

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



**July-September 2022 № 176**



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**Founder: IC SER Leontief Centre**

**Editor in chief:**

*Nina Oding*

**Editors:**

*Olga Varlamova*

*Denis Kadochnikov*

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

## 1. CITY MANAGEMENT

### APPOINTMENTS

#### **A new chairman of St. Petersburg Electoral Commission has been elected**

On July 5, 2022, at the meeting of St. Petersburg Electoral Commission new chairman was elected for 2022-2027 period - M. Meiksin. From October 19, 2021 to July 4, 2022, he held the position of Vice-Governor of St. Petersburg, before that he was head of the Administration of the Central District, and earlier - chairman of the Committee on Industrial Policy and Innovation.

#### **A new head has been appointed to the Territorial Development Committee**

On July 6, 2022, N. Chechina was appointed to the post of Chairperson of the Territorial Development Committee. Prior to this appointment, she worked as the Chairman of the St. Petersburg Electoral Commission. The Territorial Development Committee is responsible for public administration in the territories of the districts of St. Petersburg and for the development of local self-government. Due to recent changes in the legal framework, local self-government bodies have entered into a unified system of public authority.

#### **The Head of the Central District Administration has been appointed**

On July 6, 2022, E. Fedorova was appointed the head of the Administration of the Central District. Prior to this appointment, she held the position of Acting Head of the Administration of the same district.

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

On July 4, Vice-Governor M. Meiksin resigned from the Government in connection with the transition to work in the Central Election Commission. Since July 25, 2022, the Chairman of the Committee on External Relations E. Grigoriev and the Chairman of the Territorial Development Committee N. Chechina have been included into the city Government. V. Moskalenko became another member of the city Government. On July 25, 2022, he became a Vice-governor. Prior to this appointment, V. Moskalenko held the position of Chairman of the Committee on Economic Policy and Strategic Planning. In the new position of V. Moskalenko will oversee the activities of his former Committee and the Department of Social Nutrition. A. Zyryanov became the Acting Chairman of the Committee on Economic Policy and Strategic Planning. Thus, the number of members of the Government of St. Petersburg has reached 16 people.

#### **A new federal inspector for St. Petersburg has been appointed**

On August 8, 2022, P. Dashkov was appointed to the post of Chief Federal Inspector for St. Petersburg. Prior to this appointment, P. Dashkov served in the Ministry of Internal Affairs of the USSR and Russia, and in the National Guard. From 2016 to August 2022, he held the position of the Commander of the North-Western District of the National Guard.

#### **A head has been appointed to the Transport Committee**

On September 2, 2022, the Governor of St. Petersburg signed an order appointing V. Enokaev to the post of Chairman of the Transport Committee. Previously, he served as the first deputy chairman of this Committee and served as its acting Chairman.

#### **The head of the Transport Infrastructure Development Committee has been replaced**

On September 23, 2022, on the basis of an agreement signed by the Governor of St. Petersburg, the Chairman of the Committee for the Development of Transport Infrastructure, A. Levakin, was dismissed from his post. The reason for the resignation was the transfer of A. Levakin to work in the Governor's Administration. The temporary performance of the duties of the Chairman of the Committee was entrusted to the Deputy Chairman A. Fedotov.

#### **A meeting of the Anti-Terrorist Commission and the Operations Staff of the city was held**

The meeting was held on August 11, 2022 in Smolny under the chairmanship of the Governor of St. Petersburg A. Beglov. The meeting was attended by the heads of law enforcement agencies and territorial executive authorities. The participants considered the issues of countering terrorism and ensuring the safety of educational institutions on the eve of the Day of Knowledge.

#### **The first meeting of the Mobilization Draft Commission was held in St. Petersburg**

The meeting was held on September 22, 2022 in Smolny under the chairmanship of Governor A. Beglov. The meeting was attended by Military Commissar of St. Petersburg S. Kachkovsky, heads of the city Military Commissariat and specialized state structures. At the meeting, the issues of organizing the conscription of citizens for military service by mobilization were discussed. In addition

to the city draft commission, 18 district draft commissions for the mobilization of citizens have started working in St. Petersburg.

#### LEGISLATION

##### **Amendments to the Law of St. Petersburg "On Public Green Spaces"**

The changes were made based on the Law of St. Petersburg No. 360-71 of July 1, 2022. The changes made relate to updating the names and descriptions of the location of public green spaces. The law came into force on July 18, 2022.

##### **Amendments to the Law on the Reservation of Jobs for the Employment of Citizens**

Based on the Law of St. Petersburg No. 391-75 of July 1, 2022, amendments were made to the Law of St. Petersburg No. 104-21 of February 27, 2019. According to the amendments, it was determined that citizens aged 18 to 25 years belong to the category of citizens experiencing difficulties in finding work, for which jobs are reserved. Such citizens must have a secondary vocational education or higher education and be looking for a job. The law came into force on July 16, 2022.

##### **The city authorities will support the implementation of the Open City project**

Resolution of the Government of St. Petersburg No. 691 of August 1, 2022 approved the procedure for granting subsidies to the St. Petersburg City Branch of the All-Russian Public Organization "All-Russian Society for the Protection of Historical and Cultural Monuments" for the implementation of the Open City project in 2022. The same resolution approved the list of expenses and the maximum amount of their financial support through subsidies. The resolution came into force on August 1, 2022.

##### **The procedure for making decisions on the preparation and implementation of budget investments in the form of capital investments has been established**

Two procedures were approved by the Decree of the Government of St. Petersburg No. 710 of August 9, 2022. The first one concerns making decisions on the preparation and implementation of budget investments in the form of capital investments in state-owned objects of St. Petersburg and the procedure for their implementation. The second concerns making decisions on the provision of budgetary investments from the budget of St. Petersburg to legal entities that are not state institutions of St. Petersburg and state unitary enterprises of St. Petersburg. The approved procedures will come into force on January 1, 2023.

##### **The procedure for the formation and implementation of the Targeted Investment Program has been approved**

The procedure was approved by the Decree of the Government of St. Petersburg No. 716 dated

August 9, 2022. The procedure will come into force on January 1, 2023.

##### **A budget commission has been formed in St. Petersburg**

The Commission was formed based on the Decree of the Government of St. Petersburg No. 770 dated August 29, 2022. This resolution approved the composition of the commission and the schedule of its work.

##### **The procedure for granting subsidies to industrial enterprises has been approved**

The relevant procedures were approved by the Decree of the Government of St. Petersburg No. 797 dated September 1, 2022. Subsidies are provided on a gratuitous and irrevocable basis to legal entities (with the exception of state (municipal) institutions) registered on the territory of St. Petersburg. Applicants must carry out types of economic activity related to processing industries. The exceptions are: production of tobacco products, printing and copying of media, production of coke and petroleum products, repair and installation of machinery and equipment.

##### **The procedure for providing grants in the field of scientific and scientific-technical activities has been approved**

The procedure approved by the Decree of the Government of St. Petersburg No. 816 of September 5, 2022 stipulates that grants are provided on a gratuitous and non-refundable basis in order to reimburse costs incurred in 2022. These costs should be associated with the production (sale) of goods, performance of works, provision of services in the implementation of scientific and technical activities, experimental developments, conducting applied scientific research. The following scientific directions are taken into account: applied chemistry, applied physics, applied electronics, materials, information technologies, energy-saving technologies, medicine, biology, sociology, economics, ecology and environmental management.

##### **The requirements for an investment project for construction of an industrial facility have been determined**

The requirements are defined in the Decree of the Government of St. Petersburg No. 830 dated September 8, 2022. According to the requirements, the investment project should provide for capital investments in fixed assets planned for placement on the territory of St. Petersburg in the amount of at least 350 million rubles. The term of capital investment project should not exceed 5 years.

##### **Agricultural producers were able to reimburse the costs of transporting their products for exports**

The procedure for granting subsidies to industrial and agricultural enterprises was approved by the Decree of the Government of St. Petersburg

No. 839 dated September 15, 2022. Subsidies are provided on a gratuitous and irrevocable basis to legal entities (with the exception of state and municipal institutions), individual entrepreneurs registered on the territory of St. Petersburg. Applicants for subsidies should relate to agricultural producers and (or) to subjects of activity in the field of industry. The procedure came into force on September 16, 2022.

#### **The procedure for granting subsidies to industrial enterprises has been approved**

The procedure was approved by the Decree of the Government of St. Petersburg No. 887 dated September 28, 2022. Subsidies are provided in order to reimburse part of the costs associated with the payment of lease payments for the purchased technological equipment, in the amount of 50% of the costs. The maximum amount of subsidies for one organization should not exceed 20 million rubles. The Resolution came into force on September 29, 2022.

#### **Additional social guarantees have been established for rescuers**

Based on the Law of St. Petersburg No. 513-80 of September 28, 2022, amendments were made to the Law of St. Petersburg No. 48-24 of February 3, 2010 "On the Emergency Rescue Service of St. Petersburg and emergency rescue units in St. Petersburg". For rescuers who have worked for at least 15 years on a permanent basis as rescuers in the emergency rescue service of St. Petersburg and emergency rescue formations of St. Petersburg, and participated in emergency response, upon reaching the age of 40, the right to receive an additional measure of social support is established. Social support is provided in the form of a monthly payment in the amount of 12.5 thousand rubles (according to the list of positions and specialties approved by the Government of Russia). The conditions and procedure for the provision of monthly payments are established by the Government of St. Petersburg. The law will come into force on January 1, 2023.

### **MEETINGS, COOPERATION**

#### **St. Petersburg establishes ties with Myanmar**

On July 14, 2022, the Governor of St. Petersburg A. Beglov held a meeting with the Chairman of the State Administrative Council, Prime Minister and Supreme Commander-in-Chief of the Armed Forces of Myanmar M.A. Hlaing. The parties discussed the prospects of cooperation in the fields of healthcare, education, culture, tourism, industry and agriculture. According to the agreements reached, St. Petersburg will interact with three cities: Naypyidaw (the capital of Myanmar), Mandalay and Yangon.

#### **The Governor of St. Petersburg held a working meeting with the First Deputy Chairman of the Federation Council, Secretary of the General Council of the United Russia Party**

The meeting took place on July 29, 2022. A. Beglov and A. Turchak discussed the development of the industrial complex of the city and the provision of assistance to the DPR and Mariupol, the sister city of St. Petersburg.

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

On July 31, 2022, the Main Naval Parade of Russia was held in St. Petersburg on the Day of the Navy. The parade took place for the sixth time and was dedicated to the 350th anniversary of the birth of Peter I. The tradition of holding annual naval parades was revived in 2017. The following attendees took part in the events: Russian President Vladimir Putin, Russian Defense Minister Sergei Shoigu, Commander-in-Chief of the Russian Navy N. Evmenov and other officials. Parade formations of ships and submarines passed along the Neva and the Kronstadt raid. The parade was attended by 36 surface ships and boats, 4 submarines, 7 sailing vessels, 42 aircraft and more than 3.5 thousand military personnel. Before the start of the parade, the President of Russia signed decrees approving the Naval Doctrine of Russia and the Ship Charter of the Russian Navy.

#### **St. Petersburg strengthens ties with Leningrad Region**

On August 2, 2022, a working meeting of the governors of St. Petersburg and the Leningrad Region A. Beglov and A. Drozdenko took place in Smolny. The meeting discussed the most priority areas of cooperation between the regions. In particular, the topics of public transport service, construction of a latitudinal highway, repair of access roads to dacha neighborhoods were touched upon. A. Beglov congratulated his colleague on the Day of Establishment of the Leningrad Region, which is celebrated on August 1.

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

The issues of cooperation development were discussed at the meetings of the Governor of St. Petersburg A. Beglov with the Ministers of Industry and Health of the Republic of Belarus. On August 10, 2022, A. Beglov held a meeting with the Minister of Health of Belarus D. Pinevich. The issues of cooperation in the field of pharmaceuticals and the production of medical equipment were in the focus of attention. On August 11, 2022, a meeting was held with the Minister of Industry of Belarus P. Parkhomchik. Issues of expanding cooperation in the field of production activities were discussed at the meeting.

#### **City Pedagogical Council was held in the Oktyabrsky Hall**

The event was held on August 29, 2022 and was timed to coincide with the beginning of the new academic year. The council was attended by Governor A. Beglov, Vice-Governor I. Potekhina, the leadership of the educational department of the city, schools and other educational institutions. The council discussed the implementation of the «Prof Start» program for the creation of school innovation laboratories and some other issues. In his speech, the Governor of St. Petersburg noted that on September 1, the first classes of schools will receive 67 thousand children, which is 1.5 thousand more people than before. Over the past 11 years, the number of children attending kindergartens and schools has increased in St. Petersburg by 360 thousand. For the period from 2019 to August 2022, 44 schools and 120 kindergartens were put into operation in the city. In the next two years, 52 more schools and 71 kindergartens will appear in the city.

#### **The XI St. Petersburg International Gas Forum was held at Expoforum Exhibition Center**

The events of the forum were held from September 13 to 16, 2022. The business program of the forum consisted of 80 events. They covered all areas of the gas industry: exploration, production, transportation, storage, processing, consumption, import substitution, Arctic exploration and environmental protection. More than 17 thousand people from 51 countries of the world took part in the forum. In the exhibition program of the forum, 500 companies presented their developments for the gas industry. Premises with a total area of more than 45 thousand square meters were used for exhibitions.

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

The issues of developing cooperation between the city and VTB were discussed at the meetings of the Governor of St. Petersburg A. Beglov and the President-Chairman of the Board of VTB Bank A. Kostin, which took place on August 3 and September 23, 2022. At the meetings, the issues of the implementation of large infrastructure projects in St. Petersburg were discussed. These include: The construction of the Vitebsk highway interchange (will connect the WHSD highway with the highways of the Frunzensky district, the work on the interchange is the first stage of the creation of a high-speed Latitudinal Highway), the expansion of the capacity of the Pulkovo airport and the development of the metro.



## **2. EMPLOYMENT**

In June 2022, 1552.9 thousand people worked at large and medium-sized enterprises. In the structure of employees, 94.9% were full-time employees, 2.1% - by-workers and 3.0% of the total number were contracted workers.

Compared to the previous month, the number of full-time employees decreased by 0.9%, the number of by-workers fell by 2.9%, and the number of employees hired under contracts increased by 6.4%

In January-June 2022, the number of employees at these enterprises increased by 2.1% compared to the same period in 2021. The number of full-time employees increased by 1.9% over the same period. The number of by-workers increased by 3.2%, the number of employees working under contracts increased by 7.4%.

In June 2022, the largest number of jobs was in manufacturing, education, transport and communications, wholesale and retail trade, healthcare, and the least - in agriculture and forestry, hotels and restaurants, and other types of services. 48.3% of all employees in large and medium-sized enterprises of the city worked in the public sector of the economy.

In January - July 2022, the number of economically active population (EAN) amounted to 3054.4 thousand people, of which 3006.1 thousand were employed and 48.3 thousand unemployed; persons outside the labor force accounted for 1493.4 thousand people. During the period under review, the employment rate was 66.1% (the share of the number of employed in the total population aged 15 to 72 years), the level of economic activity was 67.2% (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 discharge in the third quarter of 2022 in St. Petersburg organizations (without small businesses) amounted to 1875 people or 0.12% of the total number of employees of St. Petersburg organizations (without small businesses) in June 2022. At the same time, the number of required employees for vacant jobs at the end of the second quarter of 2022 in St. Petersburg organizations (without small businesses) amounted to 112.5 thousand people.

In July 2022, the need of St. Petersburg enterprises for employees amounted to 26.2 thousand people (Table 1). Tension in the labor market (the number of unemployed citizens registered with the Employment Service, per vacancy according to the ECP "Work in Russia") at the end of August 2022 amounted to 0.56 people/vacancy (at the end of August 2021 – 0.77 people/vacancy).

At the end of August 2022, the need stated by employers through the Unified Digital platform "Work in Russia" (ECP "Work in Russia") amounted to 37,679 vacancies. According to the Employment Service, the share of vacancies for working professions was 70.6%. (<http://ktzn.gov.spb.ru/analiticheskaya-informaciya/>).

According to the Employment Service, in January - August 2022, the largest number of vacancies were declared by organizations related to the following types of economic activity: transportation and storage - 10.5%; education - 9.5%; manufacturing - 9.1%; wholesale and retail trade, repair of motor vehicles and motorcycles – 7.0%; activities of hotels and catering establishments – 6.9%; administrative activities and related additional services - 6.7%; activities in the field of healthcare and social services - 5.0%; construction – 4.9%; agriculture, forestry, hunting, fishing and fish farming –

3.4%; professional activity, scientific and technical – 3.3%; real estate transactions – 3.1%.

In August 2022, as in the same period of 2021, doctors, engineers, managers, foremen and policemen remain the most in demand among the employees who fell into the top ten of scarce specialists. There was a shortage of foremen, technicians for commissioning and testing, engineers for the preparation of production, for the organization of production management, process engineers, ballet dancers. (<http://ktzn.gov.spb.ru/analiticheskaya-informaciya/>).

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

Month	Demand for workforce reported to the Employment service, thous. people	Number of unemployed people per 1 vacancy		
		People	% to the previous month	% 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
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
May	26,4	0,9	81,8	90,0
June	27,5	0,9	100,0	100,0
July	26,2	0,8	88,9	114,3

**TABLE 2. Change in the number of officially registered unemployed people in St. Petersburg, January 2021 - July 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
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
May	23,1	17,5	99,5	45,2
June	23,5	17,6	100,6	52,1
July	21,6	17,0	96,6	55,0

In July 2022, 21.6 thousand people were registered in the Employment Service of St. Petersburg (Table 2). 17.0 thousand people were registered as unemployed, including 11.6 thousand people who received unemployment benefits. In July 2022, 78.7% of those registered with the Employment Service were officially recognized as unemployed.

In January-August 2022, the Employment Service received 138083 applications from citizens for the provision of public services, including 45056 applications for vocational guidance, 12264 applications for informing about the situation on the labor market.

The State Employment Service of St. Petersburg has registered employed and unemployed citizens who applied to find a suitable job. At the end of August 2022, their total number was 22,621 people (at the end of August 2021 – 45902 people).

The number of registered unemployed citizens at the end of August 2022 was 16885 people, including women - 60.7%; youth aged 16-29 years - 12.5%; citizens of pre-retirement age – 14.8%; disabled people – 8.2% (at the end of August 2021, the number of unemployed was 28082 people). 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 August 2022 was 0.54% (at the end of August 2021, this indicator was 0.91%) (<http://ktzn.gov.spb.ru/analiticheskaya-informaciya/>).

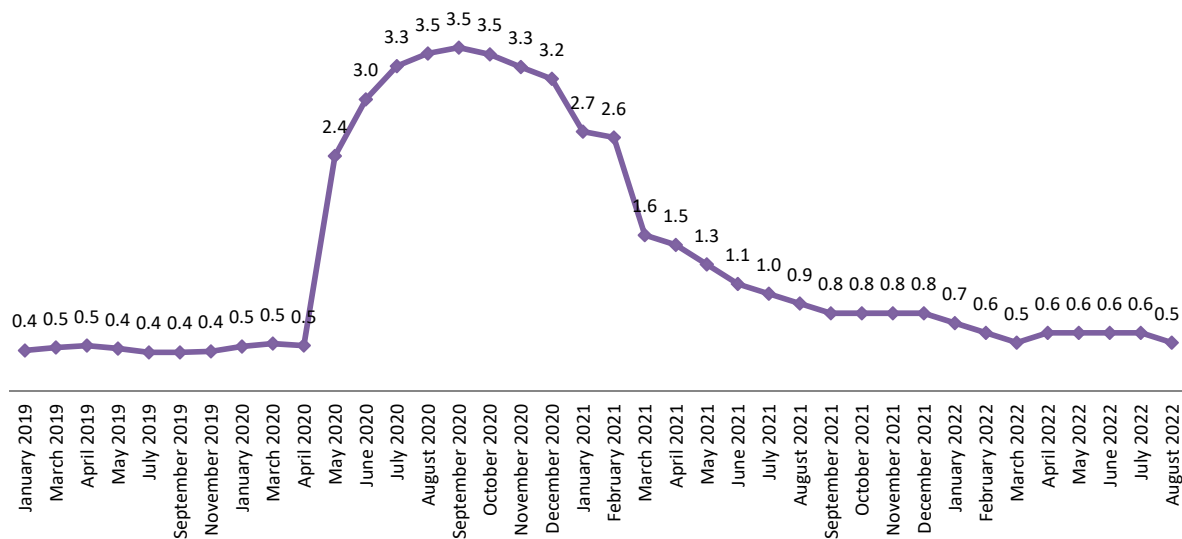
The current stability of the employment level in the labor market, as follows from the July

monitoring of the economic situation of the Gaidar Institute (IEP) (<https://www.iep.ru/publication/publication/monitoring-ekonomicheskoy-situatsii-v-rossii-9-162-avgust-2022-g.html>), can be explained by the use of mechanisms at enterprises for the hidden optimization of personnel costs - going into idle time, sending on unpaid leave or transferring to part-time working day. So, in the economy of St. Petersburg, in the second quarter of 2022 the number of staff members who worked part-time under an agreement between the employee and the employer amounted to 2.9% of the number of employees, the number of staff members who were idle due to the fault of the employer and for reasons beyond the control of the employer and the employee - 3.2%, the number of employees the list of employees who were granted leave without pay on the written application of the employee – 9.7%.

According to Rosstat, in January - July 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 - 3.2%, Moscow – 2.2%, the Russian Federation – 3.9%).

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 August 2022 was 0.54% (at the end of August 2021, this indicator was 0.91%) ([www.rspb.ru](http://www.rspb.ru)) (Figure 1). This is the lowest indicator among the regions of the North-Western Federal District.

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



### 3. PERSONAL INCOMES AND EXPENDITURES

#### PRICES

In January - July 2022, prices in the consumer sector of the economy of St. Petersburg increased by 9.8%. In the same period of 2021, the growth rate was 4.8%.

The growth of consumer prices in the first half of 2022 in St. Petersburg was 1.2% lower than the national average. In July 2022, consumer prices decreased by 0.8% (Figure 2).

In January-July 2022 in St. Petersburg, tariffs for paid services to the population increased by 7.4%. For comparison, their growth in January-July 2021 amounted to 5.3%.

The increase in prices for paid services in Petersburg in January-July 2022 was 1.8% lower than the average Russian level. Prices for paid services increased by 0.7% in July 2022.

In the first half of 2022, prices for food and non-food products increased by 8.0% and 13.7%, respectively.

In July 2022, prices for food products in St. Petersburg fell by 2.3%, for non-food products decreased by 0.6%.

In July 2022, there was an increase in prices only for meat and poultry (by 0.5%), confectionery and cheeses (0.1%).

In July 2022, prices fell for fruit and vegetable products (by 9.1%), cereals and beans (by 3.5%),

butter and fats (by 1.5%), bread and bakery products (by 1.3%), milk and dairy products (by 1.0%), sausage products (by 0.7%), alcoholic beverages (by 0.4%), fish (by 0.1%).

Among non-food products in July 2022, prices grew for hosiery (by 1.3%), perfumery and cosmetics (by 1.2%), knitwear and tobacco products (by 0.4%), clothing (by 0.3%), white paper and stationery, dishes (by 0.1%).

In July 2022, prices fell for electric goods (by 4.8%), shoes (by 2.4%), furniture (by 1.7%), building materials (by 1.5%), medicines (by 1.1%), detergents and cleaning products (by 0.9%), fabrics (by 0.4%),

In July 2022, charges have increased for electricity by 5.0%, for the maintenance and repair of housing, operating costs - by 3.5%, for cold and hot water supply, sanitation - by 1.7%, for gas - by 3.3%, contributions for capital repairs remained unchanged.

In July 2022, tariffs for housing and communal services provided to the population increased by 2.7%, the subscription fee for a radio broadcasting point increased by 8.2%, sanatorium and wellness services - by 7.2, while the fee for using consumer credit decreased by 25.6%, the cost of tickets to cinemas became 11.5% cheaper, insurance services - 3.2% cheaper.

In January-July 2022, gasoline prices increased by 1.2%, and diesel fuel prices increased by 1.5%. In July 2022, gasoline prices did not increase, diesel fuel prices fell by 0.1%.

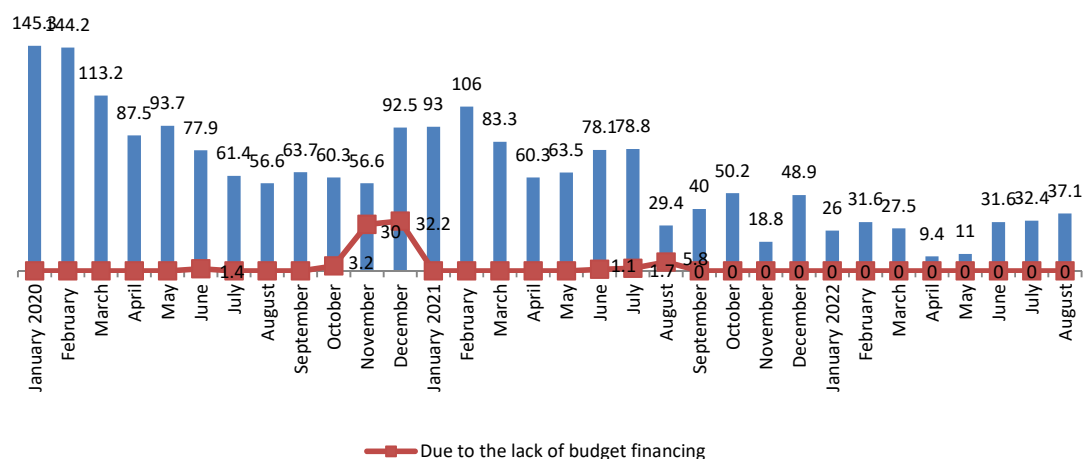
PICTURE 2. Consumer price index dynamics in January – July 2022, % to the previous month





**TABLE 3. The dynamics of real wages in St. Petersburg, January 2021 – June 2022, %**

	<i>St. Petersburg</i>		<i>Russian Federation</i>	
	<i>Real wages</i>		<i>Real wages</i>	
	<i>% to previous month</i>	<i>% to the same month of the previous year</i>	<i>% to 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
April	91,4	91,3	91,7	92,8
May	97,9	93,6	100,1	93,9
June	110,4	97,4	106,9	96,8

**PICTURE 3. Dynamics of salary arrears in St. Petersburg, January 2021 - August 2022 (on the first day of each month), mln rubles****PERSONAL INCOMES AND EXPENDITURES**

Real accrued wages, calculated taking into account the consumer price index, in June 2022 amounted to 110.4% to the level of May 2022 and 97.4% to the level of June 2021 (Table 3).

The average nominal salary accrued in June 2022 amounted to 88482 rubles. The average nominal salary of Russian citizens in July 2022 was 24.8% less than in St. Petersburg and amounted to 66572 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 August 1, 2022, the total debt amounted to 37.1 million rubles. The volume of debt compared to July 1, 2022 increased by

114.1%, to August 1, 2021 – by 126.0%. Processing industries accounted for 93.8% of the total debt, construction – 4.5%, education – 1.0%, transport – 0.7%. Of the total amount of overdue debt, 0.3 million rubles accounted for the debt formed in 2020 and earlier.

**SALARY DIFFERENTIATION IN ST. PETERSBURG**

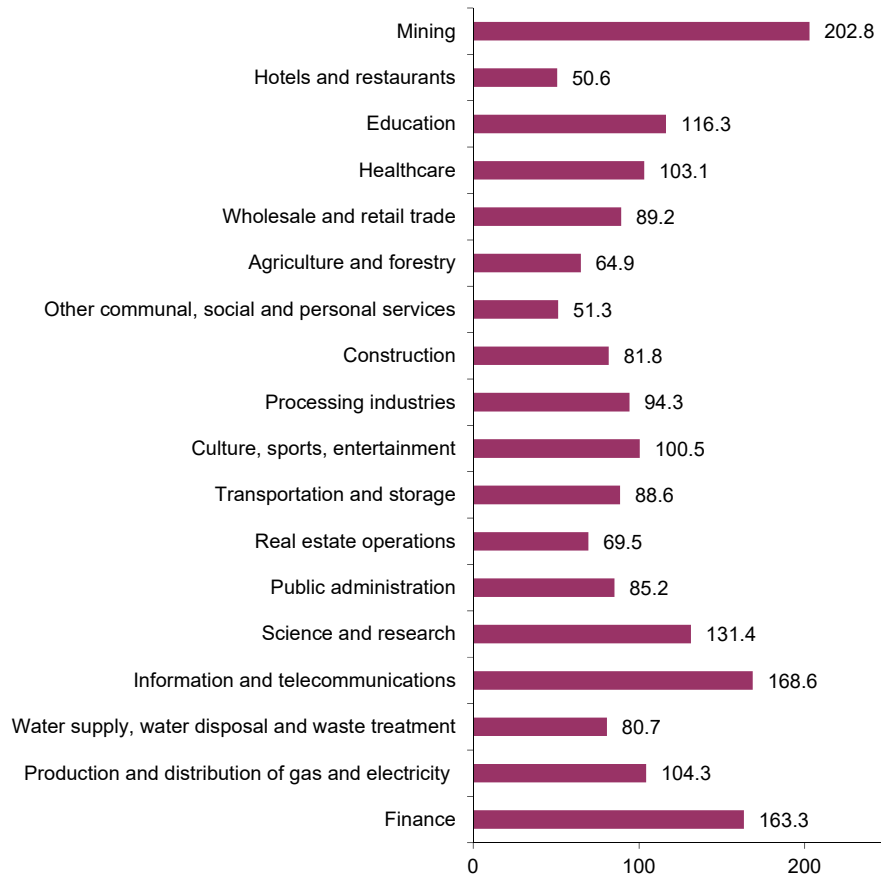
The gap between the highest salary (mining) and the lowest (in hotels and restaurants) was (Figure 4) 4 times in June 2022 versus 5.1 times in March 2022.

The highest wages in June 2022 were in the mining sector (the salary of employees in this industry was 2.0 times higher than the average salary in St. Petersburg).

In June 2022, the average salary in St. Petersburg was significantly exceeded by the remuneration of employees engaged in activities in the field of information and communications (by 68.6%), financial activities (by 63.3%), in the field of scientific and technical (by 31.4%),

And the lowest wages were paid to those employed in hotels and restaurants (50.6% of the average salary), provision of other communal, social and personal services (51.3% of the average salary), agriculture (64.9% of the average salary).

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



## 4. INDUSTRY

The industrial production index in St. Petersburg in January-August 2022 compared to January-August 2021 was 103.7%.

The Turkish company Magmaveld, in partnership with a Russian company, has launched a plant in St. Petersburg for the production of wire for shipbuilding. The enterprise is located in the industrial park "Maryino", in the Petrodvorets district. The plant produces welding powder wire, which is widely used in shipbuilding and ship repair. Production started in early August. The plant produces 50-55 tons of products per month, working in two shifts (abnews.ru 09/20/2022).

On July 29, the Otis plant launched a new line for the production of elevator doors in St. Petersburg. The company specializes in the production, installation and maintenance of elevators, the group includes a plant for the production of elevator equipment in St. Petersburg. At the moment, the capacities of Russian elevator plants allow to fully meet the demand of the Russian market for elevators for high-rise buildings with a speed of up to 2.5 m/s. These are elevators for buildings up to 40 floors (gov.spb.ru 29.07.2022).

The company "Karavay" has launched a new workshop for the production of bread, baguettes and ciabatta in the Kalininsky district of St. Petersburg. More than 400 million rubles were invested in the construction. 120 people were employed. The bread will be baked until 90% ready and subjected to shock freezing. According to the

plans, the workshop will produce more than 1.5 thousand tons of products per month, which will be supplied to retail chains, bakeries and catering establishments (www.dp.ru 25.08.2022).

## 5. FINANCE

In January-July 2022, the net financial result (profit minus loss) of organizations amounted to 2774.1 billion rubles, which is 28.7% more than in the corresponding period of 2021.

In January-July 2022, consolidated budget revenues amounted to 731.1 billion rubles, which in nominal terms is 1.6 times more than in January-July 2021. Consolidated budget expenditures amounted to 433.6 billion rubles, which is 9.9% more than the same period last year.

In January-July 2022, the number of unprofitable organizations increased by 117 units or by 14.5% compared to the same period in 2021, the amount of loss increased by 1.7 times.

According to the operational data of the Federal Tax Service of the Russian Federation for St. Petersburg in January-August 2022, the budget system received taxes, fees and other mandatory payments in the amount of 839 billion rubles, which in nominal terms is 10.6% less than in January-August 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 October 1, 2022**

	mln rubles
State domestic debt of St. Petersburg, including:	93 295.1
Bonds	85 006.1
Budget credits from budgets of other levels	8 289.0
State external debt of St. Petersburg	0.0
Total	93 295.1

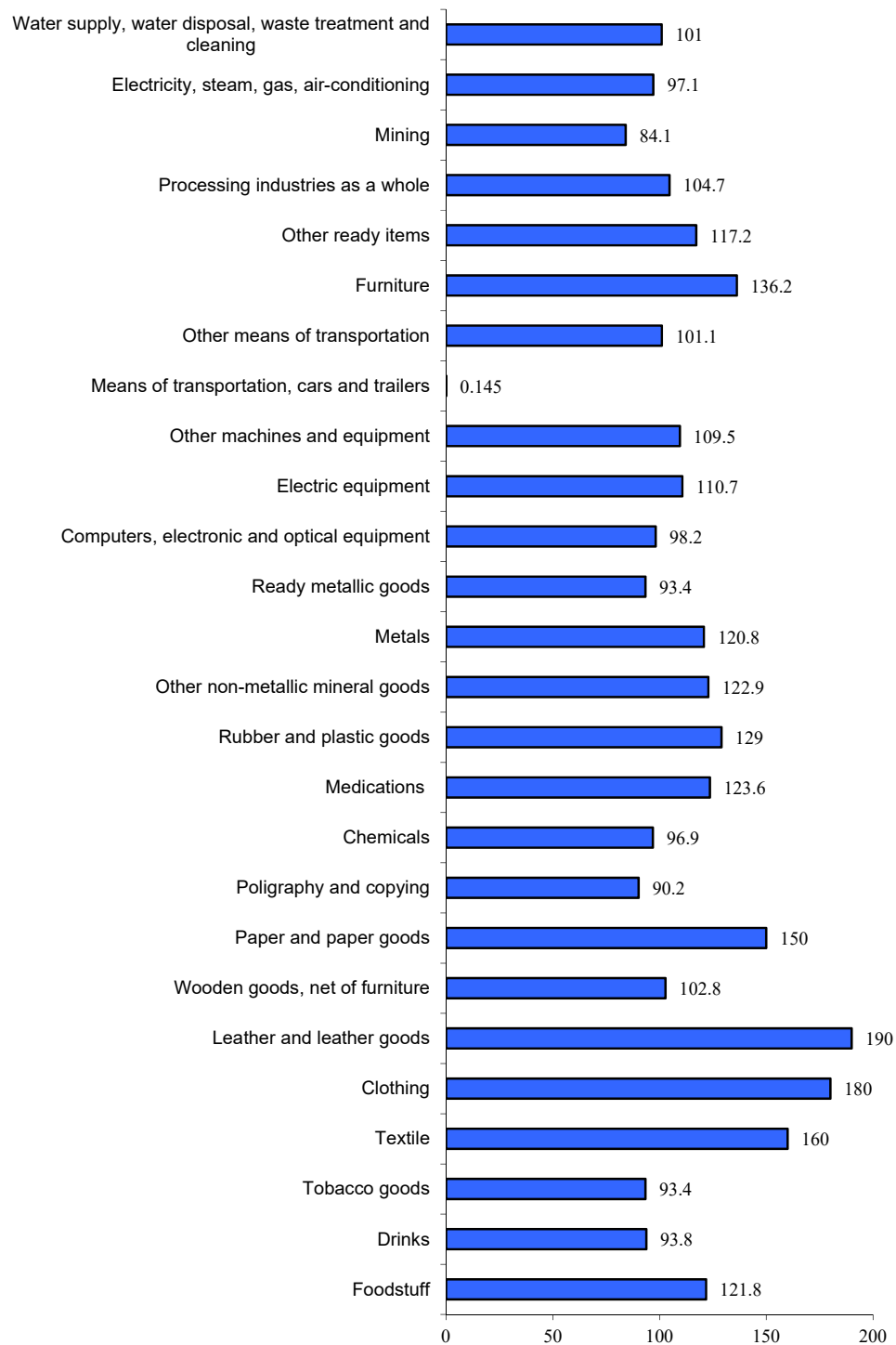
Source: Finance Committee of St. Petersburg

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

Item	Plan for 2022	Fact on 01.10.2022
Domestic debt service costs	6 149.9	3 010.7
Total	6 149.9	3 010.7

Source: Finance Committee of St. Petersburg

PICTURE 5. Industrial production indices by industries, January-August 2022 to January-August 2021



## 6. MUNICIPAL AFFAIRS

### BEAUTIFICATION, RESTORATION, CAPITAL REPAIRS

The next stage of the overhaul of the Fontanka River embankment opposite the Anichkov Palace is scheduled for 2023. The total length of the site is 53 meters, the cost of work is 102 million rubles, the contractor was St. Petersburg GBU "Mosto-trust". By the beginning of 2023, the contractor will have to develop working documentation, and by the end of 2023, a - to perform work on preventing the destruction of rubble masonry and correcting other defects. (Based on the materials of the St. Petersburg authorities)

The State Order Committee of St. Petersburg has announced a competition for the implementation of works on the improvement of the Aviators Park in the Moskovsky district. The works are divided into two stages, the first – with a total cost of 410 million rubles, the second – 465 million rubles. In addition to the general landscaping of the territory, it is planned that sports grounds, bicycle parking lots will be created in the park, and green spaces will be restored. (According to the materials of Kommersant)

The Committee on State Control, Use and Protection of Historical and Cultural Monuments has sent a number of claims to the Arbitration Court of St. Petersburg and the Leningrad Region demanding the restoration of cultural heritage objects (federal and regional monuments). In particular, the Arsenal Shopping Complex company must renovate the Shed for the Imperial Trains of the Warsaw Railway Station on Malaya Mitrofanyevskaya Street, and St. Petersburg State University, in accordance with the KGIOP order, is obliged to restore the Stieglitz House. In case of non-fulfillment of obligations, 50 thousand rubles may be collected from the plaintiffs, and in case of further non-fulfillment - 100 thousand rubles monthly. (Based on the materials of Kommersant)

### TRANSPORTATION, ENERGY, WATER SUPPLY

Passenger traffic at Pulkovo Airport in January-August 2022 amounted to 11.9 million passengers, which is 2.6% higher than in the same period of 2021. At the same time, Pulkovo Airport served more than 10.4 million passengers on domestic routes, and 1.5 million passengers on international routes. The most popular domestic destinations in addition to Moscow were Sochi, Kaliningrad, Novosibirsk, Yekaterinburg, Kazan and Ufa. Among the most popular foreign destinations are Antalya, Istanbul, Dubai, Minsk, Hurgada, Tashkent, Osh and Dushanbe. Russia, Pobeda, Smartavia, Aeroflot and S7 Airlines became the leaders in terms of traffic volume for the specified period among Russian airlines, while Turkish Airlines, Uzbekistan Airways, Belavia, Emirates and Finnair were among

the foreign ones. (Based on the materials of VVSS LLC)

In January-April 2022, St. Petersburg transport organizations transported 5,795 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 1,767.5 million ton-km (by 28.5% lower 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 It amounted to 1,155, 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)

In the summer of 2022, St. Petersburg State Unitary Enterprise "Passenger Transport" announced auctions for the purchase of 50 large-class buses (with a capacity of about 100 people) running on diesel fuel, with a total cost of 998 million rubles. It is reported that the delivery of new buses will be carried out in October 2022. In total, in 2022 it is planned to purchase more than 207 buses of the brands "LIAZ", "NefAZ" and "MAZ" with a total cost of 3.9 billion rubles. (According to the materials of "Business Petersburg")

By the end of 2022, SUE "TEK SPb" plans to complete the repair and reconstruction of 41.2 km of worn-out heating networks (5% of the total length of networks in the district) and intra-block networks in the Primorsky district of St. Petersburg. The total cost of the work is more than 1 billion rubles. (Based on the materials of SUE "TEK SPb")

### MAJOR CITY PROJECTS

The Administration of St. Petersburg has received an infrastructure loan from the federal budget for the construction of two lines of the St. Petersburg Metro. The total amount of the loan is 8 billion rubles, of which 6.3 billion rubles are allocated for the construction of the continuation of the Krasno-Selsko-Kalininskaya line (stations "Path-Lovskaya" and "Kazakovskaya"), and 1.7 billion rubles - for the construction of a section of the Lakh-tinsko-Pravoberezhnaya line. The construction of these two lines is aimed at increasing the transport accessibility of the south-western districts of the city, as well as Vasilyevsky Island. (Based on Interfax materials)

## 7. REAL ESTATE

### CONSTRUCTION

According to the Construction Committee, 163.748 thousand square meters of housing were commissioned in St. Petersburg in July this year. These are 12 multi-apartment buildings with 3717 apartments, as well as 89 houses built in the framework of individual housing construction. Construction was carried out mainly in Krasnoselsky, Vyborg and Primorsky districts. Also in July, 21 objects of general civil purpose were put into operation. Among them there is a 375-seat comprehensive school in Kolpinsky district, a 220-seat preschool educational institution in the Vyborg district, as well as four shops, a business center in the Moskovsky district, industrial park buildings in Shushary and production facilities in Yuntolovo.

In August 2022, 151.597 thousand square meters of housing were commissioned in the city, which is 120 houses for 2568 apartments, including individual housing construction. At the same time, 30 objects of general civil purpose were put into operation in St. Petersburg. Among them are schools for 825 and 1375 places, a kindergarten for 170 places, combined with a school for 300 places in the Pri-Morsky district, as well as a sports and recreation complex with a swimming pool in the Pushkin district. In addition, in August of last year, the reconstruction of the building of the State Educational Institution "Lyceum No. 369" in the Krasnoselsky district was completed.

In 2021 St. Petersburg has entered the top three regions in terms of commissioning of residential real estate, along with Moscow and Krasnodar.

According to the results of RIA Novosti research, 3.46 million m<sup>2</sup> of housing were put into operation in St. Petersburg, 7.8 million in Moscow, and 2.62 million in Krasnodar. ([https://www.bsn.ru/news/construction/spb/48096\\_peterburg\\_zanyal\\_vto-roe\\_mesto\\_v\\_rossii\\_po\\_vvodu\\_zhilya/](https://www.bsn.ru/news/construction/spb/48096_peterburg_zanyal_vto-roe_mesto_v_rossii_po_vvodu_zhilya/))

As Nikita Stasishin, Deputy Minister of Construction and Housing of the Russian Federation, said at a meeting in the Ministry of Construction, "As of August 1 of this year, 57.7 million square meters were commissioned according to the regions, which exceeds last year's figures by 31%. In accordance with the instruction of the President of the Russian Federation, we need to ensure in 2022 the commissioning of housing in the value of at least 92.6 million square meters. Therefore, the regions are faced with the task not only of achieving the indicators of the federal Housing project, but also maintaining the commissioning of housing at the level of 2021."

### CO-INVESTORS

By the end of 2023, the last problematic residential complexes will be put into operation in St. Petersburg. Igor Kreslavsky, Chairman of the Construction Committee, talked about this on the air of the Regional Management Center (re-state.ru). According to him, by the beginning of 2022 there were 15 unfinished long-term construction projects in St. Petersburg. To date, three of them have already been commissioned - these are the residential complexes "Seahorse" in Sestroretsk, "Parnas" in Pargolovo and "Shuvalovsky Park" on Prokofiev Street. In addition, the construction of a multi-storey parking lot for 504 parking spaces has been completed as part of the residential complex "Light World "Quiet Harbor ..." on the Shipbuilding Street.

By the end of 2022, by agreement with developers, it is planned to put into operation seven more problematic houses in the residential complexes "Parnas", "Trio" (2 houses), "New Scandinavia", "Autumn" and "Emerald" (2 houses).

### TERRITORIAL DEVELOPMENT, REGULATION

According to the website of the Ministry of Construction and Housing and Communal Services of the Russian Federation, the following changes in the regulatory and legal sphere of construction were implemented in 2022.

By Decree of the Government of the Russian Federation No. 1344, it is possible to change the cost of the contract in case of a rise in the cost of construction by more than 30%, with the confirmation of such a rise in the cost by Glavgosexpertiza, within the framework of Resolution 1315. The status and composition of the working group for the consideration of investment projects implemented within the framework of the integrated program "Construction" were also approved. Within the framework of it, all new objects that have instructions from the President and the Chairman, proposed for inclusion in the Federal Targeted Investment Program, technical solutions for these objects and calculations of their cost will be examined. The Resolution of the Government of the Russian Federation No. 1333 has approved measures, including those of a managerial nature - demolition, completion of construction, privatization, which are applied when objects of unfinished construction are included in federal and regional registers, as well as criteria for making these decisions. The Government has also added a list of infrastructure facilities, the construction or reconstruction of which can be carried out according to simplified procedures. It included kindergartens, schools, art schools and others.

During the meeting in the Ministry of Construction in early August, the implementation of the mechanisms included in the "Infrastructure menu" was considered. In terms of infrastructure budget loans, funds were brought to 68 regions in the

amount of 107.5 billion rubles. In terms of the NWF, the Headquarters has currently approved 119 applications with a need for borrowed financing - 69.3 billion rubles.

The Ministry of Construction of Russia and the "Unified Institute of Spatial Planning of the Russian Federation" have organized a round table on September 26 to discuss the development of a concept for the formation of a system of documents defining a unified urban planning policy in agglomerations. In the near future, the task is to ensure a unified and effective urban planning policy in 40 agglomerations. To implement it, it is necessary to clearly define which legislative changes to make and which system of documents to form.

In July of this year, a federal law came into force, which has approved the concept of a "standard design solution" in the Civil Code of the Russian Federation. The law stipulates that "functional, technological, structural, engineering and other solutions" recognized as standard can be included in the unified state register of expert opinions on the design documentation of capital construction facilities. From this moment on, a typical design solution can be applied in the implementation of architectural and construction design of a similar object ([min-stroyrf.gov.ru](http://min-stroyrf.gov.ru)). As noted by the Minister of Construction and Housing and Communal Services Irek Fayzullin, "now construction organizations will be able, if necessary, to apply different variants of project solutions within the framework of the use of a new project." The tasks of improving the institutions of standard design and expertise in Russia are being implemented within the framework of the strategic direction of the industry development on the systemic transformation of regulation in construction.

## 8. INVESTMENT PROJECTS

The volume of investments in the fixed capital by the city organizations in January-June 2022 amounted to 316.3 billion rubles.

The specific structure of investments is presented as follows:

- 44.4% of the total investment is directed to machinery and equipment, including household inventory, and other objects;
- 29.1% - into buildings (except residential) and equipment, land improvement costs;
- 4.1% - into intellectual property objects;
- 16% - into residential buildings and structures;
- other investments amounted to 5%.

**The Mirage Cinema chain, after reconstruction, opens a cinema on Bolshoy Prospekt of the Petrogradskaya side.** During the renovation

work, the facility was radically transformed: 7 cinema halls were made out of 4, while the number of seats for spectators decreased from 1000 to 450. There are fewer seats, but the chairs became more comfortable with restaurant service. This is a rare example of a new launch amid a downturn in the industry and the mass closure of cinemas.

**An enterprise for the production of electronics "Pantes" opens in St. Petersburg.** It is located on the territory of the special economic zone (SEZ) "Saint Petersburg". The opening was announced by the city Committee on Industrial Policy, Trade and Innovation. The plant of the Pantes Group of Companies, located on the territory of the special economic zone (SEZ) "Saint Petersburg", will specialize in the development and production of boards and modules of various levels of complexity on orders from third-party (Russian) developers, technological processes are planned to be organized in two stages — for the third and for the sixth-seventh the year of the project implementation with a doubling of the output volume.

**A new network of grocery stores "GOST" will appear in St. Petersburg.** The stores of this network will be of small format with an assortment of about 200 positions. There are plans to open from 500 to 2 thousand such stores. It is assumed that they will work not only in St. Petersburg, but also in Moscow. GOST is planned to operate as a commercial association of manufacturers supplying goods to retail chains.

**Gazprom Lakhta has obtained a permit for the construction of a public and business center of Gazprom Neft on the Okhta Cape.** In the construction permit, the indicated developer of the documentation is Metropolis LLC. In 2020, the project of the international architectural bureau Nikken Sekkei won the competition for the development of the Okhta Cape development concept. According to the concept prepared by Nikken Sekkei, two buildings connected to each other should be built on the Okhta Cape, which will resemble a "crystal ship", it is also planned to create a park facing the Neva embankment. Within the boundaries of the protected zone, which are approved by the city Government and the Ministry of Culture of the Russian Federation, the owner will build a museum.

**Korzhov bakery chain has opened a new restaurant at Pulkovo Airport.** The new restaurant with 96 seats will be located in the international terminal "Pulkovo". The restaurant will offer a la carte Russian cuisine, as well as an extensive wine list, is the flagship for the chain. Own investments in the project amounted to 35 million rubles.



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

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

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

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

All editions of the overview are posted on the website <http://www.obzor.leontief.ru/>