The size of the minimum wage is not a restriction for the establishment of higher wage guarantees.

The Governor of St. Petersburg has delivered a report to the Legislative Assembly on the results of the activities of the City Government in 2020

The annual report of the Governor was presented at the Mariinsky Palace on May 12, 2021. As in the previous year, the main topic of the report was the work on preventing the spread of COVID-19 infection and reducing the negative impact of the pandemic on the socio-economic development of the city. The governor emphasized that the city has not faced such difficult problems for a long time. The negative impact of the pandemic has become the most serious problem over the past few decades. The Governor paid a lot of attention to the development of St. Petersburg. Despite all the difficulties, the city does not stop to implement strategic priorities, goals and objectives. All of them remain relevant and important. The main goal is the quality of life and opportunities for development of the City residents.

The Urban Planning Commission of St. Petersburg has been established

The basis for its creation was the decree of the Government of St. Petersburg No. 314 of May 24, 2021. The new organizational structure will focus its efforts on solving issues of providing social and engineering and transport infrastructure

for the territories of mass housing construction, the construction of hotels and other accommodation facilities. The Commission's activities are aimed at ensuring the synchronization of construction of housing and related infrastructure, which will contribute to the formation of a comfortable urban environment and the sustainable development of the territory of St. Petersburg. The chairman of the Construction Commission is the Governor of St. Petersburg A. Beglov.

A joint meeting of the Presidium of the Union of Industrialists and Entrepreneurs and the Public Council for the Development of Small Business under the Governor of St. Petersburg

The meeting was held on May 26, 2021 and was timed to coincide with the Day of the Russian Entrepreneur. The participants of the meeting considered the issues of entrepreneurship development and measures of state support. It was noted at the meeting that 1.35 million people work at small and medium-sized businesses in St. Petersburg, which is about 45% of the total working population. According to estimates, the number of employees at small and medium-sized businesses increases by 50 thousand people every year. By 2025, about 1.6 million people will work in this sector of the economy. To reduce the negative effect associated with the COVID-19 infection, the city provided financial and tax support to businesses totaling 21 billion rubles. The state order placed among small and medium-sized businesses of St. Petersburg in 2020 amounted to more than 158.8 billion rubles.

A meeting of the Coordinating Council under the Government of St. Petersburg on guardianship in the fields of social protection, education and healthcare

The meeting was held on June 9, 2021, under the chairmanship of Governor A. Beglov. The participants of the meeting considered the role of NGOs in the development of the city. The participants of the meeting noted a good level of interaction between the authorities and NGOs. The role of NGOs in the conditions of the COVID-19 crisis has especially increased. There are more than 9000 NGOs in St. Petersburg, 40% of them are socially oriented. In 2020, the city provided financial assistance to 354 NGOs in the amount of about 2.4 billion rubles. 170 NGOs received grants from the federal budget in the amount of more than 470 million rubles.

A meeting of the Council for Strategic Development and Project Activities

The meeting was held on June 23, 2021. The participants focused on the issues of complex

development of the social sphere. The participants of the meeting considered various aspects of the state regulation of the social services market. At the meeting, the issue of introducing mandatory state licensing of social service activities was considered. 20 thousand people work in the city's social protection system, and the social precinct service has been functioning since 2019. The city has formed a register of social service providers, which includes 121 organizations, 37 of them are non – state. The social services are responsible for 1603. 5 thousand people of retirement age, 963.3 thousand children, 557.8 thousand disabled people and 606.6 thousand families with children.

LEGISLATION

The Law on the Commissioner for Children's Rights in St. Petersburg has been adopted

The Law of St. Petersburg No. 281-61 of June 17, 2021 defined the legal status, the procedure for appointment to the post, the main tasks and the competence of the Commissioner. His work complements the existing means of state protection of the rights and legitimate interests of the child. The Commissioner is appointed to the post by the deputies of the Legislative Assembly by a majority vote. During the elections, a secret ballot is held. The term of office is 5 years. The same person may not be appointed to the post of Commissioner for more than two consecutive terms.

Amendments have been made to the Law of St. Petersburg on restoration, capital repairs and adaptation for modern use of the housing stock located in the historical center

Based on the Law of St. Petersburg No. 302-65 of June 24, 2021, amendments were made to the Law on restoration, capital repairs and adaptation for modern use of the housing stock of the historical center of St. Petersburg. The amendments concern the replacement of the concept of "restoration and capital repairs" (in relation to objects of cultural heritage) with "preservation of an object of cultural heritage". The assignment for carrying out works on the preservation of an object of cultural heritage (OCH), which is an apartment building, is carried out by the OCH protection body, taking into account the opinion of the owners of the premises. The edits relate to the features of reconstruction and capital repairs of buildings located within the boundaries of the protection zones located in the historical central districts of St. Petersburg, the restoration of the historical and urban planning environment and landscaping. The provisions on the return to common ownership of the purchased property and compensation of expenses for redemption from the city budget are excluded from the text of the Law. The law came into force on July 5, 2021.

The Law of St. Petersburg on magistrates has been amended

The Law of St. Petersburg No. 300-66 of June 25, 2021 amended the Law of St. Petersburg on magistrates. The law was adopted to bring the provisions of the Law into line with federal legislation. The provisions of the Law determine that a magistrate is appointed for the first time for a term of three years. After the expiration of this term, the person who held the position of a magistrate has the right to nominate his candidacy for appointment to this position again. Upon reappointment to the post, the magistrate is appointed to the corresponding position without limitation of the term of office. The maximum age for holding the post is set at 70 years. The law came into force on July 5, 2021.

The Procedure for maintaining the public register of debtors has been established in St. Petersburg

The procedure for maintaining the register was approved by the decree of the Government of St. Petersburg No. 426 of June 28, 2021. An organization or an individual, including an individual registered in accordance with the established procedure as an individual entrepreneur and carrying out entrepreneurial activity without forming a legal entity, who are in arrears to the budget of St. Petersburg, is recognized as a debtor. The procedure clarifies the grounds for which arrears could arise: contracts for the purchase and sale of immovable property, lease agreements for land plots, lease agreements for non-residential facilities, contracts for the development of residential territories, and some others. The duties of maintaining the register are assigned to the Committee of Property Relations of St. Petersburg. The register is subject to publication on the official website of the Committee. The data of the Register posted on the website is updated monthly.

The Law of St. Petersburg on the procedure for determining the subsistence minimum has been adopted

The Law of St. Petersburg No. 298-69 of June 29, 2021 determines that the amount of the subsistence minimum in St. Petersburg for the next year is set by the Government of St. Petersburg before September 15 of the current year. The calculations take into account the coefficient of regional differentiation. It is defined as the ratio of the minimum subsistence level per capita in Russia as a whole and the minimum subsistence level in St. Petersburg. The subsistence minimum is set both per inhabitant (per capita) and for the main socio-demographic groups of the population. The information on the amount of the subsistence minimum is published annually in the official publications of the executive bodies of state power of St. Petersburg. The law came into force on July 12, 2021.

MEETINGS, COOPERATION

St. Petersburg strengthens ties with the Murmansk Region

On May 14, 2021, the Governor of St. Petersburg A. Beglov held a working meeting with the Governor of the Murmansk Region A. Chibis. The governors considered the issues of developing cooperation between the regions, paying special attention to the Arctic topic.

The International Legal Forum was held in St. Petersburg

The Forum was held from May 18 to 22, 2021. The Forum was attended by the Chairman of the Government of Russia M. Mishustin, Deputy Chairman of the Security Council of Russia D. Medvedev, Chairman of the Supreme Court of Russia V. Lebedev, President of the Parliamentary Assembly of the Council of Europe R. Daems and other officials. The business program of the Forum included 11 thematic lines consisting of round tables, discussions and other types of events.

The Days of Ho Chi Minh City were held in St. Petersburg

The events were held in the second half of May 2021 and were timed to coincide with the birthday of the first President of Vietnam, Ho Chi Minh, which is celebrated on May 19. St. Petersburg successfully cooperates with Ho Chi Minh City in many areas. As part of the Ho Chi Minh City Days, the international conference "Two centuries of friendship, two decades of strategic partnership" and a number of other events were held via videoconference. It is planned to open a cultural and business center of Ho Chi Minh City in the Admiralteysky district of St. Petersburg, and to install a Ho Chi Minh monument at the intersection of Prosveshcheniya Avenue and Ho Chi Minh Street.

St. Petersburg and Gazprom strengthen cooperation

On May 25, 2021, a meeting of the interdepartmental council for the implementation of the cooperation agreement between St. Petersburg and Gazprom PJSC was held. The meeting was attended by the Governor of St. Petersburg A. Beglov, Chairman of the Management Board of PJSC Gazprom A. Miller, heads of divisions and subsidiaries of PJSC Gazprom. During the meeting, a roadmap for synchronizing measures for the development of the gas fuel market was signed.

Honorary residents of St. Petersburg are awarded with the following insignia

The solemn ceremony took place on May 27, 2021 at the Mariinsky Palace. Badges of recognition were awarded to residents of St. Petersburg who were awarded the honorary title in 2020 and 2021. Last year, this title was awarded to the Director General of the Almazov National

Medical Research Center, Academician of the Russian Academy of Sciences Ye. Shlyakhto and the head of the St. Petersburg metro V. Garyugin. In 2021, the honorary title was awarded to the Honored Doctor of Russia, director of the Research Institute of Phthisiopulmonology P. Yablonsky and to the People's Artist of Russia, artistic director of the Ballet Theater B. Eifman.

The XXIV International Economic Forum was held in St. Petersburg

In the period from June 2 to 5, 2021, the XXIV St. Petersburg International Economic Forum was held at the ExpoCenter concert and exhibition complex in the Pushkin District, which was attended by President of Russia Vladimir Putin, other high-ranking Russian and foreign state and political figures, heads of major companies, scientists, experts and journalists. More than 13.5 thousand people from 141 countries of the world took part in the forum. SPIEF 2021 was the first large-scale full-time business event in the world, which was held after the outbreak of the COVID-19 pandemic. The slogan of the Forum was "Together again. The economy of the new reality". At the SPIEF, more than 890 agreements were signed for a total amount of 4.27 trillion rubles (under agreements, information about which is not a commercial secret). For comparison, at the previous SPIEF, 745 agreements were signed for a total amount of 3.27 trillion rubles (under agreements, information about which is not a commercial secret). Heads of government and business structures of St. Petersburg took an active part in the Forum.

The issues of waste processing were discussed at the Krasny Bor landfill

On June 5, 2021, a field meeting was held at the Krasny Bor industrial waste landfill, located in the Tosnensky district of the Leningrad Region, under the chairmanship of the Deputy Chairman of the Russian Security Council, Dmitry Medvedev. The meeting was attended by the first Deputy Chairman of the Federation Council A. Turchak, the head of Rosatom A. Likhachev, the governors of St. Petersburg and the Leningrad Region A. Beglov and A. Drozdenko, as well as specialists in the field of waste management. The participants of the meeting examined the equipment and territory of the landfill and discussed various aspects of the storage and processing of toxic waste from industrial enterprises. Since 2014, the landfill has been under conservation and does not accept waste. In December 2019, the landfill was transferred to federal ownership. Currently, the issues of rehabilitation of the landfill territory are being resolved.

St. Petersburg strengthens ties with Iceland

On June 30, 2021, the Governor of St. Petersburg, A. Beglov, held a working meeting with the Chairman of the Althing of the Republic of Ice-

land, S. J. Sigfusson, in Smolny. The parties considered the issues of developing cooperation in the fields of shipbuilding, the implementation of cross-border and cross-border programs and projects, the study and development of Arctic territories.

2. EMPLOYMENT

In April, 2021, 1537.5 thousand people were employed at large and medium-sized enterprises of the city. Of these, full-time employees accounted for 95.2%, by-workers – for 2.2% and temporarily contracted employees - for 2.6% of the total number of employees. Compared to the previous month, the number of full-time employees remained unchanged, the number of by-workers fell by 0.4%, and the number of employees hired under temporary contracts increased by 3.3%.

In May 2021, the demand of St. Petersburg enterprises for employees amounted to 47.1 thousand people (table 1).

The pressure in the labor market (the number of unemployed citizens registered with the Employment Service, per one vacancy) at the end of May 2021 amounted to 1.05 people / vacancy (at the end of April 2020 - 2.85 people / vacancy).

In January-May 2021, the Employment Service received 135106 applications from citizens

for the provision of public services, including 31243 applications for vocational guidance, 28718 applications for informing about the situation on the labor market. As of May 2021, the need for employees declared by employers to the Employment Service amounted to 47086 vacancies, of which 61.2% were in working professions (<http://ktzn.gov.spb.ru/analiticheskaya-informaciya/>).

In January-May 2021, the largest number of vacancies was declared by organizations related to the following types of economic activities: manufacturing-12.1%; construction-11.0%; transportation and storage-10.3%; wholesale and retail trade, repair of motor vehicles and motorcycles-10.0%; administrative activities and related services – 8.7%; activities in the field of health and social services – 6.7%; education – 6.1%; activities of hotels and catering establishments – 4.7%; professional, scientific and technical activity – 4.0%; state administration and military security - 3.7%; real estate operations-3.2%.

In May of this year, as in the same period of 2020, engineers, doctors, programmers, foremen, police officers, electricians and translators remain among the top ten scarce specialists. In 2021, the shortage of engineers, programmers, foremen, electricians has increased; the shortage of police officers and translators has decreased. The need for doctors remained the same.

TABLE 1. St. Petersburg enterprises' demand for workforce, January 2019 – May 2021

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
April	40,9	0,6	100	100
May	43,7	0,5	83,3	83,3
July	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	33,2	3,5	112,9	7 times
July	32,3	3,6	102,9	7,2 times
August	32,8	3,5	97,2	5,8 times
September	37,4	3,0	85,7	5 times
October	38,9	2,8	93,3	4,7 times
November	37,8	2,7	96,4	3,9 times
December	35,4	2,5	92,6	3,6 times
January 2021	38,3	2,3	92,0	2,9 times
February	40,4	1,5	65,2	1,9 times
April	42,2	1,3	86,7	59,1
May	47,1	1,0	76,9	35,7

There was a shortage of architects, nurses and craftsmen. Among the specialists of working professions in May 2021 in comparison with the same period of the previous year, metal ship assemblers and ship fitters are still in short supply. There was a shortage of qualified ship-building workers-pipeliners and log cutters, assemblers-builders, as well as electric welders, bricklayers, painters, tile-tellers, car repair locksmiths (<http://ktzn.gov.spb.ru/analiticheskaya-informaciya/>).

In May 2021, 49.4 thousand people were registered in the Employment Service of the city (table 2). In May 2021, 78.5% of those registered with the Employment Service were officially recognized as unemployed. A total of 38.8 thousand people were registered as unemployed, including 21.0 thousand people who received unemployment benefits.

At the end of May 2021, the total number of employed and unemployed people seeking for jobs and registered at the Employment Service was 58525 (at the end of May 2021 – 101270).

In January-May 2021, the Employment Service received 70821 applications from citizens for the provision of public services, including 18758 applications for vocational guidance, 14472 applications for informing about the situation on the labor market. At the end of May, the number of registered unemployed citizens amounted to

38801 people, including women – 62.5%; youth aged 16-29 years-13.5%; citizens of pre-retirement age-15.6%; disabled people-5.5% (in the same period last year, the number of unemployed was 73875 people). (<http://ktzn.gov.spb.ru/analiticheskaya-informaciya/>).

In May 2021, 5.1 thousand people received the status of unemployed (by 38.3 thousand people or 8.5 times less than in May 2020). The number of unemployed people in May 2021 was 1.8 thousand people or 4.5 times less than in the same period of 2020, and amounted to 2.4 thousand people.

According to Rosstat, in February-April 2021, the unemployment rate (according to the methodology of the International Labor Organization) was 2.5% of the economically active population (EAN). St. Petersburg had one of the lowest unemployment rates among the subjects of the Russian Federation (in the North-Western Federal District – 4.3%, Moscow – 3.0%, the Russian Federation on average – 5.4%).

The level of registered unemployment (the ratio of the number of registered unemployed to the number of the labor force on average for 2020) at the end of May was 1.26% (at the end of May 2020, this indicator was 2.42%) (www.rspb.ru) (picture 1). This is the lowest figure among the regions of the North-Western Federal District.

TABLE 2. Change in the number of officially registered unemployed people in St. Petersburg, 2020 - May 2021

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 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
October	111,1	105,8	98,2	8,6 times
November	108,1	101,8	96,2	8,1 times
December	102,5	98	96,2	7,1 times
January 2021	89,2	81,5	83,2	5,9 times
February	87,3	79,3	97,3	5,4 times
March	58,7	49,9	62,9	3,3 times
April	54,0	45,3	90,8	139,4
May	49,4	38,8	85,7	52,5

3. PERSONAL INCOMES AND EXPENDITURES

PRICES

In January-May 2021, prices in the consumer sector of the economy of St. Petersburg increased by 3.8%. In the same period of 2020, the growth rate was 2.5%.

The growth of consumer prices in January-May 2021 in St. Petersburg was 0.3% higher than the national average. In May 2021, consumer prices increased by 1.0% (picture 2).

In January-May 2021, tariffs for paid services to the population in St. Petersburg increased

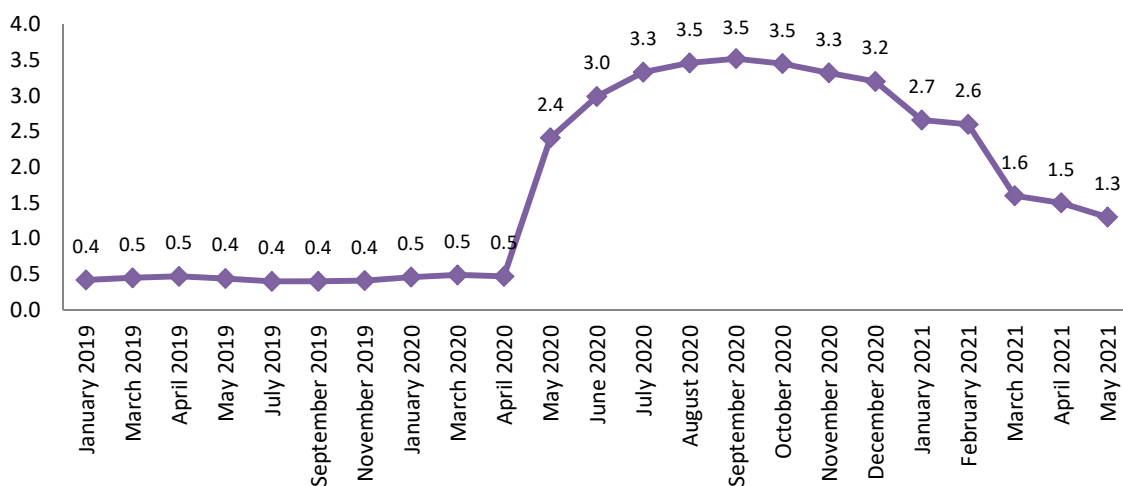
by 3.9%. For comparison, their growth in January-May 2020 was 1.7%.

The increase in prices for paid services in the city in January-May 2021 was 2.0% higher than the average Russian level. Prices for paid services increased by 1.0% in May 2021.

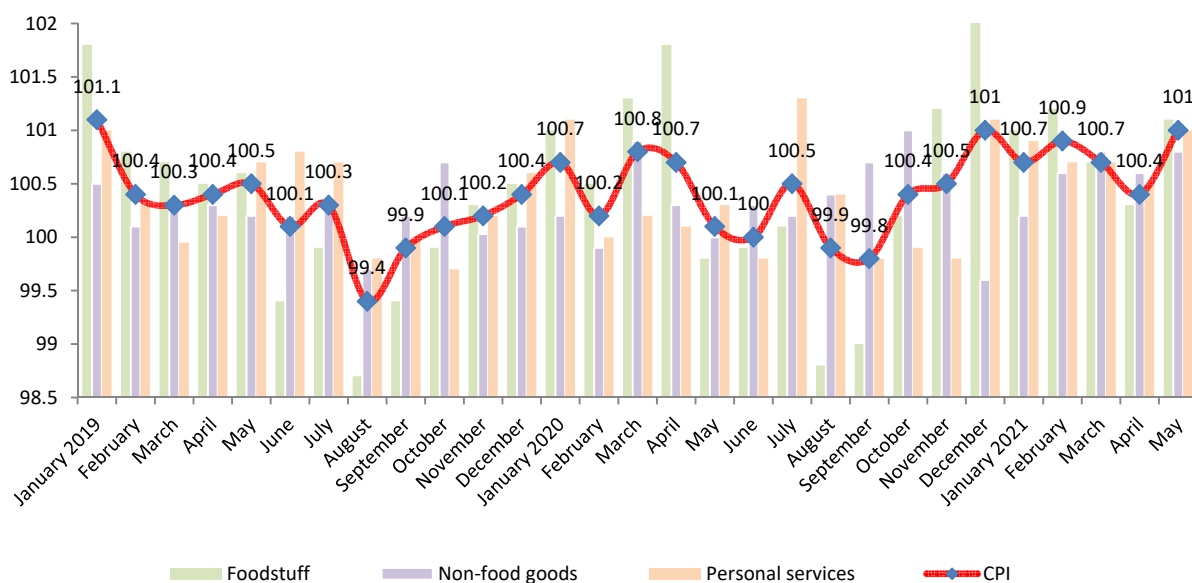
In January-May 2021, prices for food and non-food products increased by 4.3% and 3.1%, respectively. The growth of prices for food products in January-May 2021 was below the average Russian level by 0.6%, for non-food products - below the average Russian level by 0.2%.

Prices for food products in May 2021 in the city increased by 1.1%, for non-food products decreased by 0.8%.

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



PICTURE 2. Consumer price index dynamics in January 2019 – May 2021, % to the previous month



In May 2021, there was an increase in prices for fruit and vegetable products (by 3.3%), fish (by 2.6%), butter and fats (by 1.4%), cheeses (by 1.1%), cereals and legumes and alcoholic beverages (by 1.0%), bread and bakery products (by 0.9%), sausage products, meat and poultry (by 0.8%), milk and dairy products (by 0.4%).

Confectionery products fell in price by 0.5% during this period.

In May 2021, carrots from fruit and vegetable products rose by 26.3%, white cabbage-by 16.3%, lemons - by 13.7%, onions-by 10.8%, fresh cucumbers - by 5.2%, potatoes - by 5.0%. Mayonnaise has become more expensive by 4.4%, dumplings, manti, ravioli – by 3.4%, salmon caviar - by 2.3%, black tea-by 2.0%. A decrease in prices was noted for eggs – 3.8%, pasta made from wheat flour of the highest grade-2.4, fruit juices – 2.2%

Among non-food products in March 2021, prices grew for construction materials (by 10.0%), tableware (by 3.5% furniture (by 1.5%), hosiery, white paper and stationery (by 1.1%), tobacco products (by 1.0%), knitwear (by 0.9%), shoes (0.3%), electrical goods, detergents and cleaning products (by 0.7%), medicines (by 0.5%), haberdashery (by 0.4%), perfumes and cosmetics, fabrics (by 0.1%),

Prices for clothing remained unchanged. Knitwear prices fell by 0.1%.

In May 2021, the payments for electricity, for the maintenance and repair of housing, operating expenses, cold and hot water supply, sanitation, and gas, and contributions for capital repairs remained unchanged.

In May 2021, hotel accommodation became more expensive by 41.0%, a voluntary car

insurance policy-by 13.6%, the use of consumer credit-by 8.4%, sanatorium and wellness services - by 8.1%, sightseeing services - by 4.7%, car rental services-by 3.9%, taxi travel – by 3.8%, tickets to theaters, museums and exhibitions – by 2.5%, the subscription fee for a package of cellular communication services – 2.0%. The cost of a trip to the UAE decreased by 26.5%.

In January-May 2021, gasoline prices increased by 2.8%, and diesel fuel prices increased by 1.1%. In May 2021, the prices of gasoline and diesel fuel rose by 0.1%.

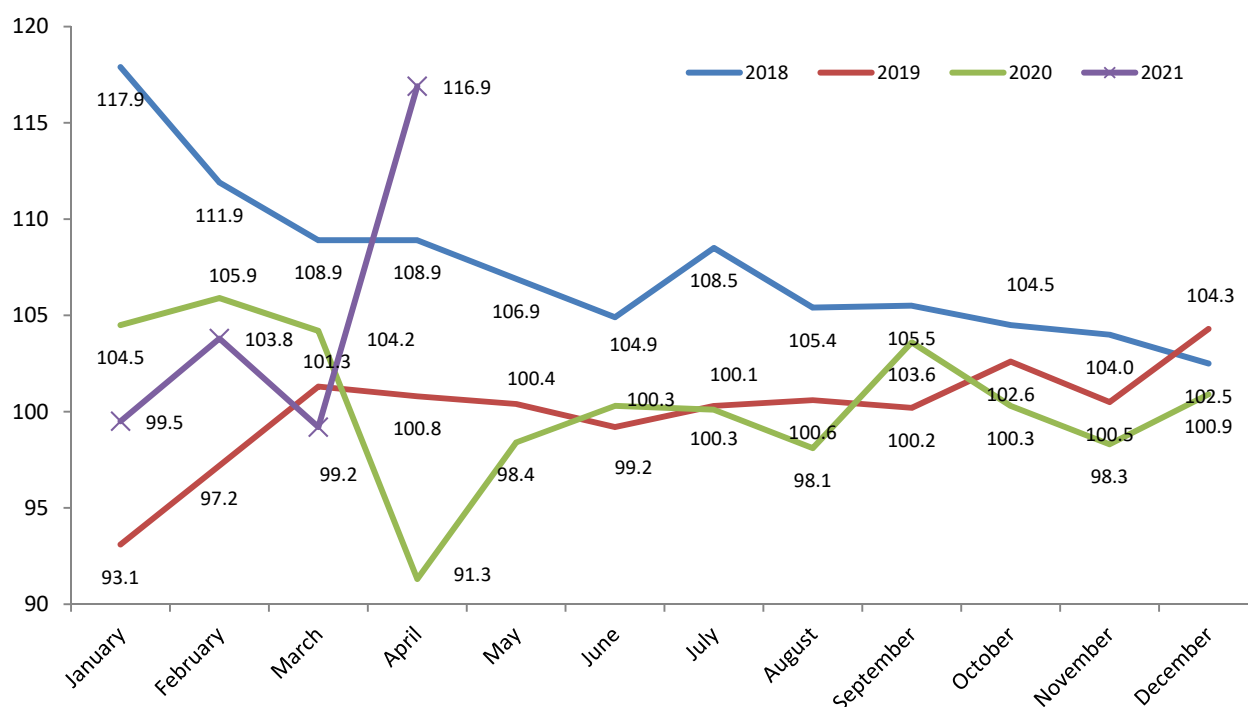
PERSONAL INCOMES AND EXPENDITURES

Real accrued wages, calculated taking into account the consumer price index, in April 2021 amounted to 101.0% compared to the level of March 2021 and 116.9% – to the level of April 2020 (picture 3).

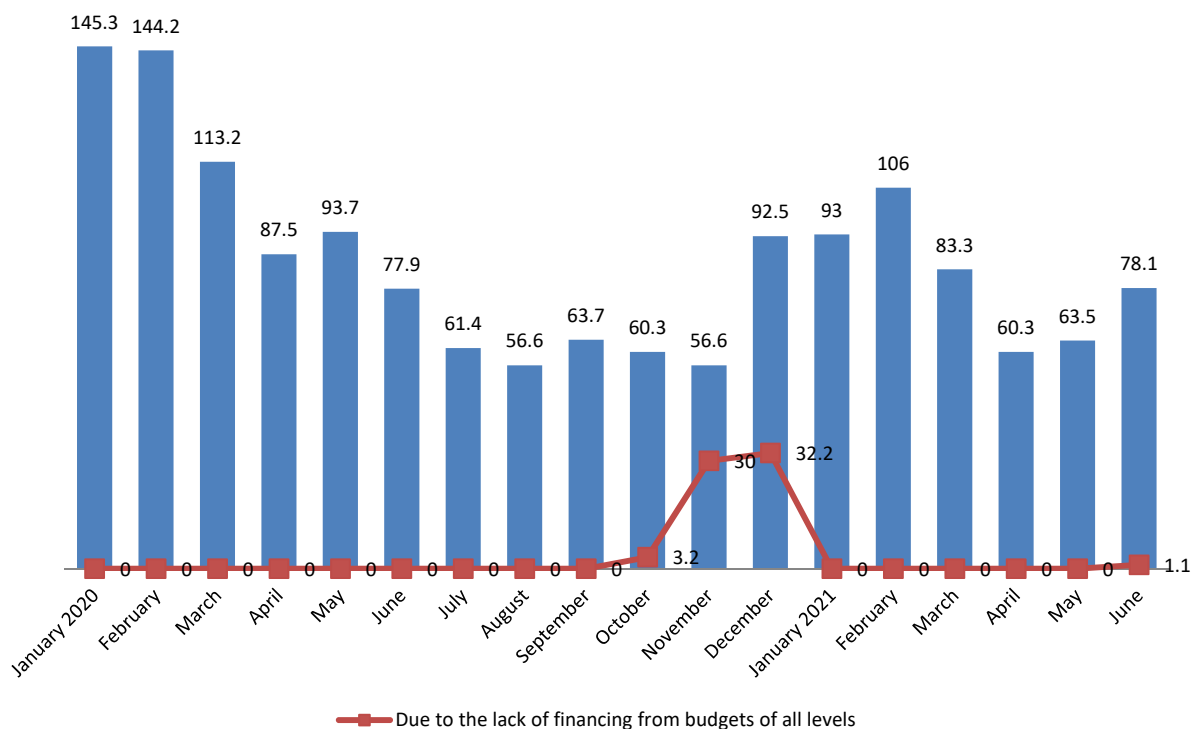
The average monthly nominal salary accrued in St. Petersburg in April 2021 amounted to 76519 rubles. The average nominal salary of Russian citizens in April 2021 was 26% less than in St. Petersburg and amounted to 56615 rubles.

According to the data of organizations of the observed types of economic activity (excluding small business entities) that provided information on overdue wage arrears as of June 1, 2021, the total salary arrears amounted to 78.1 million rubles. The amount was 114.1% compared to the level of May 1, 2021, and 98.5% to June 1, 2020. Of the total amount of arrears, 47.7 million rubles accounted for the debt formed in 2019 and earlier. Construction sector accounted for 77.5% of the total, manufacturing - 17.9%, transport-4.5%, electricity, gas and steam supply sector – 1.1%.

PICTURE 3. The dynamics of real wages in St. Petersburg, January 2018 – April 2021, %



PICTURE 4. Dynamics of salary arrears in St. Petersburg, January 2020 - June 2021 (on the first day of each month), mln rubles



DIFFERENTIATION OF SALARIES IN ST. PETERSBURG

In May 2021, the level of inter-industry wage differentiation decreased compared to March 2021 (picture 5). The gap between the highest salary (mining) and the lowest (social services) was 7.3 times compared to 11.1 times in March, 11.6 times in December 2020, 6.9 times in October and 7.2 times in August.

The highest salary in May 2021 was paid in mining sector. The salary of employees in this industry was 3.5 times higher than the average salary in St. Petersburg.

In May 2021, the average salary in St. Petersburg was significantly exceeded by the remuneration in the field of information and communications (by 81.3%), financial activities (by 38.4%), in the field of scientific and technical activity (by 30.3%),

And the lowest wages were paid to employees of hotels and resorts (50.9% of the average salary), agriculture (56.4% of the average salary)

ary) and other communal, social and personal services (48.0% of the average salary).

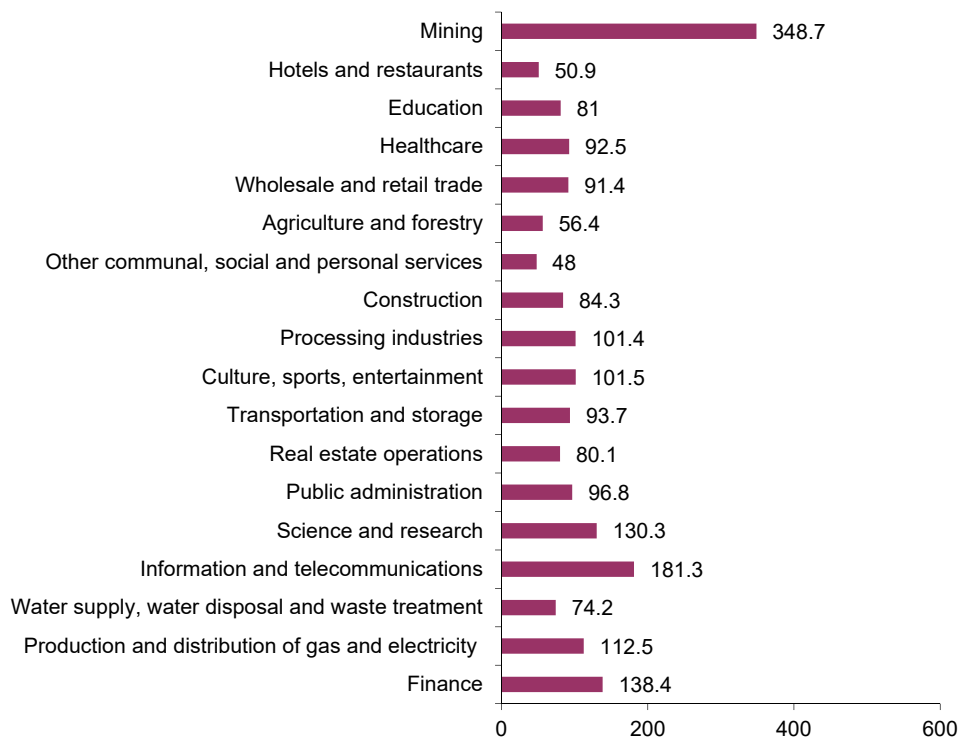


4. INDUSTRY

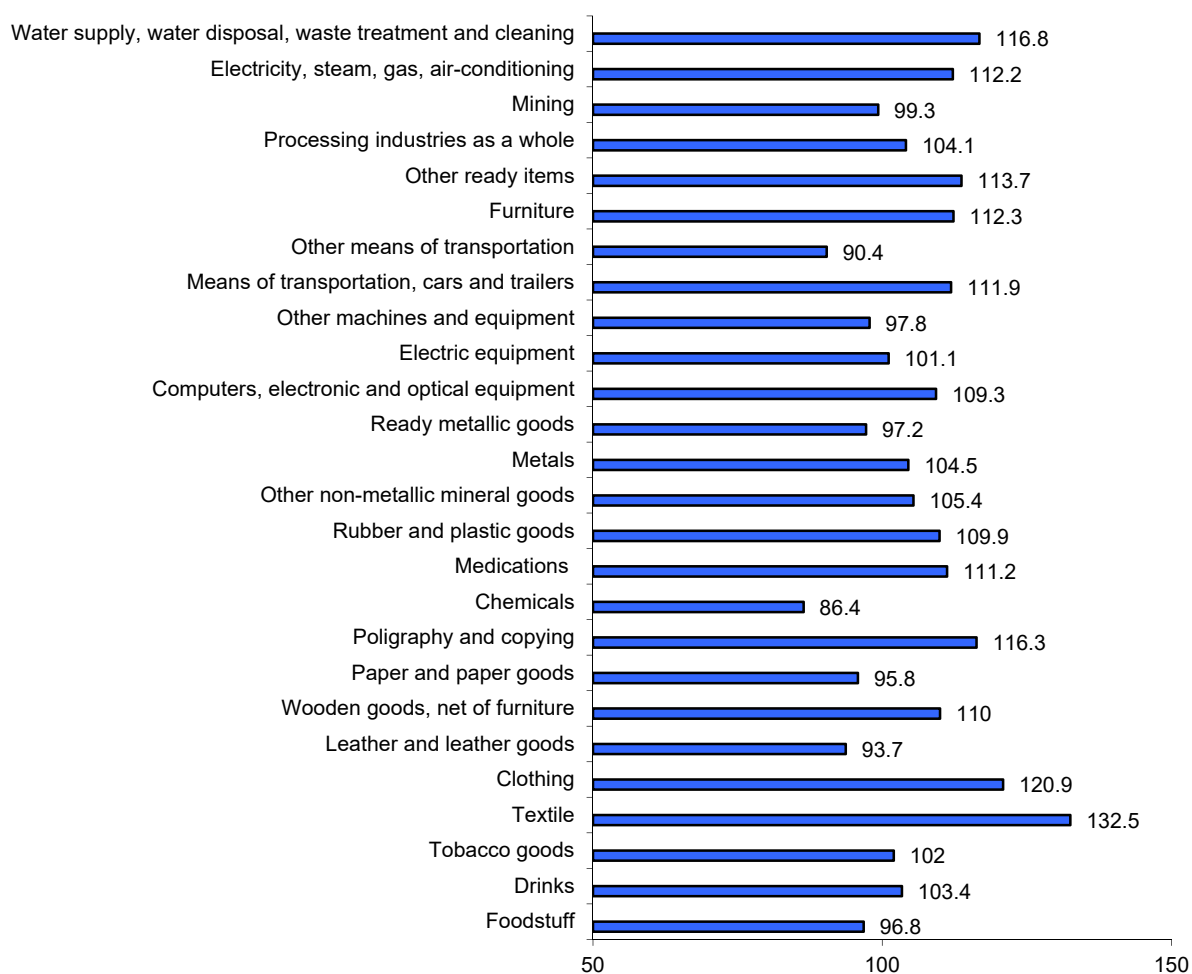
The index of industrial production in St. Petersburg in January-April 2021 compared to January-April 2020 amounted to 105.8%.

A pre-premiere demonstration of a new electric bus of the "Pioneer" family took place at the "Nevsky Electric Transport Plant". The car is able to travel for more than 200 km without additional charging, and is equipped with a system of individual heating of passenger seats. The electric bus is made of stainless steel and is designed to transport 140 people, 38 seats are provided. In the cabin there are USB connectors for regular and fast charging of mobile devices. The electric bus is considered an environmentally friendly transport; all systems operate exclusively on electricity (tass.ru 19.05.2021).

PICTURE 5. Inter-industry differentiation of average salary in April 2021 in St. Petersburg, % of the average salary (the average salary = 100%)



PICTURE 6. Industrial production dynamics in St. Petersburg by industry, January-April 2021 in % to January-April 2020



On April 28, at the Sredne-Nevisky Shipbuilding Plant (part of the United Shipbuilding Corporation, USC), the launch of the mine defense ship of project 12700 "Pyotr Ilyichev" took place. The 12700 project was developed by the Central Maritime Design Bureau Almaz (also part of USC) for the Russian Navy. These ships belong to a new generation of minesweeping forces and are designed to combat marine mines, which they can detect both in marine waters and in the sea soil without entering the danger zone. During the construction of such ships, the Sredne-Nevisky Shipyard uses the latest Russian technologies that have no analogues in the world shipbuilding industry. The ships of this project have a unique, the world's largest hull made of monolithic fiberglass formed by vacuum infusion (spsz.ru 28.04.2021).

The Concern "Avtomatika" of the Rostech State Corporation robotized welding processes at the subsidiary of JSC "NPP "Signal" in St. Petersburg. The robotic cell performs welding 10 times faster than welders. Due to the introduction of new technology, the enterprise increases labor productivity and reduces the overall production costs. The company also plans to join the Association "Industrial Cluster" (Consortium of Robotics and Intelligent Control Systems) to create joint technologies for automation and robotization of engineering and industrial operations jointly with key

industry players (www.ao-avtomatika.ru 02.04.2021).



5. FINANCE

In January–April 2021, the net financial result (profit minus loss) of organizations amounted to 412.2 billion rubles, which is 3.3 times more than in the corresponding period of 2020.

In January–April 2021, the number of unprofitable organizations decreased by 110 units or 10.5% compared to the same period in 2020, the amount of loss decreased by 48.1%.

According to the operational data of the Federal Tax Service of the Russian Federation for St. Petersburg, in January–May 2021, the budget system received taxes, fees and other mandatory payments in the amount of 639.1 billion rubles, which is 12.1% more in nominal terms than in January–May 2020.

CITY BUDGET

Information on the implementation of the consolidated budget is presented in table 3.

STATE DEBT

Information on the structure of public debt as of July 1, 2021 is presented in tables 4 and 5.

TABLE 3. Consolidated budget execution as of May 1, 2021 (mln rubles)

	Revenues	Expenditures	Surplus + / Deficit -
January–March	172	141	31
January–April	261	213	47

Source: Petrostat

TABLE 4. St. Petersburg's state debt structure on July 1, 2021

	Mln rubles
State domestic debt of St. Petersburg, including:	85 006,1
Bonds	85 006,1
State external debt of St. Petersburg	0,0
Total	85 006,1

TABLE 5. Debt service expenditures of the budget of St. Petersburg, as of July 1, 2021 (mln rubles)

Item	Plan for 2021	Fact on 01.07.2021
Domestic debt service costs	8 710,4	2 975,9
Total	8 710,4	2 975,9

Source: City Committee of Finance

6. MUNICIPAL AFFAIRS

BEAUTIFICATION, RESTORATION, CAPITAL REPAIRS

A tender has been announced for the overhaul of the Birzhevoy Bridge connecting Vasilyevsky Island with Petrograd Island. The customer is the SPb GBU "Mostotrest". The initial price of the contract is 2.37 billion rubles. The works, which include the repair of the roadbed, the main structures of the bridge, crossing supports and various mechanisms, as well as anti-corrosion treatment, reconstruction of outdoor lighting and the trolleybus contact network, must be completed by May 5, 2023, and the opening of the transport movement is scheduled for November 30, 2022. The traffic on the bridge will be limited for the duration of the reconstruction. The results of the competition should be announced after July 8. (Based on the materials of TASS)

The Directorate of Transport Construction announced tenders for the repair of tramways in several districts of St. Petersburg with a total cost of more than 1.6 billion rubles. A budget of 491 million rubles is provided for the restoration of tracks in the Kirovsky district, 412 million rubles - in the Kalininsky district, 319 million rubles - in the Nevsky district. The total length of the tram tracks under repair in 2021 will be 17.5 km. The works are to be completed in 2023-2024 (Based on the materials of Delovoy Peterburg)

The State Museum of Urban Sculpture of St. Petersburg held a competition for the restoration of the Bronze Horseman, a monument to Peter I on the Senate Square. The winner of the competition is LLC "Restoration Workshop "Heritage". The total cost of the work will be 40 million rubles. The restoration work, which will affect the sculpture, the pedestal and the area around the monument, is timed to the 350th anniversary of Peter I, which will be celebrated in 2022 (According to the materials of Kommersant)

Within the framework of the program "Formation of a comfortable urban environment", SUE Vodokanal of St. Petersburg will receive a subsidy of 10.7 million rubles for major repairs and maintenance of a satisfactory technical condition of seven fountains and fountain complexes. In particular, in 2021, the fountain in front of the building of the Russian National Library on the Moscow Prospekt will be restored. (Based on the materials of Kommersant)

The Permanent Commission of the Legislative Assembly of St. Petersburg on the Structure of State Power and Local Self-Government recommended that the legislative body adopt a bill that would allow the municipalities of the city to carry out works on landscaping at cultural heritage sites, with the exception of works on their preservation, and approve a list of such measures. (Based on the materials of Kommersant)

TRANSPORTATION, ENERGY, WATER SUPPLY

In January-April 2021, transport organizations of St. Petersburg transported 7390 thousand tons of cargo and 151.9 million passengers (4.3% higher than in the same period of 2020). At the same time, cargo turnover amounted to 4036.4 million ton-km, and passenger turnover – 879.5 million passenger-km (1.8% higher than the level of January-April 2020). The number of road traffic incidents amounted to 1470, which is 12.6% lower than the level of the same period of 2020. At the same time, the number of road accidents involving children under 16 years of age was 148 in January-April 2021, which is 27.6% higher than in 2020. (According to Petrostat)

Passenger traffic at Pulkovo Airport in January-April 2021 amounted to 4 million passengers, which is 43% higher than the same period in 2020. At the same time, Pulkovo Airport served more than 3.7 million passengers on domestic routes, and 275 thousand people on international routes. A positive trend is the increase in passenger traffic on regional flights by 61%. The most popular destinations in addition to Moscow were Sochi, Kaliningrad, Novosibirsk, Yekaterinburg and Krasnodar. During the first four months of 2021, international flights to Paris, Amsterdam, Warsaw, Geneva, Zurich, Helsinki, Frankfurt am Main and some other European cities have been resumed. (Based on the materials of VVSS JSC)

MAJOR CITY PROJECTS

The construction of an additional terminal and the comprehensive modernization of Pulkovo Airport is planned to be completed by 2025. The corresponding agreement between the administration of St. Petersburg and VTB Bank was signed within the framework of the St. Petersburg International Economic Forum. The total investment in the project will amount to more than 40 billion rubles. The key objective of the project is to significantly expand the passenger terminal in order to ensure passenger traffic of 35 million people per year. In addition, an agreement was signed at the SPIEF between the administration of St. Petersburg, C7 Engineering JSC and NAO A-Group on updating the airport's infrastructure, including the demolition of outdated production buildings, reconstruction of the forecourt, construction of hangars for aircraft, as well as the creation of a new office and business center. The total cost of the work is 3 billion rubles, the project completion date is 2025. In addition, the city administration plans to create a railway line to Pulkovo Airport within the next five years as part of the inner-city route Oranienbaum-Beloostrov. (Based on the materials of RBC and Delovoy Peterburg)

7. REAL ESTATE

CONSTRUCTION

According to the Committee on Construction, in May 2021, 197491.5 sq. m. of housing, 143 houses for 3610 apartments, including individual construction, were put into operation in St. Petersburg. This is twice as much as in the same period of 2020, when 86189 sq. m. of housing was commissioned. Most of the housing was built and put into operation in the Moskovsky district - 63093.8 sq. m. Among them were completed two long-delayed apartment buildings of the residential complex "Light World. Life..." from Seven Suns Development JSC. General construction works have been completed, the houses are connected to communications and landscaping has been carried out. Both residential buildings are designed for 1363 apartments (61.9 thousand square meters).

In addition, in May 2021, 17 general-purpose facilities were put into operation. Among them: 2 kindergartens for 190 and 160 places in the Krasnogvardeysky district, a sports facility in the Kirovsky district, an apartment building with built-in premises and built-in underground parking lots, and with a kindergarten for 95 places in the Admiralteysky district.

In June 2021, 240420.8 sq. m. of housing were commissioned in St. Petersburg. These are 104 houses with 4,729 apartments, including individual construction. The largest volume of housing was commissioned in the Vasileostrovsky district - 1 house for 1360 apartments with a total area of 54293.50 sq. m.

In the Nevsky district there were 53706.70 sq. m. of housing commissioned - 3 houses, 793 apartments. In third place is the Primorsky district - 36325.80 sq. m of housing - 5 houses, 797 apartments.

In June 2021, 15 objects of general civil purpose were put into operation. Among them: a kindergarten for 95 places in the Krasnoselsky district, a comprehensive school in the Petrogradsky district, a center for social rehabilitation of disabled people in the Kirovsky district.

CO-INVESTORS

In May of this year, at a meeting of the Government of the Russian Federation, the Minister of Construction and Housing of the Russian Federation, Irek Faizullin, informed the Chairman about the current status of the implementation of measures to restore citizens' rights and complete the construction of shared-equity construction facilities and about plans for 2021-2022.

To restore the rights of citizens at the federal level, two mechanisms are used - the completion of "problem" houses with the subsequent transfer of apartments to citizens and the payment

of compensation to citizens participating in shared-equity construction.

To solve the issue in 2018-2021, the Fund for the Protection of the Rights of Citizens Participating in Residential Construction was provided with funds in the amount of 103.5 billion rubles, obligations were taken to restore the rights of 74.3 thousand citizens for 765 objects.

Last year, two laws were adopted that provide for mechanisms for protecting the rights of deceived co-investors into shared-equity construction. According to Federal Law No. 202-FZ of July 13, 2020, the Fund's decision-making mechanism on the completion of construction has changed. It has become possible to transfer the rights to an object to the Fund in case of compensation to citizens, the mechanisms of assistance to members of housing cooperatives in case of bankruptcy have been expanded, the powers of the Government of the Russian Federation to determine the grounds for making decisions on financing by the Fund have been established.

Federal Law No. 542-FZ of 30.12.2020 gave the Fund the right to build houses on those land plots that the Fund receives by the decision of the arbitration court after settlements with citizens, and in the future to sell completed apartments. Before the amendment to the legislation, the Fund could only sell at auction such land plots and objects of unfinished construction located on them.

In St. Petersburg, three long-delayed buildings were commissioned in May, including two houses of the residential complex "Slavyansky-2" from the developer "LEX" in Pavlovsk, a total of 30 apartments - less than a thousand square meters.

Gosstroy nadzor of St. Petersburg has issued a permit to the company "Trust-102" to put into operation the residential complex "Panoramas of the bay" on Dvinskaya Street, 8 on Gutuevsky Island. These are two buildings with 347 apartments (22.5 thousand square meters), the construction of which lasted 13 years. In the beginning of the year an object with even longer history of delays was completed - "Svetlana" housing complex, which was under construction from 2003. The only major objects still unfinished is "Scandinavia" housing complex, whose story originates in 1998.

In 2021 it is planned to complete 12 critical objects out of 22, informs the Committee.

As of mid-March, 26 delayed construction projects were listed in the Unified Register of Problematic Objects.

Gosstroy nadzor issued a permit to the company "Petrostroy" to commission "Materik" housing complex in Murino. 1176 shareholders can rejoice.

"Petrostroy" has also delayed the construction of "Chisty Ruchey" housing complex in Sertolovo, Leningrad region. A criminal case is being investigated in relation to "Petrostroy". Ac-

According to the investigation, the developer collected more than 10.5 billion rubles from shareholders for the construction of four residential complexes. Of these, 6.1 billion rubles were stolen by unidentified persons from among the management of "Petrostroy".

TERRITORIAL DEVELOPMENT, REGULATION

According to the Ministry of Construction of the Russian Federation, the Chairman of the Government of the Russian Federation Mikhail Mishustin approved an updated List of national standards and codes of rules, in which the total number of mandatory requirements in the construction sector has been reduced by more than half. The updated list will enter into force on September 1, 2021. The document excludes all unnecessary and duplicate requirements. At the same time, all the necessary security requirements are preserved. In particular, the norms establishing requirements for additional approvals of documentation that are not provided for by the Urban Code of the Russian Federation, and in general, disrupting the process of approving projects and conducting construction work, have been reduced.

The list has been reduced in terms of requirements containing references to documents of voluntary application, Rospotrebnadzor and other regulatory legal acts that are already subject to mandatory application. The new list also lacks norms, the application of which is only recommended. In addition, the document expands the possibilities of using new materials and design solutions, excluding requirements that limit their use. According to the Minister of Construction and Housing and Communal Services Irek Faizulin, in 2020 there was a reduction in mandatory requirements in construction by 30%, and the new list reduces the number of mandatory requirements for design and construction by another 3800 requirements.

In June 2021, 30 new and updated sets of rules approved by the Ministry of Construction of the Russian Federation at the end of 2020 will come into effect. Another 24 documents will become effective from July 1. Such a large-scale update of standards makes it possible to introduce new technologies into the current regulatory framework in a timely manner.

The changes relate to building structures and materials, construction and design processes, transport infrastructure facilities, engineering systems, hospitals, hotels, dormitories, animal shelters, high-rise buildings, wooden housing construction, the oil and gas industry and other significant facilities, and the processes of regulating the construction industry. The updated documents provide for the possibility of using innovative technologies and materials. For example, the wider use of composite materials to strengthen reinforced concrete structures, the

use of salt-sand mixture to strengthen foundations on permafrost soils, the use of large-sized modules and much more.

The head of the Ministry of Construction of Russia noted that the implemented measures, including the development of mortgage programs, and the reduction of mandatory requirements in construction, and many others, allow maintaining high indicators for housing under construction in 2021. The positive impact of the mortgage loan subsidy program on the housing construction industry is evidenced by the data of the monthly monitoring of the urban construction in the territories involved in housing construction. The urban development potential of land plots involved in housing construction has steadily increased, starting from the third quarter of 2020 by 2-5% per month and currently amounts to about 200 million square meters of housing.



8. INVESTMENT PROJECTS

According to Petrostat, the volume of investments in the fixed capital by St. Petersburg organizations in January-March 2021 amounted to 108.8 billion rubles, 98.8 % compared to the corresponding period of the previous year.

The structure of investments in fixed capital is as follows:

- 56.7% of the total investment was directed to machinery and equipment, including household inventory, and other objects;
- 23.9% - buildings (except residential) and equipment, land improvement expenses;
- 10.5% - residential buildings and premises;
- 6.6% - intellectual property objects;
- 5% - other.

Teremok chain will open a mobile catering point in St. Petersburg.

A mobile cafe on wheels with a reduced menu will work at the Piterland complex in the Primorsky district. If the experiment is successful, the company plans to install another 5-10 food trucks in different locations. Investments in the opening of one point amount to about 1.5 million rubles.

In late May and early June, the Teremok network opened two new outlets in St. Petersburg and Leningrad Region. Investments amounted to about 60 million rubles.

The online retailer Wildberries has started building its own logistics center in St. Petersburg.

The facility will become the largest logistics hub in St. Petersburg, which is used by one company. Previously, the retailer rented warehouse space. Its area will be 100 thousand sq.m. It is planned to complete the work in the first quarter of next year. According to the company, in-

vestments in the project will amount to 3 billion rubles.

The opening of a new distribution center will reduce the delivery time of orders and increase the share of orders with delivery in 1 day.

On the first floor of the Senator Business Center on Bolshaya Morskaya, a fish restaurant is scheduled to open in July. The restaurant will have 165 seats, the average check will be 2-2.5 thousand rubles. The restaurant and a fish shop occupy about 1 thousand sq. m. Investments in the opening of the restaurant are not disclosed, but according to experts, they can amount to about 100 million rubles.

A new public space has been opened in Gostiny Dvor. The courtyard now hosts a pizzeria with a wood-burning stove, a small bar and an area with soft drinks. In July, a full-fledged food court with various establishments is planned to open on the second floor.

One of the ideas of the organizers was a stage for concerts and lectures; in the future there will also be zones with trees and a small fountain. The courtyard will be open to visitors from noon to 2 AM.

Autopark No 1 "Spetstrans" and "Vtor-Plast" will build a plant for processing plastics. The company will process PET bottles into high-quality flexa, from which food containers are made. The equipment for the enterprise will be purchased abroad, since it is not produced in Russia. Investors rely on subsidies from the Industrial Development Fund and the Fund for the Development of Small and Medium-Sized Businesses.

Investments into the first stage will amount to about 0.5 billion rubles. The planned capacity is about 12 thousand tons of manufactured products per year.

At the second stage it is planned to launch processing of other types of plastic: cans, buckets, boxes and film. Investments in this stage are estimated at another 0.5 billion rubles.

A new development concept is being prepared for Kirov Recreation Center on Vasilevsky Island

It is planned that two main functional zones will be created. The first block is a business space where IT companies and innovative projects, flexible office spaces, coworking spaces, as well as apartments and hotels will be located. The second block is an infrastructural one, which will provide a comfortable stay for residents and guests of the Center — catering, fitness, and educational block.

At the moment, all issues with the KGIOP have been resolved, permission has been obtained to carry out emergency work; a project for the modern use of the building is being developed.

The authors of the project also plan to create a large recreational area on Vasilevsky Island, combining all creative spaces, making a kind of urban promenade between Andreyevsky Yard, Vasileostrovsky market and the Sevkabel

Port. As part of the project, there will also be changes in the square in front of the Kirov Recreation Center and in the green zone on the territory.

It is planned to allocate 1.5 billion rubles for renovation, but this amount can be increased.

A public space is being opened on the territory of the former A. N. Radishchev Leather Plant, at 30 Kozhevennaya Liniya.

The architectural bureau "Clausura" is engaged in the reconstruction project. The space will be located in eight historical buildings on the territory of 3 hectares. It will include an embankment with a sea view, bars, a concert venue, a creative cluster and a museum.

It is planned to place 12 bars and cafes on the first floor of the wing, the second floor will include two restaurants with panoramic windows, the third floor will be given to creative studies and educational projects. One of the buildings will be designed for a sports area. The outdoor summer area will accommodate 5 thousand people, the roof area — 3 thousand people.

In 2020, work began on the internal reconstruction and restoration of historical facades. The entire project will be implemented in several stages. In the summer of 2021, the site will officially open. The central alley with restaurants, cafes, shops and studios, as well as part of the embankment will be ready for this moment.

In 2022, the second stage of the project will be launched. According to the city plan, the entire embankment from the Baltic Plant to the Seaport will be combined into a single walking area. By the summer of 2023, the project is planned to be fully completed: a pier, a yacht club and an impressive floating pier with a sandy beach will open. The K-Project company is engaged in the development of the space with the money of a private investor. Investments at the moment amounted to more than 200 million rubles. In total, the volume of investments is estimated at 500 million rubles.

A new public space called "Harbor 2.0" will appear at the Sea Station on Vasilevsky Island in St. Petersburg. The project will be developed by the Sevkabel Group and by Azimut hotel operator. The first floor of the Marine Station will continue to be used as a terminal, and investors will be given premises from the 2nd to the 7th floors. A single space with pedestrian zones will stretch from the Kozhevennaya Line to the alluvial areas. At the same time, investors intend to reconstruct 125 thousand square meters of existing buildings and build about 10 thousand square meters of new ones.

Investments in the project will exceed 3 billion rubles. Of these, 1.7 billion rubles are planned to be invested in the reconstruction of the Sea Station for a hotel and 1.4 billion rubles in new construction.

In 2021-2022, Hyundai Corporation plans to build a plant in St. Petersburg for the

production of transmissions for passenger cars

It is planned to supply transmissions to the local Hyundai Motor Manufacturing Rus plant (HMMR), which produces Hyundai Solaris, Hyundai Creta and Kia Rio models (including the X variation). At the moment, 6-speed automatic and manual transmissions are installed on them.

It is planned to place the production in the Primorsky district, next to the enterprise under construction for the production of Hyundai Wia Rus engines. Construction can be started at the end of 2021 and completed in 2022. According to estimates, the cost of the investment project may amount to about 10 billion rubles.



GENERAL OVERVIEW OF SOCIO-ECONOMIC SITUATION IN ST. PETERSBURG

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

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

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

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