

GENERAL OVERVIEW OF SOCIO-ECONOMIC SITUATION IN ST. PETERSBURG

January-March 2023 № 178



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2. **EMPLOYMENT:** High level of hidden unemployment
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7. **REAL ESTATE:** Information about the issued permits for the construction and commissioning of facilities
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1. CITY MANAGEMENT

APPOINTMENTS, GOVERNMENT COUNCILS

The new head of the Administration of the Pushkin district

On February 13, 2023, A. Chapurov was appointed to the post of head of the Administration of the Pushkin district. Previously, he held the position of acting Head of the Administration of this district.

New Head of the Law, Order and Security Committee

On February 20, 2023, A. Golombievsky was appointed to the post of Chairman of the Committee on Legality, Law and Order and Security. Prior to this appointment, he held the position of Acting Chairman of the same Committee.

The new head of the Administration of the Kronstadt district

On February 20, 2023, A. Kononov was appointed to the post of head of the Administration of the Kronstadt district. Prior to this appointment, he held the position of acting Head of the Administration of this district.

Meeting of the Council for Providing Support to Citizens Participating in the Special Military Operation and their family members

The first meeting of the Council was held on January 19, 2023 in Smolny under the chairmanship of Governor A. Beglov. The Council was formed on November 28, 2022. A whole range of support measures is provided for citizens taking part in the SVO, as well as their family members. Among them are the provision of free meals at schools and colleges, kindergarten attendance, vouchers to recreation and recreation camps, travel in urban public passenger and suburban railway transport.

A meeting of the Environmental Council under the Governor of St. Petersburg was held

The Council meeting was held on February 28, 2023 under the chairmanship of Governor A. Beglov. The meeting considered a draft regional plan for adaptation to climate change. The project contains 28 measures, the implementation of which will allow leveling the possible negative consequences of climate change and taking advantage of their potential benefits. The document was developed by the joint efforts of employees of federal and city authorities, scientific organizations and enterprises. The work on the Petersburg plan was synchronized with similar work in the Leningrad region. Following the meeting, its participants supported the adoption of a regional plan for adaptation to climate change.

An expanded board of the Administration of the Federal Tax Service (FTS of Russia) in St. Petersburg was held

The work of the board was held in Smolny on March 3, 2023. The board was attended by the Governor of St. Petersburg A. Beglov, Deputy Head of the Federal Tax Service of Russia K. Chekmyshev, Head of the Department of the Federal Tax Service of Russia for St. Petersburg A. Gnedykh, representatives of other city and federal authorities. The meeting participants summed up the results of the work in 2022 and outlined plans for the coming year. The revenue part of the consolidated budget of St. Petersburg exceeded 1 trillion rubles. Compared with the result of 2021, it increased by 41%, and over the past four years - by 2 times. St. Petersburg taxpayers contributed 2,078 trillion rubles to the budget system of Russia in 2022. Receipts of funds to the federal budget amounted to 590 billion rubles (an increase of 12%), to state extra-budgetary funds - 673 billion rubles (an increase of 6.5%). The income part of the St. Petersburg treasury was formed mainly due to income tax receipts (46% of all income) and personal income tax (39%).

LEGISLATION

A natural reserve has been created in St. Petersburg

In accordance with the decree of the Government of St. Petersburg dated January 11, 2023 No. 3, the Levashovsky State Nature Reserve of regional significance was established on the territory of the city. It was created on a part of the territory of the Vyborgsky district and a part of the territory of the Kurortny district of St. Petersburg, which are of particular importance for the preservation of natural complexes and maintaining ecological balance, as a nature reserve. The reserve consists of five sections: Western, Central, North-Eastern, Eastern and South-Eastern. The main type of permitted use of land plots within the boundaries of the Reserve is determined by the activity of special protection and study of nature, protection of natural territories.

Amendments have been made to the Law of St. Petersburg on Tax Benefits

In accordance with the Law of St. Petersburg No. 29-6 of January 30, 2023, amendments were made to the laws of St. Petersburg "On Tax Benefits" and "On the establishment of a tax rate on the territory of St. Petersburg for organizations and individual entrepreneurs applying the simplified taxation system". In terms of amendments to the Law on Tax Benefits, it is established that the types of economic activity, the implementation of which gives the right to apply an investment tax deduction for income tax, include "Cargo handling" and "Telecommunications activities". In addition, the list of fixed assets has been expanded, in relation to which the right to apply an investment tax deduction is granted.

Regarding the amendments to the Law on the Establishment of the tax rate for organizations and individual entrepreneurs applying the simplified taxation system, the conditions for such organizations-activities in the field of information technologies- have been clarified. Until the end of 2023, the application of reduced tax rates has been extended for organizations and individual entrepreneurs applying the simplified taxation system, whose share of income from the implementation of entrepreneurial activities related to section C "Processing industries" according to the results of the tax period is at least 70% of income. The exception is the production of beverages (except malt, soft drinks, packaged drinking water, including mineral), tobacco products, coke and petroleum products.

For 2023, tax rates are set in the following amounts: 3% (if the object of taxation is income), and 5% (if the object of taxation is income reduced by the amount of expenses, for organizations and individual entrepreneurs applying a simplified taxation system. In the latter case, organizations and individual entrepreneurs must simultaneously meet a number of conditions. In particular, the share of income from "Scientific research and development" according to the results of 2023 must be at least 70% of the income.

The investment declaration of St. Petersburg has been approved

The Investment Declaration was developed for the advancing of investments in St. Petersburg and approved by the Decree of the Governor of St. Petersburg dated February 28, 2023 No. 16-pg. The main objectives of investment development are identified as an increase in the real growth of investments in fixed capital by 70% by 2030 compared to 2020, as well as an improvement in the investment climate by establishing clear and transparent conditions for conducting investment activities in the territory of St. Petersburg. The main directions and instruments of investment policy ensuring the achievement of these goals, a general description of the regional investment standard implemented in St. Petersburg, its elements, key characteristics and investment obligations are established.

The state procurement of services for professional development of state civil servants of St. Petersburg for 2023 has been approved

The state order was approved by the Law of St. Petersburg No. 153-32 dated March 29, 2023. According to the appendix, at least 5,766 people (employees of the Legislative Assembly, executive and other public authorities of St. Petersburg) must undergo professional training, advanced training and other measures in the field of professional development. 30,856.3 thousand rubles will be allocated from the budget of St. Petersburg for these purposes.

MEETINGS, COOPERATION

The Governor of St. Petersburg held a meeting with the Ambassador Extraordinary and Plenipotentiary of the United Mexican States to Russia

The meeting took place on February 3, 2023 at Smolny. Governor A. Beglov and Ambassador E. Villegas Mejias discussed the development of cooperation between St. Petersburg and Mexico. Among the most promising areas of cooperation was the field of information technology. A. Beglov informed the Ambassador that a third of all Russian software is being developed in St. Petersburg. The Northern Capital of Russia is interested in the development of cooperation in higher education, culture and science, the production of medical equipment, pharmaceuticals, shipbuilding, energy engineering. St. Petersburg enterprises have a positive experience of cooperation with Mexican partners. For example, the Power Machines Company in the 1990s supplied and serviced power equipment for four Mexican hydroelectric stations.

The Governor of St. Petersburg held a meeting with the General Director of "Dom. RF"

The meeting took place on February 6, 2023. A. Beglova and V. Mutko discussed the issues of the prospective participation of Dom. RF, the largest Russian financial development institute in the housing sector, in the infrastructure transport projects of St. Petersburg. Among the projects under consideration is the creation of a tram service along the Kupchino – Shushary – Slavyanka route. The project is implemented using the PPP mechanism. To ensure the financing of the project "Dom. RF" plans to issue infrastructural bonds worth more than 17 billion rubles.

St. Petersburg was accepted into the World Tourism Alliance

On February 28, 2023, in Hangzhou (China), at the II General Assembly of the World Tourism Alliance (WTA), St. Petersburg was admitted to this international organization. On behalf of St. Petersburg, the certificates were received by the Consul General of Russia in Shanghai D. Lukyantsev.

The Governor of St. Petersburg made a working trip to DPR

On March 10, 2023, Governor A. Beglov visited DPR. During the visit, the Governor of the Northern Capital met with D. Pushilin, and visited Mariupol, which is the sister city of St. Petersburg. In total, with the help of St. Petersburg, repair and construction work is being carried out at 37 facilities in Mariupol. During the period of rendering assistance to the residents of Mariupol, 3 schools, 3 kindergartens, a university school complex, 8 residential buildings, a large city fountain and a monument to Alexander Nevsky were erected and restored, passenger buses were delivered. Recreation and sightseeing trips for children and teenagers of Mariupol to St. Petersburg are organized.

The II White-Russian Food Forum was held in St. Petersburg

The forum was held on March 14-15, 2023. More than 400 Russian and Belarusian companies participated in it. Among the Russian participants were representatives of enterprises from 19 regions. At the forum, contracts were concluded for the supply of food products from Belarus to Russia for 14.6 billion rubles.

The VII International Labor Forum was held in St. Petersburg

The Forum was held in the period of March 15-17, 2023. The venues for more than 100 events of the forum were: Tauride Palace, St. Petersburg State University and Expoforum Exhibition Center. The forum participants discussed issues of personnel management, labor migration, labor protection, professional development, best practices of labor market regulation.

The course of implementation of projects for the development of Kronstadt

On March 17, 2023, the Governor of St. Petersburg A. Beglov held a working meeting with the head of the project office for the creation of the tourist and recreational cluster "Ostrov Fortov" K. Shoigu and the co-organizer of the project M. Korotaeva. The project provides for the reconstruction and restoration of historical monuments, the creation of modern public spaces, sports and cultural facilities, the modernization of engineering, energy and transport infrastructure. The participants of the meeting reviewed the progress of work on the engineering and energy networks and facilities of Kronstadt and the preparation of the International Naval Salon "MVMS-2023", which is scheduled for the end of June. This year, the Museum of Naval Glory and the Congress and Exhibition Center, which are part of the tourist and recreational cluster "Island of Forts", will be involved in the salon for the first time.

The XXII International Forum "Ecology of the Big City"

The Forum was held in the period of March 22-24, 2023 in the Expoforum Exhibition Center. The forum participants discussed the issues of supplying cities with clean water, waste management, creation and functioning of specially protected natural areas, adaptation to climatic changes, formation of a comfortable urban environment, environmental education, education and volunteering.

The annual congress of the Council of Municipal Formations of St. Petersburg

The work of the congress was held on March 30, 2023 at the Moskovsky Culture Center. The participants summed up the results of the activities of local self-government bodies of St. Petersburg in 2022 and defined tasks for 2023. The congress noted the important role of local self-government in protecting children's rights, working with veterans and older people, patriotic education, strengthening traditional family and cultural values, promoting a

healthy lifestyle and conducting sports events, landscaping yard territories, labor education of schoolchildren. In 2023, the total aggregate budget of all municipal entities of St. Petersburg, taking into account transfers from the city budget, will amount to about 15.8 billion rubles. The revenue part will increase by 18%.



2. EMPLOYMENT

In December 2022, 1,544 thousand people worked in organizations (without small businesses). Of these, 94.5% were full-time employees, 2.3% on part-time terms and 3.2% of the total number of employees worked under civil law contracts.

Compared to the previous month, the number of full-time employees decreased by 0.1%, the number of part-time workers fell by 9.5%, and the number of employees hired under contracts increased by 2.3%

In January-December 2022, the number of employees at these enterprises increased by 0.5% compared to the same period in 2021. The number of full-time employees increased by 0.4% over the same period. The number of part-timers increased by 5.3%, the number of employees working under contracts fell by 1.3%.

In December 2022, the largest number of jobs was in manufacturing, education, transport and communications, wholesale and retail trade, healthcare, and the smallest - in agriculture and forestry, hotels and restaurants, and other types of services. 48.5% of all employees in large and medium-sized enterprises of the city worked in the public sector of the economy.

In October - December 2022, the number of economically active population (EAN) was 3,105.2 thousand people, including 3,041.4 thousand employed and 63.8 thousand unemployed. Persons who are not part of the labor force accounted for 1,441.0 thousand people. During this period, the level of employment was 66.9% (the share of the number of employed in the total population aged 15 to 72 years), the level of economic activity was 68.3% (the share of the economically active population in the total population aged 15 to 72 years) (<http://ktzn.gov.spb.ru/analiticheskaya-informaciya/>).

According to Petrostat, the number of employees scheduled for release in the IV quarter of 2022 in St. Petersburg organizations (without small businesses) amounted to 2,439 people or 0.16% of the total number of employees of St. Petersburg organizations (without small businesses) in November 2022. At the same time, the number of required employees for vacant jobs at the end of the third quarter of 2022 in St. Petersburg organizations (excluding small businesses) amounted to 109.0 thousand people.

In December 2022, the need of Petersburg enterprises for employees amounted to 22.4 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 January 2023 was 0.47 people /vacancy (at the end of January 2022 – 1.02 people /vacancy).

At the end of January 2023, the need for employees, declared by employers through the Unified Digital platform "Work in Russia" (ECP "Work in Russia"), amounted to 35,989 vacancies. According to the Employment Service, the vacancy rate for working professions was 70.8%. (<http://ktzn.gov.spb.ru/analiticheskaya-informaciya/>).

According to the Employment Service, in January 2023, the largest number of vacancies were declared by organizations related to the following types of economic activity: real estate operations - 30.1%; administrative activities and related additional services – 20.0%; transportation and storage – 8.7%; manufacturing – 8.5%; activities hotels and catering enterprises - 6.6%; professional, scientific and technical activities – 3.7%; wholesale and retail trade, repair of motor vehicles and motorbikes – 3.2%.

In January 2023, as in the same period of 2022, engineers, doctors, programmers and nurses remain among the top ten scarce specializations. In 2023, the shortage of doctors and programmers decreased, the shortage of nurses and engineers increased. There was a shortage of police officers, design engineers and process engineers, translators, cashiers and masseurs.

In January 2023, compared with the same period last year, turners and painters remain the most in demand among the workers who fell into the top ten of scarce specialists. There was a shortage of the following specialists: locksmiths for the repair of rolling stock, car drivers, designers, check-point controllers, tractor drivers, casting operators

on automatic machines and automatic lines, plumbing fitters, carpenters. (<http://ktzn.gov.spb.ru/analiticheskaya-informaciya/>).

The State Employment Service of St. Petersburg (Employment Service) has registered employed and unemployed citizens who applied to find a suitable job. At the end of January 2023, their total number was 17,544 people (at the end of January 2022 – 30,576 people).

In January 2023, 17.1 thousand people were registered in the Employment Service of St. Petersburg (Table 2). 14.0 thousand people were registered as unemployed. In January 2023, 81.9% of those registered with the Employment Service were officially recognized as unemployed.

Among unemployed citizens in January 2023, women - 64.2%; youth aged 16-29 – 11.0%; citizens of pre-retirement age – 16.9%; disabled people - 8.9% (at the end of January 2022, the number of unemployed was 20,343 people). (<http://ktzn.gov.spb.ru/analiticheskaya-informaciya/>).

The current stability of the employment level in the labor market can be explained by the use of hidden optimization mechanisms for personnel costs at enterprises - withdrawal to idle time, sending on unpaid leave or transfer to part-time work. Thus, in the economy of St. Petersburg, in the fourth quarter of 2022, the number of employees on the payroll who worked part-time under an agreement between the employee and the employer or on the initiative of the employer, amounted to 5.4% of the number of employees, the number of employees on the payroll who were granted leave without salary retention at the written request of the employee or for reasons beyond the control of the employer - 10.7%.

The size of the employment of the unemployed in January 2023 was 0.2 thousand people or 21.4% less than in the same period of 2022, and amounted to 0.9 thousand people.

TABLE 1. St. Petersburg enterprises' demand for workforce, January 2022 – January 2023

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 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
August	24,6	0,9	112,5	128,6
September	24,6	0,9	100,0	128,6
October	34,2	0,6	66,7	75,0
November	24,5	0,8	133,3	88,9
December	22,4	0,8	100,0	88,9
January 2023	15,1	1,1	137,5	122,2

TABLE 2. Change in the number of officially registered unemployed people in St. Petersburg, January 2022 – January 2023

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 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
August	21,2	16,9	99,1	60,1
September	21,1	17,1	101,2	66,4
October	20,1	15,9	93,1	63,6
November	19,1	15,2	95,8	61,1
December	17,1	15,2	99,4	62,8
January 2023	17,1	14,0	92,4	68,8

According to Rosstat, in October-December 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 - 3.3%, Moscow – 2.2%, the Russian Federation – 3.7%).

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 January 2023 was 0.45% (at the end of January 2022, this indicator was 0.66%). (www.rspb.ru) (Figure 1). This is the lowest indicator among the regions of the North-Western Federal District.

The city state program "Employment Promotion in St. Petersburg" has been amended, which provides for additional measures to reduce tension in the labor market in 2023.

The total amount of financing of the measures amounts to 176.9 million rubles, 99% is allocated from the federal budget.

As part of these measures, it is planned to temporarily employ at least 1,000 people at risk of dismissal by the end of the year. At least 1,164 unemployed are supposed to be registered for public works. 500 employees will receive additional professional training. The authorities expect to achieve a 75 percent share of the employment of the participants of the events (https://www.dp.ru/a/2023/03/13/Beglov_utverdiil_dopolnite).

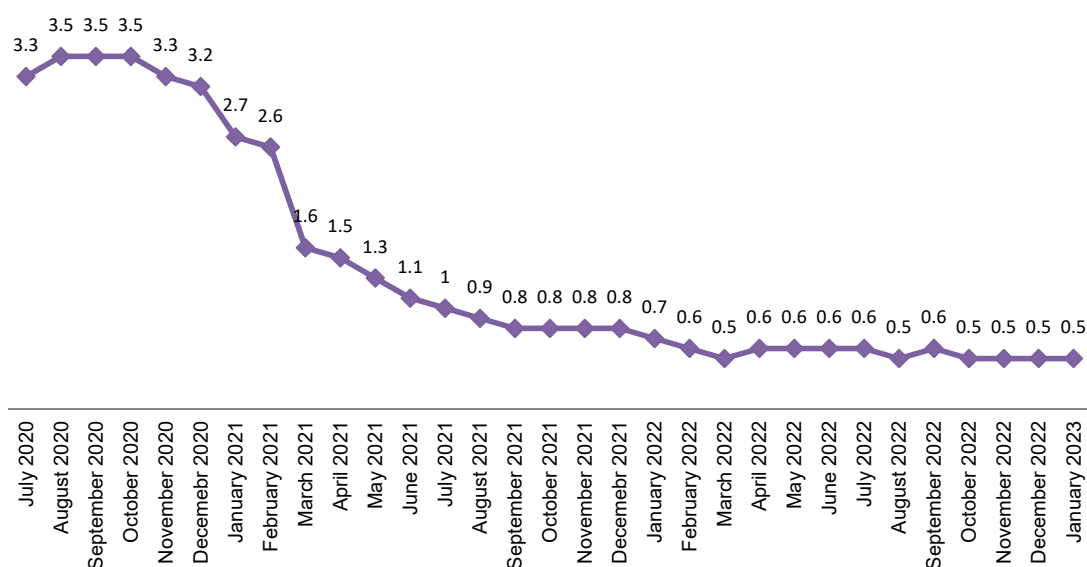
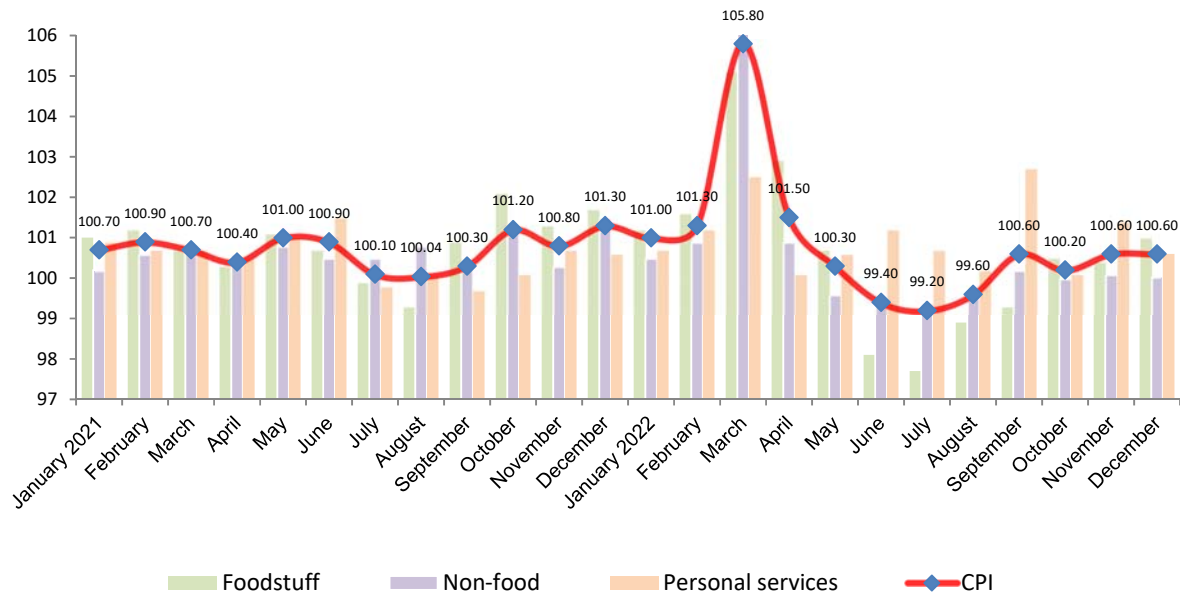
FIGURE 1. The level of registered unemployment in St. Petersburg, % of the economically active population

FIGURE 2. CONSUMER PRICE INDEX DYNAMICS IN JANUARY 2021 - DECEMBER 2022, % TO THE PREVIOUS MONTH

3. PERSONAL INCOMES AND EXPENDITURES

PRICES

In 2022, prices in the consumer sector of the economy of St. Petersburg increased by 11.5%. In the same period of 2021, the rate of price growth was 8.7%.

The growth of consumer prices in 2022 in St. Petersburg was 0.4% lower than the national average. In January 2023, consumer prices increased by 1.3% (Figure 2).

In 2022, tariffs for paid services to the population increased by 13.0% in St. Petersburg. For comparison, their growth in 2021 was 6.6%.

The increase in prices for paid services in Petersburg in 2022 was 0.2% lower than the average Russian level. Prices for paid services increased by 2.2% in January 2023.

In 2022, prices for food and non-food products increased by 8.2% and 13.9% respectively. The fall in prices for food products in St. Petersburg in 2022 was below the national average by 2.1%, for non-food products - above the national average by 1.2%.

Food prices in January 2023 in St. Petersburg increased by 1.4%, non-food prices increased by 0.5%.

Romir Research Holding continues to calculate the statistical deflator index, which reflects the actual changes in the overall level of prices for FMCG goods. The calculation methodology is

based on data on real prices and real consumption of Russians obtained using a Single Romir data Panel. The price level of January 2019 is taken as 100% for the calculation of the index. More than 15 million purchases actually made by residents of Russian cities in 2008-2020 were subjected to a complex multifactorial analysis. Based on the results of the analysis, the structure of consumption of Russian households was constructed, commodity groups were identified, in each of which individual goods were selected. In total, about 200 items were selected, which are constantly updated taking into account the seasonality factor. Prices for daily demand goods in Russia increased over the period under review and the growth index amounted to 149.1% (<https://romir.ru/studies/romir-v-noyabre-ceny-na-tovary-fmcg-vyrosli-na-15>)

In 2022, there was an increase in prices for confectionery products (17.8%), fish (16.1%), cheeses (15.4%), milk and dairy products (13.9%), butter and fats (9.9%), sausage products (7.5%), alcoholic beverages (by 6.8%), bread and bakery products (by 6.6%), meat and poultry (by 2.2%), cereals and legumes (by 1.9%).

In 2022, fruit and vegetable products fell in price by 5.2%.

In January 2023, fruit and vegetable products rose in price by 15.9%, including onions - by 35.5, garlic, tomatoes - by 22.0, carrots - by 21.1, white cabbage - by 14.0, while oranges fell by 4.7%.

Among non-food products in 2022, St. Petersburg recorded an increase in prices for perfumes and cosmetics (by 24.7%), detergents and cleaning products (by 23.2%), paper-white and stationery goods (by 20.4%), electrical goods (by

19.4%), food (by 17.5%), furniture (by 14.1%), hosiery (by 13.8%), knitwear (by 13.6%), medicines (by 13.2%), clothing (by 11.5%), haberdashery (by 11.1%), tobacco products (by 10.8%), construction materials (by 10.0%), fabrics (by 6.0%), shoes (by 5.7%).

In 2022, electricity charges increased by 14.5%, for maintenance and repair of housing, operating costs increased by 3.6%, for cold water supply by 10.3%, hot water supply by 13.2%, sanitation by 10.3%, for gas increased by 11.8%, charges for major repairs remained unchanged.

In 2022, the cost of services in the field of foreign tourism increased 2.3 times, the fee for the use of consumer credit - 1.5 times, the cost of a compulsory car insurance policy (CTP) – by 46.8%, veterinary services – by 29.0, the cost of air travel – by 19.2, the cost of utilities – by 12.7, the subscription fee for a package of cellular services, the cost of funeral services – by 11.9%.

In 2022, gasoline prices increased by 2.3%, and diesel fuel prices increased by 10.7%. In January 2023, gasoline prices increased, prices by 0.01%, diesel fuel - by 0.5%

According to Romir Research Holding, in February, 37% of Russians felt a deterioration in their financial situation in one way or another. At the same time, the majority of the country's residents did not notice the deterioration of their financial sit-

uation. Every second (52%) admitted that his financial situation remained at the same level, 11% noted an improvement.

According to the study, economic problems for the majority of Russians are embodied in rising prices (84%) and tense international situation (53%). Another third of Russians associate the crisis with the devaluation of the ruble and the shortage of imported goods. One in four admitted that economic problems are embodied in a reduction in wages and an increase in unemployment. 18% of respondents reported difficulties with paying off loans.

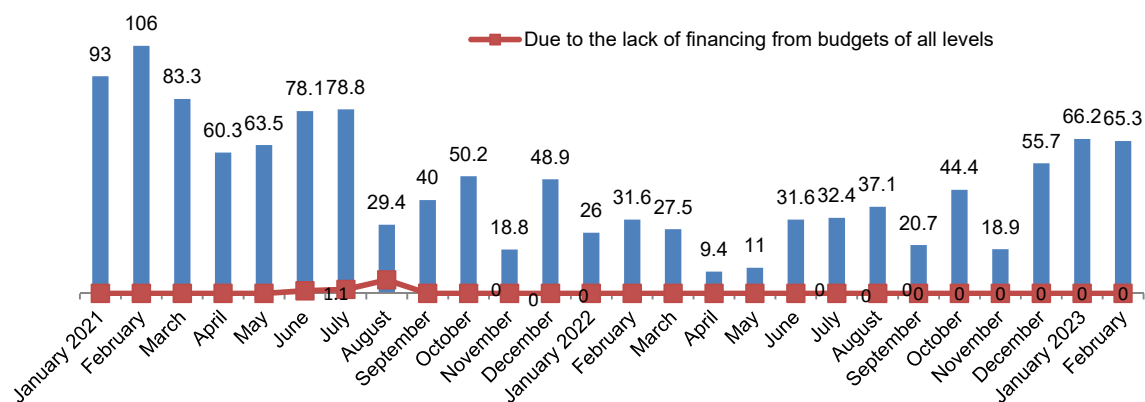
Meanwhile, the savings rate remains at the same level: about 52% at the end of February announced the availability of deferred funds. At the same time, 43% keep money only in rubles. As for the methods of storing savings, bank deposits are in the first place - 27% of Russians choose them. Every fifth person keeps money in cash in rubles (<https://romir.ru/studies/romir-dlya-bolshinstva-rossiyan-krizis-vyrajaetsya-v-roste-cen-i-napryajennoy-mejdunarodnoy-obstanovke>).

PERSONAL INCOMES AND EXPENDITURES

The real accrued salary, calculated taking into account the consumer price index, in December 2022 amounted to 141.8% compared to the level of November 2022 and 101.9% compared to the level of December 2021 (Table 3).

TABLE 3. Real wage dynamics in St. Petersburg and the Russian Federation in 2021, January-December 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
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
August	94,1	111,2	96,6	98,8
September	104,3	108,8	103,2	98,6
October	99,8	99,2	100,5	100,4
November	101,5	98,9	100,5	100,3
December	141,8	101,9	139,0	100,6

FIGURE 3. Dynamics of salary arrears in St. Petersburg, January 2021 – February 2023 (on the first day of each month), mln rubles

The average nominal salary accrued in December 2022 was 117,550 rubles. The average nominal salary of Russian citizens in December 2022 was 24.7% less than in St. Petersburg and amounted to 88,468 rubles.

According to the organizations of the observed types of economic activity (excluding small business entities) that provided information on overdue wage arrears as of February 1, 2023, the total debt amounted to 65.3 million rubles. The volume of arrears amounted to 98.7% to the level of January 1, 2023; compared to February 1, 2022, it increased 2.1 times.

Manufacturing accounted for 97.7% of the total arrears, construction – 2.1%, transport – 0.2%.

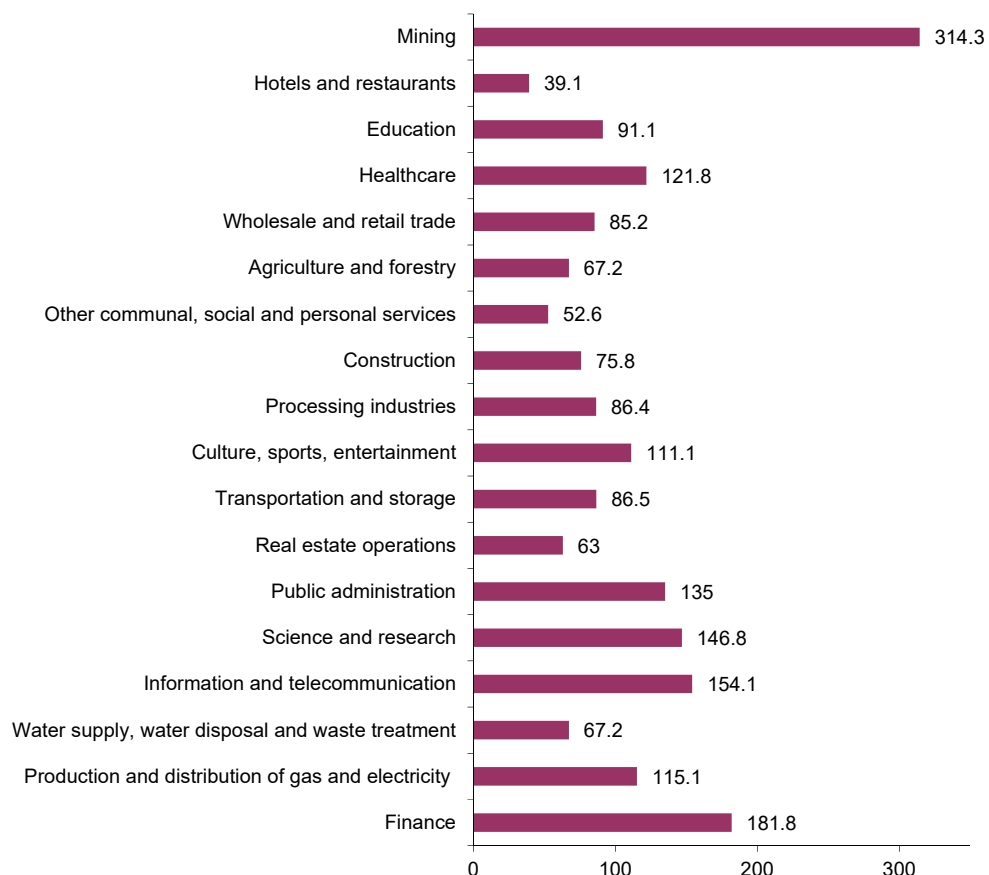
DIFFERENTIATION OF INCOMES AND SALARIES IN ST. PETERSBURG

The difference between the highest salary (mining) and the lowest (in hotels and restaurants)

was in December 2022 8-fold compared to 4-fold in June 2022 and 5.1-fold in March 2022 (Figure 4).

The highest salary in December 2022 was paid in mining (the salary of workers in this industry was 3.1 times higher than the average salary in St. Petersburg).

In December 2022, the average salary in St. Petersburg was significantly exceeded by the remuneration of employees engaged in financial activities (by 81.8%), activities in the field of information and communications (by 54.1%), in the scientific and technical sphere (by 46.8%), and the lowest salaries were paid to those employed at hotels and restaurants (39.1% of the average salary), provision of other communal, social and personal services (52.6% of the average salary), agriculture (67.2% of the average salary).

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

4. INDUSTRY

The industrial production index in St. Petersburg in January-December 2022 compared to January-December 2021 was 103.9%. In January 2023, compared with January 2022, the industrial production index was 101.9%.

The "NPO of Special Materials" plant has launched in St. Petersburg in a test mode a workshop with the first line in Russia for the production of high-molecular polyethylene, which can be used in the manufacturing of various means of armor protection. High—molecular polyethylene is a material that surpasses analogues in a number of protective characteristics and is used in the production of bulletproof vests, cars, boats, etc. The company "NPO of Special Materials" includes a research institute, a plant of special materials, a testing and scientific and methodological center, as well as an armor protection center. (tass.ru 21.03.2023)

"CCBM" (part of the engineering division of Rosatom — "Atomenergomash") has shipped the auxiliary feed pumping aggregate APE 400-90A for the first power unit of the Akkuyu NPP (Turkey). The aggregate includes a centrifugal horizontal pump,

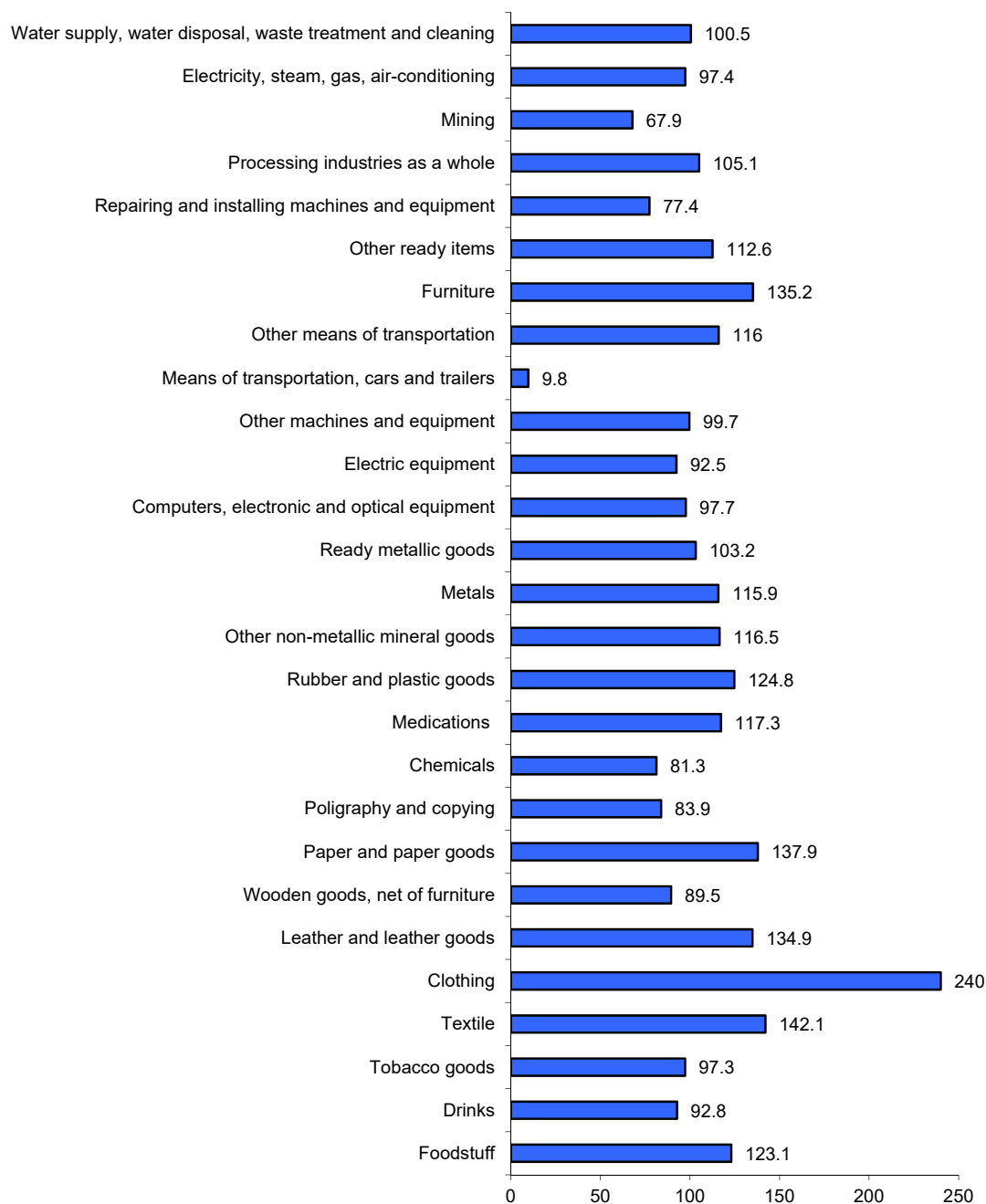
an electric motor with a power of 1.6 MW and auxiliary equipment. The pumping aggregate is manufactured by CCBM for the first time; it will be installed in the turbine compartment of the power unit. The total mass of the pumping aggregate is 16.5 tons, in one hour it can pump 500 cubic meters of liquid. (rosatom.ru 16.02.2023)

F.A. Pirotsky Nevsky Plant of the Electric Transport has presented a new model of a tram manufactured by the company "PC Transport Systems", designed specifically for St. Petersburg, taking into account the peculiarities of urban infrastructure. The two-cab three-section low-floor tram model 71-932 "Nevsky" was created according to the technical specifications of the St. Petersburg State Unitary Enterprise "Gorelektrotrans". In the near future, the first train of this model will be handed over to the customer, and by the autumn of this year, St. Petersburg will receive 37 more such cars. They will work on route No. 30, introduced by the Committee for passenger transport services for the period of repair of the Ladozhskaya metro station. To date, 113 trams and 87 trolleybuses manufactured by "PC Transport Systems" are in operation in St. Petersburg. (pk-ts.org 18.01.2023)

The Izhora-Metal Forging and Mechanical Plant has organized a new production site in St. Petersburg for the production of steel blanks for metallurgy, shipbuilding and the energy industry. Investments in the creation of a new production exceeded 1 billion rubles. In the manufacture of products, completely domestic raw materials are used;

the localization level is 100%. The capacity of the new production is 4 thousand tons of press forgings per year. The total annual capacity of the plant has increased to 16 thousand tons of products. 76 additional jobs have been created at the new site. (frprf.ru 12.01.2023).

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



5. FINANCE

In January-December 2022, the net financial result (profit minus loss) of organizations amounted to 2378.4 billion rubles, which is 47.5% less than in the corresponding period of 2021.

In January-December 2022, the share of unprofitable organizations amounted to 22 units, compared to the same period in 2021, it increased by 206 units or by 33.8%, the amount of loss increased by 2.4 times.

According to the operational data of the Federal Tax Service of the Russian Federation for St. Petersburg in January-December 2022, the budget system received taxes, fees and other mandatory payments in the amount of 1,405 billion rubles, which in nominal terms is 0.9% less than in January-December 2021.

In January 2023, consolidated budget revenues amounted to 39.8 billion rubles, which in nominal terms is 22.7% less than in January 2022. Consolidated budget expenditures amounted to 40.8 billion rubles, which is 38.8% more than the same period last year.

STATE DEBT

The information on the structure of the state debt as of March 1, 2023 is presented in tables 4 and 5.

6. CITY AFFAIRS

BEAUTIFICATION, RESTORATION, CAPITAL REPAIRS

250 million rubles will be allocated for the restoration of St. Isaac's Cathedral in 2023. Currently, the cathedral is undergoing the restoration of monumental paintings and the cleaning of stucco and artificial marble, as well as the reconstruction of metal window fillings of the light gallery. Restoration of the facade of the drum of the cathedral will begin in 2023 (Based on the materials of "Business Petersburg")

In February 2023, the restoration of the Moscow Triumphal Gate began, which will last until October 2024. It is planned to restore cast-iron structures and decorative elements of the monument, including sculptures, as well as the construction of an overhead drainage system. The total cost of the work is 332.4 million rubles; the main contractor is the Heritage Restoration Workshop. (Based on the materials of "Business Petersburg")

St. Petersburg State Institution "Center for Comprehensive Beautification" has announced a competition for design and survey work on the reconstruction of Murinsky Park on the site from Grazhdansky Prospekt to Rustaveli Street. It is planned to build a roller ski trail and to beautify the Murinsky Creek area. The total cost of survey work is 5.3 million rubles. (According to the materials of the portal "Real Estate and Construction of St. Petersburg")

The overhaul of the Ladozhskaya metro station began on March 4. The duration of repair work with a total cost of 2.2 billion rubles is 11 months. During the period of work, the Transport committee plans to organize additional ground transport routes. As part of the repair work, the floors in the station lobby will be replaced, the facades will be repaired, and the inclined passage will be replaced. (Based on the materials of Kommersant)

TABLE 4. St. Petersburg's state debt structure on March 1, 2023

	Mln rubles
State domestic debt of St. Petersburg, including:	88 425,7
Bonds	78 756,1
Budget Credits	9 669,6
State external debt of St. Petersburg	0,0
Total	88 425,7

Source: Committee on finance of St. Petersburg

TABLE 5. Debt service expenditures of the budget of St. Petersburg, as of March 1, 2023 (min rubles)

	Plan for 2023	Fact on 01.03.2023
Domestic debt service costs	6 903,5	0
Total	6 903,5	0

Source: Committee on finance of St. Petersburg

Due to the start of work on the reconstruction of the northern section of the Ring Road, the section between the interchanges with the ZSD and the Primorskoye Highway will be closed for 6 months (from April 15 to October 15, 2023). Traffic will be carried out only along the inner ring, one lane in each direction. The work is being carried out by the "North-West" enterprise as part of a project to expand the northern section of the ring road from four to six lanes, the total cost of which is more than 12.8 billion rubles. Completion of all works on the project is planned for 2026 (Based on the materials of Komersant)

TRANSPORTATION, ENERGY, WATER SUPPLY

Passenger traffic at Pulkovo Airport in 2022 amounted to 18.2 million passengers, which is slightly (by 0.6%) higher than in 2021, when passenger traffic was 18.1 million passengers. At the same time, Pulkovo Airport handled more than 15.8 million passengers for domestic destinations, and more than 2.4 million passengers for international destinations. The most popular domestic destinations in addition to Moscow were Sochi, Kaliningrad, Novosibirsk, Yekaterinburg, Kazan, Ufa and Arkhangelsk. Antalya, Istanbul, Minsk, Du-bai, Tashkent, Osh, Dushanbe, Yerevan and Bishkek are the most in demand among the overseas destinations. 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 Pegasus Airlines were among the foreign ones. (Based on the materials of VVSS LLC)

In 2022, St. Petersburg transport organizations transported 20,355 thousand tons of cargo (1.1% higher than in 2021) and 529 million passengers (12.8% higher than in 2021). At the same time, cargo turnover amounted to 5,458 million ton-km (29.5% lower than in January-December 2021), and passenger turnover – 3605 million passenger km (27.4% higher than in January-December 2021). Positive dynamics is observed with the safety of road traffic in the city. The number of road traffic accidents in 2022 amounted to 4,220, which is 15.7% lower than the level of 2021. In 2022, the number of accidents involving children under 16 years of age was 370, which is 19.2% lower than the level of January-December 2021. (According to Petrostat)

SUE "TEK SPb" has completed the reconstruction of a gas boiler house on Kovalevskaya Street in Krasnogvardeysky district, as well as the repair of the Simonovskaya heating main in the north of the city, which provides heat supply to the Vyborg and Kalininsky districts of St. Petersburg. The facilities have been technically modernized, new equipment and an emergency system for automatic switching to backup power sources have

been installed. (According to the materials of Komersant)

MAJOR CITY PROJECTS

A large-scale restoration of the granite facade of the bastions of the Peter and Paul Fortress has begun. Until the end of 2024, the beach of Zayachy Island and the passage along the Neva River will be closed to visitors, with the exception of the Commandant's Pier. The works are carried out under a contract between the State Museum of the History of St. Petersburg and LLC "Design and Construction Bureau "Zhilstroy" for a total of 1.36 billion rubles. (According to Interfax materials)



7. REAL ESTATE

HOUSING AND CIVIL CONSTRUCTION

Gosstroy nadzor has issued permits for the commissioning of more than 1 million sq. m. of real estate in 2023 in St. Petersburg. Information about the issued permits for the construction and commissioning of facilities is publicly available on the official website of Gosstroy nadzor of St. Petersburg in the section "For citizens". Since 2022, users have had the opportunity to be acquainted with all the technical and economic parameters of objects. This was reported by the press service of the City Administration.

According to the Construction Committee, in January 2023, 518,727.10 sq. m. of housing were commissioned in St. Petersburg, these are 112 houses for 12,685 apartments, including individual construction. In addition, 82 residential housing houses were built (22,868 sq. m.), and the reconstruction of a residential building for 40 apartments with an area of 5,184 sq. m. was completed.

Most of all housing was commissioned in the Krasnoselsky district of St. Petersburg - 7 houses for 3277 apartments with an area of 119 749.60 sq.m. Significant volumes of housing were also commissioned in the Vyborgsky district (98 515.40 sq.m. housing, or 3 houses for 2627 apartments), as well as in the Krasnogvardeysky district (7 houses for 2851 apartments about- with an area of 83,488.20 sq.m.).

In addition, in January 2023, 13 objects of general civil purpose were commissioned. Among them: a sports facility in the Krasnoselsky district, a restaurant in the Petrodvorets district, a non-residential building with an area of 6,892.2 sq.m. on Gorokhovaya Street in the Admiralteysky district was reconstructed into an administrative center with an area of 6,892.2 sq.m.

In February 2023, 340,437.40 sq. m. of housing were put into operation. These are 96 houses

with 8,333 apartments, including individual residential construction. During the month, 80 residential housing houses with a total area of 17,439 sq. m. were built in the city.

This February, most housing was commissioned in the Primorsky district - 145 879.00 sq.m.: 5 houses for 3375 apartments. The volume of housing construction was high in the Krasnogvardeysky district (4 houses for 2512 apartments with a total area of 79,594.70 sq.m.). In the Nevsky district, 2 multi-apartment houses were built - 59,020.20 sq.m. housing, which is 1,658 apartments.

Also in February, 7 objects of civil use were commissioned: a shopping and recreational complex in the Kirovsky district, a reconstructed laboratory building with an area of 7,224.1 sq.m. in the Vasileostrovsky district, two overpasses in Krasnoye Selo and three built-in garages in the Primorsky district.

CO-INVESTORS

With the support of the Ministry of Construction of the Russian Federation, the public company "Territories Development Fund" (FRT) has established LLC "Management Company of FRT" to solve such tasks of the construction industry as the restoration of the rights of citizens participating in shared construction, the resettlement of emergency housing and integrated development of territories. It will be engaged in the complex development of territories as a customer and a master developer. The "Management company of FRT" ensures the sale of development rights to investors both as an agent and acts independently as a developer for land plots and construction-in-progress objects transferred to the fund after resolving the issues of defrauded shareholders. Management of all subsidiary companies of the Fund - special design companies created for the purposes of new construction of residential buildings - will also be carried out by the Management Company of FRT. The company will engage in the economic turnover of land plots and unfinished houses located on them after making a decision on the payment of compensation to affected citizens. In addition, the subsidiary company will implement projects for the integrated development of territories as an operator, as well as engage in other forms of capitalization of the property of the Russian Federation.

TERRITORIAL DEVELOPMENT, REGULATION

In 2021, the Ministry of Construction has prepared all regulatory documents related to the complex development of territories (CDT), then the same was done already at the level of the subjects of the federation. In 2022, the mechanism of complex development of territories started. More than 800 territories with an area of almost 26 thousand hectares and an urban development potential of about 150 million square meters were selected, including for about 120 million square meters of housing construction.

As the first Deputy Minister of Construction and Housing of the Russian Federation, Alexander Lomakin, said in an interview with RIA Novosti, "So far 278 decisions have been made on the complex development of territories, CDT agreements have already been concluded on 170 sites, and in 63 cases, urban planning documentation has been approved. Moreover, 70 construction permits were issued for facilities with a total area of 1.5 million sq. m. The mechanism of complex development of territories is most actively implemented in the Moscow Region (43 contracts), in the Kirov Region (10 contracts), as well as in the Yamalo-Nenets Autonomous District, in Tyumen and Chelyabinsk regions – 10 contracts each. In Moscow, 5 contracts were signed for the complex development of territories. According to the results of last year, the ministry provided the development and updating of 94 sets of rules and 73 GOST standards. Through these documents, new innovative building materials and technologies are being introduced into the industry, as well as the possibility of using old and less effective approaches in design and construction is being explored.

At a meeting in the Ministry of Construction on February 22, the head of "Glavgosexpertiza" Igor Manylov said that the transition of federal subjects to the resource-index method of determining the estimated cost of construction is carried out in stages from the I to the III quarter of 2023, as necessary. To do this, the executive authorities of the federal subjects send to the Glavgosexpertiza appeals with a proposal to calculate the Indices for groups of homogeneous resources for the next quarter with the application of accounting data on the current cost of construction resources with supporting documents, in accordance with the requirements of paragraph 26.1 of the Rules for monitoring the prices of Construction Resources approved by the decree of the Government of the Russian Federation dated December 23, 2016 No. 1452 "On price monitoring of construction resources".

Starting from the IV quarter of 2023, it is necessary to apply the resource-index method for determining the estimated cost of construction in the framework of the implementation of all new construction projects of reconstruction and overhaul of facilities throughout the Russian Federation

As part of the development of the federal information system, significant work has been done to expand the number of sources of information on the current cost of construction resources necessary for the formation of estimated prices of construction resources. In particular, personal booths of wholesale suppliers have been created to collect information on the prices of proposals for construction resources, the personal cabinets of the executive authorities of the regions have been finalized to provide information on the wholesale price of construction resources at which they are sold in the relevant entity, the personal cabinets of construction manufacturers have been modernized resources.

In the Leningrad Oblast, work has started on the implementation of three transport infrastructure development projects carried out with the involvement of infrastructure budget loans (IBC). More than 18 km of highways will be built, and the preparation of territories has already begun at all sites. It is planned to fully complete the implementation of the projects in 2027.

"The construction of an entrance to the Kudrovo with a length of 6.54 km will ensure the transport accessibility of the future transit hub with a metro station, as well as create an additional exit from the city and increase the capacity of the highway network serving the largest residential area of more than 135 thousand people on the territory of Kudrovo. The implementation of the project serves to develop the route inter-regional network of public passenger transportation and to increase the connectivity of the rapidly developing territories of the Vsevolozhsky district of the Leningrad Oblast with St. Petersburg.

The construction of a highway from the ring road around St. Petersburg to the St. Petersburg - Matoksa highway (the extension of Piskarevsky Prospect) (6.32 km) will allow to develop transport infrastructure in the territory of the Murino area, where the population by 2024 will exceed 250 thousand people. The implementation of the facility will lead to the unloading of the section of the St. Petersburg - Matoksa highway at the entrance to the city, which currently takes more than 30-40 minutes to pass.

The reconstruction of the St. Petersburg - Koltushi highway of regional significance on the KAD – Koltushi section with a length of more than 5 km will increase the capacity of the Vsevolozhsky district road network for transit, interregional and intra-district movements, as well as help ensure the implementation of several investment projects for the construction of housing and industrial production. <https://minstroyrf.gov.ru/press/tri-avtomobilnye-dorogi-postroyat-v-leningradskoy-oblasti-na-sredstva-infrastrukturnykh-byudzhetnykh/>

8. INVESTMENT PROJECTS

According to the Petrostat data, the volume of investments in the fixed capital by the city's organizations amounted to 997.5 billion rubles, 94.9% compared to the corresponding period last year. Most of the investments (53.6%) were into machinery and equipment, including tools; 27.8% went into buildings (other than residential) and equipment, land improvement costs; 8.9% were invested in residential buildings and premises; 7.4% in intellectual property objects and others amounted to 2.3%. The volume of investments in fixed assets (excluding small businesses) amounted to 761.5 billion rubles. The sources of financing were organizations' own

funds - 58.7%, attracted financing - 41.3%, of which bank loans accounted for 8.9%, investments from abroad 0.1% and budget funds for 22.9%.

"System Electric" Company intends to invest in the development of electronic components for the Russian energy industry

The financing is to be directed to the company's St. Petersburg asset: the scientific and Technical Center (STC) "Mechanotronica". This enterprise develops and manufactures relay protection and automation systems, as well as automatic control systems for energy facilities, cooperates with Russian manufacturers of electronic component base.

The volume of investments will be about 500 million rubles.

A DIY online hypermarket has opened a distribution center in the south of St. Petersburg.

One of the largest Russian online hypermarkets of goods for households, for construction and repair "VselInstrumenty.ru" has invested money in the opening of a distribution center on the territory of St. Petersburg. A new facility has appeared on the territory of the industrial park "PNK Park Shushary - 3" on Moskovskoe Highway, 143. It is also known that in addition to St. Petersburg and the Leningrad region, the new warehouse will serve customers from the Republic of Karelia, Murmansk and Vologda oblasts.

The investments in the opening of the center amounted to 4 billion rubles.

Russian clothing manufacturers are expanding their chains in St. Petersburg

The Noun brand shop will start working in March in the shopping mall "Europolis".

Collections are updated with a small print run every week. The average check is 2-2.5 thousand rubles. By the end of 2023, the company intends to open at least five shops in shopping centers of the city.

The company Elis Fashion Rus from Rostov-on-Don has opened a new store in St. Petersburg in the Okhta Mall, which presents three brands: collections of women's clothing ELIS and LALIS, as well as men's — 20 LINE. By the end of 2023, the company plans to open two more of its own triple format shops in St. Petersburg.

The Belarusian company Swed House, which produces household goods, furniture, textiles, also enters the St. Petersburg market.

The first store will start work in the shopping mall "Leto" on the Pulkovo highway in May of this year. Most of the products for the new network will be produced in China, as well as on Russian and Belarusian factories.

Several new conceptual public catering establishments have appeared in St. Petersburg

A boulangerie and vintage shop Amelie has opened on Zvenigorodskaya Street in February, working in technical mode. The company plans to cooperate with creative people, artists, artisans, chefs and pastry chefs who will present their best products.

Another Babka Bakery with an unusual concept appeared on Vasilievsky Island. The main place in the menu is taken by "babka" — brioche and puff pastry with different fillings. The investments in the project amounted to almost 10 million rubles.

Yet another new gastronomic place on Vasilievsky Island is "Bistro 54" from pastry chef Anna Krasovskaya. This is a small cafe where two projects coexist under one roof. The bakery "Baguette Workshop" produces bread, croissants and French rolls, and in "Bistro 54" you can taste dishes based on fresh artisan pastries. The number in the name of the bistro did not appear by chance — it is the number of the house in which the bistro is located, and a reference to the legendary club of the "father of pop art" Andy Warhol. Investments in the repair and equipment of two premises amounted to 23 million rubles.

A place for leisurely breakfasts has appeared in the residential area not far from the Zvezdnaya metro station - the PAJAMA family gastrobar from the Forcup roasters team.



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/>