

GENERAL OVERVIEW OF SOCIO-ECONOMIC SITUATION IN ST. PETERSBURG

January-March 2022 № 174



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1. CITY MANAGEMENT

APPOINTMENTS

The head of St. Petersburg Vodokanal has been replaced

Since January 21, 2022, the General Director of SUE Vodokanal of St. Petersburg is S. Volkov. Prior to this appointment, S. Volkov held the position of the first deputy General Director of the Vodokanal. The former general director of the enterprise, A. Danilov, has moved to another job.

There have been changes in the distribution of powers of the vice-governors of St. Petersburg

The changes introduced on March 4, 2022 affected two vice-governors – B. Pitorovsky and M. Meiksin. The first one now coordinates and controls the work of three state committees: on culture, on physical culture and sports, on press and interaction with the media. The second is responsible for the committees: on interethnic relations and the implementation of migration policy, on youth policy and interaction with public organizations, territorial development of St. Petersburg, as well as the Department for Relations with Religious Associations of the Administration of the Governor of St. Petersburg.

New head of the State Financial Control Committee of St. Petersburg

On March 17, 2022, S. Makeev was appointed the Chairman of the State Financial Control Committee. Prior to this appointment, S. Makeev held the position of an Acting Chairman of the same Committee.

Staff changes in the Committee for Energy and Engineering of St. Petersburg

In accordance with the order of the Governor of St. Petersburg, A. Bondarchuk was dismissed from the post of the Chairman of the Committee on Energy and Engineering, having held this post since January 2013. From March 21, 2022, the temporary performance of the duties of the Chairman of the Committee was entrusted to the Deputy Chairman of the Committee S. Melnikova.

A meeting of the Coordinating council for the development of the transport system of St. Petersburg and the Leningrad Region

The meeting was held on February 22, 2022, under the chairmanship of Deputy Chairman of the Government of Russia M. Khusnullin. The meeting was attended by the governors of St. Petersburg and Leningrad region A. Beglov and A. Drozdenko. The participants of the meeting considered the updated Strategy for the development of the transport system of St. Petersburg and the Leningrad region

until 2030 and the issues of the functioning of the St. Petersburg transport hub.

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

The meeting was held on March 1, 2022 in Moscow. The Governor of St. Petersburg A. Beglov reported to the President of Russia V. Putin on the socio-economic situation in the city. The focus was on the most important areas of St. Petersburg's development.

An Operational Staff was established to ensure economic and social stability in St. Petersburg

The Operational Staff was established on March 2, 2022. The Governor A. Beglov leads its activities. The deputy head is the Vice-Governor A. Korabelnikov. The Operational Staff also includes heads of territorial structures of federal state authorities, state authorities of St. Petersburg, unions and associations of business circles. The first meeting of the Operational Staff was held on March 4, 2022. In its work, the Operational Staff interacts with the one formed on January 21, 2022 at the federal level, the Government Commission for Improving the Sustainability of the Russian Economy under the conditions of external restrictions.

LEGISLATION

Amendments have been made to the legislative acts of St. Petersburg on the exercise of certain state powers by local self-government bodies

In accordance with the Law of St. Petersburg No. 28-4 of February 9, 2022, two city laws were amended. The Law of St. Petersburg of October 31, 2007 No. 536-109 changed the Methodology for calculating the amount of subsidies provided to the budgets of municipal entities for the fulfillment of expenditure obligations to ensure the exercise of certain state powers. Changes have been made to the conditions and procedure for the termination of the exercise of certain state powers by local self-government bodies. Similar amendments were made to the Law of St. Petersburg of January 16, 2008. No. 3-6 "On Endowing Local Self-Government Bodies of Inner-city Municipalities of St. Petersburg with selected state powers of St. Petersburg to Determine Local Self-Government Officials Authorized to Draw up Protocols on Administrative Offenses".

The procedure of interaction of authorities during comprehensive development of territories has been approved

The Resolution of the Government of St. Petersburg No. 145 of February 24, 2022 has approved the Regulation on the procedure for interaction of the executive bodies of the state power of St. Petersburg in the comprehensive development of a territory of non-residential development and of non-built-up territories. The procedure applies to cases of decision-making on the comprehensive development of a territory, within the boundaries of which there are land plots that are in state ownership of St. Petersburg, or land plots, state ownership of which is not delimited.

In St. Petersburg, the regime of restrictions on countering the spread of the coronavirus infection has been relaxed

After the January sanitary and epidemiological tightening caused by the new wave of morbidity growth, including among children, decisions were made to significantly relax the anti-COVID measures in March 2022. The reason for this was a significant reduction in the level of morbidity. In accordance with the Resolution of the Government of St. Petersburg No. 163 dated March 2, 2022, QR codes were canceled from March 4, 2022. The norm obliging employees over the age of 60 to switch to a remote mode of work has been abolished, as well as the recommendation on their self-isolation. It is not necessary to coordinate with the authorities the holding of events of up to 100 people. Restrictions on the occupancy of restaurants, swimming pools and fitness centers, gas stations, ice rinks, aquariums, amusement rides, water parks have been lifted. Based on the decree of the Government of St. Petersburg No. 240 dated March 24, 2022, from March 28, 2022, all restrictions on the occupancy of theaters, circuses, cinemas and concert venues have been lifted. At the same time, the norm continues to apply, according to which the maximum number of viewers cannot exceed 2 thousand people. The number of participants in events that do not require coordination has been increased to 300 people. The restriction on the 50% occupancy of river trams has been canceled.

Changes in the legal framework of the state procurement of St. Petersburg

The Resolution of the Government of St. Petersburg No. 243 of March 25, 2022 has approved the Procedure for the procurement of goods, works, and services by St. Petersburg from a single supplier. The cases in which state contractors have the right to purchase products from a single supplier (contractor, manufacturer) are determined. These provisions supplement part 1 of Article 93 of the Federal Law "On the Contract System in the Field of Procurement of Goods, Works, Services for State and Municipal Needs".

The price of meals at state educational institutions have increased

Based on the decree of the Government of St. Petersburg dated March 28, 2022 No. 253, the

price of meals in state educational institutions was established. From April 1, 2022, a student will have to pay 87 rubles 45 kopecks for breakfast, 131 rubles 17 kopecks for lunch, 218 rubles. 62 kopecks for a set lunch. The cost of meals has increased by 30%. The new rates are set for the period until June 30, 2022.

MEETINGS, COOPERATION

St. Petersburg will receive additional funding from the federal budget

On January 26, 2022, an agreement was signed between St. Petersburg and the Ministry of Finance of Russia. The agreement provides for the provision of a loan to St. Petersburg for the implementation of priority infrastructure projects. The total amount of financing will amount to 24.2 billion rubles. Credit funding is provided to the city on preferential terms for a period of 15 years at a rate of 3% per annum.

The city administration held meetings with entrepreneurs

The meeting with representatives of large business took place on March 10, 2022, with representatives of small and medium-sized enterprises on March 15, 2022. The meetings were attended by: Governor A. Beglov, Chairman of the Legislative Assembly A. Belsky, President of the St. Petersburg Chamber of Commerce and Industry V. Katenev, representatives of large, medium and small businesses. At the meetings, the issues of the work of enterprises in the conditions of sanctions and measures of state support for business were discussed. One of such measures was the additional capitalization of the Small Business Lending Assistance Fund in the amount of 1 billion rubles. At the expense of these funds, the Fund will provide loans on preferential terms for the implementation of import substitution projects.

The healthcare sector of St. Petersburg is to use digital technologies

The issues of using digital technologies of the Sber in urban healthcare were discussed on March 19, 2022 at a meeting of the working group chaired by Governor A. Beglov and Deputy Chairman of the Board of Sberbank O. Golodets. The meeting was also attended by: Director General of the Almazov National Medical Research Center E. Shlyakhto, representatives of Sberbank, heads of specialized authorities and health care institutions. During the meeting, it was noted that the transition of urban medicine to digital technologies could be carried out within the framework of the implementation of the Digital Information Strategy.

The implementation of housing and infrastructure projects in St. Petersburg was discussed at the Smolny

These issues were discussed on March 23, 2022 at a working meeting of Governor A. Beglov

with the Chairman of the Supervisory Board of the Housing and Communal Services Reform Assistance Fund S. Stepashin. During the conversation, it was noted that a number of projects could be financed from the funds of the Housing and Communal Services Reform Fund, which were received from the National Welfare Fund. Among such projects are construction of the second branch of the main sewer collector, major repairs of residential buildings and repair of elevator equipment.

2. EMPLOYMENT

In December 2021, 1554.6 thousand people worked at large and medium-sized enterprises of St. Petersburg. In the structure of employees, 94.7% were full-time employees, 2.2% were part-timers and 3.1% of the total number of employees were temporary employees.

Compared to the previous month, the number of full-time employees increased by 0.4%, the number of part-time workers increased by 0.3%, and the number of temporary employees decreased by 22.5%

In January-December 2021, the number of employees at these enterprises increased by 3.2% compared to the same period in 2020. The number of full-time employees increased by 2.7% over the same period. The number of part-timers increased by 4.1%, the number of employees working under contracts increased by 21.6%.

In December 2021, the largest number of jobs was in education, transport and communications, processing industries, healthcare, wholesale and retail trade, and the smallest for agriculture and forestry, hotels and restaurants, and other types of services. 48.2% of all employees at large and medium-sized enterprises of the city worked in the public sector of the economy.

In November 2021 - January 2022, the number of economically active population amounted to 3113.0 thousand people, including 3060.0 thousand employed and 46.9 thousand unemployed. Persons who are not part of the labor force accounted for 1440.6 thousand people. During the period under review, the employment rate was 67.2% (the share of the number of employed in the total population aged 15 to 72 years), the level of economic activity was 68.2% (the share of the economically active population in the total population aged 15 to 72 years) (<http://ktzn.gov.spb.ru/analiticheskaya-informaciya/>).

According to Petrostat, the number of employees scheduled for discharging in the first quarter of 2022 in St. Petersburg organizations (without small businesses) amounted to 1,560 people or 0.1% of the total number of employees of St. Petersburg organizations (without small businesses) in November 2021. At the same time, the number of required employees for vacant jobs at the end of the IV quarter of 2021 in St. Petersburg organizations (without small business entities) amounted to 102.4 thousand people.

The labor market in St. Petersburg by the end of 2021 has almost overcome the consequences of the pandemic, Dmitry Cherneyko, the Chairman of the State Committee on Labor and Employment of the population, told Finmarket. The Chairman of the Committee added that labor migrants from abroad began to actively return to the city. The authorities expect that by the end of 2021, the number of foreign workers in St. Petersburg will grow to 320 thousand people, which is 20% higher compared to the previous year. The largest number of labor migrants are citizens of Uzbekistan, Tajikistan and Belarus (<http://www.finmarket.ru/database/news/5607157>).

During 2021, the number of job offers from employers grew faster than the activity of job seekers. The stated need for workers peaked in July 2021 (Table 1).

TABLE 1. St. Petersburg enterprises' demand for workforce, January 2021 – January 2022.

Month	Demand for workforce reported to the Employment service, thous. people	Number of unemployed people per 1 vacancy		
		persons	In % to the previous month	In % to the same month of the previous year
January 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	29,0
July	55,7	0,7	77,8	20,0
August	54,7	0,7	100,0	19,4
September	51,1	0,7	100,0	20,0
October	45,5	0,8	114,3	26,7
November	39,1	0,9	112,5	32,1
December	34,1	0,9	100,0	33,3
January 2022	29,2	0,9	100,0	36,0

TABLE 2. Change in the number of officially registered unemployed persons in St. Petersburg, January-December 2021, January 2022

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 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
August	38,3	28,1	90,6	26,5
September	36,6	25,7	91,6	23,9
October	36,5	25,0	97,3	23,7
November	33,9	25,0	99,7	24,5
December	31,1	24,1	96,7	24,6
January 2022	26,2	20,3	84,3	24,9

In 2021, St. Petersburg employers placed 43% more vacancies than in the whole of 2020, or almost 800,000 new vacancies. (<https://spb.hh.ru/article/29963>). The labor market in 2021 was actively recovering after prolonged epidemiological restrictions. The activity of applicants increased, but at the end of the year, it was still 5% less compared to 2020.

Despite the large increase in the number of job offers, applicants throughout 2021 did not seek to change the type of activity in the search for a new job, experts of the hh.ru note.

Firstly, this is due to the accumulated fatigue from the most stressful 2020, when the level of uncertainty has gone off scale. Not everyone is confident in the high demand for personnel, and many applicants decide not to take risks, not to enter the labor market and not to leave their old job.

Secondly, it is important to understand that there are half as many people of working age and especially the younger generation (18-33 years old), who enter the labor market with the start of the business season in the fall, now as there were ten years ago, and the reason is the demographic pit of the 90s.

Thirdly, not all applicants from St. Petersburg are satisfied with the salary offers of employers. Now about 26% of applicants agree to 57,000-59,000 rubles of the average salary offered in St. Petersburg. They are waiting for a salary from 60,000 to 100,000 rubles. 29% of local residents, another 10% want 100,000 to 300,000 rubles in their hands, and only 8% are ready to receive 10,000 to 30,000 rubles, another 15% will agree to a range from 30,000 to 40,000 rubles.

In January 2022, 26.2 thousand people were registered in the Employment Service of St. Petersburg (Table 2). Of these, 77.5% were officially recognized as unemployed.

In January-February 2022, the Employment Service received 21,464 applications from citizens

for the provision of public services, including 9,479 applications for vocational guidance, and 3,059 applications for informing about the situation on the labor market. At the end of February 2022, the need for employees declared by employers to the Employment Service amounted to 25,644 vacancies, of which 70.9% were in working professions.

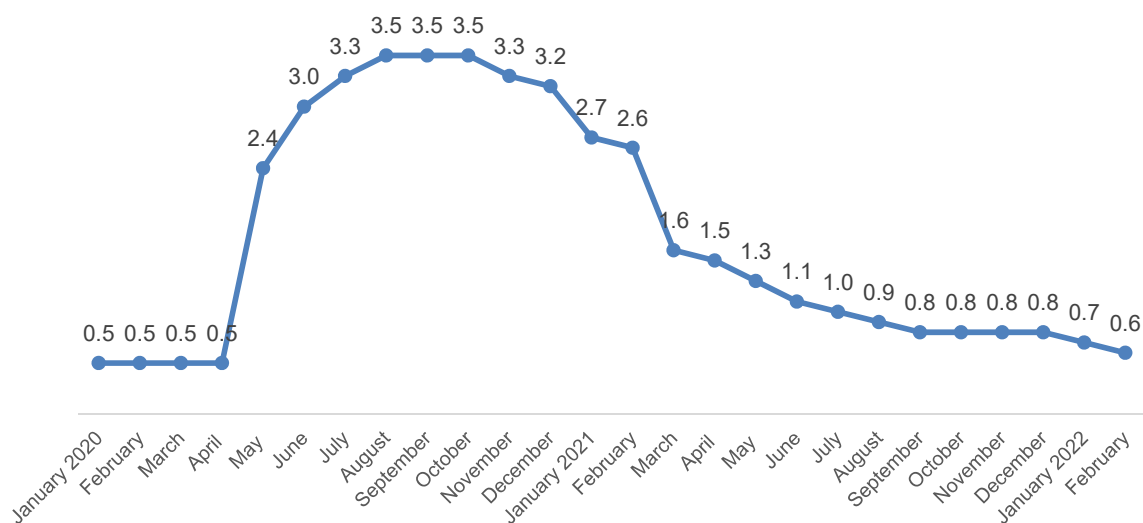
The number of registered unemployed citizens at the end of February 2022 amounted to 18,100 people, including women - 63.0%; youth aged 16-29 - 10.2%; citizens of pre-retirement age - 19.2%; disabled - 10.1% (at the end of February 2021, the number of unemployed was 79,335 people). (<http://ktzn.gov.spb.ru/analiticheskaya-informaciya/>).

In January 2022, 1.1 thousand people received the status of unemployed (3.9 thousand people or 4.6 times less than in January 2021). The size of the unemployed in January 2022 was 2.7 thousand people or 3.4 times less than in the same period of 2021, and amounted to 1.1 thousand people.

According to Rosstat, in November 2021–January 2022, the unemployment rate (according to the methodology of the International Labor Organization) amounted to 1.5% of the economically active population (EAN). St. Petersburg had one of the lowest unemployment rates among the subjects of the Russian Federation (in the North-Western Federal District - 3.4%, Moscow – 2.3%, the Russian Federation – 4.3%).

The level of registered unemployment (the ratio of the number of registered unemployed to the number of the workforce on average for 2020) at the end of February 2022 was 0.59% (at the end of February 2021, this indicator was 2.59%). (www.rspb.ru) (Figure 1). This is the lowest indicator among the regions of the North-Western Federal District.

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



3. PERSONAL INCOMES AND EXPENDITURES

PRICES

In 2021, prices in the consumer sector of the economy of St. Petersburg increased by 8.7%. In the same period of 2020 - by 4.3%.

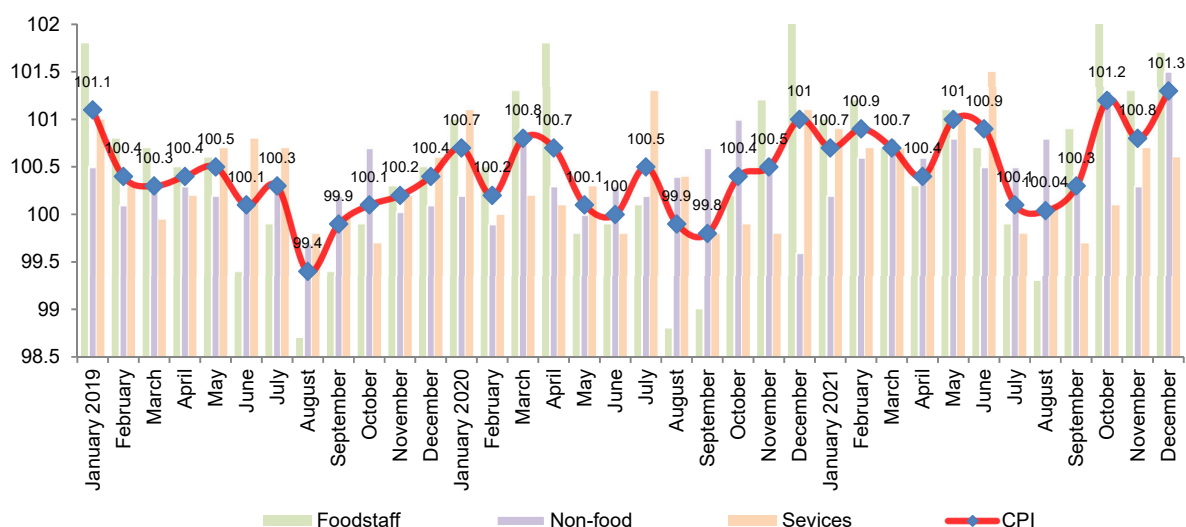
The growth of consumer prices in 2021 in St. Petersburg was 0.3 percentage points higher than the national average. In January 2022, consumer prices increased by 1.0% (Figure 2).

In 2021, tariffs for paid services to the population increased by 6.6% in St. Petersburg. For comparison: in 2020 — by 3.7%.

The increase in prices for paid services in St. Petersburg in 2021 was 1.6 percentage points higher than the average Russian level. Prices for paid services increased by 1.2% in January 2022.

In 2021, prices for food and non-food products increased by 10.5% and 8.8%, respectively. The increase in prices for food products in St. Petersburg in 2021 was 0.1 percentage points lower than the national average, and for non-food products - 0.2 percentage points higher than the national average.

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



Among non-food products in 2021, St. Petersburg saw an increase in prices for building materials (+ 20.2%), furniture (+ 16.2%), tableware (+ 14.1%), tobacco products (+ 12.6%), perfumes and cosmetics (+ 8.9%), white paper and stationery (+ 7.7%), haberdashery (+ 5.8%), detergents and cleaning products (+ 5.7%), knitwear (+ 4.4%), shoes (+ 4.3%), clothing (+ 4.2%), electrical goods (+ 5.4%), hosiery (+ 3.1%), medicines + and 2.8%). fabrics (+ 2.2%).

In 2021, the cost of a vacation trip to Turkey increased by 1.6 times, accommodation in hotels - by 18.8%, air travel – by 17.6, insurance services – by 15.3, the cost of travel on long–distance trains increased by 14.6, the subscription fee for a package of cellular services – by 14.3, sanatorium and wellness services – by 12.2, veterinary services – by 11.5, the cost of travel in urban passenger transport - by 8.4, housing and communal services provided to the population – by an average of 4.7%.

In 2021, gasoline prices increased by 8.4%, and diesel fuel prices increased by 9.0%. In January 2022, gasoline prices increased by 1.2%, diesel fuel by 0.8%.

PERSONAL INCOMES AND EXPENDITURES

The real accrued salary, calculated taking into account the consumer price index, in December 2021 amounted to 138.2% compared to the level of November 2021 and 103.6% compared to the level of December 2020 (Table 3).

The average nominal salary accrued for January-December 2021 was 75958 rubles, for December 2021 – 103797 rubles. The value of the average nominal salary of Russian citizens in December 2021 was 24.9% less than in St. Petersburg and amounted to 77994 rubles, in 2021 - 56545 rubles. (25.6% less than in St. Petersburg).

According to the organizations of the observed types of economic activity (excluding small business entities) that provided information on as of February 1, 2022, the total salary arrears amounted to 31.6 million rubles (Figure 3). The volume of debt amounted to 121.6% compared to January 1, 2022, and to 31.4% compared to February 1, 2021. Manufacturing accounted for 98.1% of the total arrears, construction – for 1.9%. Of the total amount of the arrears, 1.4 million rubles were the arrears formed in 2020 and earlier.

SALARIES DIFFERENTIATION IN ST. PETERSBURG

The gap between the highest salary (mining) and the lowest (provision of social services) was 8.6 times in December 2021 (Figure 4) 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 salaries in December 2021 were paid in mining (the salary of workers in this industry was 3.6 times higher than the average salary in St. Petersburg).

In December 2021, the average salary in St. Petersburg was significantly exceeded by the remuneration of employees engaged in financial activities (by 76.0%), activities in the field of information and communications (by 54.3%), in the scientific and technical field (by 46.0%),

The lowest salaries were paid to those employed at hotels and resorts (41.8% of the average salary), provision of other communal, social and personal services (50.4% of the average salary), agriculture (57.4% of the average salary).

TABLE 3. Real wage dynamics in St. Petersburg, January-December 2021, %

	St. Petersburg		Russian Federation	
	Real wage		Real wage	
	To the previous month	To the same month of the previous year	To the previous month	To the same month of the previous year
January 2021	71,2	99,5	71,1	101,1
February	106,7	103,8	101,7	102
March	104,6	99,2	107,1	101,8
April	101,0	116,9	102,5	107,8
May	95,7	108,5	98,3	103,3
June	105,0	104,9	103,6	104,9
July	93,4	102,0	93,5	102,2
August	94,1	103,0	94,5	101,5
September	106,9	103,3	103,7	102,0
October	96,2	99,4	98,6	100,6
November	101,8	104,5	100,7	103,4
December	135,2	103,6	138,8	103,6

FIGURE 3. Dynamics of salary arrears in St. Petersburg, January 2020 – February 2022 (on the first day of each month), mln rubles

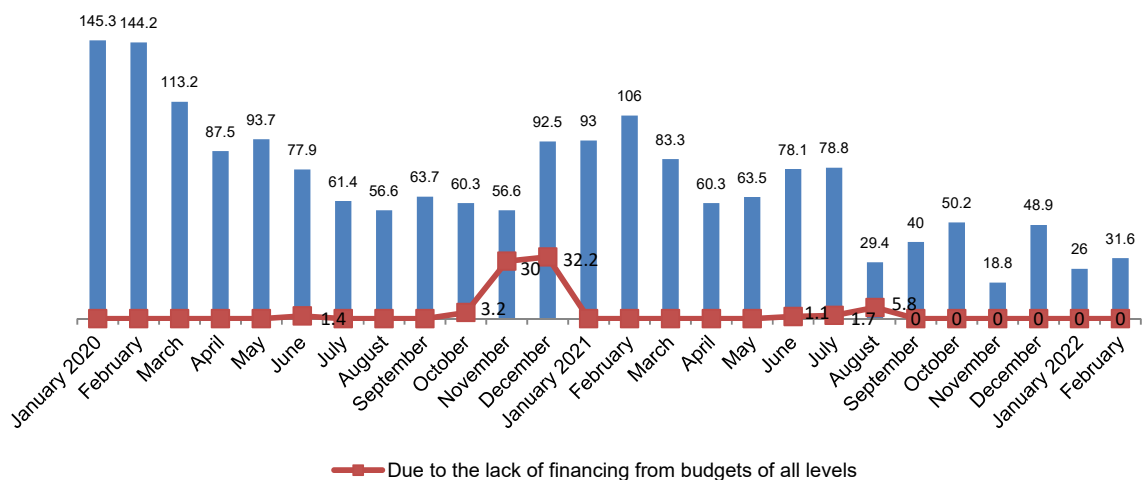
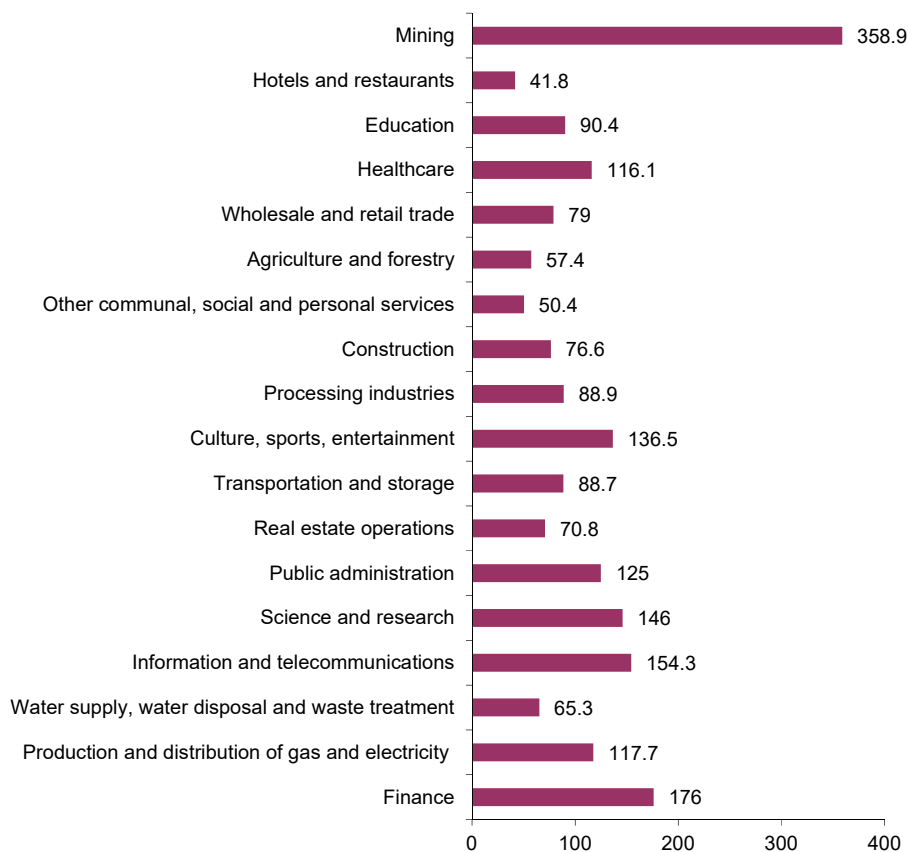


FIGURE 4. Inter-industry differentiation of average salary in December 2021 in St. Petersburg, % of the average salary (the average salary = 100%)



4. INDUSTRY

The index of industrial production in St. Petersburg in January 2022 compared to January 2021 amounted to 109.8%.

According to the press service of the Baltika brewing concern, the company, being a subsidiary of the Carlsberg Group in Russia, will continue its work, despite the owner's plans to sell it. "Baltika Brewing Company continues its operational and

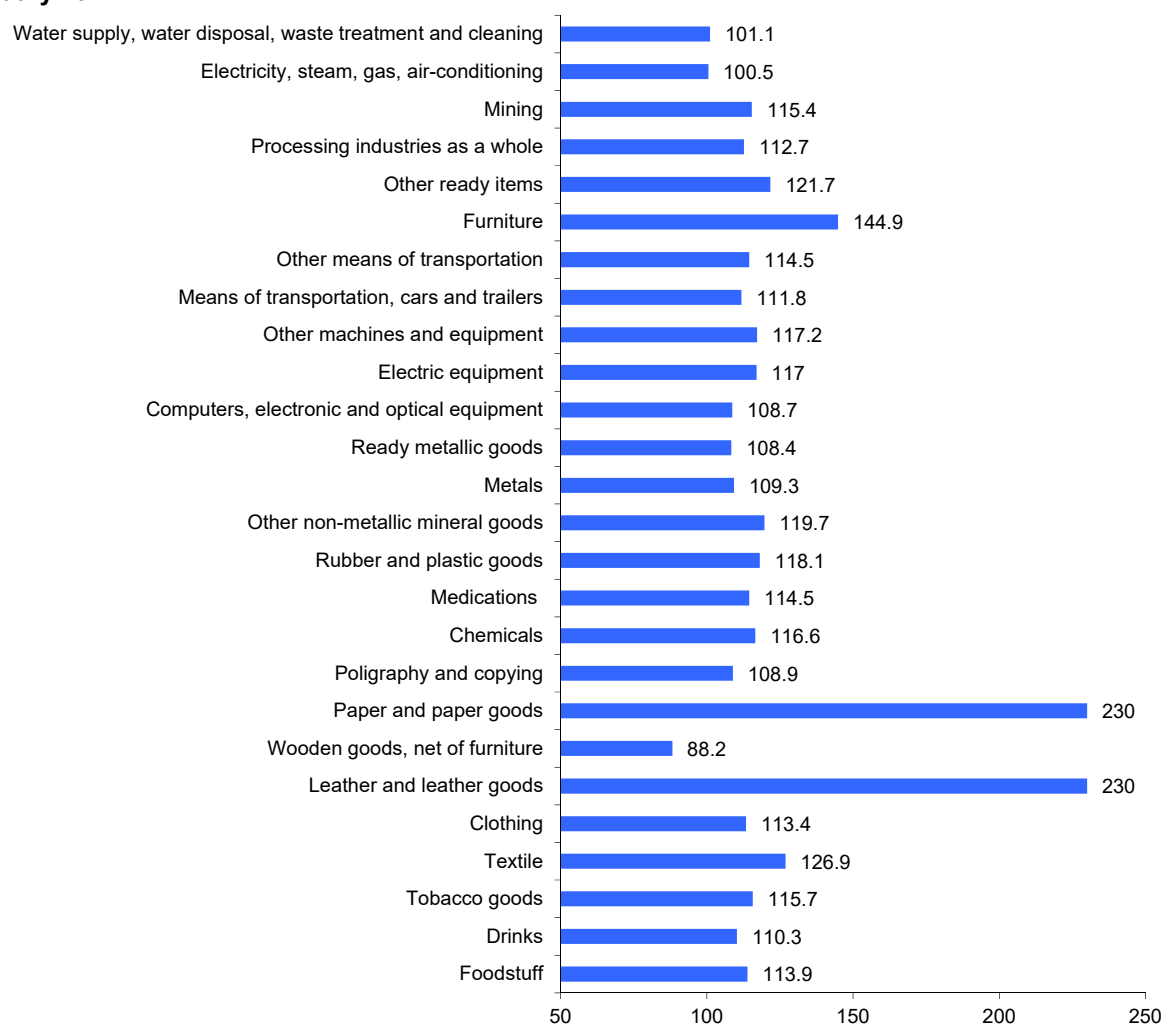
commercial activities in the current mode for the period of searching for a new owner and until the completion of the transaction with him. 8,400 employees in Russia will retain their jobs and all social guarantees," the company said in a statement. It is planned that Carlsberg will transfer the Russian business to a new investor in full compliance with international and Russian legislation (03/28/2022 47news.ru).

The Center for Marine Robotics, created by the Central Design Bureau "Rubin", began work in Kronstadt. Autonomous uninhabited underwater vehicles are designed, assembled and tested at the enterprise. The production site is designed for the simultaneous assembly of several superheavy, heavy, medium and small underwater vehicles. The center will employ about 100 designers and production workers. It is noted that the placement of production and test stands on the same territory will

significantly reduce time and resource costs. The project is being implemented at the expense of own funds of the Central Design Bureau "Rubin" (02/18/2022 tass.ru).

The Dutch brewing company Heineken has decided to suspend the production and sale of beer under its brand in Russia. At the same time, all plants, operational and commercial units remain in Russia for the time being and continue to work in a regular mode; employees will be paid salary. In addition, Heineken announced that it would give up the financial benefits of its Russian division. The company noted that it will monitor the situation and evaluate various strategic scenarios. In addition to beer under its own brand, Heineken produces national and regional brands — "Ohota", "Three Bears", "Stepan Razin" (09.03.2022 mr-7.ru)

FIGURE 5. Industrial production dynamics in St. Petersburg by industry, January 2022 in % to January 2021



5. FINANCE

In January 2022, the net financial result (profit minus loss) of the city organizations amounted to 416.6 billion rubles, which is 5.6 times more than in the corresponding period of 2021.

In January 2022, the number of unprofitable organizations decreased by 158 units or by 13.9% compared to the same period in 2021, the amount of loss increased by 32.8%.

In January 2022, consolidated budget revenues amounted to 51.5 billion rubles, which in nominal terms is 1.5 times more than in January 2021.

Consolidated budget expenditures amounted to 29.4 billion rubles, which is 3.2% less 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-February 2022, the budget system received taxes, fees and other mandatory payments in the amount of 164 billion rubles, which in nominal terms is 8.2% less than in January-February 2021.

STATE DEBT

Information on the structure of the state debt as of January 1, 2022, is presented in tables 4 and 5.

TABLE 4. St. Petersburg's state debt structure on April 1, 2022

	Mln rubles
State domestic debt of St. Petersburg, including:	87 544,8
Bonds	85 006,1
Budget credits	2 538,7
State external debt of St. Petersburg	0,0
Total	87 544,8

Source: City Committee of Finance

TABLE 5. Debt service expenditures of the budget of St. Petersburg, as of April 1, 2022 (mln rubles)

Item	Plan for 2022	Fact on 01.04.2022
Domestic debt service costs	7 295,9	0,0
Total	7 295,9	0,0

Source: City Committee of Finance

6. MUNICIPAL AFFAIRS

BEAUTIFICATION, RESTORATION, CAPITAL REPAIRS

The State Administrative and Technical Inspection of St. Petersburg has approved a program of works on landscaping for the second quarter of 2022. The program includes more than 2 thousand urban facilities, which included 582 objects of complex improvement (including the Silver Pond Garden and Martynovsky Square), 696 objects, work on which will be carried out by the Fund for Capital Repairs of Common Property in apartment buildings, as well as 417 objects, where reconstruction of engineering networks will be carried out, and 257 objects where road repairs will be carried out (including on Dybenko Street, Bolshevikov Avenue, Marshal Kazakov Street and Marshal Zakharov Street). (Based on the materials of GATI and "Business Petersburg")

The restoration work continues in the building of the Cathedral Mosque. It began back in 2000 (from 2000 to 2021, more than 300 million rubles were allocated from the budget of St. Petersburg for restoration). In 2022, the interiors of the building are being restored, including the prayer hall, where parquet, wall surfaces, marble tiles, doors, as well as plaster stucco decor will be restored. (Based on the materials of the Administration of St. Petersburg)

In May 2022, the restoration work in the Smolny Cathedral is to be completed. In particular, the restoration of plaster decoration, stucco decoration and the drum of the central dome of the cathedral with a total cost of 39.9 million rubles is currently being carried out. In addition, the dismantling of scaffolding in the interiors of the cathedral is being completed. In total, in 2017-2021, 422.9 million rubles were allocated from the budget of St. Petersburg for the renovation of the interiors of the architectural monument (According to the materials of the Administration of St. Petersburg)

In January 2022, large-scale restoration work on the Bronze Horseman was completed, which consisted in the inspection of the structural elements of the monument, the complex restoration of the bronze sculpture and pedestal, as well as the restoration of the granite platform around the monument. The total cost of the work amounted to 40 million rubles. (Based on the materials of "Business Petersburg")

The metro station "Technological Institute - 1" was opened in early April after a two-year overhaul, during which the escalators were replaced and part of the inclined course structures were updated. In February, the second lobby of the Moskovskaya metro station was closed for major repairs. As part of the work, the waterproofing of the inclined course will be restored, the replacement of drainage zones and the reconstruction of escalators. The opening of the metro station "Teatralnaya", according to the Committee for the Development of Transport Infrastructure, has been postponed for another year. (Based on the materials of the metro administration and "Business Petersburg")

TRANSPORTATION, ENERGY, WATER SUPPLY

In 2021, St. Petersburg transport organizations transported 19296.0 thousand tons of cargo and 469.5 million passengers (19.5% higher than in 2020). At the same time, cargo turnover amounted to 8167.6 million ton-km, and passenger turnover - 2830.7 million pass-km (23.2% higher than in 2020). For all of the above indicators in 2021 showed a recovery growth compared to 2020, when various restrictions related to the COVID-19 pandemic were in effect. In January 2022, St. Petersburg transport organizations transported 1449.0 thousand tons of cargo and 34.8 million passengers (9.1% higher than in January 2021). Cargo turnover amounted to 452 million ton-km, and passenger turnover - 230.2 million passenger-km (22.6% higher than in January 2021). Positive dynamics is observed with road safety in the city. The number of road accidents in January 2022 amounted to 236, which is 37.2% lower than the level of the same period in 2021. The number of accidents involving children under the age of 16 was in January 2022 16% lower than in January 2021. (According to Petrostat)

The passenger traffic at Pulkovo Airport in 2021 amounted to 18.1 million passengers, which is 72% higher than in 2020, but 8% lower than in 2019. At the same time, Pulkovo Airport served more than 15.5 million passengers on domestic routes and 2.5 million passengers on international routes (which is 34% less than in 2019). The most popular domestic destinations besides Moscow were Sochi, Kaliningrad, Simferopol, Yekaterinburg, Novosibirsk and Krasnodar. Among the foreign destinations, Antalya, Istanbul, Larnaca, Tashkent, Yerevan, Frankfurt am Main and Minsk remain the most in demand. After the deterioration of

the international situation at the end of February 2022, more than 200 international flights were canceled in Pulkovo, and passenger traffic on international routes from February 24 to March 20 decreased by 72% compared to the same period in 2019. (Based on the materials of SGNC LLC)

The Legislative Assembly of St. Petersburg approved a draft law on privatizing SUE "TEK SPb" and changing the status of the enterprise. In 2022, the company is expected to be reorganized into a joint-stock company. Simultaneously with the restructuring, the SUE "TEK SPb", which in 2021 has acquired central heating points and boiler houses in the Pushkinsky and Kolpinsky districts of St. Petersburg in connection with the bankruptcy and liquidation of St. Petersburg SUE "Pushtek", plans in 2022 to allocate more than 2 billion rubles to develop these facilities (in 2021 the enterprise has allocated more than 1.6 billion rubles for the same purposes). In particular, more than 48 km of pipelines, as well as main and intra-block heating networks will be modernized. (Based on the materials of "Business Petersburg" and "Kommersant")

SUE "TEK SPb" plans to replace 10 km of worn-out heating networks in the Primorsky district by April 2023. In particular, in the area bounded by Aviakonstruktorov Avenue, Dolgozernaya and Planernaya Streets, intra-block networks will be replaced to ensure reliable operation of the heat supply system. The new Russian-made pipelines are designed for a trouble-free service life of 30 years. The works on the territory will be completed by July 2023 (According to the materials of the Administration of St. Petersburg)

MAJOR CITY PROJECTS

At the beginning of March 2022, Moody's rating agency downgraded the rating of St. Petersburg and all organizations owned by the city (including SUE Vodokanal of St. Petersburg and JSC Western High-Speed Diameter) to speculative Ca, the lowest rating possible after C. The Agency believes that the default on the city's debt obligations, like most other Russian regions, is close to inevitable, and creditworthiness has noticeably decreased. At the same time, according to the national rating scale of ACRA, St. Petersburg and JSC "WHSD" still have the highest AAA rating. (Based on the materials of "Business Petersburg")

In 2021, 176 km of roads were repaired in St. Petersburg at a total cost of more than 6 billion rubles (4.1 billion rubles from the city budget, including 700 million rubles as part of the Targeted Road Overhaul Program, and 1.9 billion rubles from the federal budget as part of the national project "Safe Quality Roads roads"). Among the largest objects of the road infrastructure repaired in 2021 are the Engels, Obukhov Defense, Marshal Zhukov Avenues, as well as Polyustrovsky, Tikhon-Retsky and Piskarevsky Avenues. In 2022, 8 billion rubles are allocated for the city's road fund for current repairs and 2 billion rubles for capital repairs of more than

200 km of roads with an area of 2.5 million square meters. In addition, at least 2.8 billion rubles will be allocated from the federal budget to the city, for the construction and reconstruction of transport infrastructure facilities. (Based on RBC materials)

The costs of capital repairs and restoration of cultural monuments in St. Petersburg in 2022 will be increased by a factor of 3. This growth was made possible thanks to an increase in the budget of the Committee on Culture by 3 billion rubles. In particular, it is planned to complete restoration work in two branches of the Lermontov library, as well as to start working at the Children's Fairy Tale Theater, the Philharmonic Society for Children and Youth, the Rumyantsev Mansion, the Shaliapin Museum and a number of other objects. Also in 2022, it is planned to open the Sergei Kuryokhin Center for Contemporary Art, a new complex for students of the Eifman Academy and the Open Stage art space. (According to RBC materials)



7. REAL ESTATE

CONSTRUCTION

In 2021, 3.4 million sq. meters of housing were commissioned in St. Petersburg. The value of the target indicator of the volume of housing construction for 2022 is also 3.415 million sq. meters.

According to the Construction Committee, 497,920.30 sq. meters of housing were commissioned in St. Petersburg in January 2022. These are 28 houses with 11,332 apartments. In particular, the reconstruction of the historical building into an apartment building in the Moskovsky district has been completed. Traditionally, the most housing was introduced in the Primorsky district: 6 houses / 3,242 apartments with a total area of 125,012.20 sq. meters, 3 houses / 3,000 apartments appeared in the Nevsky district, and 3 houses for 58,784.60 sq. meters / 854 apartments were introduced in the Admiralteysky district.

In February 2022, 437,827.80 sq. meters of housing were put into operation. These are 142 houses / 8,220 apartments, including individual construction. Vyborg district became the leader this month — 210,746.10 sq. meters of housing, these are 9 houses / 4,263 apartments. In the Primorsky district, 13 houses / 2,076 apartments / 65,932.2 sq. meters were commissioned.

In addition, in January 2022, 18 objects of general civil purpose were commissioned. Among them: a school for 1,375 places in the Krasnogvardeysky district, a sports and recreation complex with a skating rink in the Petrogradsky district, a research and production complex for the development and production of medicinal preparations in the Primorsky district.

In February, 18 objects of general civil purpose were also commissioned: a kindergarten for

125 places in the Vyborg district, the reconstruction of the educational complex of the Northwestern Institute of Advanced Training of the Federal Tax Service of Russia and an Experimental Design Center.

According to Rosstat, housing commissioning in the Russian Federation reached 20.3 million sq. meters. In St. Petersburg, housing commissioning, according to statistics, exceeded 935 thousand sq. meters, an increase of 49%, in the Leningrad Region, an increase of 26% was recorded, up to 815 thousand sq. meters, RIA Novosti reports.

As reported by restate.ru, within the framework of the program for the development of built-up areas, "SPb Renovation", (the operator of this program) has received approval and plans to begin construction of the fourth stage of the residential complex "New Kolpino" in Kolpinsky district in 2022. The total living area of the facility is 85.5 thousand sq. meters. "SPb Renovation" has handed over to the city a kindergarten for 80 places and two offices of a general medical practitioner. To meet the needs of residents in social infrastructure, a school for 825 places and a kindergarten for 220 places will be built within the fourth stage of the residential complex.

The second project under the renovation program, which has received approval, is located in the center of Kolpino, block 10. This is the last house in the Astrid residential complex; its area will be 20.31 thousand sq. meters. In addition to housing, the developer will also erect and transfer to the city a general practitioner's office and a police station. In total, 22 houses were identified for renovation in Kolpino, block 10. All of them have already been vacated and demolished. 84 families of owners and 6 families of employers were resettled from the dilapidated housing, in total more than 200 people.

Specialists of the St. Petersburg Real Estate Consulting Center (Setl Group) have estimated that in 2021 the cost of housing construction in St. Petersburg has increased by 50% on average.

The main reason for the cost increase is the increase in prices for construction materials and installation works, which occupy the largest share in the cost price – about 65%. The cost of building materials has also been increased. For example, mineral wool has risen in price by 135%, PVC products - by 60%, underfloor heating – by 50%. <https://www.restate.ru/material/sebestoimost-stroitelstva-zhilya-v-peterburge-vyrosla-na-50-i-prodolzhaet-rasti-175224.html>

The commissioning of new office facilities in St. Petersburg has slowed down. In 2021, 18 office buildings of classes A and B with an area of 150 thousand square meters were put into operation after the completion of construction or reconstruction. This is two times less than was originally announced by developers at the beginning of last year. According to the international consulting company JLL, the demand for offices in St. Petersburg by the end of 2021 has fully recovered and even exceeded the pre-pandemic indicators. The increase in the volume of transactions, according to

analysts, is explained by the migration of tenants from one building to another amid the crisis and the implementation of deferred demand, since in 2020 many companies suspended development until the situation stabilizes. At the same time, companies primarily chose more affordable Class B buildings, which accounted for 79% of the volume of transactions. Geographically, demand was concentrated in the Central, Petrograd and Moscow districts of the city (49% of transactions). <https://www.re-state.ru/material/ofisnyy-rynok-peterburga-ustoyalpered-pandemiy-no-vvod-novyh-obektov-zamedlilsya-175097.html>

CO-INVESTORS

The problem of deceived co-investors and the task of providing housing for the affected participants of shared-equity construction on the territory of St. Petersburg may finally be solved within the next two years. At least, that is what the Governor of St. Petersburg A. Beglov has announced at a meeting with the President of the Russian Federation V. Putin. According to the Governor, about a million square meters of problematic living space have accumulated in recent years. By the end of 2021, 54 problematic apartment buildings of almost 800 thousand square meters were commissioned. 35 thousand families received apartments. The last problem houses on the territory of St. Petersburg are the 3rd and 4th parts of the Lomonosov residential complex with a total area of more than 32 thousand square meters in the Petrodvorets district of the city. They will be completed by the end of 2023. In total, in 2022-2023, it is planned to complete work on 13 problematic residential facilities in St. Petersburg ([re-state.ru](https://www.re-state.ru))

TERRITORIAL DEVELOPMENT, REGULATION

A draft order of the Ministry of Construction of the Russian Federation on the approval of new requirements for the energy efficiency of buildings and structures, and the procedure for determining its class for apartment buildings has been published for public discussion. The document eliminates the need to confirm the normalized energy indicators using instrumental calculation methods. The approved requirements are mandatory for compliance by developers and owners of buildings, structures, structures and premises in apartment buildings. The builder ensures that the building meets the requirements of energy efficiency when it is put into operation, and the owners ensure that afterwards. At the same time, within 5 years since putting into operation, the developer ensures that the building corresponds to the indicators characterizing the specific value of the consumption of energy resources.

The document also establishes the rules for determining the energy efficiency class of apartment buildings and the requirements for their corre-

sponding marking on the facade. The energy efficiency class of a multi-apartment building is determined by the state construction supervision authority and is confirmed no more than once a year. It is included in the energy passport of the house and is not assigned in the absence of general metering devices. The designation of the energy efficiency class of an apartment building is carried out in Latin letters on a scale from A ++ to G according to the magnitude of the deviation of the indicator of the specific annual consumption of energy resources.

According to the Ministry of Construction of the Russian Federation, an exhaustive and universal list of 989 documents, information, materials and approvals for the implementation of projects in construction has come into force since March. In addition, the subjects of the Russian Federation can no longer establish additional procedures that are not contained in it. The FAS will monitor the implementation of this requirement.

The main result of the regulatory crackdown, i.e. the entry into force of the new list, will be that it will be easier to build in Russia - inefficient financial costs will decrease and the terms of implementation of construction projects will be reduced. As part of additional measures to support the construction industry in the current economic situation, another 350 reconciliation procedures have been prepared. Work to eliminate excessive regulation in construction was initiated by the President and the Government of the Russian Federation. By 2024, the total number of requirements should be reduced by at least 2 times, which will ultimately reduce the construction and investment cycle. (According to <https://minstroyrf.gov.ru/press/prodolzhaetsya-rabota-po-sokrashcheniyu-izbytochnykh-trebovaniy-v-stroitelstve/>).



8. INVESTMENT PROJECTS

According to Petrostat, the total volume of financial investments of organizations (excluding small business entities) in January-December 2021 amounted to 20751 billion rubles, of which long-term financial investments accounted for 3395 billion rubles or 16.4%.

According to preliminary data, the volume of investments in fixed assets in January-December 2021 amounted to 867.2 billion rubles, 105.5% compared to the corresponding period last year. The specific structure of investments in fixed assets is as follows:

- 48.2% is directed to machinery and equipment, including household inventory, and other objects;
- 26.8% - buildings (except residential) and equipment, land improvement costs;
- 15.5% - residential buildings and premises;
- 6.2% – intellectual property objects;
- 3.3% - other.

In the structure of investments by sources of financing, 62.6% were own funds, 37.4% were attracted, of which bank loans amounted to 7.3%, budgetary funds -16.3%, investments from abroad -0.2%

The charity project "Sobirator" opens an ecocenter near the metro station "Moskovskie Vorota"

The first such project in St. Petersburg for eco-activists at Zastavskaya, 33, will open in March. In addition to a separate gathering room, there will be organized spaces for eco-activists' events, friendly projects, second-hand shops, fairs, workshops and coffee points.

A number of recycling collection points are currently operating in St. Petersburg, the main ones are "Pererabotkinskaya", "Zelenka", "7other". In most collection points, you can hand over a row of ten types of separately collected waste - for example, at the Okhta Mall, Mega shopping complexes, etc. It can also be done at the regularly held actions of the association "Separate collection". However, there are no full-fledged eco-centers in the city yet, which is largely due to the shortage of suitable and relatively inexpensive premises and buildings — since such projects accept a large number of "unprofitable" fractions (which are rented to the reworkers not for remuneration, but for a fee.

According to experts, the launch of such an object requires about 1.5 million rubles, including rental costs.

The State Expertise has issued a positive opinion on the construction project of a radiological center in St. Petersburg.

The building will be part of the complex of the National Medical Research Center (NIMC) named after V.A. Almazov, which acts as a developer. The radiological center will be built on Zapovednaya Street in the Primorsky district of St. Petersburg. A new nuclear medicine center will be located nearby, its construction was approved in June 2021.

The Radiological Center will specialize in the diagnosis and treatment of patients with oncological and endocrinological diseases.

The project provides for radiation and radionuclide therapy departments and a hospital of so-called "active" radiological wards with 20 beds. The center will also house a radiation safety and control department, several general hospitals (including day hospitals) for radiation and chemotherapy, designed for 40 patients. It is planned to create a helicopter landing on the roof of the building.

In 2020, the Government of the Russian Federation allocated about 4 billion rubles for its construction.

The St. Petersburg Machine-building plant "Armalit" has received a license for educational activities and opened its own training and production center

Armalit will train personnel in working professions, as well as improve the qualifications of specialists with secondary and higher professional education. The theoretical and practical parts of the

training will take place in the created classrooms and workshops of the plant. The company will also issue to those who have completed their studies a certificate of obtaining a profession, a certificate of acceptance and a diploma of retraining. The aim of the project is to provide its own production with qualified employees.

It is planned to implement the first project of complex development of a territory in St. Petersburg on the Dalnevostochny Avenue

The possibility of implementing projects utilizing the mechanism of comprehensive development of territories in St. Petersburg has been discussed for a long time, but specific objects have not been announced before. The mechanism itself is designed to transform large plots on the initiative of the authorities or owners. The main owner is the "Specialtrans", which has about 10-15 objects located on the territory, the rest of the territory belongs to the city and small owners. It is planned to build about 150 thousand square meters of housing, a school and a kindergarten on the site, the declared investment volume is about 15 billion. Experts specify that, taking into account the current situation, the amount will increase. The project was prepared with the direct participation of the investment unit of St. Petersburg.

The construction of the Sergey Kuryokhin Center for Contemporary Art has started on Vasilievsky Island

According to the project, the building of the former Soviet cinema "Priboy" will receive an additional three floors, including an underground one. The building will house a museum of media mechanics, a phonograph, workshops, a media library and a small hall. The tender documentation also includes a concert hall with almost 1 thousand seats, a choreographic hall, a showroom, a cafe and a TV studio. The cost of the work is 3.8 billion rubles. The project is to be completed in 2024.

The Nochlezhka charity organization is launching the first institution in Russia in which former homeless people who have undergone re-socialization will work

It is called "Entrance from the street" and is located in the "Berthold Center". Visitors will be offered a menu with dishes of European cuisine with an average check of 750 rubles.

Former homeless people will have an internship at the institution for 3-4 months. They will be offered the jobs of chefs, waiters and bartenders. The training involves a scholarship of about 20 thousand rubles per month. Upon completion of work in the "Nochlezhka" department, trainees will receive recommendations for further employment. According to the owners, 15-20 people will be trained annually.

"Nochlezhka" has spent about 9 million rubles on the restaurant. The team raised part of this amount — about 2 million rubles with the help of crowdfunding.

Several Italian restaurants and coffee shops have opened in St. Petersburg/

The Spaghetti Incident has opened on Ligovskiy Prospekt. The investments in the project amounted to 3 million rubles.

The second Italian project is neo-bistro Giallo on Vosstaniya Street. There are several types of pasta and Roman pizza on the menu. According to the team, the cuisine at Giallo is not classical, but Italian comfort food of the new wave.

The Rotacia specialty coffee shop started working in the Fashion House on Kamennostrovskiy Prospekt. Only alternative methods of brewing coffee are used here, it is also possible to buy grain and equipment for pre-machine brewing, attend cupping and coffee workshops.

The Lu Co project has launched a full-format coffee shop in Baskov Lane. The investments in the project amounted to 4 million rubles. "Coffee People" opened a full-format coffee shop on Mayakovskiy Street back in September 2019. However, in 2020, the institution closed, it was possible to revive the project again only this year.



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/>