

GENERAL OVERVIEW OF SOCIO-ECONOMIC SITUATION IN ST. PETERSBURG

April-June 2022 № 175



1. CITY MANAGEMENT: *The value of the subsistence minimum has been established for 2022*

2. EMPLOYMENT: *Lower demand for workforce*

3. PERSONAL INCOMES AND EXPENDITURES: *Inflation slows down*

4. INDUSTRY: *Solopharm Company launches new pharmaceutical plant in St. Petersburg*

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

6. CITY AFFAIRS: *St. Petersburg will be provided with an infrastructure loan for the construction of two metro lines*

7. REAL ESTATE: *The problematic "Poet" housing complex has been finally completed*

8. INVESTMENT PROJECTS: *Plans to expand the production of aircraft engines*

Founder: ICSE Leontief Centre

Editor in chief:

Nina Oding

Editors:

Olga Varlamova

Denis Kadochnikov

© ICSE Leontief Centre, 2022. When quoting from this publication, reference to "A General Overview of Socio-Economic Situation in St. Petersburg" is required.

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, GOVERNMENT COUNCILS

New head of the Primorsky district of St. Petersburg

In accordance with the order of the Government of St. Petersburg, from April 13, 2022, A. Nikonorov was appointed the head of the Primorsky District administration. Prior to this appointment, he served as the acting head of the Primorsky district.

Changes in the composition of the Government of St. Petersburg

In accordance with the decree of the Governor of St. Petersburg dated May 24, 2022, M. Sokolov was dismissed from the post of a vice-governor, a member of the Government of St. Petersburg. He has been working in this position since 2019. In the period 2012-2018, M. Sokolov was the Minister of Transport of Russia. After leaving the city Government, M. Sokolov was appointed to the post of president of AvtoVAZ. The largest Russian manufacturer of passenger cars came under state control after the French company Renault, which owned 67.7% of AvtoVAZ shares, left Russia.

In accordance with the decree of the Governor of St. Petersburg dated June 7, 2022, Vice-Governor K. Polyakov joined the city Government. Prior to his appointment to the high post, K. Polyakov led the activities of the St. Petersburg Transport Committee. In the city Government, K. Polyakov oversees the issues of investment, transport, industrial and scientific-technical policy, the development of entrepreneurship and the consumer market. K. Polyakov directly coordinates and controls the activities of three city committees: investment; industrial policy, innovation and trade; transport.

On June 10, 2022, the Governor of St. Petersburg appointed A. Chapurov to the position of acting head of the administration of the Pushkin district, and E. Kudryavtseva to the position of acting chairperson of the Territorial Development Committee.

The first meeting of the Anti-Terrorist Commission of St. Petersburg in 2022 was held

The meeting was held on April 1, 2022 in Smolny under the chairmanship of Governor A. Beglov. The meeting was attended by heads of law enforcement and security agencies, representatives of the office of the Presidential Envoy to the Northwestern Federal District, the city Prosecutor's Office and executive bodies of state power. The participants of the meeting considered issues related to countering terrorism.

An expanded meeting of the Anti-Drug Commission of St. Petersburg was held

The meeting on June 8, 2022 was attended by the heads of the Police Department for St. Petersburg and the Leningrad region, the Main Investigative Department of the Investigative Committee of Russia for St. Petersburg, profile city committees. The participants of the meeting reviewed the results of the month of anti-drug orientation. Within the month, 2877 anti-drug events were held, in which 415 thousand residents of the city, mainly young people, took part.

LEGISLATION

Amendments have been made to the list of powers of local self-government in St. Petersburg

Based on the Law of St. Petersburg No. 166-20 of April 7, 2022, amendments were made to the Law of St. Petersburg No. 420-79 of September 23, 2009 "On the Organization of Local Self-Government in St. Petersburg". According to the amendments, participation in the work of the conscription commission and the commission for the registration of citizens for military registration in the territory of the municipal formation was excluded from the list of issues of local competence of municipalities.

Amendments have been made to the Social Code of St. Petersburg

Amendments and additions to the Social Code (Law of St. Petersburg No. 728-132 of November 9, 2011) were made based on two city Laws adopted in April and May 2022. In accordance with the Law of St. Petersburg No. 191-23 of April 13, 2022, the Social Code was supplemented with an article on a monthly cash payment for a child aged 8 to 17 years. The amount of the monthly cash payment depends on the average per capita income of the family. Depending on this criterion, the payment can range from 50% to 100% of the subsistence minimum for children. The amount of the monthly cash payment is recalculated from January 1 of the year following the year of application, based on the annual change in the subsistence minimum for children in St. Petersburg.

Based on the Law of St. Petersburg No. 275-31 of May 25, 2022, the Government of St. Petersburg received the authority to introduce temporary and/or one-time measures of social support, additional measures of social support and social assistance for citizens who participated in a special military operation (performing special tasks). The law came into force on June 5, 2022.

Lists of real estate objects of the social sphere for acquisition into state ownership of St. Petersburg have been approved

By the Decree of the Government of St. Petersburg No. 475 dated June 3, 2022, 3 lists of the objects were approved. The first list contains data on 43 objects of pre-school and general education (schools and kindergartens). The second list includes information on 7 buildings and premises, which, after acquisition, are planned to be used for performing healthcare functions. The third list contains data on 2 objects – road transport structures. Almost all objects are located in areas of mass housing construction. The real estate objects included in the lists are planned to be purchased in the period 2022-2024.

Amendments have been made to the legislation on the support of socially oriented non-profit organizations

The amendments were made in accordance with the Law of St. Petersburg No. 323-36 dated June 7, 2022. According to the amendments made to the provisions of the Law of St. Petersburg dated March 23, 2011 No. 153-41 "On support of socially oriented non-profit organizations in St. Petersburg", the scope of competence of socially oriented non-commercial organizations (NCOs) has been expanded. NCOs working in the field of housing construction, communal, social, engineering, and transport infrastructure development can apply for support. The amendments also established that the Law regulates relations arising in connection with the provision of support to socially oriented NGOs that are registered in St. Petersburg. The amendments entered into force on June 18, 2022.

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

Based on the decree of the Government of St. Petersburg dated June 9, 2022 No. 508, the minimum subsistence level was established for various categories of the population. On average, the subsistence minimum per inhabitant is determined in the amount of 14476 rubles, for the able-bodied population - 15779, for pensioners – 12450 rubles, for children – 14042 rubles. The resolution came into force on June 14, 2022.

No financial checks of the main administrators and recipients of budget funds

The Resolution of the Government of St. Petersburg No. 518 of June 10, 2022 establishes that the State Financial Control Committee of St. Petersburg will not conduct inspections of the main administrators of budget funds, recipients of budget funds of St. Petersburg. The moratorium on inspections is set until January 1, 2023. In addition, the State Financial Control Committee must satisfy the requests of the administrators and recipients to extend the deadline for the execution of prescriptions issued before the entry into force of the resolution. The newly established deadline for the execution of such prescriptions cannot fall on a date earlier than January 1, 2023.

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

The signing ceremony took place on June 29, 2022 at the Mariinsky Palace. The Governor A. Beglov and the Chairman of the Legislative Assembly A. Belsky put their signatures under the document. The joint plan will be implemented in the period 2022-2023.

MEETINGS, COOPERATION

St. Petersburg is developing cooperation with Rosatom State Corporation

On April 6, 2022, Governor A. Beglov held a meeting with the General Director of Rosatom State Corporation A. Likhachev. The meeting concerned the results and planned actions for the implementation of the Effective Region project. During the conversation, it was noted that 68 working processes in city committees and their subordinate organizations were improved within the framework of the project.

St. Petersburg strengthens cooperation with VTB Bank

Issues of developing cooperation between the city and VTB were discussed on April 26, 2022 during a meeting between Governor A. Beglov and President-Chairman of the Board of VTB Bank A. Kostin. The issues of cooperation in the implementation of projects were in the focus of attention. The parties discussed projects for the construction of a Latitudinal highway, new metro stations and the development of the airport "Pulkovo".

The Governor has addressed the deputies of the Legislative Assembly of St. Petersburg

On April 28, 2022, the Governor of St. Petersburg, A. Beglov, delivered an annual report on the results of work in 2021 and plans for the current and subsequent years to the St. Petersburg parliamentarians at the Mariinsky Palace. According to the Governor, the year 2021 was productive and successful. He noted that the safety margin laid down in previous years allows the city to cope with difficulties and continue moving forward. The governor touched upon the topic of sanctions against Russia. He noted the need to ensure the stable operation of technological systems that still depend on foreign companies. A. Beglov stated the need for a technological audit.

St. Petersburg strengthens cooperation with Gazprom

On May 17, 2022, the Governor of St. Petersburg, A. Beglov, and the Chairman of the Management Board of Gazprom, A. Miller, signed an agreement on cooperation to expand the use of natural gas as a motor fuel. The implementation period of the Agreement covers the period from 2022 to 2028.

St. Petersburg strengthens cooperation with Belarus

On May 18, 2022, the Governor of St. Petersburg A. Beglov held a working meeting with the Minister of Education of Belarus A. Ivanets and with the Secretary of State of the Union State of Russia and Belarus D. Mezentshev. The meetings were timed to coincide with the joint meeting of the boards of the Ministry of Science and Higher Education of Russia, the Ministry of Education of Russia, the Ministry of Education of Belarus and the State Committee for Science and Technology of Belarus.

On June 24, 2022, the Governor of St. Petersburg A. Beglov met with the President of Belarus A. Lukashenko. The Governor of the Northern capital of Russia thanked the President of Belarus for supporting joint projects. During the conversation, it was noted that Belarus accounts for almost half of St. Petersburg's foreign trade turnover with the CIS countries. By the end of 2021, the trade turnover increased by 31.9% and exceeded \$ 2.5 billion.

St. Petersburg strengthens ties with Latin American and Caribbean States

On May 27, 2022, the Governor of St. Petersburg A. Beglov held a meeting in Smolny with the heads of diplomatic missions of countries of Latin America and the Caribbean. During the meeting, it was noted that by the end of 2021, the trade turnover of St. Petersburg with the countries of South America and the Caribbean amounted to 2,128 billion dollars. The parties have a great potential for further development of mutually beneficial cooperation.

St. Petersburg delegation has visited Mariupol and Donetsk

On June 1, 2022, a delegation of St. Petersburg headed by Governor A. Beglov visited Mariupol and Donetsk. During the visit to Mariupol, an agreement was signed on the establishment of twin-city ties. The members of the St. Petersburg delegation inspected the buildings and structures destroyed and damaged during the operations, subject to restoration. During the visit, issues of establishing cooperation, assistance in the restoration of the city were discussed. The parties reached an agreement on the organization of summer holidays for about 500 children from Mariupol in St. Petersburg. Graduates of Mariupol schools had the opportunity to come to St. Petersburg to participate in the holiday "Scarlet Sails".

The XXV International Economic Forum was held in St. Petersburg

In the period of June 15-18, 2022, the jubilee XXV St. Petersburg International Economic Forum was held at the Expocenter Concert and Exhibition Complex. The main topic of the forum is "New World – New Possibilities". The XXV St. Petersburg International Economic Forum (SPIEF-2022) was

attended by the President of Russia V. Putin, the President of Kazakhstan K. Tokayev, other high-ranking Russian and foreign government and political figures, heads of major companies, scientists, experts and journalists. President of the People's Republic of China S. Jinping and President of Egypt A. Sisi welcomed the participants of the forum via video link. Egypt was the guest country of the forum. More than 14 thousand people from 130 countries of the world took part in the forum. 81 countries have sent their official representatives. As part of the work of SPIEF-2022, 695 agreements were signed for 5 trillion 670 billion rubles (agreements whose amount is not a commercial secret are taken into account). As part of the business program of the forum, representatives of St. Petersburg signed 46 agreements. 62 agreements signed by the city with Gazprom PJSC were allocated to a separate group. The agreements cover all key areas of St. Petersburg's development.

The work of the X Petersburg International Legal Forum was held in St. Petersburg

In the period of June 29 – July 1, 2022, the X St. Petersburg International Legal Forum was held at the Expocenter Concert and Exhibition complex. The participants of the forum were welcomed via video connection by the President of Russia V. Putin. The plenary session of the forum was attended by the Deputy Chairman of the Security Council of Russia Dmitry Medvedev, Minister of Justice of Serbia M. Popovich, President of the Indian Bar Association K. Prashant, Deputy Chairman of the UN Committee against Torture, Vice-President of the Russian Association of International Law B. Tuzmukhamedov. The forum was attended by 3 thousand delegates from Russia and 45 other countries of the world. Among the participants of the forum are more than 20 high-ranking officials at the ministerial level, heads of international organizations and heads of the diplomatic corps. The forum was attended by 16 representatives of the federal authorities of Russia



2. EMPLOYMENT

In March 2022, 1570.0 thousand people worked at large and medium-sized enterprises. 95.0% of the employees were full-time employees, 2.2% were part-timers, 2.8% of the total number of employees were registered under civil law contracts.

In January-March 2022, the number of employees at these enterprises increased by 2.6% compared to the same period in 2021. The number of full-time employees increased by 2.3% over the same period. The number of part-timers increased by 3.8%, the number of employees working under contracts increased by 11.9%.

In March 2022, the largest number of jobs was in education, transport and communications, manufacturing, healthcare, wholesale and retail

trade, and the least for agriculture and forestry, hotels and resorts, and other types of services. 47.8% of all employed at large and medium-sized enterprises of the city worked in the public sector of the economy.

In January - March 2022, the number of economically active population (EAN) was 3121.2 thousand people, including 3071.1 thousand employed and 50.1 thousand unemployed.

1,421,8 thousand people were not part of the labor force. During the period under review, the employment rate was 67.6% (the share of the number of employed in the total population aged 15 to 72 years), the level of economic activity was 68.7% (the share of the number of economically active population in the total population aged 15 to 72 years) (According to the Committee on Labor and Employment of the population of St. Petersburg).

According to Petrostat, the number of employees scheduled for discharging in the second quarter of 2022 at St. Petersburg organizations (without small businesses) amounted to 1752 people or 0.1% of the total number of employees of St. Petersburg organizations (without small businesses).

In April 2022, the need of Petersburg enterprises for employees amounted to 21.6 thousand people (Table 1).

The pressure in the labor market (the number of unemployed citizens registered with the Employment Service, per vacancy according to the UDP "Work in Russia") at the end of April 2022 amounted to 0.79 people/vacancy (at the end of April 2021 – 1,27 people/vacancy). At the end of April 2022, the Employment Service received 21464 applications from citizens for the provision of public services, including 9479 applications for professional orientation, and 3059 applications for informing about the situation on the labor market. At the end of April 2022 the need for employees, de-

clared by employers through the Unified Digital Platform "Work in Russia" (UDP "Work in Russia"), amounted to 29331 units of vacancies. According to the Employment Service, the vacancy rate for working professions was 68.7%.

In January – April 2022, the largest number of vacancies were declared by organizations related to the following types of economic activity: education - 10.3%; processing industries – 9.4%; wholesale and retail trade, repair of motor vehicles and motorcycles - 8.8%; transportation and storage – 8.2%, activities in the field of healthcare and social services – 7.2%; hotels and catering enterprises - 6.4%; administrative and related services – 5.8; real estate transactions - 3.5%; professional, scientific and technical activities – 3.4%; construction – 2.8%.

In April 2022, as in the same period of 2021, managers, programmers, engineers, and craftsmen remain the most in demand among the employees who fell into the top ten of scarce specialists. In 2022, the shortage of craftsmen increased, the shortage of engineers, programmers and managers decreased. There was a shortage of engineering specialists: production preparation, welding and quality engineers, as well as commissioning and testing technicians, foremen, machinists.

Among the specialists of the working professions in April 2022, in comparison with the analogous period of the previous year, concrete workers and rebar workers are still in short supply. There was a shortage of installers for the installation of steel and reinforced concrete structures, electric welders, installers of external pipe wires, storekeepers, waterproofing insulators, road workers, car drivers, carpenters (According to the Committee on Labor and Employment of the Population of St. Petersburg).

TABLE 1. St. Petersburg enterprises' demand for workforce, January 2021 – April 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 20121	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
February	25,6	0,9	100,0	39,1
March	24,1	0,9	100,0	60,0
April	21,6	1,1	122,2	84,6

TABLE 2. Change in the number of officially registered unemployed people in St. Petersburg, 2021, January-April 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
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
February	23,5	18,1	89,0	22,8
March	22,5	16,6	91,5	33,2
April	23,3	17,6	106,4	38,9

Over the past 2 months, a little more than 12 thousand employees of companies that have announced their closure (suspension of activity) have updated or posted resumes on HeadHunter (<https://spb.hh.ru/>). Among them are employees of McDonald's, Pepsico, IKEA, Yum! Brands, EPAM Systems, Inditex, Volkswagen, Adidas, OBI, H&M, Philip Morris, Uniqlo, Nokia, Accenture, L'Oreal, Starbucks, Nissan, Heineken.

The activity of employees of such companies was also noted in Superjob (<https://spb.superjob.ru>). They said that in April, McDonald's employees tried to find jobs as kitchen workers, HR managers, in the maintenance of buildings and equipment. IKEA employees submitted resumes for vacancies of cashiers, employees of the turnover department, transport department.

There is a noticeable trend towards the transition from companies in one field of activity to another. According to Superjob data, in April, the largest increase in the number of resumes in St. Petersburg was recorded in the areas of delivery (+41%), services, repair and maintenance (+17%), working personnel (+16%), science, education, professional development (+16%), transport, logs and foreign economic activity (+16%).

In April 2022, 23.3 thousand people were registered in the Employment Service of St. Petersburg (Table 2). In April 2022, 75.5% of those registered with the Employment Service were officially recognized as unemployed.

By the end of April 2022, 23.3 thousand citizens not engaged in labor activity were registered in state institutions of the employment service of the population. 17.6 thousand people were registered as unemployed, including 10.7 thousand people who received unemployment benefits.

In January-April 2022, the Employment Service received 58967 applications from citizens

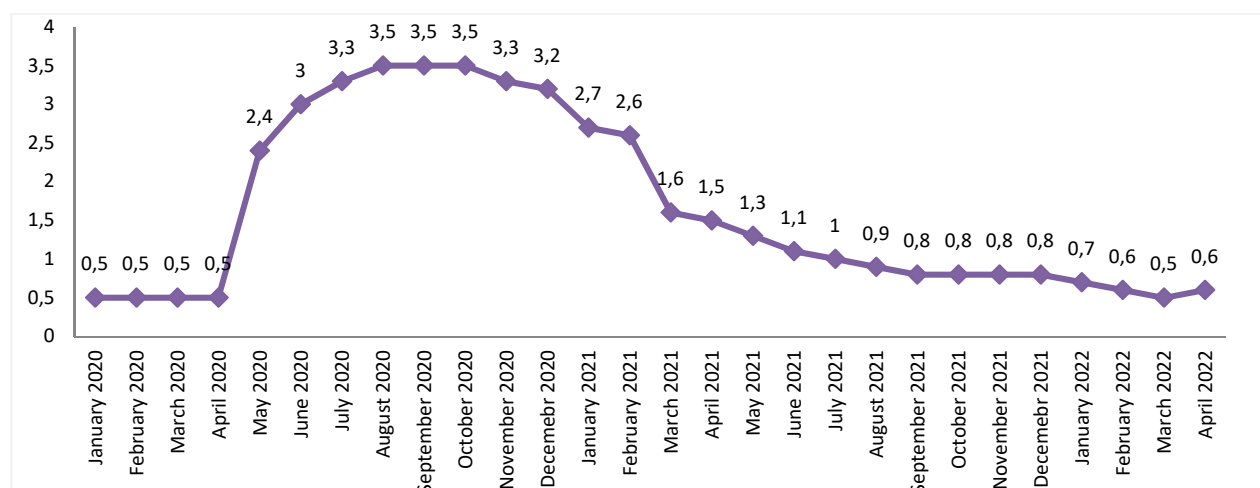
for the provision of public services, including 21098 applications for vocational guidance, 7015 applications for informing about the situation on the labor market.

In the state employment service of St. Petersburg (Employment Service), employed and unemployed citizens who applied for a suitable job are registered. At the end of April 2022, their total number was 27112 people (at the end of April 2021 – 57756 people).

The number of unemployed citizens at the end of April 2022 amounted to 17625 people, of which 62.2% were women, youth aged 16-29 – 9.5%; citizens of pre-retirement age – 17.3%; disabled people – 8.4% (at the end of April 2021, the number of unemployed was 45257 people). The level of registered unemployment (ratio the number of registered unemployed to the number of the labor force on average for 2021) at the end of April 2022 amounted to 0.57% (at the end of April 2021, this indicator was 1.06%). (According to the Committee on Labor and Employment of the population of St. Petersburg).

In April 2022, 4.4 thousand people received the status of unemployed (3.5 thousand people or 1.8 times less than in April 2021). The number of the unemployed in April 2022 was 2.2 thousand people or 2.8 times less than in the same period of 2021, and amounted to 1.2 thousand people.

According to Rosstat, in January - March 2022, the unemployment rate (according to the methodology of the International Labor Organization) amounted to 1.6% 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 – 3.1%, Moscow – 2.1%, the Russian Federation – 4.2%).

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

The level of registered unemployment (the ratio of the number of registered unemployed to the number of the workforce on average for 2021) at the end of April 2022 was 0.57% (at the end of April 2021, this indicator was 1.06%) (www.rspb.ru) (Figure 1). This is the lowest indicator among the regions of the North-Western Federal District.

3. PERSONAL INCOMES AND EXPENDITURES

PRICES

In January- April 2022, prices in the consumer sector of the economy of St. Petersburg increased by 9.7%. In the same period of 2021, the rate of price growth was 2.7%.

The growth of consumer prices in January-April 2022 in St. Petersburg was 2% lower than the national average. Consumer prices increased by 1.5% in April 2022 (Figure 2).

In January-April 2022 in St. Petersburg, tariffs for paid services to the population increased by 4.6%. For comparison, their growth in January-April 2021 was 1.6%.

The increase of tariffs for paid services in Petersburg in January-April 2022 was 2.5% lower than the average Russian level. Tariffs for paid services increased by 0.1% in April 2022.

In January-April 2022, prices for food and non-food products increased by 11.3% and 4.3%, respectively. The increase in prices for food products in January-April 2022 was below the average Russian level by 1.7%, for non-food products - below the average Russian level by 2.2%.

Food prices in April 2022 in St. Petersburg increased by 2.9%, non-food prices decreased by 0.9%.

Essential food products will increase in price by 20% in 2022. Such a forecast is contained in the presentation of the head of the Committee on Industrial Policy of St. Petersburg Kirill Soloveitchik, shown at a meeting of the city government on April 19. At the same time, the food basket of goods that are not included in the socially significant group will rise in price by 24% in 2022 (According to Fontanka.ru).

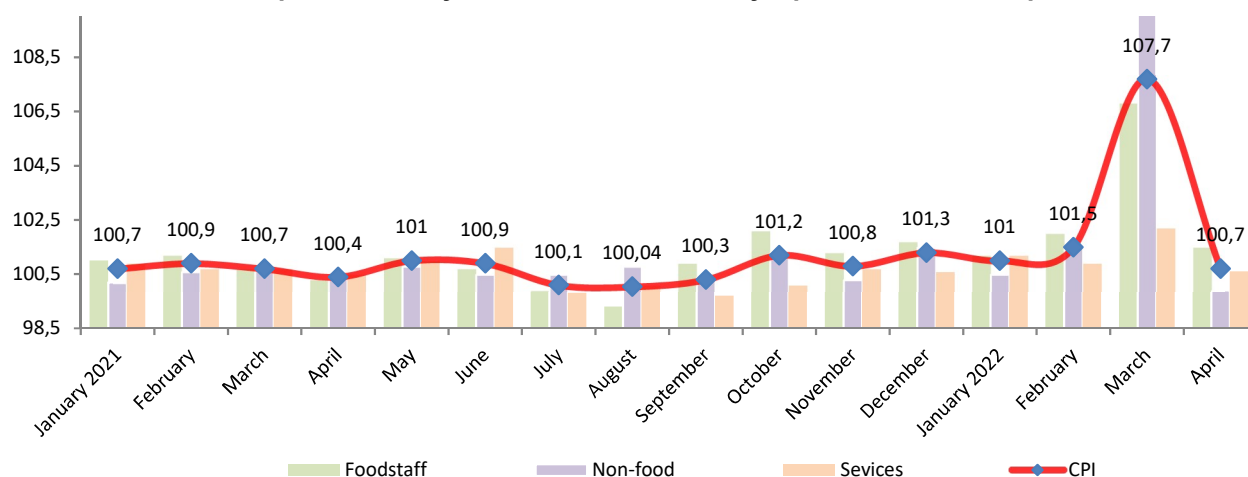
In April 2022, there was an increase in prices for alcoholic beverages (by 1.2%), meat and poultry (by 1.8%), bread and bakery products (by 2.1%), fish and confectionery (by 2.5%), milk and dairy products (by 3.0%), sausage products (by 4.2%), butter and fats (by 4.6%), cereals and legumes (by 4.7%), (by 8.1%), cheeses (by 5.5%). Fruit and vegetable products fell by 1.6%.

Among non-food products in April 2022 in St. Petersburg, prices grew for fabrics (by 0.3%), construction materials (by 0.7%), shoes (by 1.6%), galant-rey (by 1.7%), tobacco products (by 1.8%), cotton and stationery was recorded, tights (by 2.1%), clothing (by 2.4%), furniture (by 2.6%), hosiery (by 3.0%), detergents and cleaning products, clothing (by 4.0%), perfumes and cosmetics (by 4.5%).

In April 2022, electrical goods' prices increased by 7.4%, of medicines - by 4.6%.

In April 2022, the payments for electricity, for the maintenance and repair of housing, operating costs, for cold and hot water supply, sanitation, for gas, contributions for major repairs remained unchanged.

In April 2022, the cost of the compulsory insurance policy for car owners became 17.0% higher, the payment for the use of consumer credit grew by 12.2%, for repairs, tailoring - by 11.8%, the cost of air travel - by 11.5%, photocopying of documents - by 11.1%, the cost of travel on long-distance trains - by 10.7%, accommodation in hotels - by 5.2%, while the cost of services in the field of foreign tourism decreased by 5.8%.

FIGURE 2. Consumer price index dynamics in 2021, January-April 2022, % to the previous month

In January-April 2022, gasoline prices increased by 1.3%, and diesel fuel prices increased by 2.0%. In April 2022, gasoline prices did not increase, diesel fuel prices fell by 0.7%.

PERSONAL INCOMES AND EXPENDITURES

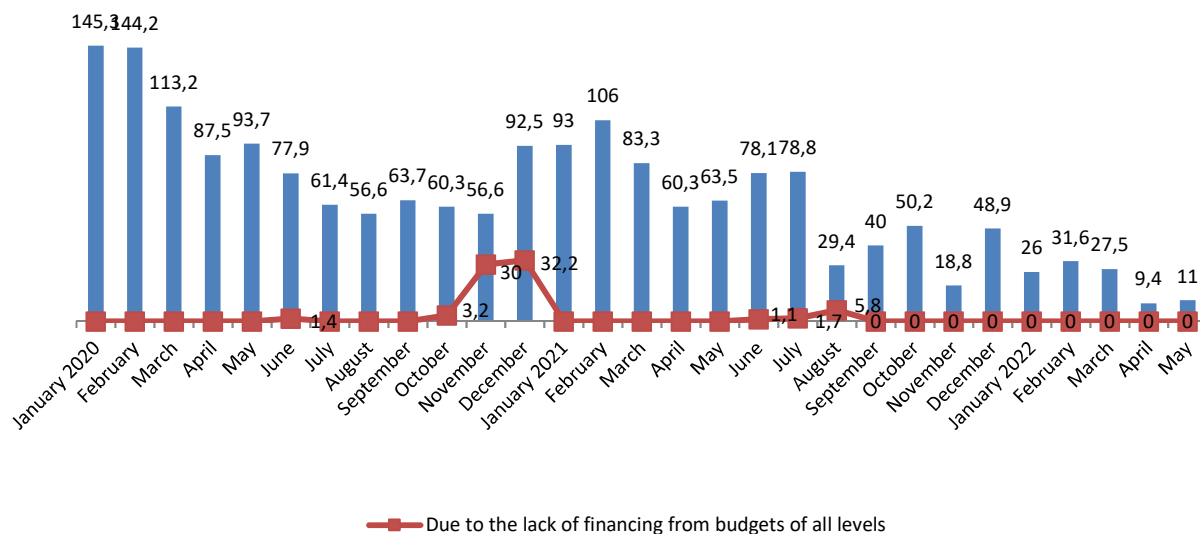
The real accrued salary, calculated taking into account the consumer price index, in March 2022 amounted to 105.1% compared to the level of February 2022 and 101.4% compared to the level of March 2021 (Table 3). The average nominal salary accrued in March 2022 amounted to 89679 ru-

bles. The average nominal salary of Russian citizens in March 2022 was 25.6% less than in St. Petersburg and amounted to 66757 rubles.

According to the data of organizations of the observed types of economic activity (excluding small business entities) that provided information on overdue wage arrears as of May 1, 2022, the total debt amounted to 11.0 million rubles. The volume of debt was 117.1% of the level of April 1, 2022, and 16.0% by May 1, 2021. Processing industries accounted for 85.5% of the total debt, construction sector - for 14.5%. Of the total amount of overdue debt, 1.3 million rubles was the debt formed in 2020 and earlier.

TABLE 3. Real wage dynamics in St. Petersburg and the Russian Federation in 2021, January-March 2022, %

	<i>St. Petersburg</i>		<i>Russian Federation</i>	
	<i>Real wage</i>		<i>Real wage</i>	
	<i>To the previous month</i>	<i>To the same month of the previous year</i>	<i>To the previous month</i>	<i>To the same month of the previous year</i>
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
January 2022	70,4	101,3	70,5	101,9
February	106,4	101,1	100,8	102,6
March	105,1	101,4	108,2	103,6

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

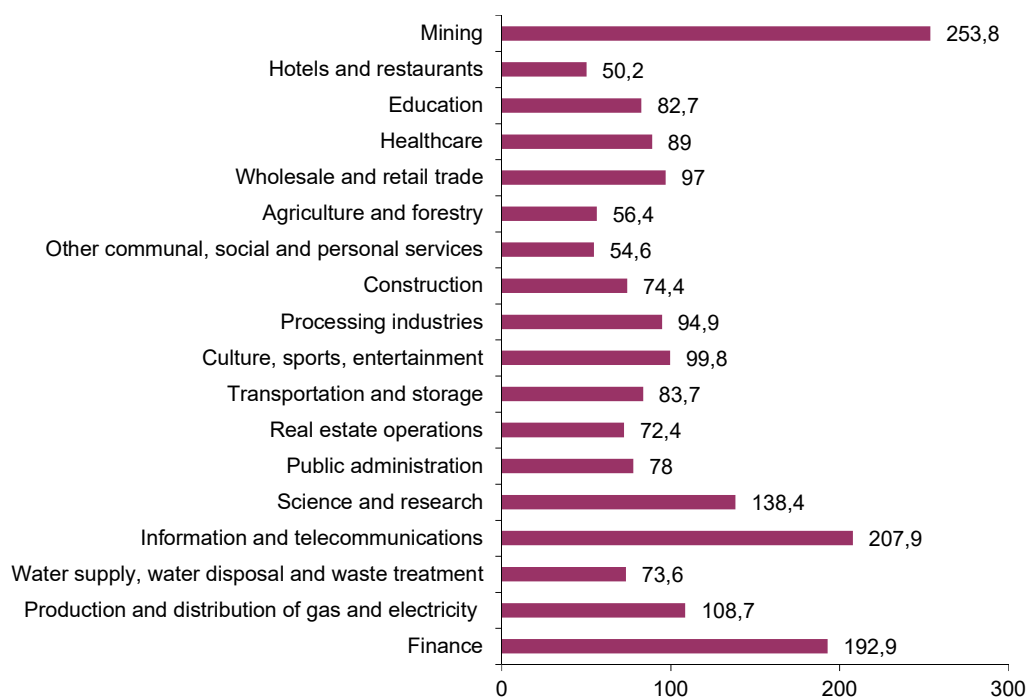
DIFFERENTIATION OF INCOMES AND SALARIES IN ST. PETERSBURG

The gap between the highest salary (mining) and the lowest (in hotels and restaurants) was 5.1 times (Figure 4) in March 2022.

The highest salary in March 2022 was for mining (the salary of employees in this industry was 2.5 times higher than the average salary in St. Petersburg).

In March 2022, the average salary in St. Petersburg was significantly exceeded by the remuneration of employees in the field of information and communications (2.1 times), financial activities (by 92.9%), in the scientific and technical sphere (by 38.4%).

The lowest wages were paid to those employed in hotels and resorts (50.2% of the average salary), in the provision of other communal, social and personal services (54.6% of the average salary), agriculture (56.4% of the average salary).

FIGURE 4. Inter-industry differentiation of average salary in March 2022 in St. Petersburg, % of the average salary (the average salary = 100%)



4. INDUSTRY

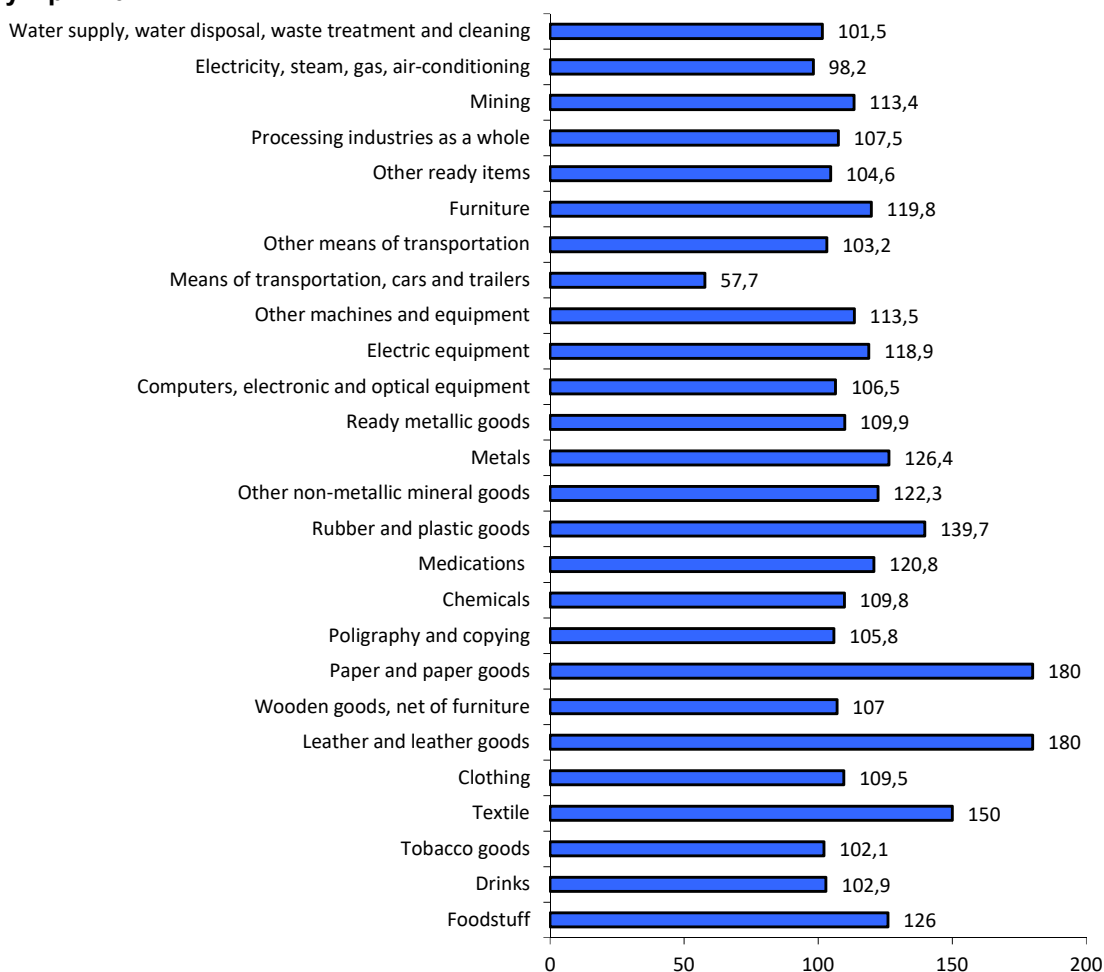
The industrial production index in St. Petersburg in January-April 2022 compared to January-April 2021 amounted to 104.2%.

According to the Industrial Development Fund, JSC "Leningrad Mechanical Plant named after Karl Liebknecht" of Rostec State Corporation has launched a full-cycle serial production (from the production of components to the assembly of finished products) of hydraulic cylinders for agricultural, road and utility vehicles at its site in St. Petersburg. Hydraulic cylinders are used in tractors, combines, excavators, bulldozers, dump trucks, utility vehicles, equipment for the mining and oil industry, jacks. The investments in the production exceeded 235 million rubles. Of these, 188 million rubles were provided as a preferential loan under the special program "Conversion" by the Industry Development Fund. The capacity of the line is up to 55 thousand units per year (frprf.ru 11.05.2022).

According to TASS, the pharmaceutical company Solopharm (Grotex LLC) has launched a new plant in St. Petersburg for the production of solid dosage forms, capsules and tablets. The volume of investments is estimated at 3.5 billion rubles. The new production lines, with a total capacity of 2 billion tablets and capsules per year, are intended for the creation of drugs in the field of cardiology, neurology, gastroenterology, traumatology, as well as pulmonology and therapy. Solopharm Pharmaceutical Company (Grotex LLC) launched its first plant in 2013, and today it is one of the largest system-forming enterprises of the pharmaceutical industry in Russia (tass.ru 04/28/2022).

A line for the production of polyethylene pipes has been launched at the Peterpipe plant in St. Petersburg. The capacity of the line is up to 3 km of pipes of various diameters per day, up to 700 kilometers of pipes per year. The volumes are sufficient to supply the construction of gas pipelines not only in St. Petersburg and the Leningrad region, but also in neighboring regions. The plant operates entirely on Russian raw materials: polyethylene crumb is delivered to St. Petersburg from Kazan (vk.com/gasrussia 13.04.2022).

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



5. FINANCE

In January-March 2022, the net financial result (profit minus loss) of organizations amounted to 1002.7 billion rubles, which is 25.1% more than in the corresponding period of 2021.

In January-March 2022, consolidated budget revenues amounted to 256.3 billion rubles, which is 49.2% more in nominal terms than in January-March 2021. Consolidated budget expenditures amounted to 250.2 billion rubles, which is 6.3% more than the same period last year.

In January-March 2022, the number of unprofitable organizations increased by 110 units or 12.5% compared to the same period in 2021, the amount of loss increased by 3.4 times.

According to the operational data of the Federal Tax Service of the Russian Federation for St. Petersburg in January-April 2022 the budget system received taxes, fees and other mandatory payments in the amount of 513 billion rubles, which in nominal terms is 7.0% less than in January-April 2021.

STATE DEBT

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

6. CITY AFFAIRS

BEAUTIFICATION, RESTORATION, CAPITAL REPAIRS

In 2022, the Committee for State Control, Use and Protection of Historical and Cultural Mon-

uments (KGIOP) will spend 3.6 billion rubles on restoration and protection of cultural monuments, which is 1.5 billion rubles more than in 2021. The financing was allocated within the "Heritage" sub-program of the state program "Development of the sphere of culture in St. Petersburg". The current plan includes the restoration of 35 facades, including the Gatchina Palace and the Peter and Paul Cathedral in Peterhof, as well as the interiors of the Monferran House and Anichkov Palace. In 2022 restoration work on several cultural heritage sites started in 2015-2021 has been completed. In particular, the complex restoration of Smolny Cathedral has been completed, as well as the restoration of the facades of the Kazan Cathedral, facades on the street of the Architect of Russia, historical lanterns on the Field of Mars, monument to Nicholas I on St. Isaac's Square, facades of the Academy of Light Industry building on Suvorovsky Avenue. (According to "Kommersant")

The State Procurement Committee of St. Petersburg has re-announced a competition for the overhaul of the Rybatsky Bridge across the Slavyanka River. The initial price of the contract is 368 million rubles. The project provides for the overhaul of the bridge itself and the approaches to it. In addition, the sidewalk will be expanded to 3 m. The contractor under the contract has not been determined at the moment. (Based on the materials of Kommersant and St. Petersburg Vedomosti)

The large study of the Chinese Palace in Oranienbaum was opened after six years of renovation work. Currently, 13 of the 17 halls of the Chinese Palace are already open to the public. The completion of the restoration of the remaining premises (the Chinese bedchamber, the cadet room and Catherine's study) is planned for the end of 2023 (According to the materials of Interfax).

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

	Min rubles
State domestic debt of St. Petersburg, including:	90 706,7
Bonds	85 006,1
Budget Credits	5700,6
State external debt of St. Petersburg	0,0
Total	90706,7

Source: Committee on finance of St. Petersburg

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

Item	Plan for 2022	Fact on 01.07.2022
Domestic debt service costs	6 149,9	3 010,7
Total	6 149,9	3 010,7

Source: Committee on finance of St. Petersburg

TRANSPORTATION, ENERGY, WATER SUPPLY

In January-April 2022, St. Petersburg transport organizations transported 5795 thousand tons of cargo (17% higher than in the same period of 2021) and 161.8 million passengers (6% higher than in the same period of 2021). At the same time, cargo turnover amounted to 1767.5 million ton-km (lower by 28.5% than in January-April 2021), and passenger turnover – 1012.2 million passenger-km (14.8% higher than in January-April 2021). Positive dynamics is observed with road safety in the city. Number of road traffic accidents in January-April 2022 amounted to 1155, which is 23.5% lower than the level of the same period in 2021. The number of accidents involving children under 16 years of age was 92 in January-April 2022, which is 38.3% lower than the level of January-April 2021. (According to Petrostat)

Passenger traffic at Pulkovo Airport in January-April 2022 amounted to 4.4 million passengers, which is 9% higher than in the same period of 2021, and 24% higher than in the same period of 2020. At the same time, Pulkovo Airport served more than 3.8 million passengers on domestic routes and 672 thousand passengers on international routes (which is 2.5 times more than in January-April 2021, but 28% lower than in the same period of 2020). The most popular domestic destinations besides Moscow were Sochi, Kaliningrad, Novosibirsk, Yekaterinburg, Arkhangelsk and Kazan. Among the foreign destinations, the most popular are Istanbul, Dubai, Minsk, Hurgada, Sharm el-Sheikh, Tashkent and Dushanbe. Russia, Pobeda, Smartavia, Aeroflot and S7 Airlines became the leaders in the volume of transportation for the specified period among Russian airlines, while Turkish Airlines, Uzbekistan Airways, Belavia, Emirates and Finnair were among the foreign ones. (According to NCSG)

The St. Petersburg Vodokanal has announced the results of a tender for design and construction work on the second line of the Main Sewer collector, providing the northern districts of the city. The contract will be concluded with LLC "Repair and construction of networks "PR and SS". The total cost of the work is 9.55 billion rubles. The new collector will be built in Lakhta at a depth of about 60 meters. It is assumed that it will provide drainage for the period of reconstruction of the main line of the Main Sewer collector, which has been in operation for about 30 years. (Based on the materials of Kommersant)

The net profit of the State Unitary Enterprise "TEK SPb" by the end of 2021 increased fourfold compared to 2020 and amounted to 1.2 billion rubles. At the same time, the output grew by 15% and reached 35.5 billion rubles. Among the company's plans for 2022 are the reconstruction of networks and boiler houses in the Kurortniy district, the replacement of inefficient boiler houses with central heating plants and a comprehensive reconstruction of the heat supply system. In addition, in 2022 the

company is to be transformed into a joint-stock company (Based on the materials of Vedomosti)

MAJOR CITY PROJECTS

Within the framework of the St. Petersburg International Economic Forum, the Administration of St. Petersburg concluded a number of major contracts totaling more than 340 billion rubles. In particular, agreements were reached with DOM.RF on the implementation of investments in various infrastructure and social facilities totaling 150 billion rubles, some of which will be provided to the city using the infrastructure bonds program. Among the major agreements in the field of industry is the creation by the USC Group of a center for mechanical engineering and logistics with a planned investment volume of 20 billion rubles, as well as the expansion of the production of electric transport by Transmashholding. Also, an agreement of intent was concluded between the administration of St. Petersburg, St. Petersburg Polytechnic University and VTB: at the intersection of Hydro-Technicians street and Gzhatskaya street, it is planned to build a scientific and educational complex and a new university campus with an area of more than 147 thousand square meters. In addition, a number of agreements were concluded with the construction company Glorax, which by 2027 plans to build more than 175 thousand square meters of housing in Peterhof, as well as a school and two kindergartens, and by 2029 – to complete work on the reconstruction of the Apraksin yard with a total investments of 50 billion rubles (According to the portal "Real estate and construction of St. Petersburg")

At the end of May, it was announced that the Administration of St. Petersburg would receive an infrastructure loan from the federal budget for the construction of two lines of St. Petersburg metro. The total amount of the loan is 8 billion rubles, of which 6.3 billion rubles were allocated for the construction of the continuation of the Krasnoselsko-Kalininskaya line (Putilovskaya and Kazakovskaya stations), and 1.7 billion rubles for the construction of the section of the Lakhtinsko-Pravoberezhnaya line. The construction of these two lines is aimed at increasing the transport accessibility of the southwestern districts of the city, as well as of the Vasilevsky Island. (Based on Interfax)

**7. REAL ESTATE****HOUSING AND CIVIL CONSTRUCTION**

At the SPIEF-22, the Minister of Construction and Housing and Communal Services of the Russian Federation Irek Fayzullin said that in Russia, according to the results of the first five months, 44.5 million square meters of housing were put into operation, which is 54.6% more than last year.

In St. Petersburg, in April 2022, 254098,00 sq. m. 92 houses for 5764 apartments, were commissioned. In May, these figures amounted to 251352.00 sq. m., 138 houses, and 5436 apartments.

Also in May, 17 objects of general civil purpose were commissioned. Among them are a hotel complex in the Vyborgsky district, a hotel in the Kirovsky district, a transport interchange of the ZSD highway at the intersection with Shuvalovsky Avenue.

As the Chairman of the Construction Committee Igor Kreslavsky stated in the TV show "Results of the Day" on the 78 TV channel, in 2 years St. Petersburg has managed to reduce the deficit of social facilities by a third. In 2019, about 300 social facilities were missing in Petersburg. After that, in 2 years, the city managed to build about 100 objects. In the next 3 years, 50 more schools and 80 kindergartens will appear.

Now, simultaneously with the commissioning of a residential building, social facilities should be introduced. Now housing construction is carried out in such a way as to be in balance with the infrastructure: transport, green areas, social facilities. An Urban Planning Commission has been established in the city, which reviews the developer's project and decides whether it will be given permission to build housing. The document specifies the social facilities that the developer will have to build. Later they are donated to the city. If additional objects are required, then St. Petersburg buys them. Even at the initial stage, the investor can calculate his expenses and decide whether it will start construction.

CO-INVESTORS

The Construction Committee also reported that the construction of a "problematic" residential complex was underway in the Vyborg district of St. Petersburg. The progress of work on the construction of the residential complex "Poet" was under special control of the Construction Committee. Three 25-storey buildings with an area of 453 thousand square meters were built on Prosveshcheniya Avenue, 43, litera A. They are designed for 637 apartments of various planning solutions and square footage. The premises for commercial purposes are provided in the house.

The developer is LLC "LP". The construction permit was issued in 2015, the completion date was postponed several times, as the company was in a difficult financial and economic situation.

The construction of the "problematic" residential complex "On Zarechnaya" is ahead of schedule. The third and fourth stages are being built at this hour. The object is the last problematic residential complex of GC "Norman". The work is carried out by the holding "Rosstroyinvest".

According to the Chairman of the Construction Committee Igor Kreslavsky, the problem of defrauded shareholders in St. Petersburg will be completely solved by 2024, he said this in the program

"Results of the day" on the TV channel "78". In 2019, there were 55 problematic residential complexes in the city, which amounted to more than 700 thousand square meters of area. About 50 thousand people were affected. In 2 years, it was possible to introduce 44 houses. 11 houses will be commissioned in the next 2 years. Some unfinished buildings were large, for example, the facilities of the company "Petrostroy" and "Norman". To solve these problems, it was necessary to allocate land plots for new investors.

TERRITORIAL DEVELOPMENT, REGULATION

As reported on the website of the Committee for the Construction of St. Petersburg, at the end of June, Methodological recommendations for the complex development of residential construction territories were published. The initiator for the development of recommendations was the Territorial Development Fund. The document consists of several sections. It takes into account the spatial and economic modeling of the complex territorial development projects and the models of integrated development of the territory. It also contains information on the results of the analysis and evaluation of the regional regulatory framework being created in the field of residential development. The developers took into account the best practices of regions that had similar experience. These recommendations will help regional authorities and local self-government bodies in making decisions on this issue.

Within the framework of the national project "Housing and Urban Environment" and the national program "Digital Economy of the Russian Federation", the project of digitalization of the urban economy "Smart City" is being implemented. The project involves 213 cities with a population of above 100 thousand people. At the moment, agreements have been signed with 87 pilot cities from 47 regions, which have assumed increased obligations to implement the Smart City Standard. The goal of the Smart City project is by 2024. to increase the share of city residents participating with the use of digital technologies in the process of city management to 60%, and the average IQ of cities to 30%.

At the seventh annual conference "Digital Industry of Industrial Russia" (CIPR), June 1-3, 2022 in Nizhny Novgorod, at the session "Smart City. Management and Development in conditions of uncertainty" Nikolay Parfentiev, Director of the Digital Development Department of the Ministry of Construction of Russia, spoke about the new Smart City standard (Order of the Ministry of Construction of Russia No. 357/pr dated May 11, 2022), which will ensure synchronization with the priority tasks of national projects.

The Smart City Standard is a basic document that defines the implementation of measures aimed at the digital transformation of urban space and management systems. The most effective

measures for the introduction of modern technological solutions were implemented in the largest cities with a population of over 1 million people and in small towns with a population of up to 100 thousand people. It is these localities that have demonstrated the greatest increase in IQ over the past three years.

The updated Standard includes 18 technical blocks. In addition to the already existing directions for the digitalization of urban services (city administration, housing and communal services, transport), blocks related to innovations in the social sphere, including culture, education and healthcare, have appeared. 213 cities participate in the Smart City project – these are cities with a population of over 100 thousand people, administrative centers of the subjects of the Russian Federation and pilot cities that have signed agreements with the Ministry of Construction of Russia. The updated Standard will ensure compliance with the national development goals of Russia until 2030, actualization from the point of view of joint competencies with federal agencies and synchronization with the priorities of national projects.

According to the press center of the Ministry of Construction, at the initiative of the Ministry of Construction and the Glavgosexpertiza of Russia, a Center for Interaction and Communication in Construction was created. This is a new environment for communications, which will contribute to improving the efficiency of the implementation of strategic construction projects by managing their deadlines, quality and cost indicators. According to the Head of the Ministry of Construction of Russia Irek Fayzullin, the construction complex is currently undergoing a serious transformation, which is determined by the new rhythm of construction, updating the regulatory and technical base, the transition to information modeling and a number of other urgent tasks. In these conditions, system integration and operational coordination of the activities of all participants in the investment and construction process at the grassroots working level are more necessary than ever. Similar processes are possible in different forms. And one of them is the launch of a project on the formation of a communication environment with the participation of a maximum number of industry representatives. At the same time, the head of the Glavgosexpertiza of Russia, Igor Manylov, stressed that the Center for Interaction and Communications in Construction was not a separate institution or a subdivision in the system of state expertise.



8. INVESTMENT PROJECTS

According to Petrostat, the volume of investments in fixed assets in January-March 2022 amounted to 131 billion rubles, or 95.4% compared to the corresponding period last year.

The specific structure of investments in fixed capital is represented by the following:

- 48.3% is directed to machinery and equipment, including household inventory, and other objects;
- 27.7% - buildings (except residential) and equipment, land improvement costs;
- 13.6% - residential buildings and premises;
- 7.6% – intellectual property objects;
- 2.8% - other.

In the structure of investments by sources of financing, own funds accounted for 69.2%, attracted - 30.8%, of which bank loans accounted for 11.4%, budget funds -10.9%, investments from abroad -0.2%.

The opening of the new SLAVA department store took place in the Nevsky Center shopping Mall. More than 40 brands from different regions of the country are represented in the store with clothes, accessories and goods for home and interior only from Russian designers. 30% of the assortment falls on clothes and shoes from Russian designers, and 70% — on household goods, cosmetics and jewelry. The investments in the opening amounted to 7 million rubles.

In St. Petersburg, **14 restaurants of the Tasty— and period** network have opened. Another 16 restorations of the network will open in the city by the end of June, all restorations in St. Petersburg, of which there are more than 80, will resume work by the end of the summer. The investments in the opening of restaurants and rental conditions are not disclosed in the company.

In St. Petersburg, **the first shopping center project** since the beginning of the crisis may be announced for implementation. The former power substation of the Krasnoe Znamya factory, built according to the design of architect Erich Mendelsohn in the constructivist style, is located on the site at 53 Pionerskaya Street. The building is a cultural heritage site.

According to experts, in the monument building, most likely, they will not make a classic shopping center, but a multi-functional object. Shops are required at least for residents of new complexes.

Russian Post has decided to master the direction of express delivery from stores. From July, this service will be available to residents of St. Petersburg. Now the service in the format of a pilot project has started working in Moscow. By the end of the year, it will cover several million-plus cities. It is assumed that the delivery period will be from 60 minutes, while the post office is ready to provide retailers with its own couriers and IT infrastructure. The sales will be handled by the retail chains themselves or their partners. The couriers of the Russian Post will collect the order at the point of sale and deliver it to the customer day by day or at the interval specified by the retailer. L'Etoile, a chain of cosmetics and perfumery stores, was one of the first to join the service.

The Dessert Fantasy Company will build a large freezer warehouse in the Frunzensky district of St. Petersburg. The plot on Sofiyskaya Street is owned by Dessert Fantasy, the area of the object

will be 7 thousand square meters, the design will be handled by ILR Construction. The owner of the company noted that the construction of a new complex is necessary to expand production. First, it is planned to put into operation a large warehouse that will provide storage of finished products and raw materials, as well as logistics. After that, the construction of the second production site will begin. The facility will become the largest freezer warehouse among those built in the city over the past five years. The investments in the project are estimated at 700-900 million rubles, its implementation will take about 2 years.

The manufacturer of respirators, masks and other personal protective equipment, the company LLC **"Respiratory Complex"** intends to invest in the expansion of production. The company is planning to build a center and reconstruct the existing complex of its buildings. Technological lines for the production of molded and three-panel respirators, logistics and warehouse and administrative and household complexes will be placed in them. The volume of investments in the project will amount to 500 million rubles, the enterprise is located in the Vsevolozhsky district of the Leningrad region.

The authorities of St. Petersburg and the Enterprise Development Agency LLC have reached an agreement on the construction of a recreational complex with the current name **"Karelian Village"** in Kurortniy district. The project of the suburban sanatorium-resort complex includes the reconstruction of the historical natural landscape of the local area. It is planned to spend about 2 billion rubles on construction, financing is supposed to be carried out at the expense of own and attracted funds. The project implementation period is 2026.

There are plans to create a **scientific quarter on Vasilievsky Island**. The center of the quarter will be a complex of buildings of the Russian Academy of Sciences on the University Embankment, it is assumed that a museum center of science and technology will be opened in the Museum wing, and all scientific and educational institutions will be connected by a single system of public space.

In 2024, the city authorities plan to hold a world scientific and educational forum in Expoforum, dedicated to the **300th anniversary of the Russian Academy of Sciences**.

Two companies of St. Petersburg will receive funds from the city budget for the development of their own projects. **The Russian Telephone Company** will receive 100 million rubles to increase the production of electronic components, and the **Gefest Trading House** will receive 51 million rubles to launch the import-substituting production of laser robotic complexes. The loans were approved by the Industry Development Fund.

Apraksin Dvor will be reconstructed. The city government has agreed to carry out restoration work in cooperation with the Glorax company. The works will include restoration of cultural heritage sites and reconstruction of buildings. The space will

be transformed by 2029, the trading function will be preserved. The total investment in the project will be at least 50 billion rubles.

JSC "UEC-Klimov" (part of the United Engine Corporation "Rostec") became a resident of the special economic zone "St. Petersburg" with a project to organize the production of aircraft engines. The investments in the project are estimated at 37.7 billion rubles, the press service of Rostech reports. It is planned to expand the production of aircraft engines on the territory of the Novo-Orlovskaya SEZ site by 2026. It is planned to build several production buildings, including a production and design building, a development workshop and a complex for bench tests.



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/>