

# **GENERAL OVERVIEW OF SOCIO-ECONOMIC SITUATION IN ST. PETERSBURG**

**October-December 2021 № 173**



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- 1. CITY MANAGEMENT:** *Staff changes at St. Petersburg Government committees*

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  - 2. EMPLOYMENT:** *Labor market – revived but different*

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  - 3. PERSONAL INCOMES AND EXPENDITURES:** *Minimal wage is set for 2022*

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  - 4. INDUSTRY:** *«Polisan» launches new anti-COVID-19 vaccines production line*

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  - 5. FINANCE:** *The main sources for the budget of St. Petersburg in 2021*

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  - 6. MUNICIPAL AFFAIRS:** *Renewed restoration works at the St. Petersburg Conservatory*

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  - 7. REAL ESTATE:** *Housing commissioning plan for 2021 has been surpassed*

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  - 8. INVESTMENT PROJECTS:** *Russia's first school to prepare Principal Investigators in Artificial Intelligence*

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In compiling this review, the report data of St. Petersburg Statistic Committee for 2007-2022 on the Socio-Economic Situation in St. Petersburg and the Leningrad Oblast was used.

## 1. CITY MANAGEMENT

### APPOINTMENTS

#### Changes in the composition of the Government of St. Petersburg

On October 13, 2021, based on the proposal of the Governor of St. Petersburg, the deputies of the Legislative Assembly approved the candidacy of **M. Meiksin** for appointment to the post of Vice-Governor. In this position, he coordinates the work of the Committee on Interethnic Relations and the Implementation of Migration Policy, the Committee on Youth Policy and Interaction with Public Organizations, the Committee on Press and Interaction with Mass Media, the Committee for Territorial Development and the Department for Relations with Religious Organizations of the City Administration.

On October 27, 2021, based on the proposal of the Governor of St. Petersburg, the deputies of the Legislative Assembly approved the candidacy of **A. Poveliy** for appointment to the post of Vice-Governor. Previously, he held the position of head of the Kolpinsky district Administration. A. Poveliy's area of responsibility includes issues of control and coordination of the work of the Housing Committee, the Improvement Committee, the State Administrative and Technical Inspection (GATI), the State Housing Inspection, the State Technical Inspection and district administrations. From October 28, 2021 temporary performance of duties of the head of Administration of the Kolpinsky district is assigned to the deputy head of Administration Yu. Logvinenko.

On December 22, 2021, based on the proposal of the Governor of St. Petersburg, the deputies of the Legislative Assembly approved the candidacy of **A. Korabelnikov** for appointment to the post of Vice-Governor. The newly appointed Vice-Governor has been working in the executive bodies of state power of St. Petersburg since July 2014, first served as an adviser to the Governor, and since February 2015 was the Chairman of the Finance Committee. In his new position, he will monitor and coordinate the work of three city committees: State order, finance, economic policy and strategic planning.

#### The head of the Committee on Urban Planning and Architecture of St. Petersburg has been replaced

On October 29, 2021, V. Grigoriev was dismissed from the post of Chairman of the Committee on Urban Planning and Architecture (KGA) – the chief architect of St. Petersburg. On November 1, 2021, he was appointed to the post of special representative of the Governor of St. Petersburg. The temporary fulfillment of the duties of the

Chairman of the KGA was entrusted to the Deputy Chairman of the KGA **Yu. Kiseleva**. On December 24, 2021, based on the order of the Governor of St. Petersburg, Yu. Kiseleva was appointed the Chairperson of the KGA; she had already worked in this position from November 2008 to April 2013

#### New director has been appointed to the Committee on Nature Management, Environmental Protection and Environmental Safety

In accordance with the decree of the Government of St. Petersburg on November 8, 2021, **A. German** was appointed to the post of Chairman of the Committee on Environmental Management, Environmental Protection and Environmental Safety. Prior to this appointment, this official worked as the Deputy Chairman of the Property Relations Committee. The candidacy of A. German was preliminarily agreed with the Minister of Natural Resources and Ecology of Russia.

#### A new head has been appointed to the Beautification Committee

On November 12, 2021, **V. Ponidelko** was appointed to the post of Chairman of the Beautification Committee. Previously, he held the position of the head of the Administration of the Kalinin district.

#### The head of the Petrogradsky district Administration was replaced

On November 12, 2021, V. Omelnitsky was appointed the head of the Administration of the Petrogradsky district. Previously, he was the head of the Administration of the Pushkin District.

#### A new head has been appointed to the Housing Committee

On November 15, 2021, O. Zotov was appointed to the post of the Chairman of the Housing Committee. Previously, he worked as the head of the GATI. The former chairman of the Housing Committee V. Borshchev has been transferred to another job.

#### The Committee for Culture of St. Petersburg has undergone personnel changes

On November 15, 2021, K. Sukhenko, who previously held the position of Chairman of the Committee on Culture, was appointed representative of the Governor of St. Petersburg in the Legislative Assembly. The temporary performance of the duties of the chairman of the city Culture Committee was entrusted to F. Boltin. On December 27, 2021, on the basis of an order of the Governor of St. Petersburg, F. Boltin was appointed to the post of Chairman of the Culture Committee.

### **New Chief of Staff of the Governor of St. Petersburg has been appointed**

On November 22, 2021, I. Tkachev was appointed to this position. Prior to this appointment, he worked as the Deputy Chief of Staff of the Governor.

### **The head of the Kalininsky district administration has been replaced**

On December 6, 2021, I. Gromov was dismissed from the post of head of the Administration of the Kalininsky district. The dismissed official has worked in this position for less than a month - since November 12, 2021. Prior to working in the Kalininsky district, he had been in charge of the Petrogradsky district administration since September 2016. After his dismissal, I. Gromov was detained by law enforcement agencies in a case of major fraud. **S. Petrichenko** was appointed acting head of the Administration of the Kalininsky district.

### **A new prosecutor of St. Petersburg has been appointed**

By the Decree of the President of Russia dated December 8, 2021, V. Melnik was appointed to the post of the prosecutor of St. Petersburg. V. Melnik has been working in the Prosecutor's Office since 2001. He began his career in the department as an assistant to the Leningrad-Moscow Transport Prosecutor of the St. Petersburg Prosecutor's Office. Since 2012, he has worked as Head of the Department for Supervision of the Implementation of Federal Legislation, prosecutor of the Kurortny district, deputy prosecutor, first deputy Prosecutor of St. Petersburg.

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

On December 27, 2021, based on the decree of the Governor of St. Petersburg, E. Fidirikova was appointed to the post of Chairperson of the Committee on Social Policy. Prior to her appointment, from September 24, 2021, she carried out the temporary duties of the Chairman of the Committee after the long-term head of this department, A. Rzhanev, was elected deputy of the Legislative Assembly of St. Petersburg.

## **LEGISLATION**

### **The main parameters of the budget of the Territorial Fund of Compulsory Medical Insurance of St. Petersburg have been approved**

The main parameters of the budget of the Territorial Fund of Compulsory Medical Insurance of St. Petersburg (TFOMS) for 2022-2024 are approved by the Law of St. Petersburg of November 25, 2021 No. 560-120. The TFOMS budget is balanced: the total amount of revenues and expenses for 2022 is determined in the amount of 128.6 bil-

lion rubles. For 2023, the revenues and expenses are determined in the amount of 134.5 billion rubles, for 2024 - in the amount of 141.15 billion rubles. The territorial program for 2022 and for the planning period of 2023 and 2024 was approved by the Law of St. Petersburg No. 618-127 of December 20, 2021.

### **The Law on the budget of St. Petersburg for 2022 and for the planning period of 2023 and 2024 has been adopted**

In accordance with the Law of St. Petersburg dated November 25, 2021 No. 558-119, the parameters of the budget of St. Petersburg for the next 3 years have been approved. The total volume of revenues of the budget of St. Petersburg for 2022 is determined in the amount of 890.8 billion rubles, expenditures - 971.5 billion rubles, deficit - 80.7 billion rubles. For 2023, revenues are determined in the amount of 978.8 billion rubles, expenditures - 1049.5 billion rubles, deficit - 70.7 billion rubles. For 2024, revenues - 1,049.4 billion rubles, expenditures - 1,100.5 billion rubles, deficit - 51.1 billion rubles.

### **The Law of St. Petersburg on the budget process has been amended**

The changes were made based on the Law of St. Petersburg No. 654-137 dated December 24, 2021. The amendments introduced into the Law of St. Petersburg No. 728-132 of November 9, 2011 relate to certain issues of the formation and execution of the budget of St. Petersburg. In addition to the amendments, article 15 of the Law on the Budget Process has been suspended.

### **SUE «Fuel and Energy Complex of St. Petersburg» will be privatized**

In accordance with the Law of St. Petersburg dated December 24, 2021 No. 656-138, SUE «Fuel and Energy Complex of St. Petersburg» is included in the privatization plan for 2022.

### **Amendments have been made to certain laws of St. Petersburg on taxes and fees**

Based on the Law of St. Petersburg dated December 25, 2021 No. 562-121, amendments were made to the Law of St. Petersburg dated June 28, 1995 No. 81-11 "On Tax Benefits" and a number of other tax laws. The changes relate to clarifying the procedure for granting tax benefits and calculating tax amounts.

## **MEETINGS, COOPERATION**

### **The X St. Petersburg Gas Forum was held**

The forum was held from October 5 to 8, 2021, at the Expoforum Exhibition Center. 13 thousand delegates from 28 countries took part in the forum. The forum's events were held in face-to-face and online modes. In total, 70 events were held with the participation of more than 480

speakers. The Forum is one of the 5 largest international congress and exhibition events in the oil and gas industry.

#### **The work of the III Eurasian Women's Forum was held in the Tauride Palace**

The forum was held from October 13 to 15, 2021. The main theme of the forum is "Women: a global mission in a new reality". More than 2.5 thousand participants from 111 countries of the world took part in the forum. About 3 million people joined the forum's events online. In total, more than 10 million people took part in the events of the forum, including within the framework of the Russian regional week. The forum was attended by the President of Russia V.V. Putin, Chairperson of the Federation Council of the Federal Assembly V. Matvienko and Deputy Prime Minister of Russia V. Abramchenko. UN Secretary-General A. Guterres addressed the forum participants with a video greeting.

#### **The issues of organization and operation of transformer hospitals are considered**

On October 14, this topic was discussed by the Deputy Chairman of the Government of Russia T. Golikova and the Governor of St. Petersburg A. Beglov. The Governor of the Northern Capital spoke about the city's experience in the construction and operation of transformer hospitals. T. Golikova has visited the new building of the Hospital for War Veterans on Narodnaya Street. The hospital started working at the end of 2020. The design and construction of the building with an area of 20 thousand square meters took only six months.

#### **The off-line stage of the XIX All-Russian Forum of Strategic Planning in the regions and cities of Russia was held in St. Petersburg**

The work of the off-line stage of the forum took place from October 25 to 27, 2021. The program of the forum included: 3 plenary sessions and 37 parallel actions (round tables, panel discussions, brainstorming sessions). About 600 people attended the main and additional events. More than 1,000 viewers watched the key events of the Forum live via Internet broadcasts.

#### **A joint plan of legislative work of the Legislative Assembly and the Governor of St. Petersburg has been signed**

The signing ceremony took place on October 27, 2021 in the Rotunda of the Mariinsky Palace. The joint plan of legislative work for 2021-2022 was signed by the Chairman of the Legislative Assembly A. Belsky and the Governor of St. Petersburg A. Beglov.

#### **The 100th anniversary of the Chamber of Commerce and Industry was celebrated in St. Petersburg**

The solemn meeting for the 100th anniversary of the St. Petersburg CCI was held on No-

vember 11, 2021 at the Smolny. The solemn events were attended by the President of the CCI of Russia S. Katyrin and the Governor of St. Petersburg A. Beglov.

#### **A regional agreement was signed between the authorities, trade unions and employers for 2020-2022**

The signing took place on December 1, 2021 at the Smolny. The Agreement was signed by the Governor A. Beglov, the President of the Union of Industrialists and Entrepreneurs of St. Petersburg A. Turchak and the chairman of the Interregional Association of Trade Union Organizations "Leningrad Federation of Trade Unions" V. Derbin. The signed Agreement on the Minimum Wage and Obligations of the parties is an annex to the Trilateral Agreement for 2020-2022. Among other things, the Agreement establishes the minimum wage in St. Petersburg for 2022 – 21.5 thousand. RUB, which is 36.9% higher than the federal level, which is 13.6 thousand rubles.

#### **The XI International Forum "Arctic: Present and Future" was held in St. Petersburg**

The work of the forum was held in the exhibition center "Exporforum" in the period from December 2 to December 4, 2021. The forum program included 2 plenary sessions, 52 discussion platforms dedicated to the goals and main directions of state policy in the Arctic, economy, infrastructure, science and technology, ecology, international cooperation, ensuring integrated security and the development of creative industries. More than 400 speakers attended the sessions. During the event, more than 2.5 thousand delegates from 40 regions of Russia visited it on- and off-line.

#### **The Smolny has summed up the results of international activities**

On December 16, 2021, Governor A. Beglov addressed the representatives of the diplomatic corps accredited in St. Petersburg with a traditional address. He noted that despite the difficult situation associated with measures to counteract the spread of a new coronavirus infection, St. Petersburg's international relations continue to strengthen. The Governor, in particular, mentioned the growth of trade turnover. Trade turnover with the CIS countries increased by almost 30%. The largest trading partners of the Northern Capital of Russia include: China, the Netherlands, Germany, the USA, Great Britain, Korea, Kazakhstan, Belarus and India. These countries account for about 66% of trade turnover.

#### **St. Petersburg has won the international tourism competition**

This became known on December 16, 2021. The city managed to win in four nominations of the World Travel Awards, including the most prestigious – the Leading Urban Destination of the World 2021. St. Petersburg's competitors in this nomina-

tion were 19 of the largest tourist cities in the world, including Paris, London, Rome, Venice, Sydney, New York and others.

### **St. Petersburg strengthens cooperation with VTB Bank**

Issues of development of cooperation between the city and VTB were discussed on December 20, 2021 at a meeting of Governor A. Beglov with President-Chairman of the Board of VTB Bank A. Kostin. The meeting discussed issues of cooperation on the implementation of large transport infrastructure projects in St. Petersburg. In particular, it was about the construction of new metro stations, a high-speed latitudinal highway and the second stage of the airport "Pulkovo".

### **St. Petersburg strengthens cooperation with Gazprombank**

On December 22, 2021, Governor A. Beglov discussed the development of cooperation with Chairman of the Board of Gazprombank A. Akimov. At the meeting, investment projects of urban significance, in which Gazprombank participates, were considered. Among the projects under consideration are the creation of new tram lines: Kupchino - Shushary - Slavyanka, Kupchino – the St. Petersburg State University campus under construction (on the territory of the former state farm Detskoslensky) and a line that would connect the city with the Pulkovo airport. The meeting also considered the implementation of joint projects in other areas of cooperation.

### **St. Petersburg strengthens cooperation with Gazprom**

On December 28, 2021, a meeting of the Interdepartmental Council for Cooperation between St. Petersburg and Gazprom was held. During the meeting, a Cooperation agreement for 2022-2024 was signed. The agreement provides for cooperation in the fields of gasification, electricity and heat supply, construction of sports facilities, the welfare of urban areas and cultural spaces. An agreement was also signed between the Ministry of Industry and Trade of Russia, the Government of St. Petersburg and Gazprom on the use of the industrial potential of the state to meet the needs of the gas industry.

## **2. EMPLOYMENT**

The analytical materials of the Committee on Labor and Employment give an idea of how the labor market is changing at the end of the second year of the pandemic. After a period of sharp changes in the labor market, in August-October 2021, the workforce amounted on average to 3100.4 thousand people and consisted of 3050.0 thousand employed and 50.4 thousand unemployed (Information from the website of the Com-

mittee on Labor and Employment of the Population of St. Petersburg).

At the same time, St. Petersburg maintains the lowest unemployment rate among the subjects of the Russian Federation (RF - 4.4%, NWFD - 3.5%, Moscow - 2.3%) according to data for August-October 2021.

According to the Employment Service, the total number of registered employed and unemployed citizens who applied to find a suitable job was 41,031 people in November 2021 (at the end of November 2020 – 110,656 people). The number of registered unemployed citizens at the end of November 2021 amounted to 24,952 people, including women – 64.1%; youth aged 16-29 years - 12.9%; citizens of pre-retirement age - 16.9%; disabled people - 7.7% (at the end of November 2020, the number of unemployed was 101,848 people). 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 November 2021 was 0.81% (at the end of November 2020, this indicator was 3.32%).

According to the Committee on Labor and Employment, by the end of 2021, the labor market has recovered: the main indicators have approached the pre-pandemic parameters. The number of officially employed people has become more than in 2020 and now amounts to 3 million 240 thousand people. The number of jobs increased by 2%. The unemployment rate calculated according to the methodology of the International Labor Organization is the lowest in the country – 1.6%.  
<https://ktzn.gov.spb.ru/press/news/65604/>

In total, during 2021, employers submitted 108132 vacancies to the Employment Service. From January to December, 82984 citizens were job-placed. For comparison, during the same period in 2020 there were 72,914, and in 2019 - 63,255 people job-placed. Today, 34,145 jobs are offered with less than 24,000 unemployed. After an acute personnel shortage in July - 55.7 thousand open vacancies; August - 54.7 thousand and September - 51.1 thousand - the situation has become more favorable for business, and is quite comfortable for applicants, which, in general, stimulates the development of the market.

In December 2021, the greatest demand was for working specialties, and among them - for electric gas welders – more than 2.5 thousand jobs. As before, installers of external pipelines are required - 1,199 vacancies. Employers continue to actively hire drivers of passenger taxis, but compared to the fall, the need for them has decreased. Painters, plasterers, masons, concrete workers, locksmiths are also needed. Doctors of various fields are still needed - a total of 641, and nurses - 533 jobs. There are high salary offers in many in-

dustries, especially in the field of medicine and IT. The average accrued salary in Petersburg amounted to 74,608 rubles, which is 10.8% more than last year; adjusted for inflation, it has increased by 4.5%.

As the chairman of the Committee on Labor and Employment Dmitry Cherneyko noted, "... the labor market has become completely different. Up to half a million people switched to remote work at the peak of the crisis in St. Petersburg, many services switched to online. What we used to talk about as of an experiment has now become mainstream. But now there is a shortage of personnel not only in this sphere. The deficit in HoReCa, trade, construction and many other areas has increased."

At the forum "Labor and Employment" on December 14, participants discussed new phenomena and features of the current situation. Special attention was paid to the hospitality industry, which found itself in a difficult situation as a result of anti-covid restrictions and their consequences. At the round table "Hotel cadres: on the verge of disaster", the heads of HoReCa segment companies shared their experience in overcoming the personnel crisis. For example, suburban hotels rely on localization - their staff is mainly local, and the task is rather to keep it, raising the salary level to the average market. Students partially cover the deficit, especially in the high season, and the involvement of older workers is also being considered.

The modern labor market is also changing under the influence of new forms of employment organization — new forms of labor relations and employment regimes are being established, the number of self-employed citizens and sole proprietors is growing.

### 3. PERSONAL INCOMES AND EXPENDITURES

The average nominal salary accrued for January-October 2021 amounted to 73,316 rubles (110.4% compared to January-October 2020). Real salary for the same period amounted to 103.9% compared to January-October 2020. The real monetary income of the population for January-September 2021 was 107.9% of the previous year, the amount of monetary income per capita for January-September 2021 was 51,155 rubles.

In accordance with the regional agreement No. 355/21-C dated 30.04.2021 between the Government of St. Petersburg, the "Leningrad Federation of Trade Unions" and the "Union of Industrialists and Entrepreneurs of St. Petersburg" from October 1, 2021, the minimum wage in St. Petersburg is 19,650 rubles.

From January 1, 2022, in accordance with the regional agreement No. 359/21-C dated 01.12.2021, the minimum wage in St. Petersburg will amount to 21,500 rubles.

The minimum unemployment benefit in 2022 will be 1,500 rubles per month (as in the previous year), the maximum - 12,792 rubles in the first three months of the unemployment period (this is 662 rubles higher than last year) and 5,000 rubles in the next three months.

In October-November in St. Petersburg, the Information and Analytical Center of St. Petersburg conducted a telephone survey of the population aged 18 years and older, the number of the interviewed was 1200. The results reproduce the situation of October - November last year: a quarter of St. Petersburg residents (25.4%) can be described as the poor and destitute (low incomes) – it is difficult for them to buy clothes (including 5.1% who lack funds to purchase food); 35.2% have average incomes (their difficulties begin with the purchase of durable goods, i.e., they can be classified as relatively poor). 35.1% of St. Petersburg residents can be described as wealthy and rich (high incomes). In comparison with April - May 2021, the share of the poor and destitute (low incomes) decreased by 5.3 percentage points. The positive dynamics is seasonal, and a deterioration in estimates should be expected by next spring. (St. Petersburg Information and Analytical Center)

The amount of the subsistence minimum established by the Decree of the Government of St. Petersburg dated 03/24/2021 No. 143 "On establishing the amount of the subsistence minimum per capita and by the main socio-demographic groups of the population in St. Petersburg for 2021" amounted to 11,910.4 rubles.

In accordance with Resolution No. 665 of 09/14/2021 "On establishing the minimum subsistence level per capita and for the main socio-demographic groups of the population in St. Petersburg for 2022", from January 1, 2022 to December 31, 2022, the minimum subsistence level is 12,428.0 rubles.

In the structure of the use of monetary incomes of the population at the end of the year, savings continued to decrease both in deposits (ruble and foreign currency in ruble equivalent), and in cash on hand (in rubles and foreign currency in ruble equivalent).

The consumer price index for food products in November 2021 to December 2020 amounted to 108.7% (103.9% in November 2020 to December 2019). The cost of the minimum set of food products in November 2021 amounted to 5,772.2 rubles per month, which is 2.6% higher than in October 2021.

The consumer price index for non-food goods in November 2021 to December 2020

amounted to 107.1% (104,4% in November 2020 to December 2019).

The cost of the minimum set of food products in Russia on average was 5133.28 rubles, in Moscow – 6143.50 RUB, St. Petersburg – 5772.15 rubles (According to the Administration of St. Petersburg).

In November 2021, compared with December 2020, prices rose (relative to beef) for chickens, lamb, margarine, potato, cabbage, carrots, onions; stir: frozen fish, butter, sunflower oil, pasteurized milk, sour cream, low-fat cottage cheese, hard cheese, sugar, rye-wheat bread, wheat bread, rice, millet, vermicelli, apples.

In 2021, the implementation of targeted programs of St. Petersburg aimed at improving the housing conditions of citizens is actively continuing. Among them, are "Affordable housing for young people", "Settlement of communal apartments", "Development of long-term housing lending in St. Petersburg" and "Housing for public sector employees".

In 2021, the administrations of the districts of St. Petersburg continued measures to relocate citizens from apartment buildings recognized as emergency and subject to demolition or reconstruction, as well as from residential premises (apartments) recognized as unsuitable for living. In January-November 2021, 250 people were resettled in comfortable residential areas, which is 13% less than in the same period last year.

In order to reduce the costs of citizens to pay for residential premises and utilities, social support measures are provided, established by the legislation of the Russian Federation and the legislation of St. Petersburg. Low-income citizens are provided with subsidies to pay for residential premises and utilities. As of December 1, 2021, the number of recipients of social support measures amounted to 1,092.8 thousand people, including their family members - 1,369.5 thousand people. The average amount of cash payments per 1 beneficiary was 1,493.50 rubles per month.

The support measures implemented from the budget of St. Petersburg have been indexed by 4% since January 1, 2022. There are more than 80 supported categories of citizens in St. Petersburg.

#### 4. INDUSTRY

The industrial production index in St. Petersburg in January-December 2021 compared to January-December 2020 was 107.5%.

The scientific and technological pharmaceutical company "Polisan" has launched a new line for the production of vaccines against the coronavirus - "Sputnik V" and "Sputnik Lite" in St. Petersburg. The production capacity of the new "Polisan" line allows to produce up to 40 million doses of vaccine per year. Investments in the modernization of production and the increase in capacity amounted to more than 1.5 billion rubles. The implementation of the project was preceded by the signing of a Memorandum on the development of the production of medicines in St. Petersburg between the companies "Polisan" and BIOCAD, which took place within the framework of the SPIEF. The production of vaccines "Sputnik V" and "Sputnik Lite" will be carried out within the framework of the signed agreement. "Polisan" has had the status of a strategic investor of the city for several years. The plant annually produces more than 26 million packages of medicines. (29.09.2021

<https://www.gov.spb.ru/press/governor/222860/>)

Izhora plants belonging to the OMZ Group, under a contract with JSC AEM-Technologies, manufactured and shipped the reactor vessel for unit No. 2 of the Akkuyu NPP (Turkey). The reactor core will go to the construction site of the Akkuyu NPP by sea and will travel more than nine thousand kilometers. Akkuyu NPP is the world's first project in the nuclear industry, implemented according to the BOO model ("build-own-operate"). The Akkuyu NPP project includes four power units with Russian reactors with increased safety and improved technical and economic characteristics. The capacity of each NPP power unit will be 1200 MW. (23.11.2021

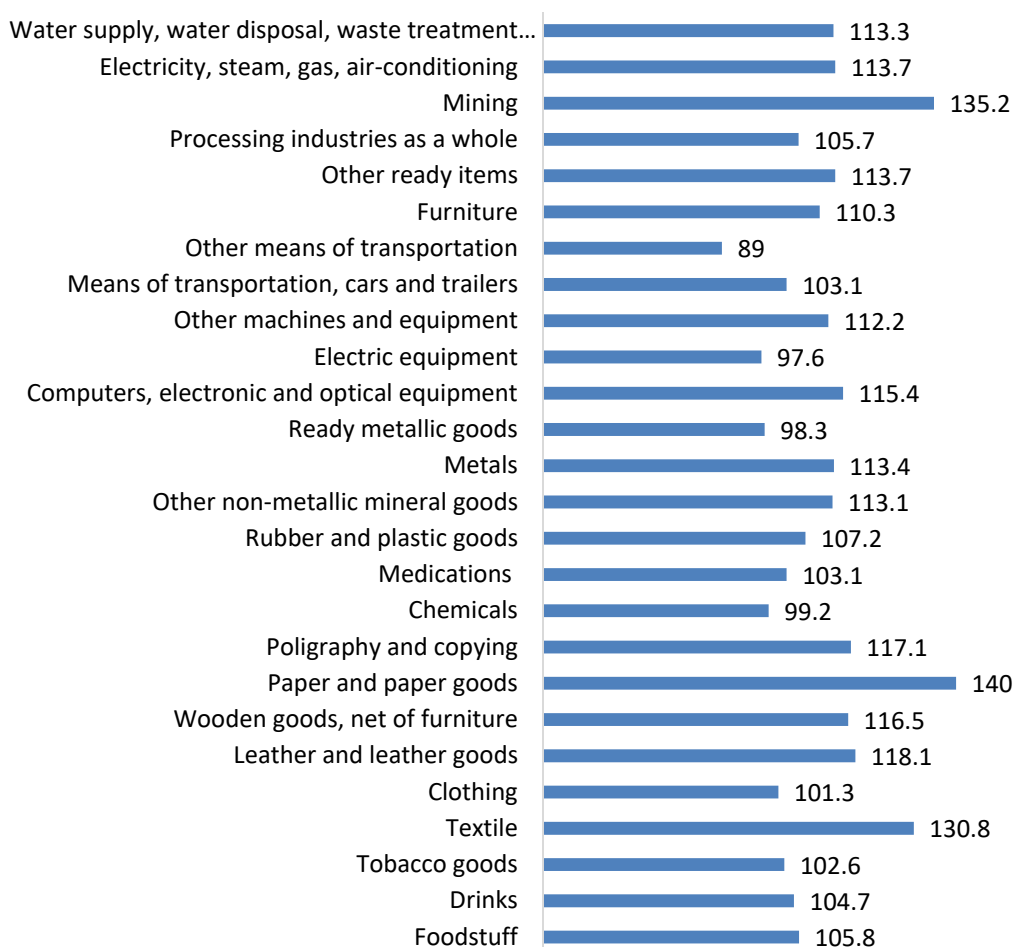
<https://www.metainfo.ru/ru/news/131712/>)

Izhora Pipe Plant (part of Severstal) for the first time delivered an experimental batch of large diameter pipes to Italy. The pipes were produced at the Izhora Pipe Plant for the Italian company D'amore & Lunardi S.p.A. The pilot supply included large-diameter pipes of the main range of gas pipes in demand in Italy. (22.11.2021

<https://www.metainfo.ru/ru/news/131694/>)

According to Kommersant, Kirovsky Zavod has received a contract for the production of turbines for floating nuclear power plants intended for the Baimsky GOK. The transaction amount will be 16.5 billion rubles. As part of the contract, the company will supply steam turbine units with a capacity of 58 MW each for four floating nuclear power units. (25.10.2021

<https://www.kommersant.ru/>)

**PICTURE 1. Industrial production indices by industries, January-October 2021 to January-October 2020**

## 5. FINANCE

The main revenue sources for the budget of St. Petersburg in 2021 were:

- personal income tax – 39.6%;
- corporate income tax – 31.4%;
- taxes on total income - 7.5%;
- property taxes - 7.2%;
- excise taxes - 3.7%;
- income from the use of property owned by the state and municipal property – 2.4%.

The growth rate of the volume of transfers to the budget of St. Petersburg was 3.7%, which is due to the receipt in a smaller volume than in January-November 2020:

- grants to support measures to ensure balanced budgets (a decrease of 4.5 billion rubles);
- subsidies for the implementation of the powers of the Russian Federation for implementation of social benefits for the unemployed (a decrease of 3.7 billion rubles.);

- subsidies for the implementation of the regional project "creation of a single digital circuit in health care on the basis of the unified state health information system (EGIS)" (a decrease of 0.4 billion rubles);

- funds transferred to the budgets at the expense of the reserve Fund of the Government of the Russian Federation (a decrease of 5.3 billion rubles).

At the same time, the budget of St. Petersburg received funds in a larger volume than in January-November 2020:

- for monthly cash rewards for classroom management for teachers of state and municipal educational institutions (an increase of 1.0 billion rubles);

- for monthly payments for children aged three to seven years (an increase of 0.7 billion rubles).

- for monthly payments in connection with the birth (adoption) of the first child (an increase of 0.7 billion rubles).



**TABLE 1. St. Petersburg's state debt structure on January 1, 2022**

	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

Source: City Committee of Finance

**TABLE 2. Debt service expenditures of the budget of St. Petersburg, as of January 1, 2022 (mln rubles)**

Item	Plan for 2021	Fact on 01.01.2022
Domestic debt service costs	6 289,9	5 986,6
Total	6 289,9	5 989,6

Source: City Committee of Finance

In addition, funding was received by the budget:

- for financial support for road construction activities in the amount of 4.2 billion rubles.;

- for co-financing of expenditure obligations of the Russian Federation subjects that arise in the implementation of regional programs of modernization of primary link of healthcare in the amount of 1.3 billion rubles.;

- subsidies from the budget of the Leningrad region in order to implement the Agreement on compensating privileged categories of citizens in the amount of 0.8 billion rubles.

#### STATE DEBT

The information on the structure of public debt as of January 1, 2022 is presented in tables 1 and 2.

## 6. MUNICIPAL AFFAIRS

#### BEAUTIFICATION, RESTORATION, CAPITAL REPAIRS

In September, restoration and reconstruction began of 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 works have been resumed in the building of the Rimsky-Korsakov St. Petersburg Conservatoire. 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 planned 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. (According to RBC materials)

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 structures of the bridge, 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 Vladimirskaaya 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 landscaping 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 preparation of project 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 "De-lov 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 of 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 accidents in January-July 2021 amounted to 2773, which is lower than the level of the same for the period 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 in 2020. (According to Petrostat)

Passenger traffic at Pulkovo Airport in January-August 2021 amounted to 11.6 million passengers, which is 5% higher than 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 in January-August 2019). Among Russian air carriers, the leaders in the number of passengers transported in January-August 2021. They became Russia, 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 sold three objects owned by St. Petersburg and managed by SUE Vodokanal of St. Petersburg on the site of the Russian Auction House. The privatized facilities include 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 Solnechnoye and Komarovo. According to the results of the auction, the company received 129.7 million rubles, which is 2.3 times higher than the initial price of the objects. 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 the overhaul 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 measures for the development of railway infrastructure in the amount of 48.3 billion rubles (including taking into account the 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

According to the St. Petersburg Construction Committee, 291 860.4 sq.m of housing was built in October, or 118 new houses with 5,756 apartments. In November, 173,586.20 sq.m. of shared housing or 1,170 new houses with 3,997 apartments. According to preliminary results, 1,349 new residential buildings with 62,325 apartments were built in the city.

In general, during the year, the most housing was built in the Primorsky district - 170 new residential buildings for 3,997 apartments. In addition, a large scale of housing construction is observed in the Moscow and Vyborg districts.

As part of the targeted investment program (AIP), 16 facilities were built in the city. Among them are 5 schools, 5 kindergartens, children's and adult polyclinics, a library and a dormitory for doctors. At the expense of investors, 29 social facilities were created, including 16 kindergartens for 2,401 places and 4 schools for 4,025 places.

In December, Nikita Stasishin, the Deputy Minister of Construction and Housing of the Russian Federation, has visited St. Petersburg and held a meeting with representatives of the construction industry. As of November 1, the plan for 2021 has been exceeded: "St. Petersburg shows serious dynamics in housing commissioning in comparison "year to year". While in the last year, by the beginning of November, about 2.8 million square meters of housing were commissioned in the region, today it is already a little more than 3 million square meters," the Deputy Minister has noted.

At a meeting in the Ministry of Construction of Russia, where preliminary results of the work of regional authorities in the field of construction were discussed, it was noted that the Leningrad Region is leading in terms of housing commissioning and the transition of developers to project financing. 3.3 million square meters have already been commissioned there. Using escrow accounts, 214 projects of apartment buildings with a living area of 2,461 thousand sq meters are being implemented in the region.

#### **CO-INVESTORS**

At the end of September, an order was issued by the Ministry of Construction and Housing and Communal Services to approve a format of information to exclude problematic objects from the Unified Register of Problem Objects (ERPO). 2.9 thousand long-term construction projects are included in the ERPO, 341 of them without claims from citizens. Previously, such houses could not be excluded from the register on formal grounds. However, the situation changed when Law 273-FZ came into force on July 1, 2021.

According to the amendments, the list of grounds for excluding objects from the ERPO was supplemented with three criteria. Among them: the cancellation by the subject of the Russian Federation of all the claims of shareholders, the absence of obligations of the builder to citizens, as well as the payment of insurance compensation to shareholders for non-fulfillment of obligations to transfer housing under a shared-equity construction contract.

Thus, only those houses for which there are citizens whose rights need to be restored will remain in the register. The exclusion of a number of objects from the list of problematic ones will speed up construction with the help of project financing.

#### **TERRITORIAL DEVELOPMENT, REGULATION**

Since the adoption of the law on complex development of territories, it has become possible to update not only new, but also built-up territories, including in the centers of Russian cities. According to the Ministry of Construction of Russia, among the first results, it should be noted the high level of adoption of regional regulations on the complex territorial development: 83 subjects of the Federation have adopted acts that allow the implementation of such projects. Decisions have been made to implement more than 20 projects on throughout the country. In general, the urban development potential is more than 130 million square meters of housing.

There are several measures to support developers: infrastructure bonds, infrastructure budget loans, support for low-margin projects, funds from the National Welfare Fund. Applications for more than 483 billion rubles were approved for budget loans to the regions for 15 years at 3%. Financing for the projects will be provided to the subjects of the Federation from January 1, 2022.

More than 260 large-scale projects to create a comfortable urban environment have already been implemented in small cities across Russia. The developed, comprehensive improvement plans were able to receive financial support from the federal budget on a competitive basis — they became the winners of the All-Russian competition for the best projects for creating a comfortable urban environment of small towns with a population of up to 100 thousand people and historical settlements. In total, 560 projects were selected in 78 subjects, their implementation will be completed by 2023. The competition is part of the federal project "Formation of a Comfortable Urban Environment" and has been held since 2018. During this time, subsidies in the total amount of 35 billion rubles were distributed among 560 winning projects. 28 regions of the country participated in the competition for the formation of a comfortable environment in small towns and historical settlements this year.

The Government Commission for Regional Development has approved the first concession project in Russia for the construction of infrastructure for housing using the DOM.RF bonds. As part of the concessions, it is planned to build utility networks of electricity supply and a public highway for the future residential quarter "Uyun Park" in Yuzhno-Sakhalinsk on Sakhalin. The amount of the infrastructure loan will amount to 5.4 billion rubles.

The financing raised through the DOM.RF bond will be directed to the construction of power supply facilities, as well as the road infrastructure.

Also, projects with a total cost of 15 billion rubles have already been approved in the Tula,

Chelyabinsk, Tyumen, Kursk, Sakhalin regions. Until 2024, the volume of DOM.RF bonds issues will exceed 150 billion rubles.

The new infrastructure financing mechanism was launched in 2021. With its help, it is possible to create road, engineering and social infrastructure within the framework of housing construction projects, as well as facilities for urban development. The mechanism provides for the possibility of preferential financing of PPP projects and concessions, as well as the provision of loans to developers and subsidiary companies of subjects within the framework of the implementation of projects that ensure the substantial commissioning of new housing. The preferential rate is provided by a subsidy from the federal budget.

## 8. INVESTMENT PROJECTS

According to Petrostat, the total volume of financial investments of organizations (excluding small businesses) in January–September 2021 amounted to 14575.4 billion rubles, including long-term financial investments accounted for 1683.7 billion rubles, or 10.9%.

The volume of investments in fixed assets in January-September 2021 amounted to 511.9 billion rubles, which amounted to 100.3% compared to the corresponding period last year. The specific structure of investments in fixed assets is presented as follows:

- 55.7% is directed to machinery and equipment, including household inventory, and other objects;
- 24.0% - buildings (except residential) and structures, land improvement costs;
- 12.0% - residential buildings and premises;
- 5.7% - intellectual property objects;
- 2.6% - other.

In the structure of investments by sources of financing, own funds accounted for 62.0%, attracted - 38.0%, of which bank loans accounted for 9.6%, budget funds - 14.2%, investments from abroad - 0.2%

It can also be noted that following the results of 9 months, the volume of investments in the manufacturing industry of St. Petersburg increased by 1.7 times compared to the same period last year.

### **The territory of an industrial enterprise in the center of St. Petersburg will be built up with housing**

The site on which the residential complex will be built is part of the territory of Russia's oldest battery factory "Rigel". Earlier, the project was approved by the city Committee for State Control, Use and Protection of Monuments of St. Petersburg (KGIOP).

The new complex of six buildings will be built on a plot of 4.3 hectares with access to the embankment of the Karpovka River. An elementary school and kindergarten building will be located in the center of the courtyard space. The project was prepared by the architectural bureau "A. Len". The volume of investments in the project is estimated at 10-12 billion rubles.

### **A group of scientists from the Faculty of Physics of ITMO University will conduct research on the physics of active matter for the Bosch Group of companies**

The parties signed an agreement under which the German corporation will pay ITMO several million rubles a year. If scientists manage to create new technologies during the research, they will be owned by Bosch.

We are talking about research in the field of physically controlled group robotics - micro robots that are assembled into various forms due to physical phenomena, and not programs embedded in them. The point of the study is to understand in what forms this matter can be collected and under what conditions. If the technologies controlling the group self-organization of moving particles are created in practice, they will be able to be used in the household and medical spheres.

### **St. Petersburg manufacturer of automotive components "Peterform" is expanding production facilities in the Vyborg district of the city**

"Peterform" is a joint project of two multinational manufacturers of automotive components - Magna International (Canada) and Shin Young (South Korea). According to the project concept, five new objects of the automotive industry and engineering infrastructure will appear on the new territory, three road exits will be organized. These changes will make it possible to place the acquired high-tech equipment for the manufacture of car body parts and organize robotic welding lines. The company cooperates with such automakers as Hyundai Motor Manufacturing Rus and Nissan Manufacturing RUS.

The volume of investments in the expansion of production will amount to 6 billion rubles.

### **The Volgograd pancake chain "Blinberi" has opened in St. Petersburg**

The company has already opened three outlets and its own production, within the next two years the company plans to open 10 pancake shops in the Northern capital, in the long term - up to 30 outlets. The investments imply not only the launch of retail outlets, but also the development of their own production.

### **The "Teremok" restaurant chain intends to open four restaurants in St. Petersburg and the Leningrad Region in 2022**

New establishments will appear in Yanino, Shushary, Vasilievsky Island and Vyborg. It is also planned to change the location and concept of restaurants in shopping centers and the reconstruction of other operating points. In addition, Teremok intends to develop a network of mini-restaurants with an area of about 100 sq. m. with a small number of seats (they will mainly work for delivery and takeaway), as well as confectionery as a separate project. Another direction that the company focuses on is food trucks. The company invested 200 million rubles in the project.

**New production line has been launched by St. Petersburg company "Petro" (the leading enterprise of Japan Tobacco International (JTI)).**

By launching a line for the production of sticks for tobacco heating systems, the company has completed the first stage of modernization of the plant. The total investment in the project amounted to 7 billion rubles, the implementation period is 2021-2023. The project will also make it possible to prepare for the introduction of mandatory digital labeling, which will take effect from March 2022.

**The opening of the first Russian School of Principal Investigator in Artificial Intelligence took place at the St. Petersburg State Electrotechnical University "LETI"**

The school is organized on the basis of the A.S. Popov International Innovative Institute of Artificial Intelligence, Cybersecurity and Communications. More than a hundred young researchers from various regions of Russia and other countries will take part in the training on programs of three levels of complexity.

Also, under the guidance of leading experts from ETH Zurich, UMontreal, St. Petersburg State Technical University "LETI", participants will master the competencies necessary to lead their own project in the field of artificial intelligence technologies in the future.

Among the partners of the school, established with the support of the Government of St. Petersburg, are large companies, universities and world-class research centers.

**The Magnit chain will open a supermarket of a new format in Pulkovo**

The Magnit City store will start operating at the end of December on the first floor of the terminal. It will feature more than 1.3 thousand products with an emphasis on cooking and ready-to-eat dishes, and a cafe area with 20 seats. This network format will be presented only at the airport.



## ***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/>