

GENERAL OVERVIEW OF SOCIO-ECONOMIC SITUATION IN ST. PETERSBURG

July-September 2021 № 172



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In compiling this review, the report data of St. Petersburg Statistic Committee for 2007-2021 on the Socio-Economic Situation in St. Petersburg and the Leningrad Oblast was used.

1. CITY MANAGEMENT

APPOINTMENTS

There was a change of the head in the Committee on Environmental Management, Protection and Safety

On July 2, 2021, on the basis of the decree of the Government of St. Petersburg, D. Belyaev was dismissed from the post of Chairman of the Committee on Environmental Management, Protection and Safety. Deputy Chairman A. Kuchaev has been appointed Acting Chairman of the Committee since July 3, 2021.

There have been changes in the composition of the Government of St. Petersburg

On September 24, 2021, on the basis of the decree of the Governor of St. Petersburg, vice-governors, members of the city Government A. Belsky and N. Bondarenko were dismissed from their posts. The reason for their resignation was their election as deputies of the Legislative Assembly of St. Petersburg.

The head of the Committee on Social Policy of St. Petersburg has been replaced

On September 24, 2021, on the basis of the decree of the Governor of St. Petersburg, the Chairman of the Committee on Social Policy, A. Rzhanelkov, was dismissed from his post. The reason for his resignation was his election as a deputy of the Legislative Assembly of St. Petersburg. The temporary performance of the duties of the Chairman of the Committee was entrusted to the Deputy Chairman E. Fidrikov.

The heads of the administrations of the Vyborgsky and Primorsky districts of St. Petersburg were replaced

On September 24, 2021, on the basis of the decision of the Governor, the heads of the administrations of the Vyborgsky and Primorsky districts, V. Garnets and N. Tsed, left their posts. Both candidates participated in the elections to representative bodies of state power and were elected to the deputy corps. N. Tsed was elected deputy of the State Duma of the Federal Assembly of the Russian Federation, and V. Garnets was elected deputy of the Legislative Assembly of St. Petersburg. V. Polunin was appointed acting head of the administration of the Vyborgsky district, and A. Nikonorov took a similar position in the Primorsky District.

The first meeting of the Urban Planning Commission of St. Petersburg was held

The meeting was held on July 1, 2021, under the chairmanship of Governor A. Beglov. The Urban Planning Commission was established in accordance with the Decree of the Government of St. Petersburg dated May 24, 2021 No. 314. A working group was formed at the meeting, which will receive and consider proposals from developers regarding the architectural and urban development of the territories of St. Petersburg. The Governor of the city

has noted that the main purpose of the work of the Urban Planning Commission is to ensure synchronization in the construction of residential buildings and kindergartens, schools, polyclinics, household and social service facilities.

A meeting of the Presidia of the Public Organization and of the Regional Association of Employers "Union of Industrialists and Entrepreneurs of St. Petersburg" was held

The meeting was held on September 10, 2021, on the St. Petersburg Industry Day. The participants of the meeting considered the issues of the digital transformation of enterprises and organizations of St. Petersburg and ensuring information security.

A new composition of the Legislative Assembly of St. Petersburg

Following the results of the elections to representative (legislative) authorities held in the period of September 17-19, 2021, 50 deputies were elected to the Legislative Assembly of St. Petersburg of the seventh convocation. The deputy corps has been updated almost by half. Deputies of the city parliament formed 6 party factions. The most numerous of them was the United Russia faction, which included 30 deputies. The Communist Party faction was formed by 7 deputies, Just Russia - 5 deputies, the LDPR and New People - 3 deputies each, Yabloko - 2 deputies. According to the results of the previous parliamentary elections in 2016, the United Russia faction in the Legislative Assembly numbered 36 deputies. The LDPR, the Party of Growth, the Communist Party and Fair Russia factions each had 3 deputies, the Yabloko party faction had 2 deputies. The first plenary session of the city Parliament of the seventh convocation was held on September 29, 2021. A. Belsky was elected Chairman of the Legislative Assembly (since July 2020 he has held the position of Vice-Governor, member of the Government of St. Petersburg).

LEGISLATION

The Law on Budget execution of the Territorial Fund of Compulsory Medical Insurance of St. Petersburg was adopted

The Law of St. Petersburg No. 333-74 of July 2, 2021 has approved the report on the implementation of the budget of the Territorial Compulsory Medical Insurance Fund of St. Petersburg (TFOMS) for 2020. TFOMS revenues amounted to 128.5 billion rubles, expenditures - 127.5 billion rubles. The excess of revenues over expenditures amounted to a little more than 1 billion rubles.

A Fund to support scientific, scientific-technical, innovative activities has been established in St. Petersburg

The Fund was founded by the Decree of the Government of St. Petersburg No. 540 dated July 27, 2021. The purpose of the Fund's activities is defined as financial support for scientific, scientific-technical, innovative activities, including on the

terms of co-financing from various sources not prohibited by law.

Industrial organizations that have built a plant for the production of internal combustion engines will be provided with a subsidy

The procedure for granting subsidies was approved by the Decree of the Government of St. Petersburg No. 640 dated August 31, 2021. Subsidies are provided in 2021 to compensate for the costs of connecting (technologically connecting) the plant for the production of internal combustion engines of motor vehicles to the networks of engineering and technical support, as well as the creation of transport infrastructure facilities in order to ensure access to the plant.

An additional measure of social support has been established for pedagogical workers of state organizations in St. Petersburg

In accordance with the Decree of the Government of St. Petersburg dated September 3, 2021 No. 651, an additional measure of social support was established in the form of a one-time cash payment in the amount of 10 thousand rubles. The funds are intended for a number of categories of teaching staff of state organizations subordinate to the executive bodies of the state power of St. Petersburg. Teachers, school psychologists, kindergarten teachers, masters of industrial training in professional education institutions, school library staff will receive this one-time payment.

The procedure for concluding an agreement on the comprehensive development of the territory has been determined

The procedure is determined by the provisions of the Law of St. Petersburg No. 414-100 of September 3, 2021. The adopted Law is aimed at regulating relations arising from the conclusion of agreements on the comprehensive development of the territory in accordance with Article 70 of the Urban Planning Code of Russia. We are talking about cases when the agreement is concluded at the initiative of the rightsholders of land plots and (or) non-property objects located on them. The provisions of the Law define an exhaustive list of documents attached to the application for the conclusion of the agreement; the grounds for rejecting the application for the conclusion of the agreement; the terms of preparation, approval and conclusion of the agreement.

In St. Petersburg, the minimum subsistence level for 2022 has been set

On the basis of the decree of the Government of St. Petersburg dated September 14, 2021 No. 665, the values of the average minimum per inhabitant and for various categories of the population of St. Petersburg for 2022 were established. The subsistence minimum is: on average per inhabitant – 12,428 rubles, for the able-bodied population – 13,571.9 rubles, for pensioners – 10,688.1

rubles, for children – 12,055.2 rubles. The value of the subsistence minimum is an important indicator for making decisions on the provision of social support (child benefits, pension supplements, etc.). The procedure for determining the minimum living wage is established by the provisions of the Law of St. Petersburg No. 298-69 of June 29, 2021.

The subsistence minimum will be recalculated taking into account the coefficient of regional differentiation

The resolution of the Governor of St. Petersburg No. 69-pg of September 14, 2021 approves a plan for gradually bringing the minimum set for 2021 to a value calculated taking into account the coefficient of regional differentiation. This coefficient is calculated as the ratio of the subsistence minimum per capita in Russia as a whole and the subsistence minimum per capita in the region.

MEETINGS, COOPERATION

The Main Naval Parade of Russia was held in St. Petersburg

On July 25, 2021, on the Day of the Navy, the main naval parade was held in St. Petersburg with the participation of all the fleets of Russia, the navies of India, Iran and Pakistan. The parade was held for the fifth time. The tradition of holding annual naval parades was revived in 2017. The solemn events were attended by the President Vladimir Putin, Chairman of the Federation Council V. Matvienko, Russian Defense Minister S. Shoigu, Commander-in-Chief of the Russian Navy N. Evmenov and other officials. Parade formations of ships and submarines passed along the Neva and the Kronstadt raid. The parade ended with the passage of aircraft and helicopters of naval aviation. In total, more than 50 ships, submarines and boats, 48 airplanes and helicopters were involved in the parade. The parade was attended by historical vessels, including the battleship "Poltava".

The President of Russia held a meeting in St. Petersburg on the development of the transport system of St. Petersburg and the Leningrad Region

The meeting was held on July 26, 2021. In addition to the President of Russia V. Putin, the Plenipotentiary Representative of the President of Russia in the Northwestern Federal District A. Gutsan, governors of St. Petersburg and Leningrad region A. Beglov and A. Drozdenko participated in it. The meeting considered the development of the Pulkovo Airport and the implementation of other major transport infrastructure projects.

St. Petersburg strengthens cooperation with Republika Srpska (Bosnia and Herzegovina)

On September 9, 2021, the Governor of St. Petersburg A. Beglov and the Chairman of the Government of the Republika Srpska R. Viskovic signed a Roadmap for the development of Cooperation between St. Petersburg and the Republika

Srpska. The main areas of interaction between the parties are the spheres of healthcare, tourism, education, culture and youth policy.

St. Petersburg strengthens ties with Belgrade

On September 10, 2021, the Governor of St. Petersburg A. Beglov and the Mayor of the capital of Serbia – Belgrade - Z. Radojicic signed an Agreement on trade, economic, social, humanitarian and cultural cooperation for 2021-2024 and an action plan for its implementation. The implementation of the Agreement will bring the relations of the twin cities of St. Petersburg and Belgrade to a new higher level.

The Governor of St. Petersburg held a meeting with the head of the Federal Antimonopoly Service

The meeting took place on September 23 in Smolny. The Governor of St. Petersburg A. Beglov and the head of the Federal Anti-Monopoly Service M. Shaskolsky discussed the issues of the state of the competitive environment, the development of entrepreneurship and the regulation of the activities of monopolist enterprises. The new head of St. Petersburg Department of the FAS – I. Prokhorov - was introduced. He previously worked as the Minister of Construction of the Novgorod region.

2. EMPLOYMENT

In June 2021, 1534.8 thousand people worked at large and medium-sized enterprises. In the structure of employees, 94.9% were full-time employees, 2.1% were by-workers and 3.0% of the total number of employees were hired under temporary contracts.

Compared to the previous month, the number of full-time employees increased by 3.1%, the number of by-workers by 8.6%, and the number of employees hired under contracts increased by 38.8%

In the first half of 2021, the number of employees at these enterprises increased by 3.5% compared to the same period in 2020. The number of full-time employees increased by 3.1% over the same period. The number of by-workers increased by 3.9%, the number of contracted employees increased by 20.3%.

In June 2021, the largest number of replaced jobs accounted for education, transport and communications, manufacturing, healthcare, wholesale and retail trade, and the least - for agriculture and forestry, hotels and restaurants, and other types of services. 48.4% of all employees in large and medium-sized enterprises of the city worked in the public sector of the economy.

In April - June 2021, the number of economically active population (EAN) was 3115.1 thousand people, of which 3046.4 thousand were employed and 68.6 thousand unemployed. Persons who are not part of the labor force accounted for 1459.2

thousand people. During the period under review, the employment rate was 66.6% (the share of the number of employed in the total population aged 15 to 72 years), the level of economic activity was 68.1% (the share of the economically active population in the total population aged 15 to 72 years) (<http://ktzn.gov.spb.ru/analiticheskaya-informaciya/>).

According to Petrostat, the number of employees scheduled for release in the third quarter of 2021 in St. Petersburg organizations (without small businesses) amounted to 2,033 people or 0.13% of the total number of employees of St. Petersburg organizations (without small businesses) in May 2021. At the same time, the number of required employees for vacant jobs at the end of the second quarter of 2021 in St. Petersburg organizations (excluding small businesses) amounted to 97.2 thousand people.

In July 2021, the demand of St. Petersburg companies for additional workers was 55.7 thousand, of them for working professions – 63,8%. (<http://ktzn.gov.spb.ru/analiticheskaya-informaciya/>) (Table 1).

The pressure on the labor market (the number of unemployed citizens registered at the Employment Service, per vacancy) at the end of July 2021 was 0,74 people/vacancy (at the end of July 2020 – 3.45 people/vacancy).

In January-July 2021, the Employment Service received 209,600 applications from citizens for the provision of public services, including 46,847 applications for vocational guidance, 43,202 applications for informing about the situation on the labor market.

In January-July 2021, the largest number of vacancies was declared by organizations related to the following types of economic activity: construction – 16.5%; transportation and storage - 13.3%; wholesale and retail trade, repair of motor vehicles and motorcycles - 9.6%; processing industries - 8.8%; administrative activities and related services - 8.0%; activities in the field of healthcare and social services - 5.9%; education - 5.7%; activities of hotels and catering enterprises - 4.4%; state administration and provision of military security – 3.9%; professional, scientific and technical activities - 3.7%; real estate transactions - 3.0%.

Among the specialists of the working professions in July 2021, compared with the analogous period of the previous year, metal hull assemblers, ship pipeliners, painters were still in short supply. There was a shortage of qualified workers of construction professions - electric welders on automatic and semi-automatic machines, tile-tellers, installers of ventilation systems, electrical installers on cable networks, as well as fitters and assemblers-builders (<http://ktzn.gov.spb.ru/analiticheskaya-informaciya/>).

In July 2021, 41.1 thousand people were registered at the Employment Service of St. Petersburg (Table 2). 75.4% of those registered in the

Employment Service were officially recognized as unemployed.

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

Month	Demand for workforce reported to the Employment service, thous. people	Number of unemployed people per 1 vacancy		
		Month	Demand for workforce reported to the Employment service, thous. people	Number of unemployed people per 1 vacancy
January 2020	30,3	0,7	100	116,7
February	31,1	0,8	114,3	133,3
March	30,8	0,8	100	133,3
April	31,8	2,2	280	3,7 times
May	32,9	2,8	127,3	5,6 times
June	34,0	3,1	110,7	6,2 times
July	33,2	3,5	112,9	7 times
August	32,3	3,6	102,9	7,2 times
September	32,8	3,5	97,2	5,8 times
October	37,4	3,0	85,7	5 times
November	38,9	2,8	93,3	4,7 times
December	37,8	2,7	96,4	3,9 times
January 2021	35,4	2,5	92,6	3,6 times
February	38,3	2,3	92,0	2,9 times
March	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
June	49,3	0,9	90,0	29
July	55,7	0,7	77,8	20

TABLE 2. Change in the number of officially registered unemployed people in St. Petersburg, 2019, 2020, January - July 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 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
May	21,7	13,3	94,0	123,8
July	20,4	12,3	99,8	126,9
August	20,5	11,9	97,0	124,3
October	21,4	12,3	103,1	118,4
November	21,7	12,5	102,2	115,1
December	21,3	13,9	110,8	115,1
January 2020	22,6	13,9	100,3	109,6
February	24,0	14,6	104,7	105,8
March	24,2	15,1	103,8	111,1
April	70,0	32,5	2,1 times	2,3 times
May	93,3	73,9	2,3 times	5,5 times
June	106,4	91,8	124,2	7,4 times
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
June	45,4	33,9	87,3	36,9
July	41,1	31,0	91,4	30,3

By the end of July 2021, 31.0 thousand people were registered as unemployed, including 17.7 thousand people receiving unemployment benefits.

The State Employment Service of St. Petersburg (Employment Service) has registered employed and unemployed citizens who applied to find a suitable job. At the end of July 2021, their total number was 50,461 people (at the end of July 2020 – 122,732 people). (<http://ktzn.gov.spb.ru/analiticheskaya-informaciya/>).

According to Rosstat, in April-June 2021, the unemployment rate (according to the methodology of the International Labor Organization) amounted to 2.2% 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 - 4.0%, Moscow - 2.7%, the Russian Federation - 4.9%).

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 July 2021 was 1.0% (at the end of July 2020, this indicator was 3.33%) (www.rspb.ru) (picture 1). This is the lowest indicator among the regions of the North-Western Federal District.

3. PERSONAL INCOMES AND EXPENDITURES

PRICES

In January-July 2021, prices in the consumer sector of the economy of St. Petersburg increased by 4.8%. In the same period of 2020, the growth rate was 3.0%.

The growth of consumer prices for the half of 2021 in St. Petersburg was 0.3% higher than the national average. Consumer prices increased by 0.1% in July 2021 (Picture 2).

In January-July 2021 in St. Petersburg, tariffs for paid services to the population increased by 5.3%. For comparison, their growth in January-July 2020 amounted to 2.7%.

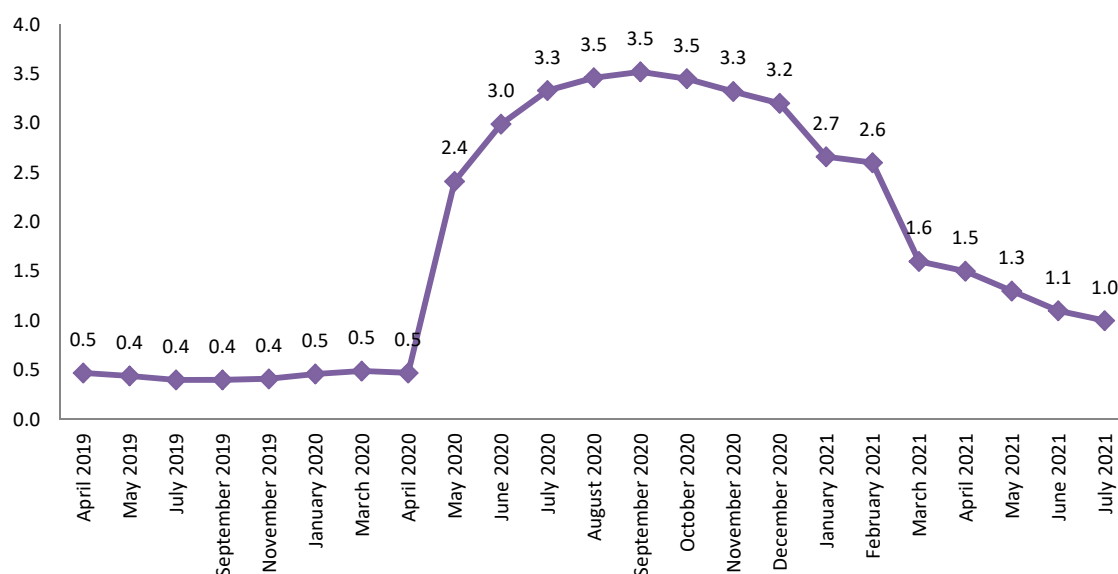
The increase in tariff for paid services in Petersburg in January-July 2021 was 2.0% higher than the average Russian level. The tariffs for paid services in July 2021 fell by 0.2%.

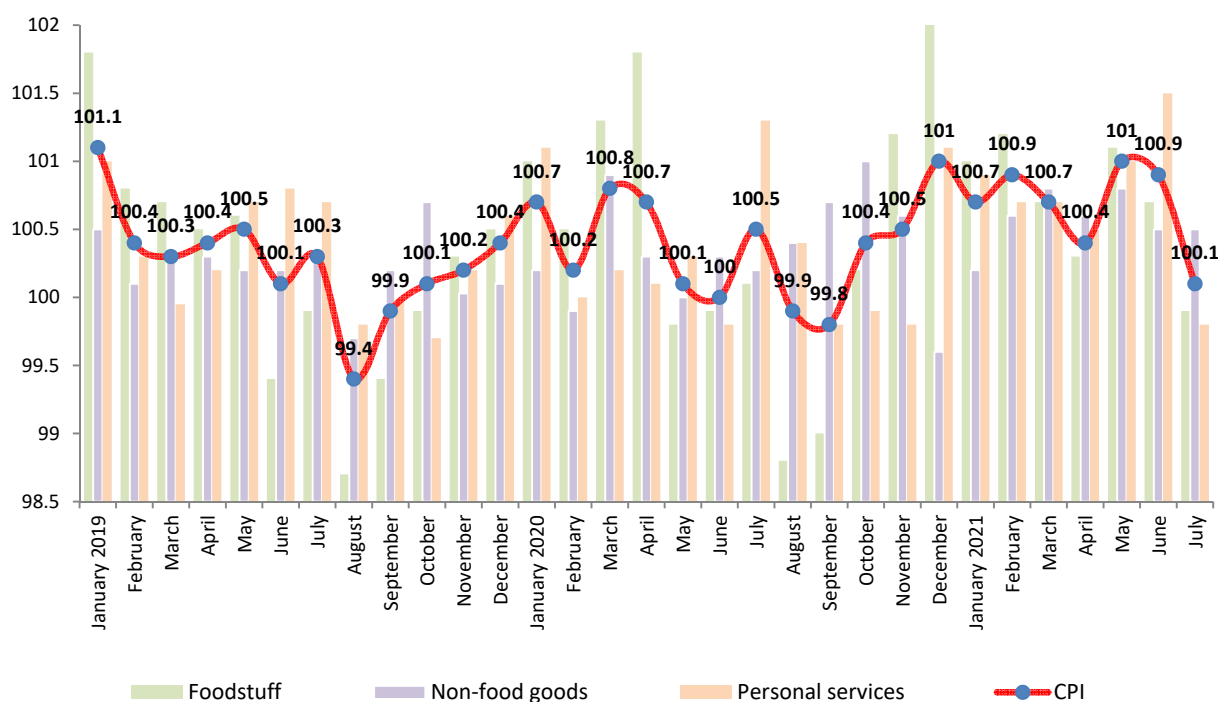
In January-July 2021, prices for food and non-food products increased by 5.0% and 4.1%, respectively. The increase in prices for food products in St. Petersburg, in January-July 2021, was equal to the average Russian level, for non-food products - 0.7% lower than the average Russian level.

In July 2021, the increase in the price of fish (1.8%), meat products (1.1%), and alcoholic beverages (0.7%), milk and dairy products (0.6%), confectionery (0.4%), bread and bakery (0.1%) of cheese, meat and poultry (0.2%).

Prices of fruits and vegetables fell during this period by 2.9%, of oils and fats – by 0.7%, of cereals and beans - by 0.2%.

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



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

In July 2021, the price of tomatoes fell by 10.7%, bananas - by 9.5%, fresh cucumbers - by 8.9%, onions - by 8.8%, potatoes - by 7.4%, while garlic rose by 10.2%, apples - by 5.5%.

Among non-food products in July 2021, prices grew for construction materials (by 3.4%), furniture (by 1.7%), medicines (by 1.6%), white paper and stationery (by 1.5%), tobacco products (by 0.7%), haberdashery (by 0.6%), detergents and cleaning products (by 0.5%), clothing (by 0.1%), fabrics (by 0.04%).

Electrical goods, perfumery and cosmetics prices fell by 0.8%, hosiery - by 0.6%, knitwear - by 0.2%, tableware and shoes - by 0.1%.

In July 2021, electricity costs rose by 3.3%, housing maintenance and repair, operating costs increased by 3.6%, cold water supply - by 1.8%, hot water supply - by 3.4%, for gas by 3.1%, contributions for major repairs remained unchanged.

In July 2021, tariffs for housing and communal services provided to the population increased by an average of 2.9%. The subscription fee for the radio station increased by 6.3%, the cost of health and wellness services - by 2.8%, the cost of travel on long-distance trains - by 1.5%. The cost of hotel accommodation decreased by 25.1%, the cost of a vacation trip to Turkey - by 14.5%, the cost of air travel - by 9.2%, the fee for using consumer credit - by 7.8%.

In January-July 2021, gasoline prices increased by 3.9%, and diesel fuel prices increased

by 1.9%. In July 2021, gasoline prices rose by 0.7% and diesel fuel by 0.5%.

PERSONAL INCOMES AND EXPENDITURES

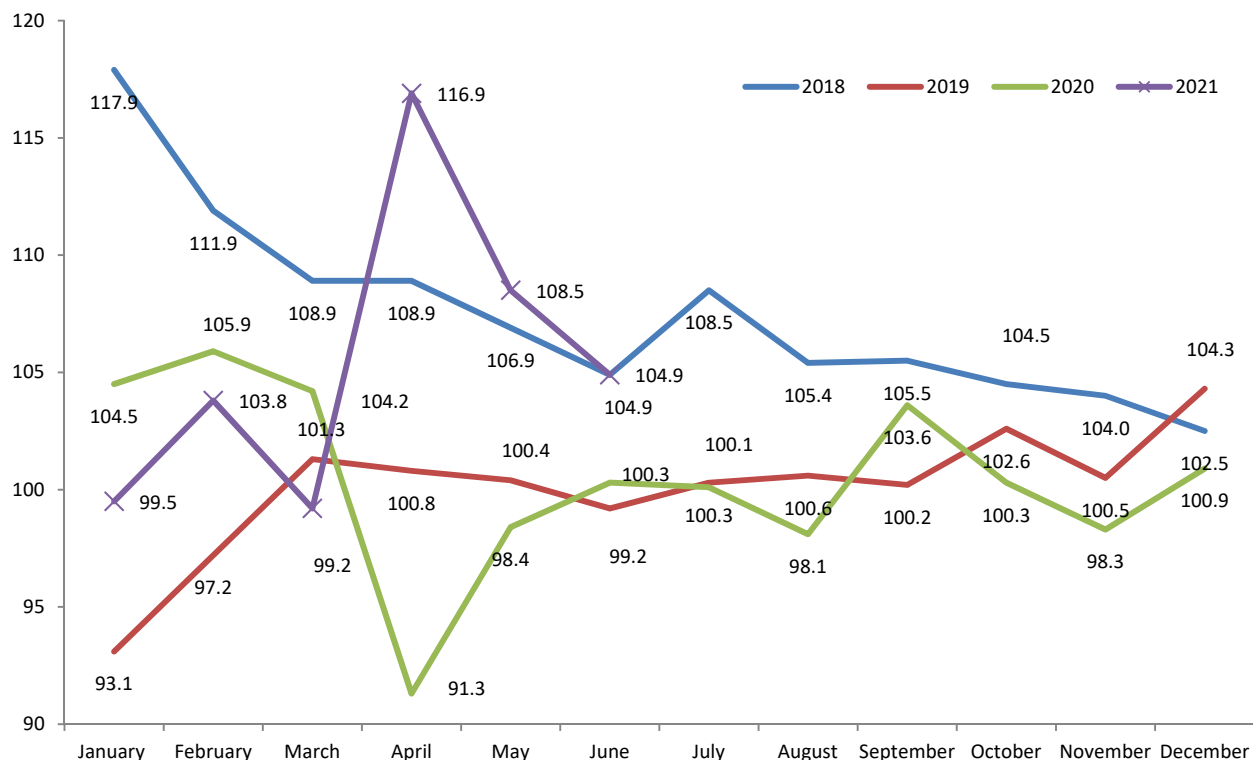
Real accrued wages, calculated taking into account the consumer price index, in June 2021 amounted to 106.0% compared to the level of May 2021 and 104.9% compared to the level of June 2020 (Picture 3).

The average monthly nominal salary accrued in St. Petersburg in June 2021 amounted to 79,043 rubles. The average nominal salary of Russian citizens in June 2021 was 25.6% less than in St. Petersburg and amounted to 58,782 rubles.

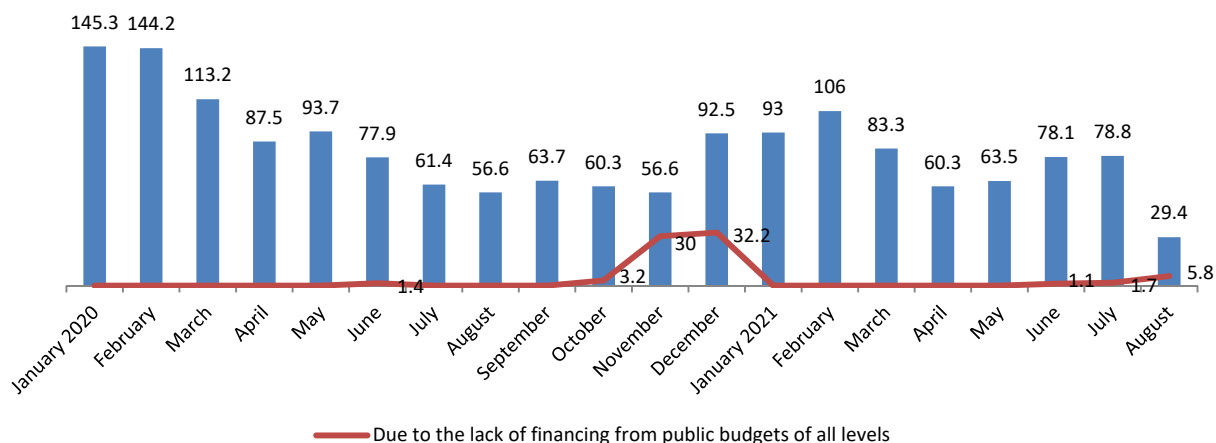
According to the organizations of the observed types of economic activity (excluding small business entities) that provided information on overdue wage arrears as of August 1, 2021, the total debt amounted to 29.4 million rubles (See Picture 4). Construction accounted for 57.8% of the total debt, manufacturing - 21.8%, transport - 14.3%, health and social services - 5.8%, provision of electricity, gas and steam - 0.3%.

The volume of arrears amounted to 37.3% by the level of July 1, 2021, and 51.9% by August 1, 2020. Of the total amount of the overdue debt, 5.2 million rubles accounted for the debt formed in 2019 and earlier.

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



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



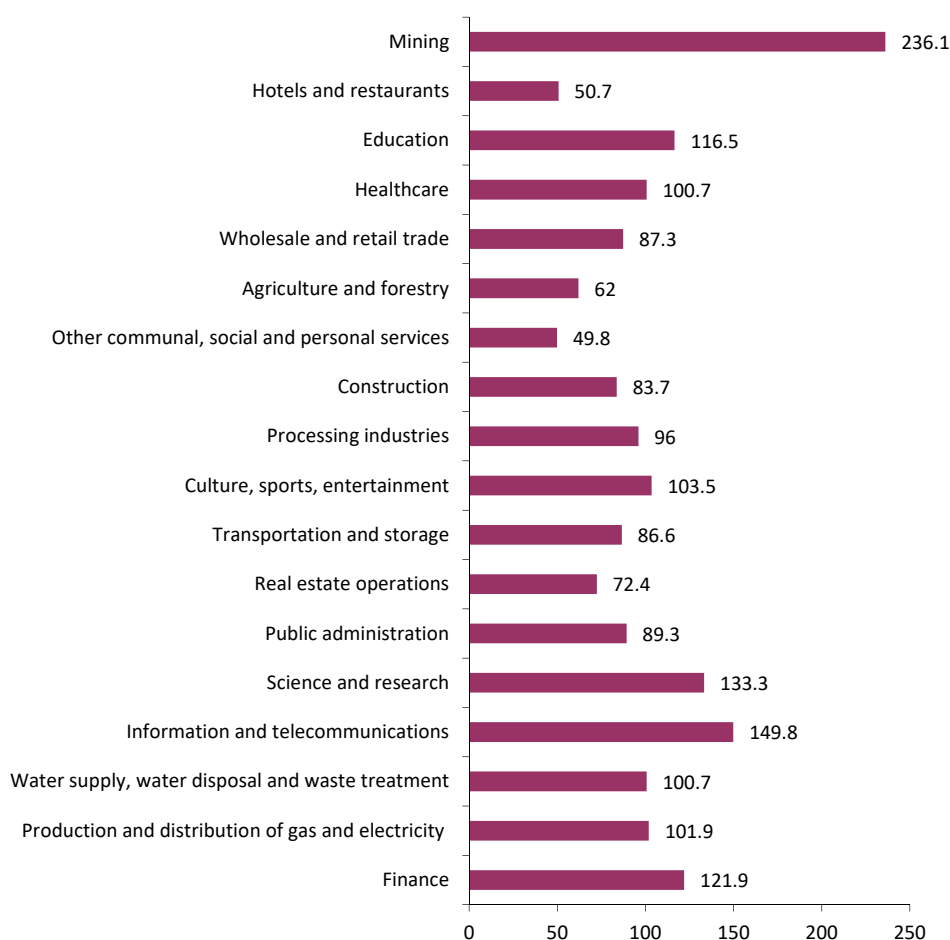
DIFFERENTIATION OF SALARIES IN ST. PETERSBURG

In June 2021, the level of interindustry wage differentiation decreased compared to March 2021 (Picture 5). The gap between the highest salary (mining) and the lowest (provision of social services) was 4.7 versus 7.3 times in May, 11.1 times in March, 11.6 times in December 2020, 6.9 times in October and 7.2 times in August.

The highest wages in June 2021 were paid in the extraction of minerals (the salary of workers in this industry was 2.4 times higher than the average wage in St. Petersburg).

In June 2021, the average salary in St. Petersburg was significantly exceeded by the remuneration of employees in the field of information and communications (by 49.8%), in the field of scientific and technical activities (by 33.3%), financial activities (by 21.9%).

The lowest wages were paid to those employed in hotels and restaurants (50.9% of the average salary), agriculture (50.7% of the average salary) and the provision of other communal, social and personal services (49.8% of the average salary).

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

4. INDUSTRY

The industrial production index in St. Petersburg in January-July 2021 compared to January-July 2020 amounted to 107.8%.

The St. Petersburg shipbuilding enterprise "Admiralty Shipyards" launched a large freezing fishing trawler "Captain Martynov" on September 24. The vessel is being built as part of the implementation of the state investment quota program along with about a hundred vessels of different tonnage for different areas and types of fishing. This trawler is one of the most modern fishing vessels in the world, designed to catch pollock and herring in the Bering and Okhotsk Seas. "Captain Martynov" is the fourth of ten super trawlers being built at the shipyard for the "Russian Fishing Company" (<https://fish.gov.ru/> / 24.09.2021).

The RusTelecom company (part of the Macro Group) has launched a plant for the production of electronic modules in the Obukhovo industrial zone (St. Petersburg). Every year, the company will produce up to 500 thousand computing modules, up to 5 million smart meter controllers or up to 10 million memory modules per year. Total in-

vestments in the construction of the plant exceeded 600 million rubles. Almost half of this amount was received by the enterprise in the form of a concessional loan for 270 million rubles under the "Component Products" program from the State Industrial Development Fund (<https://frprf.ru/> / 15.09.2021).

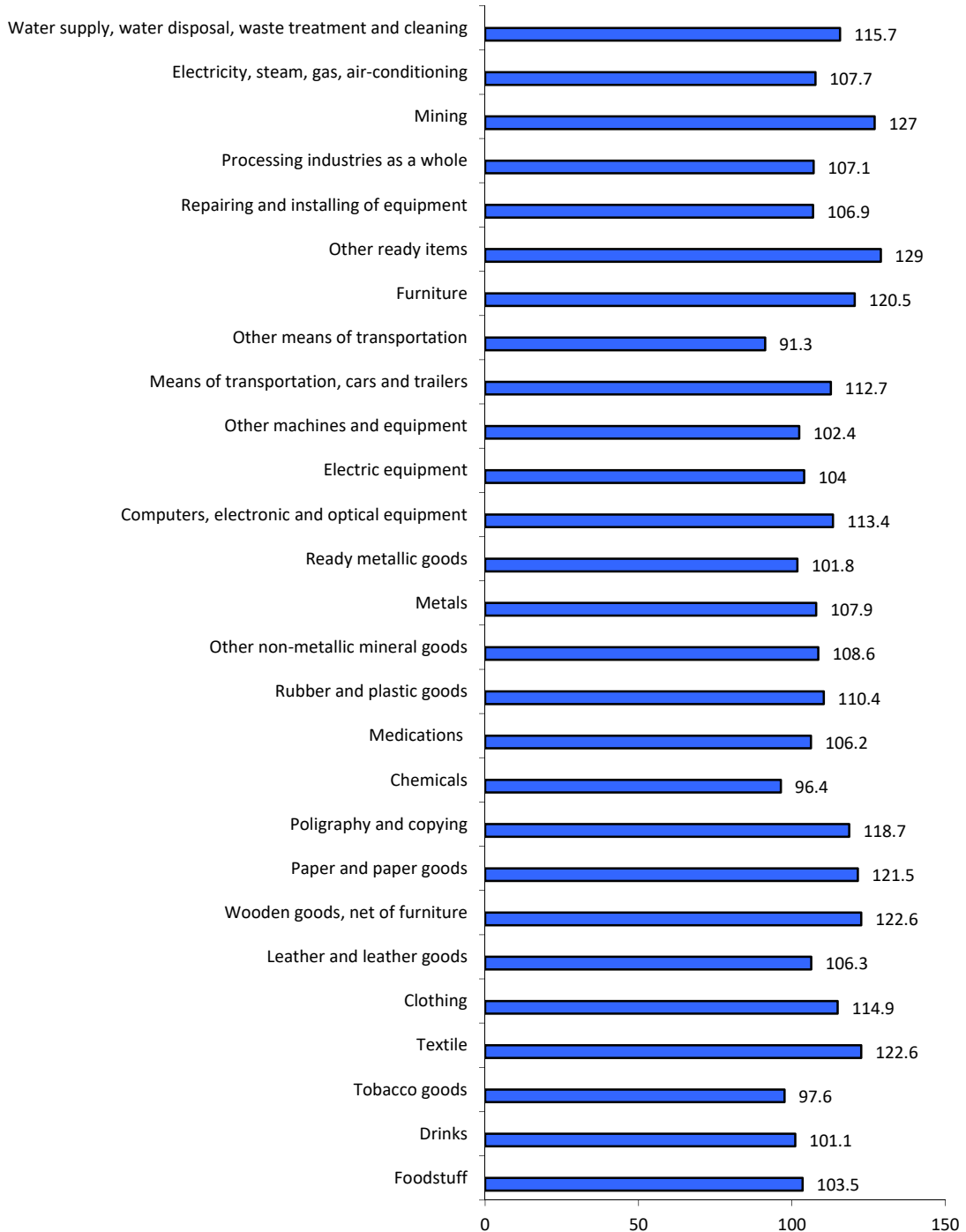
Hyundai Motor on September 9 has opened its engine plant in Russia - Hyundai WIA. The new plant is located in Sestroretsk next to the existing Hyundai Motor Manufacturing Rus, where Solaris and Creta models are made, as well as Kia Rio. The capacity of the new plant is 240,000 engines per year with a two-shift work schedule, in the future the enterprise will produce up to 330,000 engines per year. The new Hyundai plant will become the third largest enterprise for the production of light engines in Russia. Hyundai WIA will provide the creation of more than 500 jobs. The volume of investments in the project amounted to 15.8 billion rubles. (<https://news.drom.ru/> / 09.09.2021).

The Leningrad Metal Plant (part of Power Machines JSC) successfully tested the sample of a domestic low-speed turbine with a capacity of 1255 MW, the press service of Power Machines reported. The development of this technology has

made LMZ the only enterprise in the world manufacturing powerful steam turbines in both high-speed and low-speed versions today. The production of the sample of a low-speed turbine of high power is the most important innovation project for

the Russian energy industry, which allows Power Machines JSC to enter the market of low-speed turbines of high power and compete in this segment with global power engineering companies. (<https://power-m.ru/> 01.07.2021).

PICTURE 6. Industrial production indices by industries, January-July 2021 to January-July 2020



5. FINANCE

In January–July 2021, the net financial result (profits minus losses) of organizations amounted to 463.4 billion rubles, which in nominal terms is 24.1% more than in the corresponding period of 2020.

In January–July 2021, the number of unprofitable organizations decreased by 115 units or by 12.2% compared to the same period in 2020, the amount of loss decreased by 20.9%.

Consolidated budget expenditures amounted to 394.4 billion rubles, which is 9.1% more than the same period last year.

According to the operational data of the Federal Tax Service of the Russian Federation for St. Petersburg in January–August 2021, the budget system received taxes, fees and other mandatory payments in the amount of 938.3 billion rubles, which in nominal terms is 1.9% less than in January–August 2020.

CITY BUDGET

The information on the execution of the consolidated budget is presented in table 3.

STATE DEBT

The information on the structure of public debt as of October 1, 2021 is presented in tables 4 and 5.

TABLE 3. Consolidated budget execution as of August 1, 2021 (bln rubles)

	Revenues	Expenditures	Surplus + / Deficit -
January-June	365	338	27
January-July	463	394	69

Source: Petrostat

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

	mIn 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

Source: City Committee of Finance

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

Item	Plan for 2021	Fact on 01.10.2021
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

In September, restoration and reconstruction began for the business center of the Krasny Gvozdilshchik plant on the 25th line of Vasilyevsky Island. It is planned to implement the adaptation for modern use of the building of the rope shop with the water tower of the plant with a total area of 21 thousand square meters. meters. The works are carried out by the Setl Group holding (Kant LLC is responsible for the design), the total cost is 1.5 billion rubles. (According to the materials of Kommersant)

Restoration work has been resumed in the building of the Rimsky-Korsakov St. Petersburg Conservatory. The main goal is to expand the usable area of the building to 31 thousand square meters and recreate its original appearance while preserving historical interiors and facades. The total amount of federal financing of the project is 15.5 billion rubles (including 4.9 billion rubles in 2022 and 5.5 billion rubles in 2023), the work is scheduled to be completed in 2025. JSC "Polytech-Stroy" was recognized as the winner of a new tender for reconstruction in December 2020. The renovation of the Conservatory building has been interrupted several times due to the unscrupulous actions of contractors, including Meander LLC, against which a criminal case has been initiated for embezzlement of more than 190 million rubles. (Based on the materials of RBC)

The competition for the overhaul of the Exchange Bridge was won by JSC "PO "Vozrozhdenie", the company's application was the only one in the competition. The total value of the contract is 2.4 billion rubles. The bridge is planned to be closed for repair work from October 8, and the work will be completed by May 2023. The list of works includes the repair of the roadbed, the main bridge structures, crossing supports and draw mechanisms, as well as anti-corrosion treatment, reconstruction of outdoor lighting and trolleybus contact network. (Based on the materials of "Business Petersburg")

The State Administrative and Technical Inspection of St. Petersburg issued an order for the overhaul of the building of the Vladimirskaia metro station, which is an object of cultural heritage. The completion of work on the restoration of facades is scheduled for the end of April 2022. At the same time, in 2021, work continues on the overhaul of the stations "Technological Institute-1" and "Mayakovskaya". In mid-2022, it is also planned to start a long-term reconstruction of the Frunzenskaya metro station, which will last four years. In September, a project was presented providing for the construction of a new five-storey building with an

area of 8.1 thousand square meters and a height of 28 meters on the site of the modern lobby, developed by A.S.+ Architectural Bureau LLC. On the upper floors of the projected building, it is planned to place a single dispatch center of the metro. The total cost of the project, which also includes work on the overhaul of the metro station, as well as the improvement of the adjacent territory, will amount to 6.5 billion rubles. (According to the materials of RBC and Kommersant)

The State Hermitage Museum has announced a competition for the implementation of design and survey work and the preparation of design documentation for the future renovation of the facades of the Winter Palace, hydro-insulation of the foundation and repair of engineering networks. The maximum contract price for design and survey work is 23.6 million rubles. In addition to preparing documentation, the contractor will have to carry out laser scanning of the facades of the museum with a total area of 26.8 thousand square meters, as well as carry out historical and cultural expertise. (Based on the materials of "Business Petersburg")

TRANSPORTATION, ENERGY, WATER SUPPLY

In January-July 2021, St. Petersburg transport organizations transported 14,840 thousand tons of cargo and 262 million passengers (25.8% higher than in the same period in 2020). At the same time, cargo turnover amounted to 7415 million ton-km, and passenger turnover - 1564 million pass-km (27.2% higher than January-July 2020). According to all the above indicators, in the first seven months of 2021, there was a recovery growth compared to 2020. The number of road traffic in January-July 2021 amounted to 2773, which is below the level of the same period in 2020 by 1%. At the same time, negative dynamics is observed with the indicator of the number of accidents involving children under 16, which amounted to 274 in January-July 2021, which is 39.1% higher than the level of 2020. (Based on the materials of Petrostat)

Passenger traffic at Pulkovo Airport in January-August 2021 amounted to 11.6 million passengers, which is 5% higher than in the same period in 2020, but 12% lower than the corresponding figure for the first eight months of 2019. At the same time, Pulkovo Airport served more than 10.4 million passengers on domestic routes (which is 28% higher than passenger traffic for the same period in 2019), 1.2 million people on international routes (which is 76% lower than passenger traffic for January-August 2019). Among Russian air carriers, the leaders in the number of passengers transported for January-August 2021 are Rossiya, Pobeda, Smartavia and Aeroflot, and among the foreign ones – Turkish Airlines, Uzbekistan Airways, KLM and Lufthansa. (Based on the materials of VVSS LLC)

The St. Petersburg Property Fund has sold three objects owned by St. Petersburg (SUE Vodokanal of St. Petersburg) on the site of the Russian Auction House. The privatized facilities include a non-residential premises with an area of 414 square meters on Penkova Street in the Petrogradsky district, as well as two former pavilions with a water intake well in Solnechny and Komarovo. According to the results of the auction, the SUE has received 129.7 million rubles, which exceeded the initial price of the objects by 2.3 times. It is reported that the proceeds will be used for the implementation of the program "Improvement and environmental protection in St. Petersburg", in particular, for capital repairs and maintenance of fountains and public toilets. (Based on the materials of the Vodokanal)

MAJOR CITY PROJECTS

The President of Russia has approved a list of instructions following a meeting on the development of the St. Petersburg transport hub held at the end of July. Among the key instructions is the allocation of 6 billion rubles from the federal budget for the implementation of the project of connecting the WHSD to the Latitudinal Highway of high-speed traffic with the construction of a transport interchange with Vitebsk Avenue, the allocation of 96.9 billion rubles from the National Welfare Fund for the purchase of 950 cars of the St. Petersburg metro in 2022-2031, financing in 2022-2024 of the measures for the development of railway infrastructure in the amount of 48.3 billion rubles (including possible construction of a railway line to Pulkovo Airport), as well as the development of proposals for expanding the metro network, designing a high-speed motorway route for a long-distance bypass of St. Petersburg (created on the principles of public-private partnership) and accelerating the construction of the M-11 highway with access to Pulkovo airport. (Based on the materials of the press service of the President of Russia)

7. REAL ESTATE

CONSTRUCTION

1.3 million sq meters of housing was commissioned in the first half of the year. For seven months, this figure amounted to 1.6 million - 70% more than last year. As Governor Alexander Beglov said at a government meeting dedicated to the results of the first half of the year, it is planned to introduce 11 school buildings and 26 kindergartens in 2021. 8 new schools will open on September 1.

In August 2021, 407 thousand sq meters of housing, or 121 houses for 9071 apartments, were put into operation in St. Petersburg, which exceeds the results of the corresponding period last year (130,393.5 sq meters) by almost three times.

Most of all in August, housing was introduced in the Primorsky and Moscow districts.

In total, over the summer, developers handed over more than a million sq meters of housing.

According to the results of the first half of 2021, the Unified Resource of Developers, a professional project implemented with the support of the National Association of Housing Developers specializing in maintaining a database and ranking Russian developers and new buildings, has issued a rating of construction companies of the city in terms of the volume of residential construction projects commissioned. Glavstroy Saint Petersburg topped the rating by commissioning 10 houses with a total area of 114 thousand sq meters in the Severnaya Dolina complex in the Vyborg district of St. Petersburg

The problems of housing construction were discussed at a business breakfast at the end of June (restate.ru). The participants noted that previously the consumer had a choice, but now there is an imbalance in location, demand and quality in different housing segments. Y. Grudin, General Director of the investment and development company Formula City, drew attention to the fact that today 6-7 million sq meters of housing is on display out of the planned volume of housing construction of 14 million sq meters of housing (based on permits issued). Previously, with a calm market, this figure was three times more. It is difficult to accurately calculate the volume of housing output to the market due to reasons that do not depend on developers: the release of new laws and town-planning plans, decisions of town-planning commissions, procedures for approving projects by banks, etc.

CO-INVESTORS

The Government is preparing a regulatory framework for the creation of a public law company "Territorial Development Fund". On July 22, at a meeting of the Government of the Russian Federation, the head of the Ministry of Construction of Russia Irek Fayzullin spoke about the draft federal law. The project provides for the implementation of a corporate procedure for combining two existing funds and was developed in accordance with the roadmap of the Government of the Russian Federation for the modernization of the current structure of development institutions.

The Territorial Development Fund will carry out activities and implement functions that are currently provided for in the activities of the Fund for the Protection of the Rights of Citizens Participating in Shared-Equity Construction and the Fund for the Promotion of Housing and Communal Services Reform. "At the same time, it is also planned to endow the Fund with a number of new functions - the implementation of integrated development of territories on the basis of decisions of the Government of the Russian Federa-

tion, the attraction of funds from the NWF and the participation of creditors in syndicated loan agreements for the implementation of housing construction projects.

TERRITORIAL DEVELOPMENT, REGULATION

As reported on the website of the Ministry of Construction of the Russian Federation, the Government of the Russian Federation has approved, by the Decree of the Government of the Russian Federation No. 1184 dated July 14, 2021, published on the official Internet portal of legal information, the Rules for the adoption by the Government of the Russian Federation of a decision on the comprehensive development of the territory and coordination of such a decision with the subject of the Russian Federation, within whose borders the territory subject to comprehensive development is located.

A single mechanism for the comprehensive development of the Territory is established by Federal Law No. 494-FZ dated December 30, 2020 "On Amendments to the Urban Planning Code of the Russian Federation and Certain Legislative Acts of the Russian Federation in order to ensure the integrated Development of Territories". The integrated development of territories is one of the mechanisms for achieving the National Development Goals of the Russian Federation, defined by the Decree of the President of the Russian Federation "On the National Development Goals of Russia until 2030".

The decision on the comprehensive development of the territory is attributed to the powers of the Government of the Russian Federation, if the decision is made with respect to the territory, within the boundaries of which the land plots are exclusively federal property, with respect to the implementation of the comprehensive development of territories with the involvement of Federal Budget funds and/or the implementation of the complex development of territories will be carried out by a legal entity created by the Russian Federation in order to implement such a decision.

The rules stipulate that in order to make a decision on the comprehensive development of the territory, the supreme executive authority of the state authority of the subject of the Russian Federation submits an initiative to the Ministry of Construction of the Russian Federation with the necessary information and documents.

On July 16, the Ministry of Construction of the Russian Federation, together with the Department of Construction of the Government of the Russian Federation, held a practical seminar on the application of the provisions of Federal Law No. 494-FZ dated December 30, 2020 "On Amendments to the Urban Planning Code of the Russian Federation and Certain Legislative Acts of the Russian Federation in order to ensure the comprehensive development of territories."

First Deputy Minister of Construction and Housing and Communal Services of the Russian Federation Alexander Lomakin said "The Ministry of Construction of Russia faces an important strategic task – to introduce 1 billion sq meters of housing by 2030, improve housing conditions for at least 5 million families annually and improve the quality of the urban environment by 1.5 times. The construction of such a volume of housing requires the provision of all necessary infrastructure. Achieving such indicators is impossible without the implementation of the mechanism of comprehensive development of territories. To do this, the law on the CRT was adopted on December 30, 2020. Previously, it can be said that the implementation of the mechanism of comprehensive development is possible on more than 400 territories with a total area of more than 20 thousand hectares and almost 80 million square meters potential housing.

To apply the provisions of the law, the subjects of the federation are already actively working on the creation of a regional regulatory legal framework, the Ministry of Construction of the Russian Federation has prepared a schedule for the development of regional regulatory legal acts, which provides for the preparation of 21 acts: 8 mandatory and 13 initiative acts. Today, relevant acts have been partially adopted in 34 regions, and the regulatory framework has already been fully updated in seven regions. In other subjects, the adoption of regulatory legal acts is subject to varying degrees of coordination and approval.

The Law on the comprehensive territorial development was adopted to implement plans for housing commissioning, to increase the efficiency of the use of the territories of settlements, urban districts, to ensure the balanced and sustainable development of municipalities, as well as to attract extra-budgetary sources of financing for the renovation of built-up areas. The provisions of the law specify the types of comprehensive development, factors for making a decision on the comprehensive development.

8. INVESTMENT PROJECTS

According to Petrostat, the total volume of financial investments of organizations (excluding small businesses) in January–June 2021 amounted to 7725.9 billion rubles, including 738.6 billion rubles for long-term financial investments, or 9.6%.

The volume of investments in fixed assets in January–June 2021 amounted to 281.0 billion rubles, which amounted to 100.9% compared to the corresponding period last year. The specific structure of investments in fixed assets is presented as follows: 56.7% is directed to machinery and equipment, including household inventory, and other objects; 24.1% - buildings (except residen-

tial) and structures, land improvement costs; 10.4% - residential buildings and premises; 6.4% - intellectual property objects; 2.4% - other.

INVESTMENT PROJECTS

The first Chinese supermarket opens in the center of St. Petersburg.

The store will be located on the ground floor in the Metro Center complex on Ligovsky Prospekt, a wide range of various products will be presented, from tea and sauces to alcohol. In the first months, goods will be delivered there by Russian companies from the Far East and only later - directly from China. There will also be a souvenir shop and a cafe.

Ginza Project Restaurant holding debuts a new format

The first three Ginza corners under their own brand: "I want kharcho and khachapuri", "Pancake and Dumpling" and Ginza Small opened in the Mercury food park in St. Petersburg, a joint project of Adamant Holding and Ginza Project. The volume of investments amounted to 400 million rubles.

Setl Group has started the restoration of the Rope shop with a water tower on the 25th line of Vasilievsky Island

The project of restoration and adaptation to the modern use of the facility was developed by Setl Group together with Kant LLC. The work carried out will allow to reconstruct the historical facade of the Rope Shop along the 25th line of Vasilievsky Island and the water tower itself, while preserving the configuration and dimensions of window and door openings, the pattern and glazing of the filling openings, the concrete semicircular canopy over the entrance. The northern and western courtyards will be restored in the style of the architectural solution of the front facades, and the facade on the side of the Oil Canal will be based on the existing one. The systems of farms and light lanterns will be restored taking into account today's constructive decision.

The reconstruction of the building into a business center presupposes the creation of an internal atrium. This is a horizontally elongated passage that unites office premises of 1-3 floors under a glass lantern.

The restoration, which costs 1.5 billion rubles, is carried out on the basis of a permit for the preservation of the object and a construction permit issued by the KGIOP.

In St. Petersburg, by the end of autumn 2021, a competition should be announced to select a design company for the implementation of an architectural concept for the development of the Gorskaya territory. The relevant roadmaps for the organization of the competition were signed by the Agency for Strategic Initiatives and the project's initiator - the construction company Megaline LLC.

The Megaline initiative concerns two infrastructure projects — the comprehensive development of the Gorskaya territory and the creation of transport interchange hubs (TPU) in St. Petersburg. Megaline has signed an agreement of intent to implement these projects with Smolny at the St. Petersburg International Economic Forum in 2021.

In the first project, we are talking about the redevelopment of the former construction site of the flood protection complex near the Gorskaya station with an area of 150 hectares. According to the company's plans, a cluster will be created there, where industrial and warehouse premises, IT companies, engineering and testing centers, scientific laboratories, offices, hotels, a port embankment with cafes and restaurants will be located. The total investment in projects is 240 billion rubles.

In St. Petersburg, a gastronomic cluster will be opened inside the pedestrian loft quarter "Skorokhod"

The project to create a new public and business space of the same name on the territory of the former Skorokhod factory in the Moscow district is being implemented by the investment and development company Okhta Group. The development of the concept of the territory is carried out by the project group "City Zen". The project will be implemented in two stages: in early 2023, parts of the buildings closer to Zastavskaya Street will be put into operation; in 2025, the remaining buildings will open.

The area of the former Skorokhod factory is about 50 thousand sq. m. Most of the space (up to 25 thousand sq. m.) will be occupied by offices. In addition to the gastronomic cluster, it is also planned to open shops and apartments on the territory. Okhta Group estimates the costs of the entire redevelopment project of the territory at 5 billion rubles.

The St. Petersburg Oil Terminal (PNT) has begun the reconstruction of its infrastructure in the Grand Port of St. Petersburg. The project involves the reconstruction of the old part of the terminal and the construction of a modern complex for transshipment of a wide range of petroleum products in its place. The company plans to build modern storage tanks for petroleum products, a drain outlet, as well as recuperators (supply and exhaust ventilation) and steam traps. The Company invests 5 billion rubles in the reconstruction project.

Macro EMS (part of the Macro Group) has opened a factory for the contract production of electronics in the Obukhovo industrial zone. The plant will produce sophisticated electronics, including modules for computing equipment and server equipment, telecommunications and medical equipment. Experts note that the plant's capacity will be able to meet the increased demand for electronics. Macro EMS announced plans to build a plant with an area of 4 thousand square meters in the summer of 2020.

At that time, the company planned to invest more than 500 million rubles in construction, of which about 20% was the investor's money, the rest was attracted from the Industry Development Fund and the Federal Corporation for the Development of Small and Medium-sized Enterprises

The South Korean corporation Hyundai WIA has opened a plant for the production of engines in St. Petersburg. The plant will produce 1.6-liter Gamma internal combustion engines. From the end of 2022, the plant will also start producing Nu engines with a volume of 2 liters. The engines will be installed on Hyundai Solaris, Hyundai Creta, Kia Rio and Kia Rio X cars.

During the first year of operation, Hyundai Via Rus LLC plans to produce 240 thousand engines and further increase production to 330 thousand engines per year. When reaching full production capacity, the Hyundai WIA plant will become the largest manufacturer of engines of a foreign brand in Russia, the company said.

According to the company's press service, investments in the enterprise amounted to 15.8 billion rubles.

The agreement between the city and the investor provides for the provision of a number of benefits to the company: for 10 years, the rates of income tax and property tax are reset for Hyundai. In addition, the company receives preferences when renting land plots.

Sberbank will provide project financing for the construction of a "smart" resort town near Gatchina

According to the investor's plans, by 2030, a "smart" city will be built on a territory of 620 hectares in the Vyritsa area, in which there will be modern services and engineering technologies, centralized dispatching, and smart-city IT infrastructure.

At the moment, housing sales have begun in Gatchina Gardens as part of the first stage of construction, which includes 15 elite and business class club houses for 234 apartments. It is planned to complete the construction of all the houses of the first stage no later than the third quarter of 2023. The Swedish company Merx Construction, a subsidiary of the MerxTeam concern, manages the construction.

In total, as part of the Gatchina Gardens project, the investor is going to build more than 1 million square meters. m of real estate for various purposes. These are low-rise resort housing of business class, landscape parks, golf courses, hotels, sanatorium-resort facilities, suburban business centers, sports centers. The total investment in the creation of a new resort city is estimated at 210 billion rubles. Sberbank will provide project financing in the amount of 2.3 billion rubles, a corresponding agreement has been signed with LLC "SZ "Gatchina Golf Village".

The Moscow market in St. Petersburg will be reformatted into a gastromarket

Within the framework of the project, in which entrepreneur Alexander Shavliashvili intends to invest 250 million rubles, part of the Moscow market area will be occupied by the gastronomic space. At the same time, the platform will retain its top function. The opening of the market in the updated format is scheduled for May 2022. Thus, a business model will be implemented on the Moscow market, similar to the one that was implemented in 2019 on the Vasileostrovsky market, which involves the unification of catering, class trade from the counter and distribution function (delivery of products to restaurants) on one site.



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/>