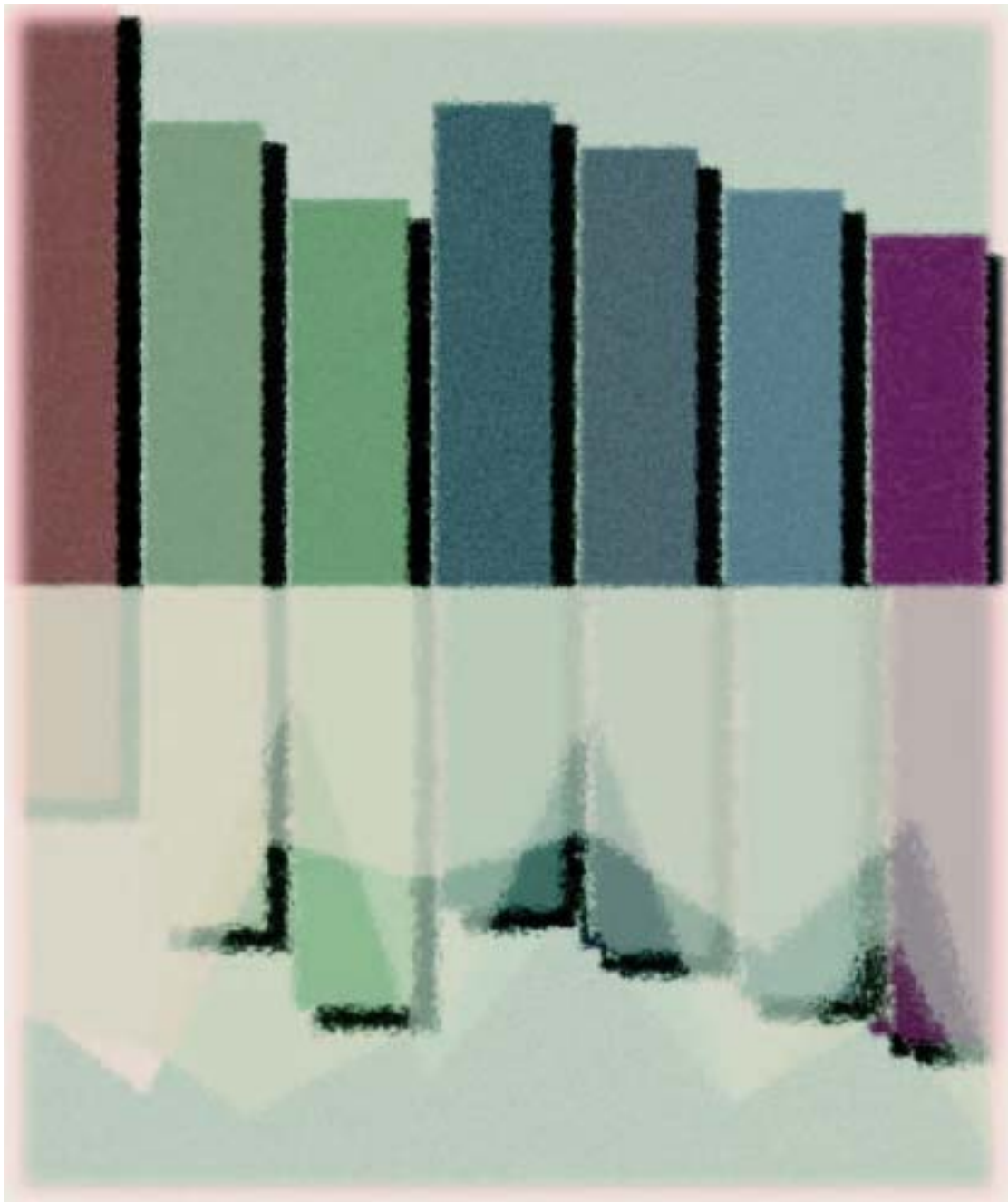


MAIN TRENDS IN HELSINKI AND ST PETERSBURG IN 1990s



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PREFACE

For ten years now, Helsinki City Urban Facts and Peterburgkomstat, the Committee on State Statistics for St. Petersburg and Leningrad Region, have been co-operating. This collaboration has included expert meetings, exchange of data, and common publications.

The present comparative statistical report on Helsinki and St. Petersburg in the 1990s is the most recent among these publications. It has been published in 2003, the same year that St. Petersburg celebrated its three hundredth anniversary.

To St. Petersburg the 1990s was a decade of great change. The disintegration of the Soviet Union and the transition into the market economy caused significant changes in the economic and social life of the city. The most essential changes concerned the institutional structures of economy, labour force and other resources as well as the scientific potential. During the decade the number of enterprises and organisations doubled many times over, thanks to, primarily, vigorous growth in the private business sector. A considerable proportion of the labour force went over from manufacturing and research to trade and services.

The economic crisis of August 1998 profoundly affected the city and its inhabitants. The continuous growth in investments is an indication of the business-friendly climate of St. Petersburg today. The existing infrastructure enables the placement of practically any size and any kind of business in the city. St. Petersburg's proportion of the Russian overall figure is 2.7% in manufacturing output, 3.0% in fixed capital investments, and 3.7% in retail trade.

After a deep economic recession in Finland in the early 1990s, Helsinki and the Helsinki Region started growing rapidly again in the mid 1990s. According to a comparative study of European metropolises, population growth was faster in the Helsinki Region than in any other European metropolis in the period 1995-2001. According to the same study, the number of jobs grew second fastest in Helsinki and production value added fourth fastest. As Finland's overwhelmingly greatest economic region, Helsinki and the Helsinki Region have many assets that boost their economy. The region is sufficiently large and has a modern and dynamic production structure.

Many industries that are important to business development and that radiate growth effects are concentrated in Helsinki and the Helsinki Region. Among such industries we find research and development, business services and, of course, the telecom business. In the next few years, growth in production, employment and population is expected to slow down in Helsinki – as in most other European metropolises, too. Yet, according to forecasts, Helsinki is going to remain one of the fastest-growing urban regions in Europe.

Asta Manninen
Acting director
Helsinki City Urban Facts

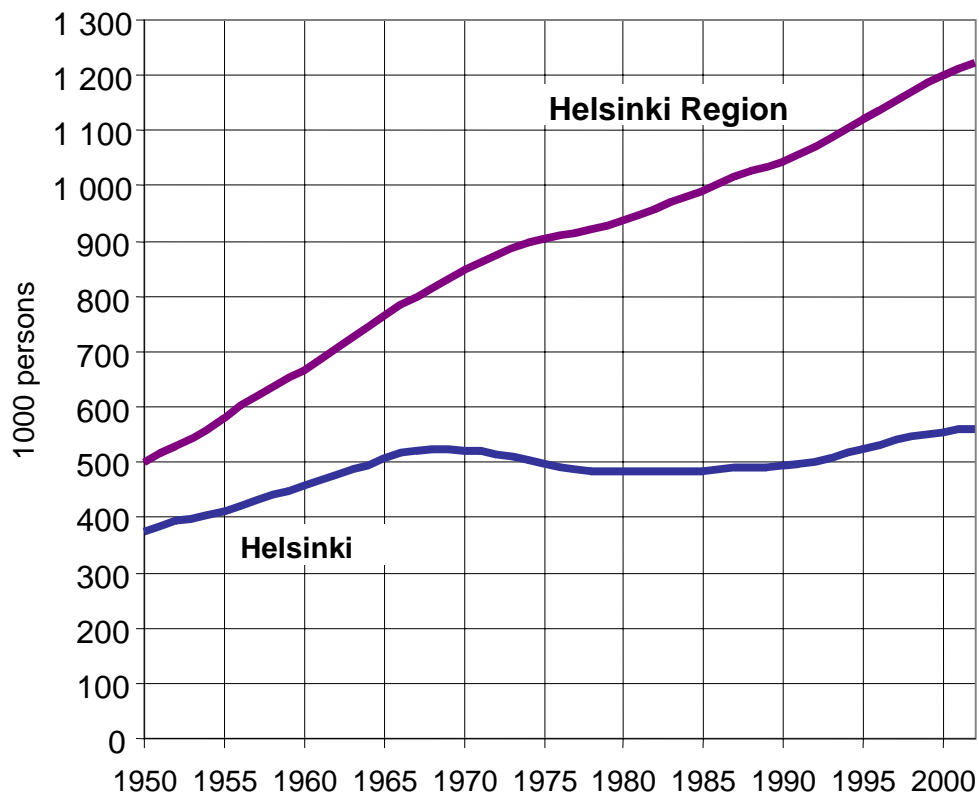
Oleg Nikiforov
Director
Committee on State Statistics for St. Petersburg and
Leningrad Region

Helsinki Trends in the 1990s

Recent population developments in Helsinki and the Helsinki Region

Helsinki experienced rapid and fairly steady growth until the 1970s, with the population peaking at 525 000 in 1969. Subsequently, population figures went into decline and were at their lowest in the 1980s at 482 000. Causes included not only smaller average family size but also rapid expansion of the region and transfer of growth to neighbouring municipalities as a result of extensive suburban construction. In the early 1970s, the population of Espoo and Vantaa, neighbouring cities of Helsinki, increased by up to over 10 per cent per year.

Figure 1. Population of Helsinki and Helsinki Region, 1 January 1950–2002



The population of the City of Helsinki started to rise again in the early 1990s. Today, Helsinki has nearly 70 000 more inhabitants than in 1990. The peak year for population growth was 1995, when Helsinki gained over 9 000 inhabitants. However, in relative terms the neighbouring municipalities have experienced even more intense growth. The average annual growth rate for the Helsinki Metropolitan area (comprising the cities of Helsinki, Espoo, Vantaa and Kauniainen) in the 1990s was close to 1.5 per cent.

Table 1. Population of the Helsinki Region on 31 December 2001 and population growth 1990–2001

	Population	Population growth	Average / year	
			persons	%
Helsinki	559 718	69 089	5 757	1.2
Helsinki Metropolitan Area	405 235	75 225	6 269	1.9
Helsinki Region, total	1 213 743	180 047	15 004	1.5

The largest age groups in Helsinki are now in their thirties and no significant changes in age structure are forecast for the near future. Elsewhere in Finland, the generations born after the war, in 1945–1952, account for the largest share of the population; however, their share of the population of Helsinki is noticeably lower. A significant portion of this age group has moved to the neighbouring municipalities. Migrants to Helsinki are mostly young adults, while those leaving the city tend to be older. The structure of migration to Helsinki is expected to remain unchanged, so young adults will continue to make up a clearly larger share of the population of Helsinki than that of its neighbouring municipalities and the rest of Finland.

The number of children under the age of six began to rise sharply at the beginning of the 1990s and reached its peak in 1997. The number of children between the ages of 7 and 15 continues to rise and should peak in 2004. Until now, the number of people over 65 has grown rather slowly and the proportion of the elderly in the population actually decreased in the 1990s. A rapid rise in the elderly population isn't expected to begin until after 2010.

Table 2. Population by age groups, share of population and population change, 31 December 1990–2001

	1989		2001		Growth	
	persons	%	persons	%	persons	%
Total population	490 872	100	559 718	100	68 846	14,0
0–6 years	36 716	7,5	39 224	7,0	2 508	6,8
7–15 years	41 422	8,4	49 200	8,8	7 778	18,8
16–64 years	342 184	69,7	396 423	70,8	54 239	15,9
65–74 years	38 129	7,8	39 506	7,1	1 377	3,6
over 75 years	32 421	6,6	35 365	6,3	2 944	9,1

Finland is a bilingual country and nearly 36 000 people in Helsinki speak Swedish as their mother tongue, comprising ca. 6.5% of the city's population. The number and population share of native Swedish speakers has fallen slightly in the 1990s.

The number of foreign nationals has increased from below 6 000 in the early 1990s to the current 28 000. The number of those speaking a native language other than Finnish or Swedish has correspondingly risen from 6 600 to 33 400 and now accounts for 6 per cent of the population. The number of foreign-language speakers continues to rise rapidly; the increase in 2001, for example, was 2 500. The largest groups of foreign nationals in Helsinki come from Russia, Estonia, Somalia and Sweden, who together account for nearly half of all foreign nationals in Helsinki.

Background on migration in the Helsinki Region

The number and structure of migrants to and from the Helsinki Region are primarily influenced by regional labour markets and the versatile educational opportunities in the region. Migration is a central mechanism that enables labour to adapt to regional differences in demand. The labour market in particular, but also the housing market, often undergoes rapid changes over a short period of time, resulting in high annual variation in migration.

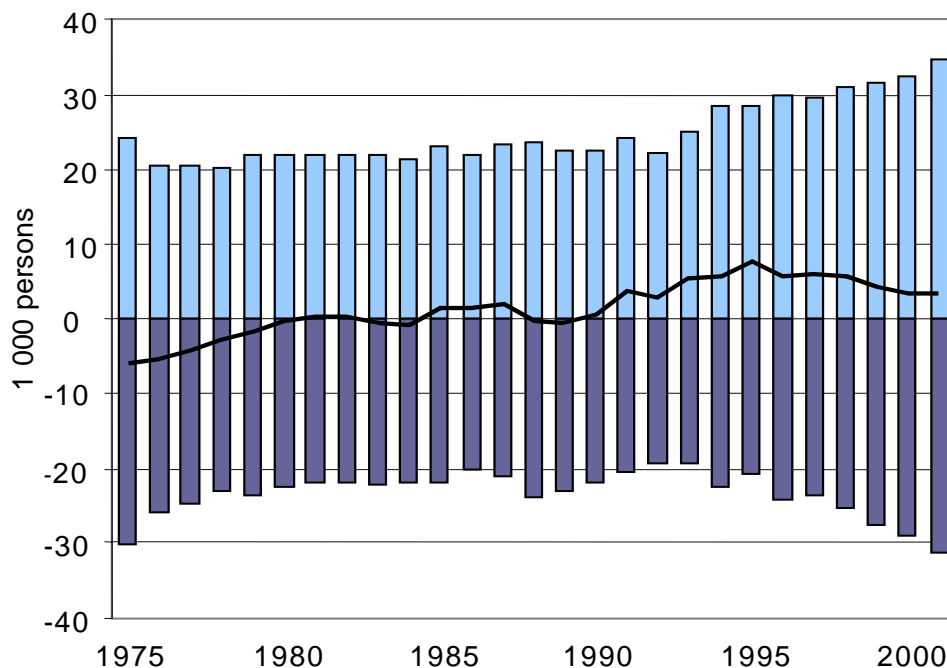
After the recession of the early 1990s, the number of jobs in the Helsinki Region started to increase rapidly. Especially in the years 1995–1999, growth rates exceeded those experienced in the rest of Finland, particularly because of intense growth in the information sector increasing the attractiveness of the region.

Migration in the region has since the 1970s been characterised by the highest volume of so-called labour migration from other parts of the country to Helsinki. Nearly 80 per cent of the increase in the population of Helsinki in the 1990s was a result of migration gain from other parts of Finland. Neighbouring municipalities are the destination of subsequent migration, and their growth is in fact largely due to migration gain from Helsinki.

In the mid-1990s, mainly as a consequence of recession, Helsinki experienced a regional migration gain, which in part accounted for population growth in Helsinki. Since late 2001 migration to the neighbouring municipalities of Helsinki is again on the rise and the migration loss of Helsinki within the region has returned almost to the average levels of the 1980s.

Population growth in Helsinki was furthermore influenced by a substantial increase in foreign immigration in the early part of the decade, and birth excess over deaths. The birth rate rose significantly in the early 1990s along with a simultaneous decline in the mortality rate. Since the early 1990s, Helsinki has annually gained some 1,500 inhabitants through foreign immigration while birth excess over deaths translates into approximately 1 200 new inhabitants per year.

Figure 2. Migration in Helsinki 1975–2001



Legend: ■ Immigration ■ Emigration — Net migration

Migration in the region as the elderly account for an increasing proportion of the age structure. Migration

gains originating in labour market needs are also expected to fall slightly. Immigration is the factor most difficult to estimate and it is especially subject to the influence of new European Union Member States. Immigration from Asian countries in particular also seems to be on the rise. With regard to migration within the region, the migration loss of Helsinki is increasing e.g. because the young people who moved to the city in the 1990s now require substantially larger living spaces as incomes rise and family sizes grow. The neighbouring municipalities of Helsinki and areas in the outer ring have significantly greater land resources for the construction of family housing.

Families and households

Two thirds of the population of Helsinki live in a family unit. However, nearly half of all families have no children, so families with children under the age of 18 comprise approximately one third of all Helsinki inhabitants. Of all families with children, 28 per cent are single-parent families.

Living alone became increasingly common as far back as in the 1980s and now singles account for nearly half of all households. Singles and couples make up 78 per cent of all households; in 1980, they accounted for two thirds.

Figure 3. Distribution of households in Helsinki according to the age of the eldest in household as at 31 December 2001

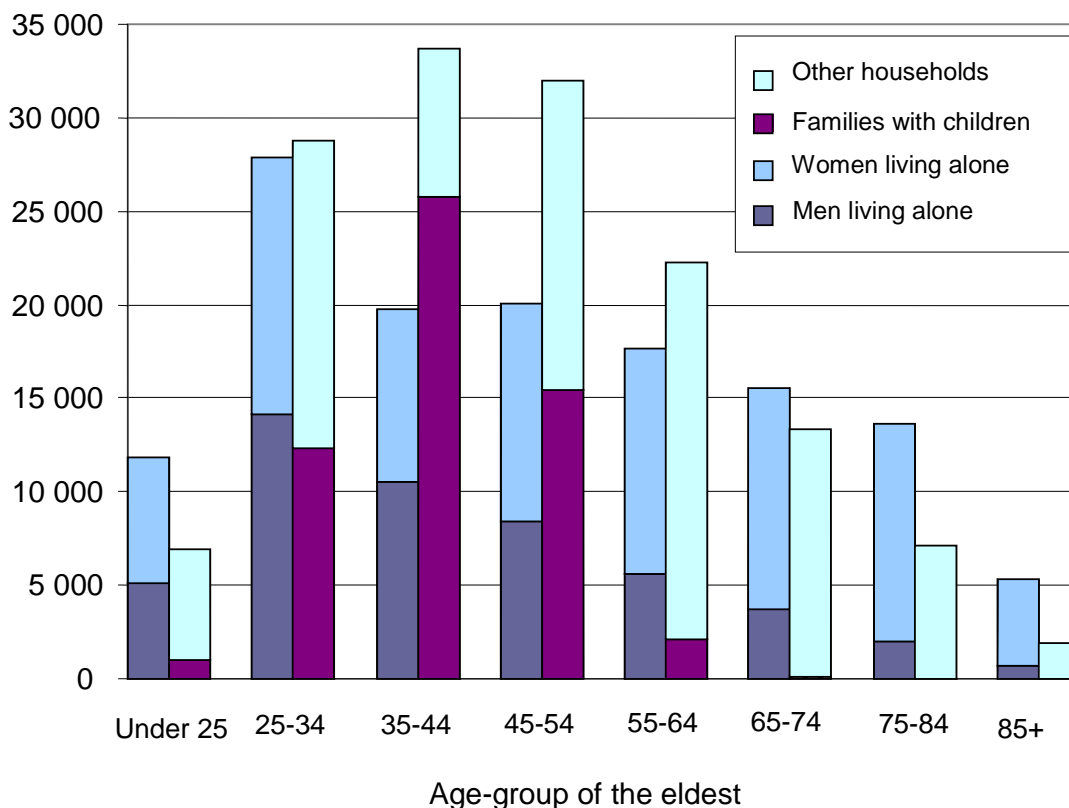
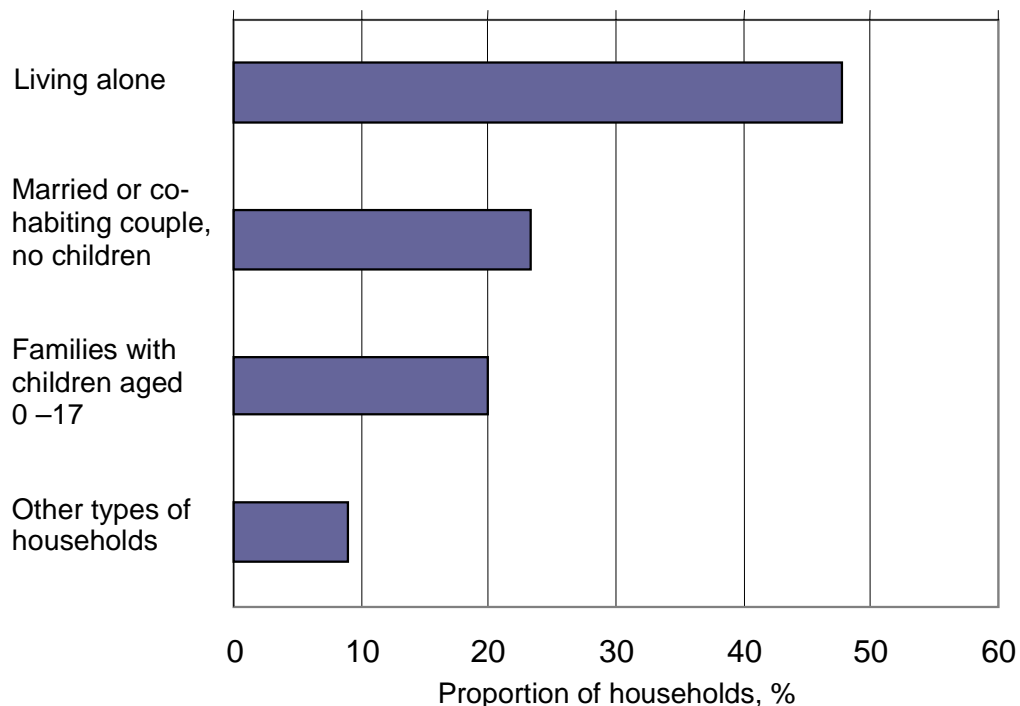


Figure 4. Proportion of household types in Helsinki, 1 January 2002



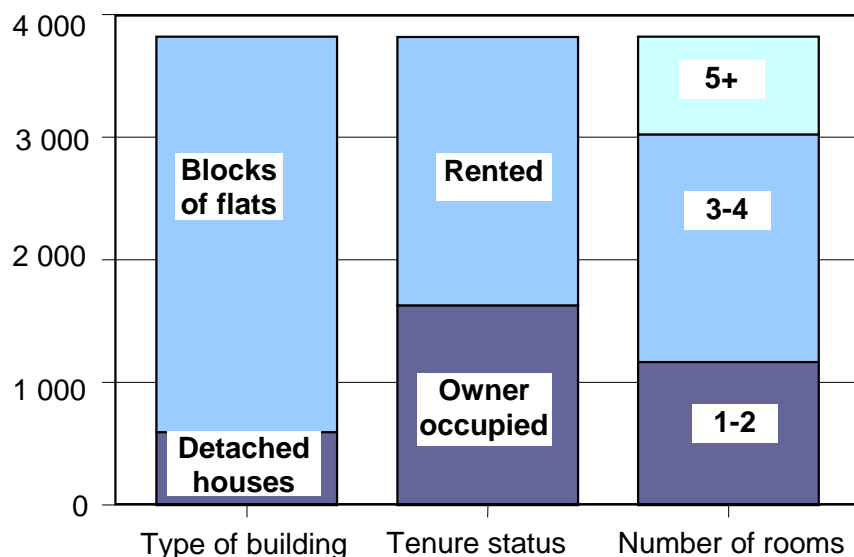
Housing stock and construction in Helsinki

Helsinki is a city of blocks of flats; detached houses make up only 14 per cent of the housing stock. The share of detached houses elsewhere in the Helsinki Metropolitan Area is approximately 40 per cent. The housing stock is also older than that of surrounding areas, with 62 per cent of dwellings built after 1960 compared to over 90 per cent in the neighbouring municipalities.

Well over half of all dwellings in Helsinki consist of one or two rooms and kitchen. The average size of dwellings is slightly over 60 m² and only 10 per cent of dwellings are in excess of 100 m². The small, 1–2 room flats are largely rented dwellings. Owner-occupied dwellings account for 43 per cent of all dwellings in Helsinki, while one fifth are state-subsidised rental flats intended for people with low incomes.

For decades, the average number of annual dwelling construction has remained at some 4 000, a fairly high figure in relation to population. Even the recession of the 1990s did not result in an equally large decrease in housing construction in Helsinki as it did in the neighbouring municipalities or elsewhere in Finland. The structure of housing production in recent years reflects the current situation in Helsinki. Of the dwellings built in 1990–2001, 16 per cent are detached houses and the average size of completed dwellings is 68 m². Owner-occupied housing accounted for 43 per cent of production.

Figure 5. Average housing production, 1990-2000
(Dwellings per year)



The housing market

The cost of housing is clearly higher in Helsinki than elsewhere in Finland. The average sales price of old dwellings in Helsinki in the second quarter of 2002 was 2 218 €/m² compared to the nationwide price of 1 326 €. The price of dwellings in Helsinki has risen by 37 per cent since 1997; the increase for the whole country was 26 per cent.

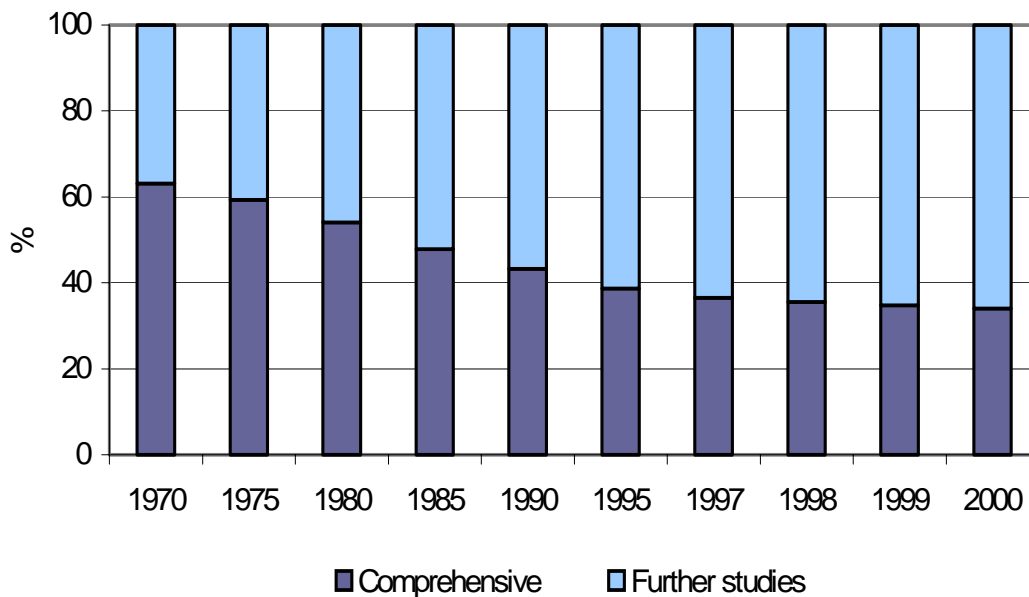
The average monthly rent in Helsinki in 2000 was 9.81 €/m² and rent per square metre for newly constructed, non-subsidised rental dwellings was 12.62 €. The respective rent figures for the whole of Finland were 7.66 € and 8.77 €. Rents in Helsinki increased by 5.1 per cent in one year.

With its ample stock of small rental flats Helsinki is particularly suitable for young people moving into the city and for other small households but less suitable for families with several children. Should a family be able to afford living in a detached house, Helsinki is more or less unable to meet such demand.

Education level in Helsinki

The strong emphasis on educating the young which began in Finland in the 1960s is manifested by an extremely rapid increase in the Finns' educational level since the 1970s. The educational level of Helsinki residents has also increased significantly. At the end of the year 2000, 66% of Helsinki residents aged 15 and over had completed studies at a level above comprehensive school. Men remained slightly better educated than women – 66.7% of men and 65.5% of women had completed studies after comprehensive school. However, in younger age groups the proportion of women who had completed further studies was notably higher than that of men. In the beginning of 1970s, men were better educated than women in all age groups. Today, men are better educated only in the older age groups.

Figure 6. The educational structure of Helsinki residents 1970–2000



One third of Helsinki residents had completed university level studies in 2000, in comparison with one fourth in the rest of Finland. The percentage for women was higher than that for men (women 33.7%, men 31.8%).

The good educational level of Helsinki residents is a key competitive advantage for the Helsinki Metropolitan Area in the long term. This level will further increase in the future, due to e.g. polytechnic level studies since the 1990s (equivalent to undergraduate level) and the strong increase in polytechnic graduates.

Jobs and labour

The Helsinki region's significance as Finland's only metropolitan area and the status of Helsinki as the capital city influence the tendency to specialise in the service industry - its share of jobs is 85%. Helsinki also has various clearly defined central roles as the result of being the main centre of the country.

Specialised service industries are mainly located in Helsinki. These require a highly educated workforce alongside a research and development environment consisting of a range of universities and polytechnics as well as companies specialising in the production of business support services. The region has a particularly strong concentration of IT services, research and development activities, financial and insurance operations, other business support services, telecommunications, publishing, entertainment and cultural activities.

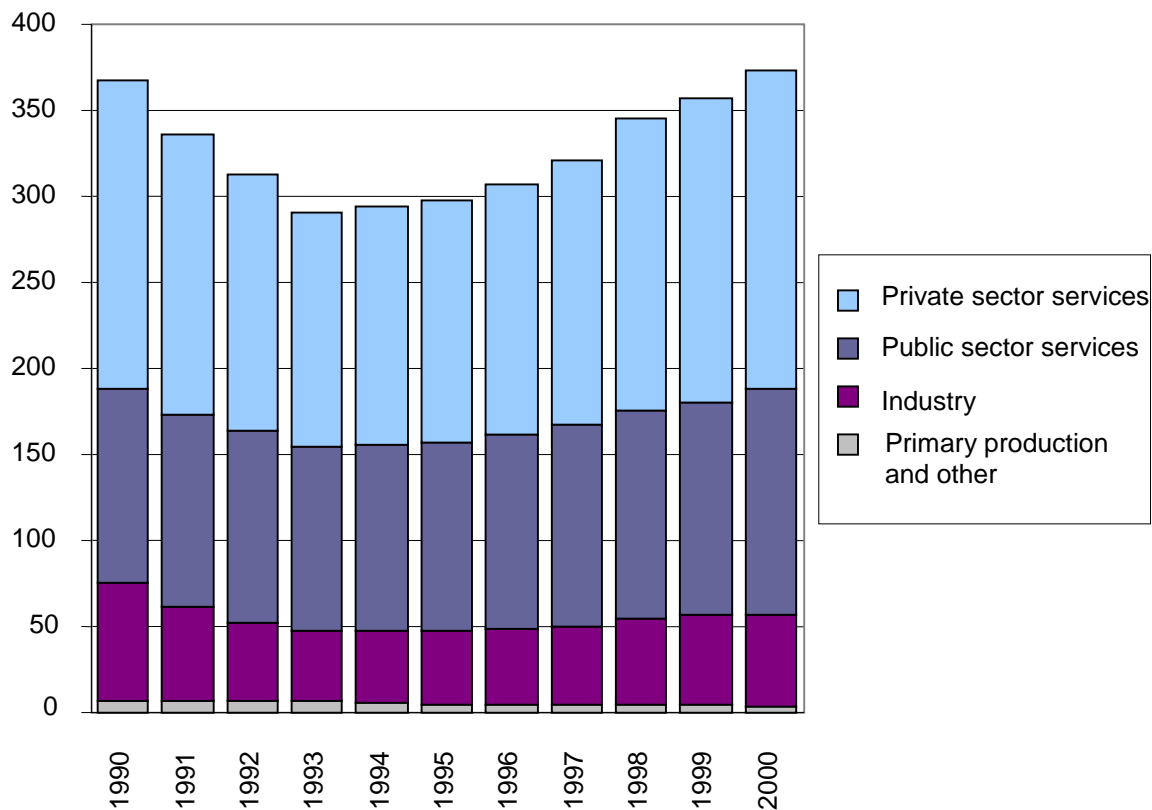
Helsinki has a major role as the logistics centre of Finland. The city is both a junction for international traffic and transport and a gateway for international passenger traffic and freight transport. Finnish wholesale trade and agency operations, postal services and telecommunications, transport, accommodation and restaurant services are concentrated in the Helsinki Metropolitan Area.

As the capital of Finland, Helsinki is also an administrative centre with offices of public administration and various organisations.

With Finland's highest share of business activities, Helsinki plays a key role in controlling the nation's 'consciousness industry' - information sector production. Information sector operations are heavily clustered in the Helsinki Metropolitan Area. Half of all jobs in the information sector are found here. Growth is also faster here than elsewhere in the country and the operations of these developing industries are increasingly focused on the area. Due to rapid growth, the information sector has fuelled economic growth in Helsinki.

At the end of 2000, Helsinki had some 373,000 jobs, an increase of 5 000 from the year 1990, before the recession set in. The city required seven years of growth to recoup the 80,000 jobs lost during the three years of recession in 1991–1993. The total number of jobs nationwide remains lower than in 1990, before the recession.

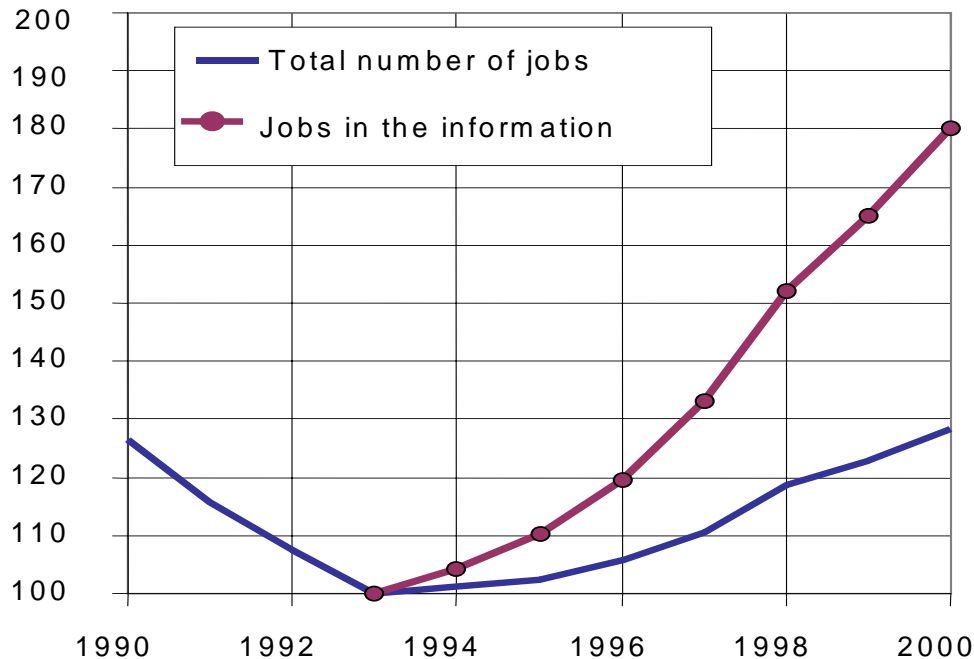
Figure 7. Jobs in Helsinki by sector, 1990–2000 (thousands of jobs)



As in many other countries, the cities and regions in Finland where the information sector is a major employer and producer of wealth have strengthened their position. Here, this trend has translated into the most rapid growth focusing on major urban areas, usually university towns, where the share of information sector jobs is higher than usual. The Helsinki economic area in particular has in recent years been one of the most rapidly growing European metropolitan areas. The number of personnel employed by companies in the information sector increased in Helsinki by 80 per cent from 1993 to 2000 whereas growth in other sectors only reached 21 per cent. Over a period of seven years 30 000 new jobs were created in the information sector, accounting for a good third of the total increase in the number of jobs in Helsinki.

Figure 8. Total number of jobs in Helsinki, 1990–2000, and jobs in the information sector (1993–). Index,

year 1993=100



Despite increased employment opportunities, unemployment in Helsinki has not fallen as expected. Although the unemployment rate in Helsinki is lower than the nationwide rate, it is nevertheless clearly higher than in neighbouring municipalities. This development is partially explained by the fact that high education levels notwithstanding, Helsinki is home also to a large number of ageing and poorly educated workers whereas new job creation has focused on sectors requiring extensive and up-to-date education. In spring 2002, the unemployment rate in Helsinki was 8.5 per cent, having peaked at 18.3 per cent in 1995.

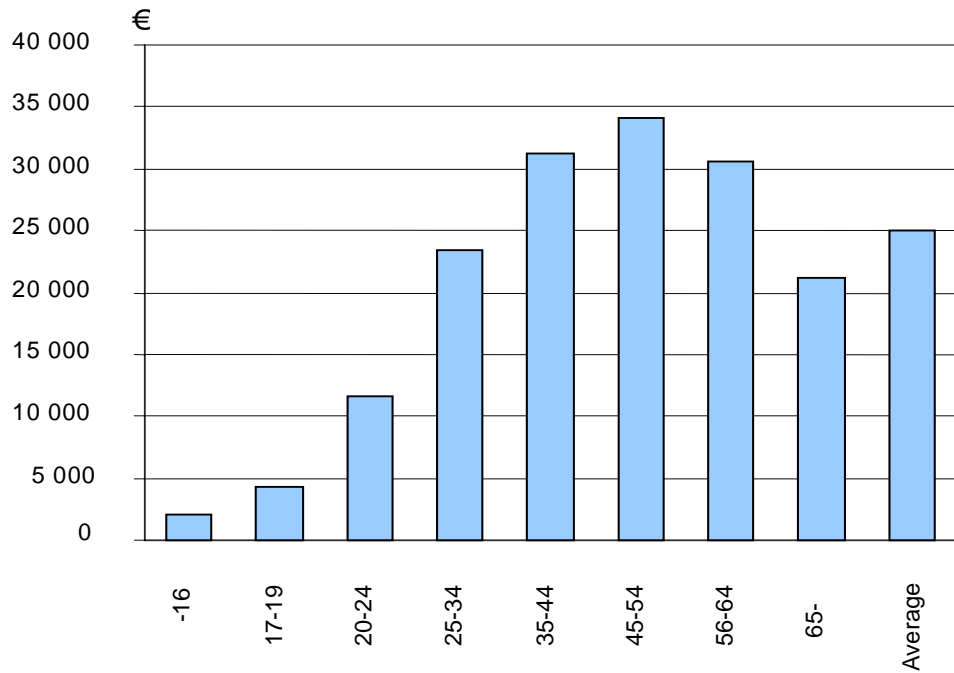
On the income development of Helsinki residents

The income subject to national tax of Helsinki residents, when calculated per income earner, increased from the late 1980s until 1991. However, in the early 1990s Helsinki and the Helsinki Region experienced a period of heavy economic recession. A situation of near full employment and labour shortages turned into mass unemployment, and this was also reflected in workers' incomes. Average income fell in the years 1992–1994 but has been rising again since 1995.

On average, Helsinki residents possess more wealth than Finns in general. On the other hand, their debt load is also somewhat higher than average. It is evident that Helsinki residents pay more taxes and tax-like charges when compared to the national average.

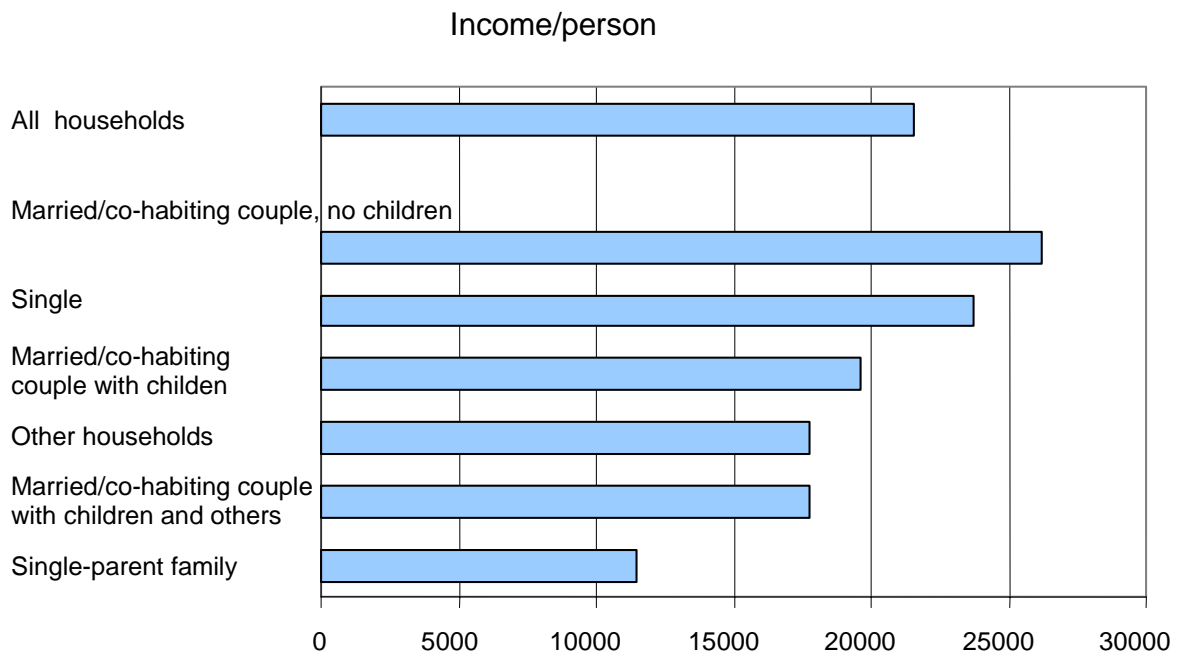
In 2000, the income subject to national tax of Helsinki residents averaged €24,994 per income earner. The highest-earning age group among Helsinki residents was men aged 45–54. Women of the same age were also the highest-earning group among their gender but their average income fell clearly short of that of men. In this age group, women earned 71 per cent of men's income.

Figure 9. Average income subject to national tax according to the age of income earner



The relative position of single-parent families and singles has clearly deteriorated. However, the income of various types of households, when calculated per person, varies fairly extensively depending on living area.

Figure 10. Income subject to national tax for different types of households (€) in 2000



ST. PETERSBURG

St. Petersburg was founded on May 27, 1703 (Gregorian calendar) by tsar Peter I as a military fortress. The city was the capital of Russia in 1712-1728 and 1732-1918. St. Petersburg is located on the eastern coast of the Gulf of Finland. It covers an area of 1400 sq. km. Territorial entities of St. Petersburg are 23 administrative districts. 111 municipal districts function in the city from 1996. In 2003 St. Petersburg celebrated its tercentenary.

St. Petersburg is the only city in the world that was three times renamed, survived three revolutions, two wars and the siege. All these events took place in the past century.

According to the 1900 census there were 1.44 million inhabitants in St. Petersburg, consisting of 790 000 (55 %) men and 650 000 (45 %) women. In terms of population St. Petersburg is today the third largest city in Europe after Moscow and London. It has 4.6 million residents of which men constitute 45 % and women 55 %.

In 1898 there were 3 royal and 6 private theatres in the city, a music conservatory, 4 concert halls and a circus. Nowadays there are over 50 theatres, which are attended by 3.5 million visitors annually.

Horse tramway and steam railroad were the only means of public transportation in St. Petersburg till 1906, when the first taxis appeared. But cabs still remained the important means of passenger transport.

St. Petersburg public transport today - buses, trolley-busses, trams and metro altogether carry about 4 billion passengers a year.

The first manual telephone station to provide communication within St. Petersburg was built in the early 1880's. In 1895 it numbered 3 000 subscribers. The first long distance communication line, which connected St. Petersburg and Moscow, appeared in 1898. Nowadays 312 automatic telephone stations with total capacity of 2.1 million numbers operate in St. Petersburg. Modern types of information services, such as cellular, paging, satellite communication, cable television and net communication, are widely represented in the city.

At the beginning of the 20th century St. Petersburg was the major industrial centre of Russia. One fifth of the country's industrial manpower worked at St. Petersburg factories and plants. Almost one third of Russia's mechanical engineering production and 40 per cent of chemical industry products were manufactured there. By the end of the century the city's total industrial production was still dominated by mechanical engineering, food industry ranked next.

St. Petersburg always had close trade relations with Finland. In 1898 18 per cent of the city's foreign trade turnover fell on Finland. At the beginning of the 21st century the share of Finland in St. Petersburg foreign trade turnover remains considerable, i.e. as high as 10 %.

St. Petersburg today is one of main centers of political, economic and cultural life of Russia. The city accounts for 2,8 % of the country's industrial output, 3,2 % of fixed capital investments and 3,9 % of retail turnover.

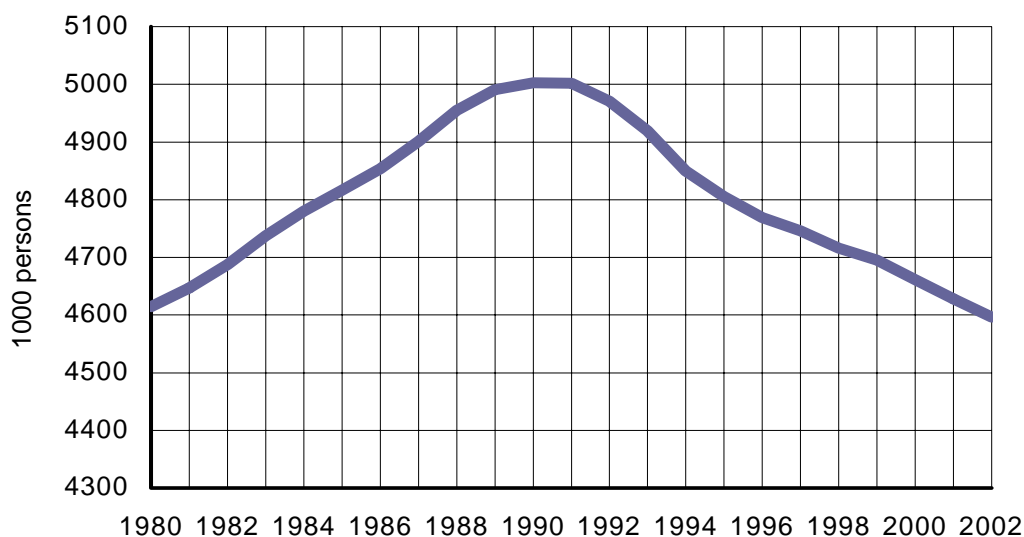
The city is conveniently located on the conjunction of the sea and land routes. It is the Russia's gateway to Europe and the country's nearest strategic centre to the EU countries. Though the metropolis of the Russian state was moved to Moscow 85 years ago, St. Petersburg is referred to as the second, Northern capital of Russia.

Population

In 1970's birth rate in St. Petersburg was rather stable and varied between 12,0 and 13,8 births per 1 000 inhabitants.

Due to adopted state policy of providing support to families with children the next decade was marked by a substantial increase of birth rate up to 14,7. In 1990 the city's resident population reached its maximum – five million two thousand people.

Population of St. Petersburg 1980-2002



But later the tendency of natural growth of population gave way to the tendency of natural decrease. Both the decrease of birth rate and the growth of mortality rate account for the fact. The maximum of natural decrease was registered in 1993 – 10,8 per 1000 population. In 2001 it amounted to 9,1.

For the last 10 years St. Petersburg population has decreased by 374 000 and at the end of 2001 amounted to 4,6 million people. The decrease averaged 0,75% a year.

Though the number of births in 2001 was the largest in the last 6 years, birth rate in St. Petersburg remains the lowest in Russia. Changes in female age structure, low procreation intensity, marriage rate, family relationships etc. may account for this fact.

Marriage rate in St. Petersburg was 7,5 per 1 000 inhabitants in 2001 as compared with 10,3 in 1990. Divorce rate for the decade has gone up by 18 % from 5,5 per 1 000 inhabitants in 1990 to 6,5 in 2001. It should be mentioned that these data are incomplete for only registered marriages and divorces were taken into account.

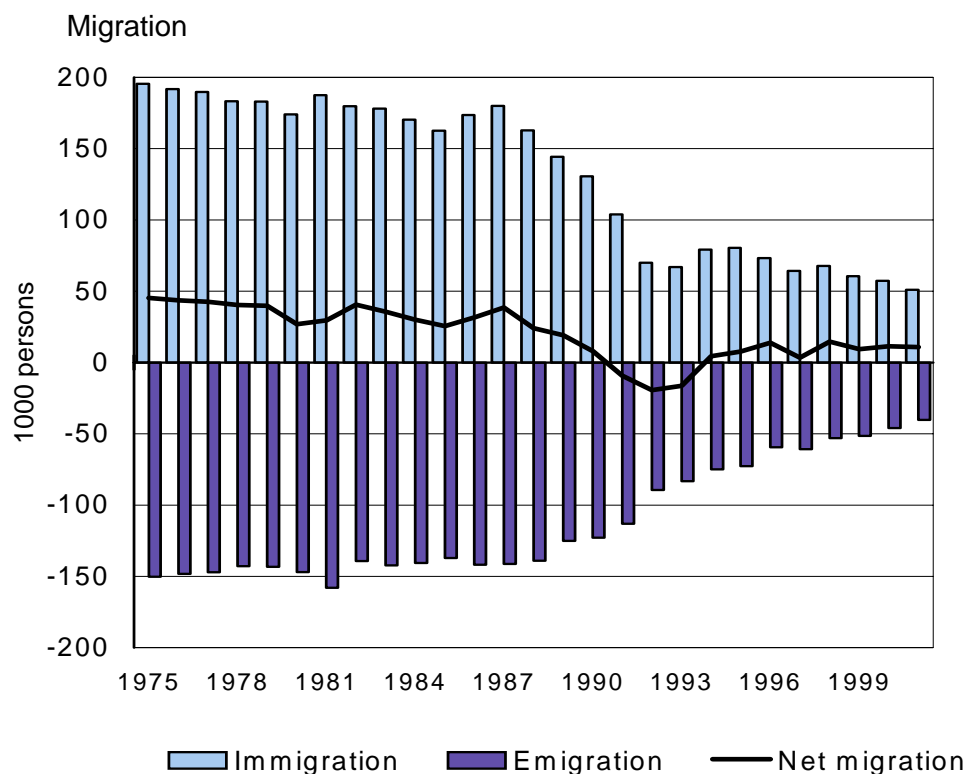
The average size of St. Petersburg household is 2,8 persons. Families with one child are prevalent.

Migration is another component to form the total population. St. Petersburg being an industrial and scientific centre always had a great demand for labour. Workers from other regions of Russia were provided with temporary registration and accommodation in the departmental housing stock. In 1970-80's 180 000 -195 000 people were arriving and 140 000 –150 000 people were leaving the city annually. Due to migration St. Petersburg population was growing by 30 000 - 40 000 a year.

Changing of conditions and quality of the life during the period of economic market reconstruction in Russia influenced greatly on demographic situation. In 1991-1993 there was

recorded a population loss due to migration. Presently about 50 000 – 60 000 migrants mostly from other Russian regions come and 40 000 - 50 000 leave St. Petersburg every year.

In 1990's around a thousand people annually received asylum and a refugee status. From 2001 their number is going down and amounts to about 400 a year.



The increase of population due to migration does not countervail the population loss due to natural decrease.

The percentage of working-age persons in St. Petersburg population has been steadily decreasing and was 61 % in 2001.

Population by age groups (at the end of the year)

	1990		2001		Population change	
	1000 persons	%	1000 persons	%	1000 persons	%
Total population	5001,9	100,0	4596,2	100,0	-405,7	92
0 – 15 years old	987,4	19,7	681,2	14,8	-306,2	69
Economically active population*	2968,9	59,4	2832,3	61,6	-136,6	95
Over 55/60 years old	1045,6	20,9	1082,7	23,6	37,1	104

* Men 16-59 years and women 16-54 years old.

The amount of the economically active population is forecasted to grow from 610 persons per 1 000 inhabitants in 2002 to 720 in 2025 mainly due to ageing of population.

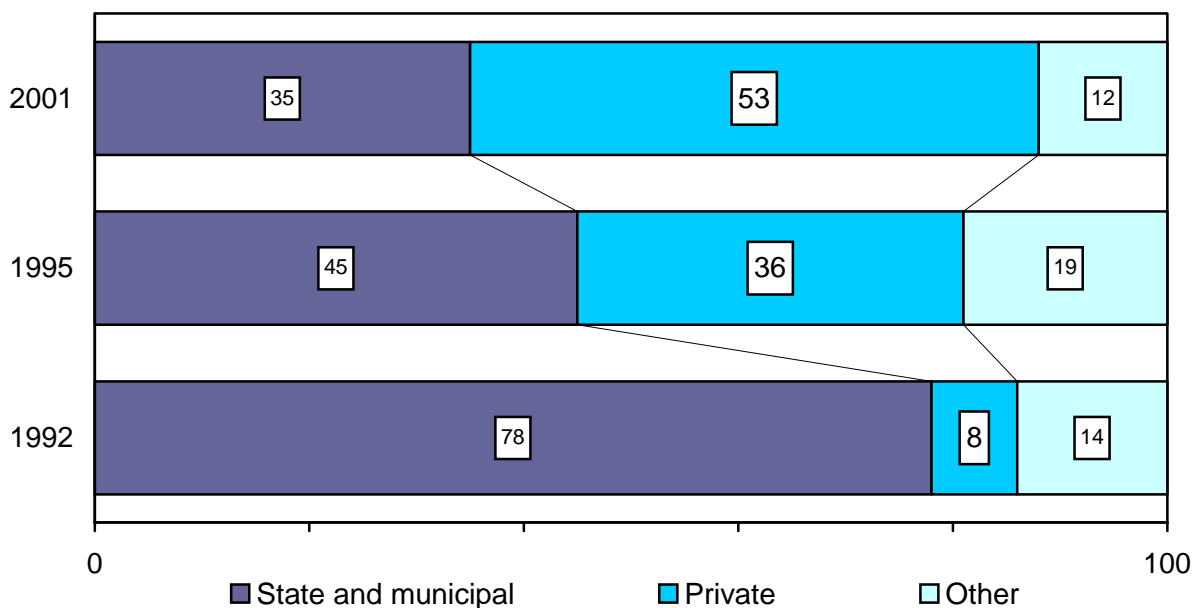
Structural Changes

St. Petersburg is the second important industrial, scientific and cultural centre of Russia after Moscow.

Entering into market economy has led to redistribution of employed labour force between industries. The outflow of labour force from industry and its inflow to trading and services is going on. In 2001 20% of employed labour force worked in industry, 5 % - in science, (in 1990 – 33 % and 13% accordingly). For the last decade the number of employed in trading sector has increased 2,3 times (21% - in 2001 as compared with 8% - in 1990). The percentage of employed in education, culture and art has increased for the mentioned period from 9 % to 11 %.

In 2001 35% of labour force were employed by national and municipal enterprises, 53% - worked in private companies (in 1992 - 78% and 8% accordingly). The number of employed by private companies has grown during this period more than sixfold.

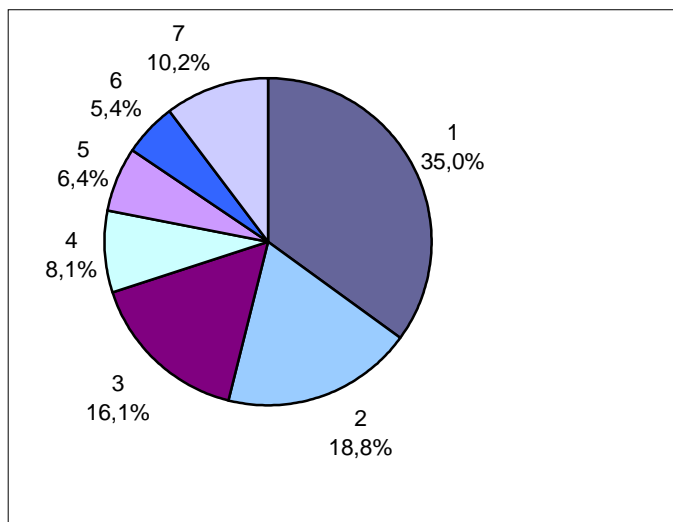
Number of employed persons by institutional sector, in %



Structural changes of 1990's have led both to redistribution of labour force between the industries and high increase of unemployment. The highest unemployment rate – 10,2 % was registered in the post-crisis year 1999, in 2001 it went down to 3,9 %.

Lately the foreign investments flow was increased. In 2001 investment in the city economy amounted to 1.2 billion US dollars and 7,4 times exceeded the level of 1995. The major investors were the Netherlands (35 % of the total amount of foreign investments), USA (19 %) and Finland (16 %).

Countries with the most significant investments in St. Petersburg's economy



- 1 – Netherlands
- 2 – USA
- 3 – Finland
- 4 – Switzerland
- 5 – Luxembourg
- 6 – Cyprus
- 7 – Others

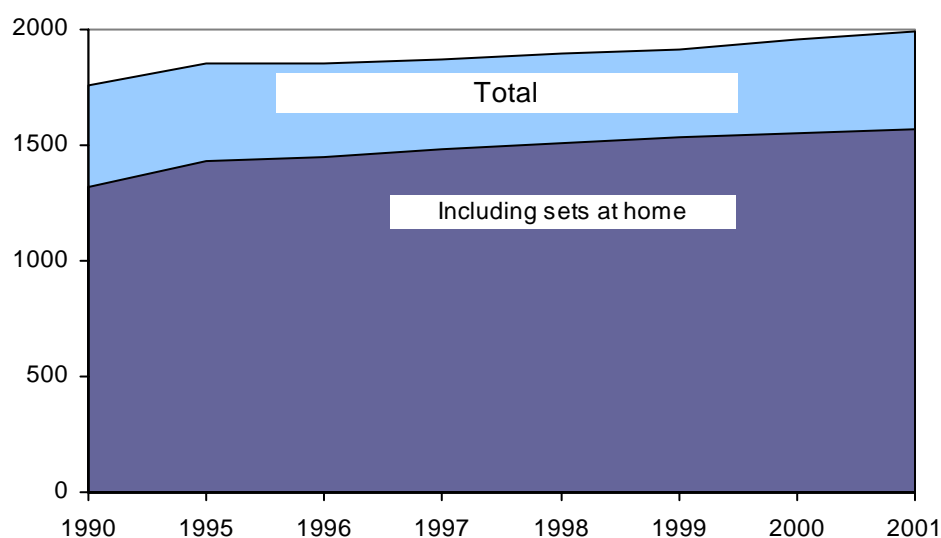
More than half of the amount was invested in food industry, 12 % - in information sector and 11 % - in trade sector.

Communications

In 2001 St. Petersburg operators provided communication services for 16,4 billion roubles of which 6,6 billion was paid by the population. This is respectively 16 % and 22 % more than in the previous year. Information services accounted for 18 % of the entire market of paid services in St. Petersburg.

Telephone communication is the most dynamically developed communication. Through the last 10 years the number of telephone sets in St. Petersburg has increased by 11 % (including 16% rise in the number of home telephone sets). At the beginning of 2002 the share of modern digital telephone stations of basic operators comprised 35 %.

Number of telephone sets in the telephone net of common use (thousand units)



Development of market relations and scientific progress resulted in communication market demonopolization and emergence of a variety of new communication operators. Cellular communication net has developed rapidly. Only in 2001 the number of subscribers in St. Petersburg almost tripled. The number of those using GSM standard went up by a factor of 3.3.

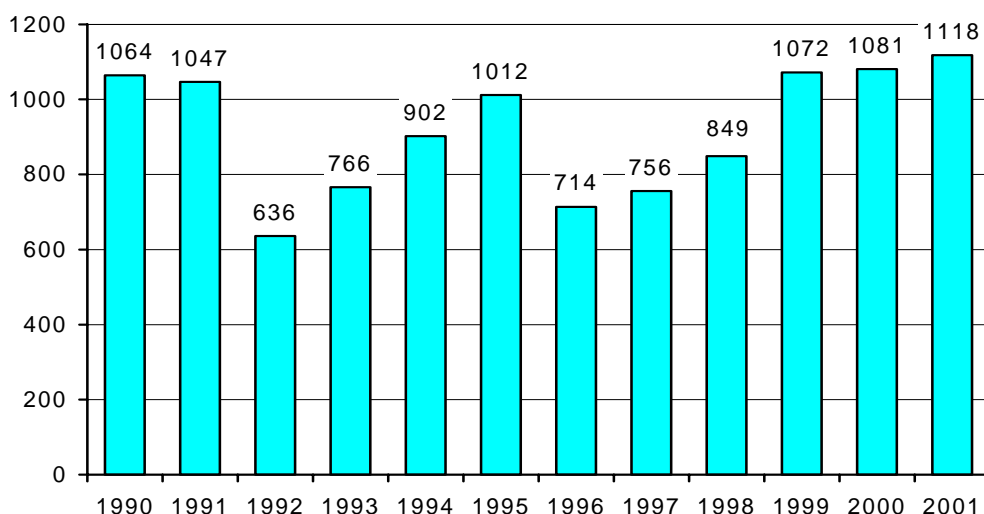
With the development of e-mail and facsimile communication, internet, long-distance and international communication lines, telegraph traffic goes down. In 2001 the number of sent cables decreased 5.6 times as against 1991. The number of handled letters and periodicals decreased 2.7 and 37 times accordingly.

Housing

A considerable part of residential buildings in St. Petersburg (51 %) was constructed between 1946 and 1970. They account for 32 % of the total floor area of the city's housing stock. Houses built before 1920 constitute over 20 % of the housing stock (17 % of the total floor area).

Before 1990 about 1.5 million sq. meters of new dwellings were commissioned annually. Later on residential construction drastically slowed down. Only beginning from 1999 annual bulk of new housing construction started to exceed 1 million sq. meters. The size of an apartment averaged 71 sq. meters (25 % more spacious than in 1990).

Dwellings construction (thousand sq. m. general area)



At the beginning of 2002 floor area of the city's housing stock totalled 94.4 million sq. meters (6.5 % increase for a decade). Over 98 % of dwellings are equipped with running water, sewer system and central heating, 94 % - with hot water supply, 92% have baths. Less than 1% of dwellings are not furnished with gas or floor standing electric stoves. This refers mostly to old private houses in the suburbs of St. Petersburg.

At the end of 2001 there were 1.6 million dwellings in St. Petersburg. Two-room apartments account for the major part of them (41 %). Apartments with 4+ rooms constituted only 7 % of the total number.

The privatization process started in 1990's and led to the structural changes in the city's housing stock. The number of communal flats was gradually decreasing. In 1990 there were 233 thousand community flats (16% of the total number of flats), in 2000 - 150 000 (9%). By the end of 2001 as high a share as 32,7% of the city's housing stock was in private ownership.

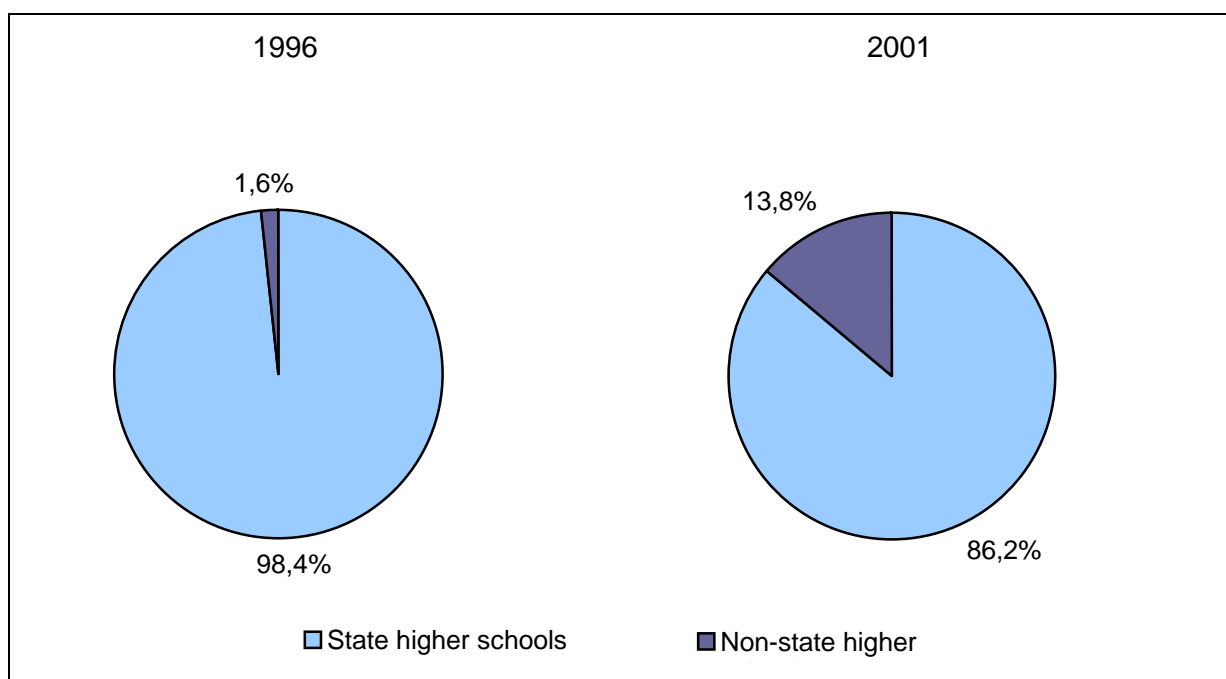
The real estate prices increase together with the real estate market development. The crisis of 1998 resulted in the increase of real estate prices 2,7-3,0 times. Later on prices continued to grow insignificantly. In December 2001 1 sq. meter of the floor area on the primary market was worth of 13 263 roubles (over 400 USD), on the secondary market – 11 436 roubles (over 350 USD).

Education

Owing to changes in the society and transition to market relations in 1990's a new period in the evolution of the education system began in St. Petersburg as well as everywhere in Russia

In the early 90's all educational establishments in St. Petersburg were state-owned. By the end of 2001 more than 70 private secondary schools and over 40 private universities and university level schools were already functioning in the city. In spite of a wide network of private institutions of higher education (45 % of the total number) only 12 % of the total number of students attended them.

Specialists graduated from state and non-state universities and higher schools



Today around 1 200 pre-school educational establishments, over 800 secondary schools and around 100 institutions of higher education are available in St. Petersburg. Around 230 thousand children from 6 to 16 years of age are involved in extracurricular activity (146 fields) provided by 116 institutions of additional education.

A network of pre-school educational establishments with advanced physical, intellectual and aesthetic training is expanding.

Tourist attractiveness

St. Petersburg is one of the most beautiful cities in the world. 12 world famous cultural monuments are located here. According to the UN rating, the city ranks the 8th position in the list of world's most popular and attractive cities.

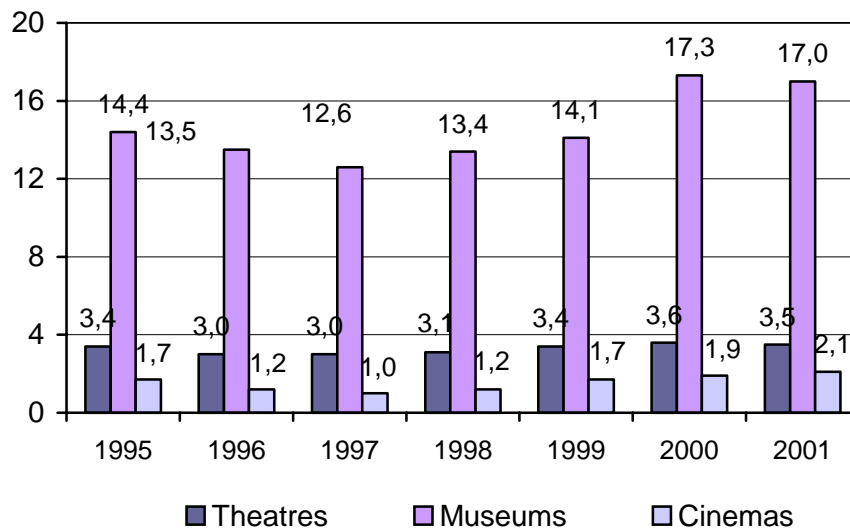
St. Petersburg architecture is peerless. Walking along the streets and prospects of the city on the Neva one may feel the harmony of various architectural periods and styles.

The city's historical center, architectural ensembles of the Nevsky prospect, the Neva river and its quays, palaces and parks of the suburbs and many more sites - over 4 000 altogether are on the UNESCO list of world heritage sites.

St. Petersburg is a city of museums. Guests are welcome to visit more than 70 museums including the famous Hermitage - one of the first-rate museums in the world.

St. Petersburg is fairly regarded as the cultural capital of Russia. Over 100 theatres and creative team groups currently operate in the city, among them the world-known Mariinsky Theater and Philharmonic Society named after D. D. Shostakovich.

Theatre, museum and cinema attendance (millions)



POPULATION

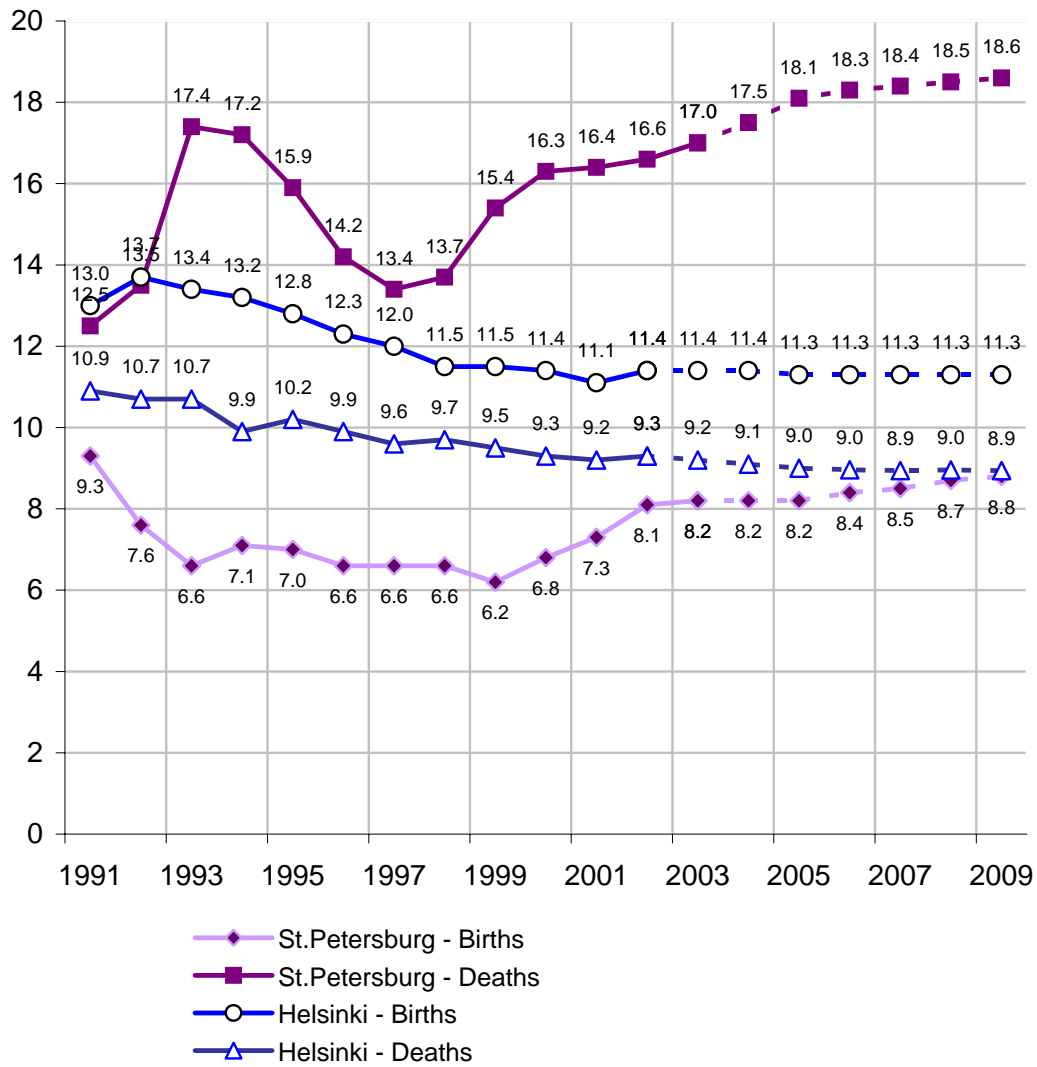
Resident population 1 Jan

	1991	1994	1996	1999	2002	2009 ¹⁾
1 000 persons						
Helsinki						
Total	492.5	508.6	525.0	546.3	559.7	575.4
men	222.6	232.2	240.6	252.3	260.1	270.4
women	269.9	276.4	284.4	293.9	299.6	305.0
St.Petersburg						
Total	5 001.9	4 849.8	4 768.7	4 695.4	4 596.2	4 355.9
men	2 261.9	2 195.4	2 155.1	2 119.1	2 067.1	1 956.5
women	2 740.0	2 654.4	2 613.6	2 576.3	2 529.1	2 399.4

¹⁾ Forecast

Source: Statistics Finland, City of Helsinki Urban Facts

Natural population growth (per 1 000 people)

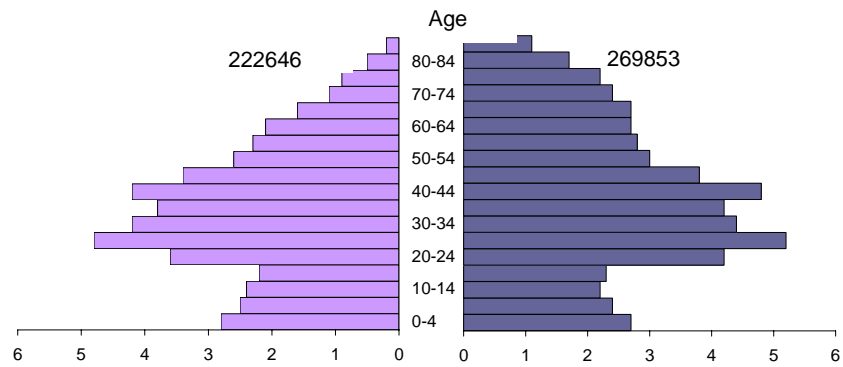


2003-2009 - Forecast.

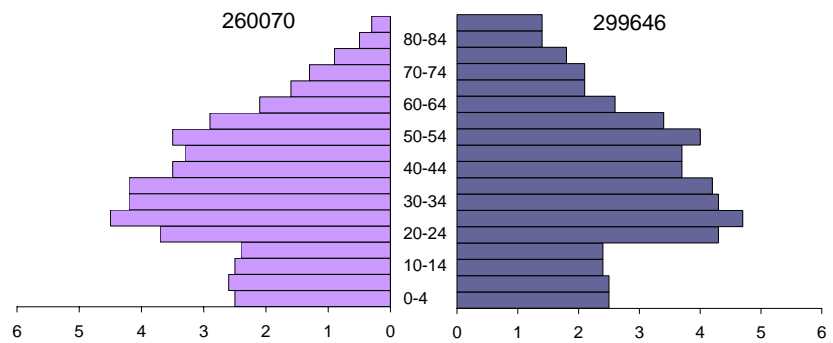
Population by age and sex (%)

Helsinki

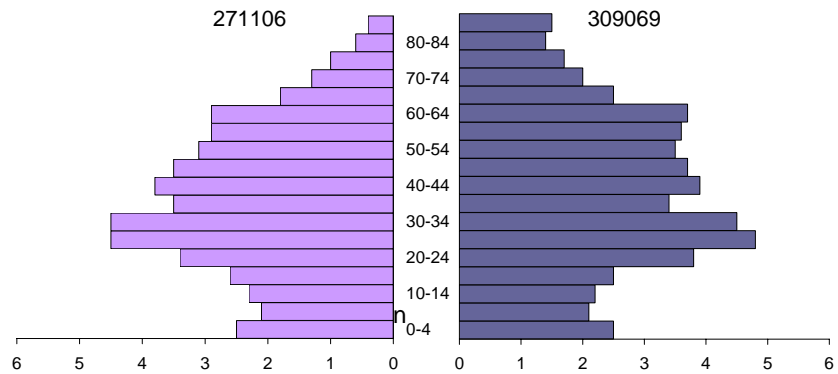
1 Jan.1991



1 Jan.2002



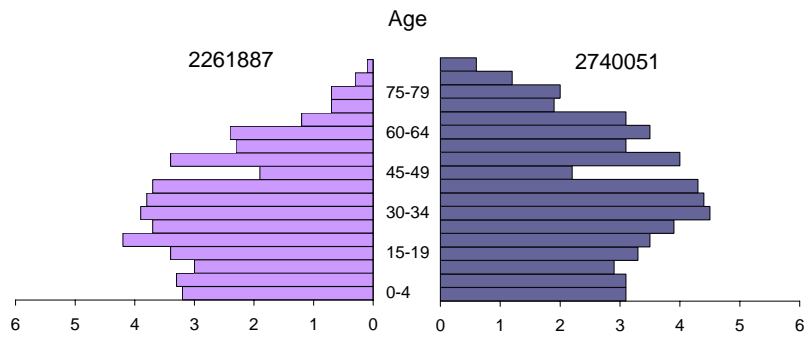
1.Jan.2009 (Forecast)



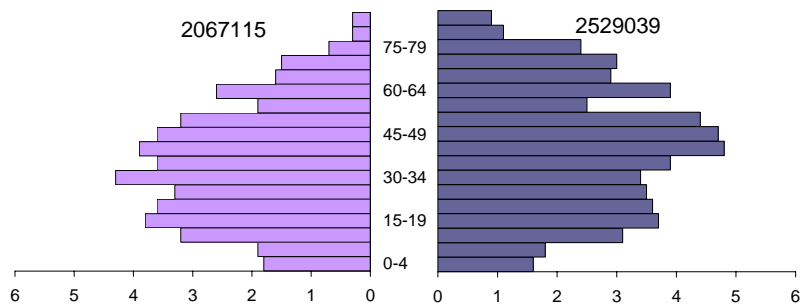
Population by age and sex (%)

St.Petersburg

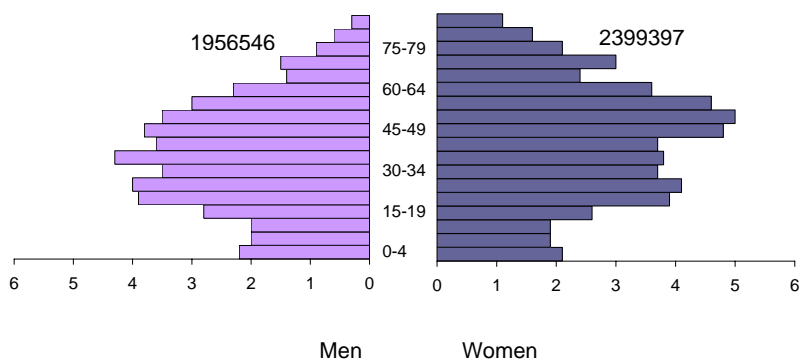
1 Jan.1991



1 Jan.2002



1 Jan.2009 (Forecast)



Life expectancy, years

	Whole population	Men	Women
Helsinki¹⁾			
1986-1990	74.2	69.5	78.0
1991-1995	75.6	71.3	79.2
1996-2000	76.8	72.8	80.1
St.Petersburg			
1990	70.1	65.2	74.3
1993	64.3	58.1	70.7
1995	66.1	59.9	72.3
1998	69.3	63.8	74.4
2001	66.2	60.2	72.3

¹⁾ Annual mean.

Source: Statistics Finland

Population by sex and marital status

	Helsinki 1 Jan. 2002	St.Petersburg By census 1989
Total, 1 000 persons	559.7	4 990.7
%	100	100
Unmarried		
men	25.7	18.0
women	27.0	17.6
Married		
men	15.3	23.7
women	15.5	23.8
Widowers/widows		
men	0.8	0.9
women	4.3	8.1
Divorced		
men	4.6	2.4
women	6.8	5.5

Source: Statistics Finland

Migration

	1990	1993	1995	1998	2001
Helsinki					
Immigrated	23 836	27 276	28 482	31 084	34 664
internal	21 031	23 342	25 148	27 951	30 493
abroad	2 805	3 934	3 334	3 133	4 171
Emigrated	22 588	21 246	20 716	25 329	31 302
internal	21 492	20 066	18 954	23 206	28 331
abroad	1 096	1 180	1 762	2 123	2 971
St.Petersburg					
Immigrated	130 700	67 034	80 422	67 669	51 010
internal	71 017	45 291	59 422	56 100	47 794
from former SU countires	22 975	15 001	16 018	9 906	2 433
abroad (not incl. Former SU countires)	7 243	3 226	2 028	1 663	783
Emigrated	122 845	83 291	72 585	53 013	40 259
internal	64 814	57 862	55 382	45 932	36 599
to former SU countires	18 299	11 372	6 751	2 407	1 187
abroad (not incl. Former SU countires)	19 436	10 008	7 468	4 674	2 473

Source: Statistics Finland, City of Helsinki Urban Facts

LABOUR MARKET

Labour force and the unemployed

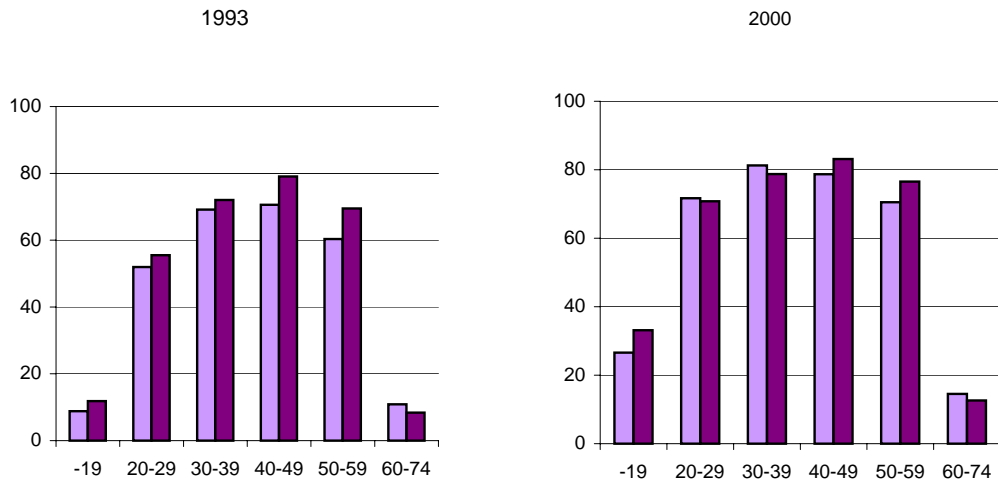
	1993	1995	1998	2001
1 000 persons				
Helsinki				
15-74 years old	397	410	428	441
Labour force	260	269	295	306
Employed	214	222	260	281
Unemployed persons	45	48	35	26
Unemployment rate, %	18.3	16.6	9.9	8.5
St.Petersburg				
Working age population	2 923	2 881	2 908	2 867
Labour force	2 573	2 605	2 592	2 468
Employed	2 369	2 348	2 330	2 372
Unemployed persons	205	258	262	96
Unemployment rate, %	8.0	9.9	10.1	3.9

¹⁾ Women 16-54 years and men 16-59 years old.

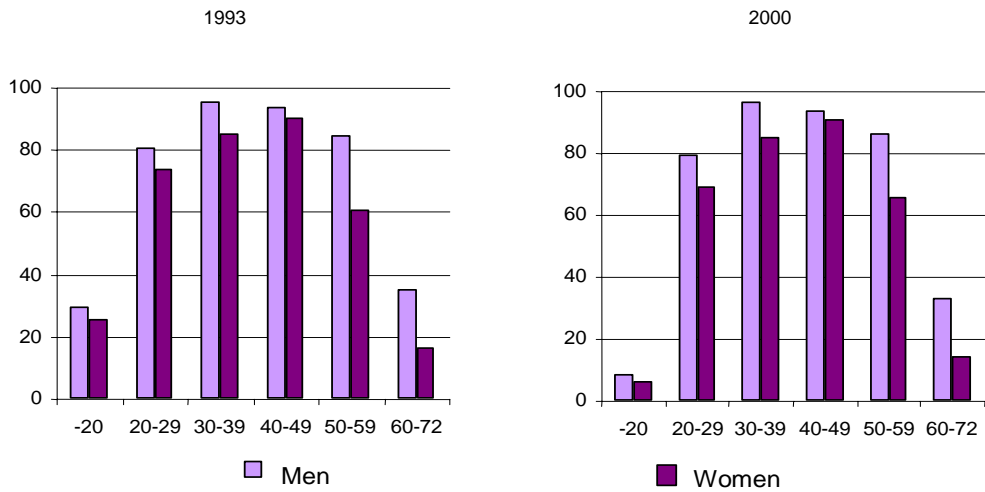
Source: Statistics Finland, Labour survey

Economically active population of total labour force by age and sex, %

Helsinki



St.Petersburg



Employed labour force by sex and age

	1993	1995	1998	2000
Helsinki, 31 Dec.				
Total, 1 000 persons	214.3	221.6	260.3	278.8
%				
-19	1.2	1.4	2.7	2.9
20-29	21.4	21.0	22.5	23.7
30-39	28.4	29.4	28.7	27.3
40-49	29.1	28.0	23.9	22.8
50-59	17.2	17.9	19.5	20.3
60-74	2.7	2.3	2.6	3.0
Men, (1 000)	97.1	102.1	122.7	132.4
%				
-19	1.1	1.3	2.6	2.6
20-29	21.6	21.5	22.9	24.2
30-39	30.1	31.3	30.5	29.1
40-49	28.4	26.9	23.3	22.4
50-59	16.1	16.5	18.1	18.8
60-74	2.7	2.4	2.6	2.9
Women, (1 000)	117.2	119.4	137.6	146.4
%				
-19	1.2	1.5	2.8	3.1
20-29	21.3	20.5	22.2	23.3
30-39	27.0	27.7	27.0	25.6
40-49	29.7	29.0	24.5	23.2
50-59	18.1	19.0	20.8	21.7
60-74	2.7	2.3	2.6	3.1

Source: Statistics Finland, Labour survey

Employed labour force by sex and age

	1993	1995	1998	2000	2001
St.Petersburg					
Total, 1 000 persons	2 368.6	2 347.8	2 329.8	2 367.7	2 372.2
%					
-20	2.7	1.9	1.0	0.9	1.1
20-29	20.2	20.2	20.2	20.0	19.5
30-39	29.3	28.3	29.3	26.9	27.2
40-49	26.4	29.6	30.5	29.7	29.2
50-59	15.7	14.6	14.9	16.5	17.4
60-72	5.7	5.4	4.1	6.0	5.6
Men, (1 000)	1 159.3	1 214.0	1 197.5	1 205.2	1 195.6
%					
-20	2.9	2.2	1.0	1.0	1.3
20-29	21.9	22.9	23.5	21.6	21.1
30-39	28.5	27.3	29.0	27.6	28.6
40-49	24.2	26.2	26.8	26.4	26.3
50-59	16.4	15.3	14.9	16.5	16.7
60-72	6.1	6.1	4.8	6.9	6.0
Women, (1 000)	1 209.3	1 133.8	1 132.3	1 162.5	1 176.6
%					
-20	2.6	1.6	1.0	0.7	1.0
20-29	18.6	17.5	16.7	18.4	17.9
30-39	30.1	29.3	29.6	26.2	25.8
40-49	28.6	33.1	34.4	33.2	32.1
50-59	14.9	13.9	14.9	16.4	17.9
60-72	5.2	4.6	3.4	5.1	5.3

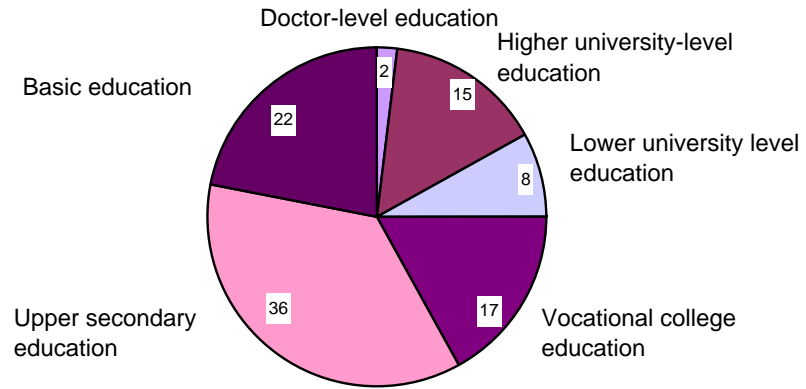
Employed labour force by level of education

	1998	2000
%		
Helsinki, 31 Dec.		
Total	100	100
Doctor-level education	1.7	1.8
Higher university or polytechnic education	14.8	15.0
Lower university or polytechnic education	7.6	7.8
Vocational college education	17.4	17.2
Upper secondary education	36.0	36.4
Basic education	22.5	21.8
St.Petersburg		
Total	100	100
Higher university or polytechnic education	34.4	38.2
Lower university or polytechnic education	3.5	3.2
Vocational college education	35.6	31.9
Upper secondary education	20.9	22.3
Basic education	4.6	3.7
No basic education	1.0	0.7

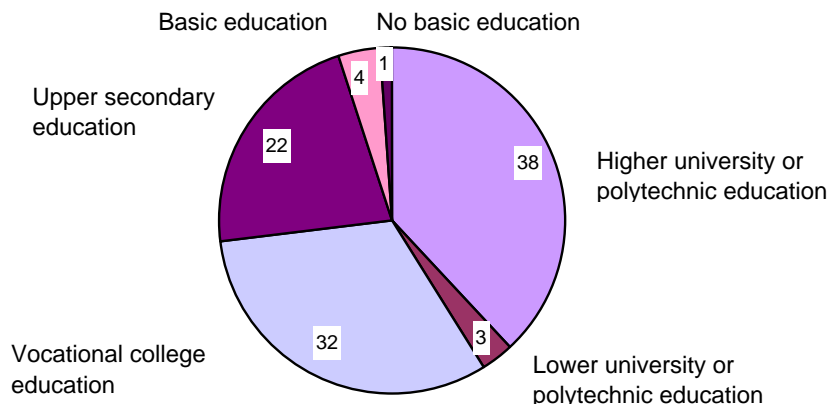
Source: Statistics Finland, Labour survey

Employed labour force by level of education 2000, %

Helsinki



St.Petersburg



Jobs by industry

	1990	1993	1995	1998	2000 ¹⁾
Helsinki					
Total (1 000)	367.9	290.7	297.9	344.9	372.9
%					
Manufacturing	11.5	10.5	10.9	10.0	9.9
Construction	7.0	3.5	3.5	4.4	4.4
Wholesale and retail trade	16.1	14.1	13.9	13.4	12.9
Hotels and restaurants	3.7	3.6	3.8	4.1	3.9
Transport, communications and logistics	9.3	9.6	9.3	10.0	9.4
Financial intermediation	6.7	6.6	6.3	4.8	4.6
Real estate, renting and business activities	13.0	12.6	13.9	16.8	18.7
Public administration etc.	7.8	9.5	9.8	9.0	7.9
Education	4.4	5.5	5.6	5.9	6.4
Health care and social services	10.7	12.8	12.6	12.0	12.8
Other community service acts etc.	7.7	9.0	8.5	8.3	8.1
Others, unknown	2.1	2.7	1.9	1.3	1.0

¹⁾ Preliminary data

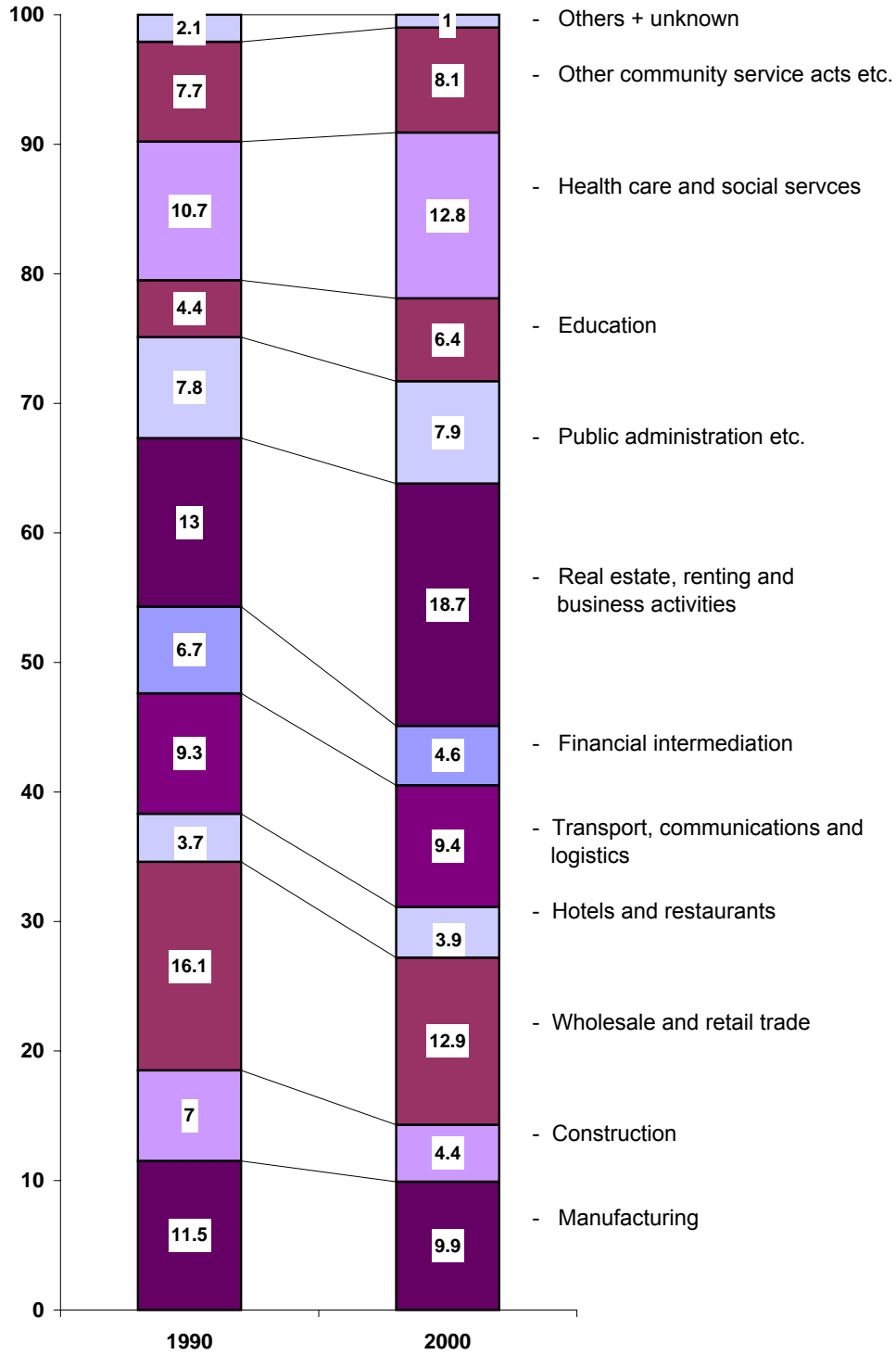
Source: Statistics Finland, Labour survey

Employed labour force by industry

	1990	1993	1995	1998	2000	2001
St.Petersburg						
Total (1 000)	2 653.0	2 368.6	2 347.8	2 329.8	2 367.7	2 372.2
%						
Manufacturing	33.1	31.5	25.4	20.2	20.2	20.2
Agriculture and forestry	0.5	0.5	0.5	0.5	0.8	0.8
Transport and communications	8.8	9.5	9.3	9.1	8.8	8.8
Construction	11.1	10.2	10.7	11.2	11.5	11.3
Trade and public catering	8.2	10.1	14.8	19.9	20.2	20.6
Management of communal housing and non-productive forms of domestic services	5.9	5.2	5.4	6.1	5.3	5.4
Health care, physical training and social security	6.1	6.4	6.9	6.8	6.5	6.5
Education, arts and culture	8.5	10.0	10.8	10.9	10.8	10.7
Science and scientific services	12.9	11.2	8.5	5.7	5.3	5.3
Financing, insurance etc.	0.3	0.8	1.4	1.4	1.4	1.3
Administration	2.0	2.4	2.8	3.8	3.9	3.8
Others	2.6	2.2	3.5	4.4	5.3	5.3

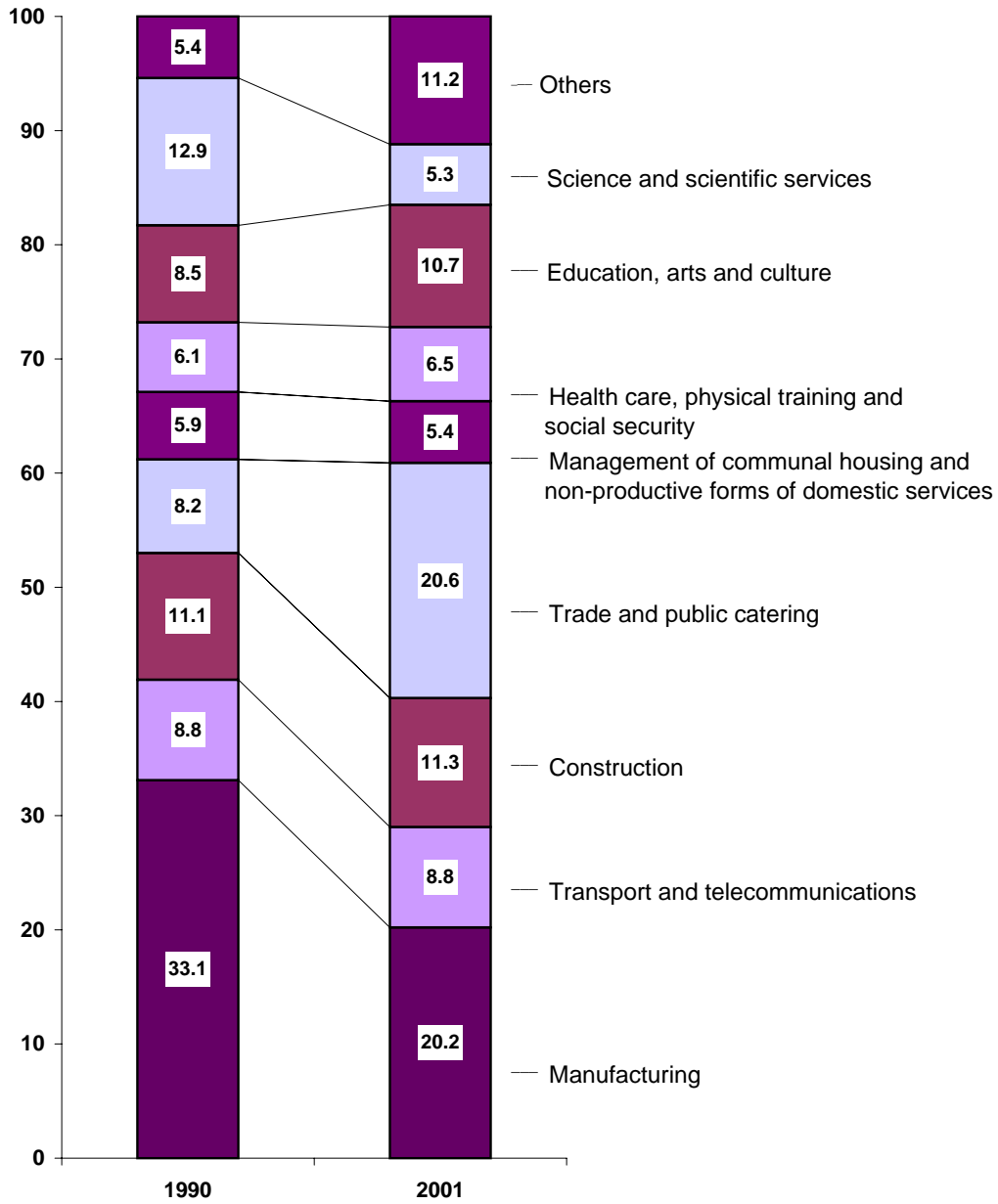
Jobs by industry, %

Helsinki



Employed labour force by industry, %

St. Petersburg



HOUSING

Housing stock 31 Dec. 2001

	Helsinki	St.Petersburg
Number of dwellings, 1 000	301	1 624
Number of rooms, % ¹⁾		
1	24.1	21.1
2	36.6	41.2
3	21.5	30.4
4+	17.3	7.3

Dwelling floor area per inhabitant (m2)

	Helsinki	St.Petersburg
1990	30.6	17.5
1993	31.4	18.1
1995	31.9	18.6
1998	32.2	19.3
2000	32.6	20.2
2001	32.8	20.5

¹⁾ Room count excludes kitchens

Source: Statistic Finland, City of Helsinki Urban Facts

Total floor area and the number of new dwellings by number of rooms

	1990	1993	1995	1998	2001
Helsinki					
Dwelling floor area, 1 000, m ²	293.9	257.4	315.1	265.6	310.3
Number of dwellings, 1 000	4.4	3.8	4.8	3.9	4.5
Number of rooms, %					
1	8.1	8.5	8.9	10.5	9.2
2	40.9	45.2	52.0	47.9	46.0
3	28.6	26.4	22.5	20.3	23.5
4+	22.3	20.0	16.7	21.4	21.2
St.Petersburg					
Dwelling floor area, 1 000, m ²	1 063.6	765.6	1 011.8	849.4	1 118.2
Number of dwellings, 1 000	18.1	13.4	16.4	11.4	15.2
Number of rooms, %					
1	27.2	25.7	35.8	27.7	32.5
2	39.1	36.7	27	31.4	32.2
3	30.9	36.5	33.9	34.5	27.7
4+	2.8	1.1	3.3	6.4	7.6

¹⁾ Room count excludes kitchens

Source: Statistics Finland, City of Helsinki Urban Facts

TRANSPORT AND COMMUNICATION

Communications

	1990	1993	1995	1998	2001
Helsinki					
Number of telephone connections, 1 000	...	...	...	462	428
Per 100 inhabitants	...	...	...	85	76
Number of mobile telephone connections per 100 inhabitants	5.2	9.6	20.4	57.1	82.0
Number of Internet connections (ISDN and quicker) ¹⁾	-	545	6 416	99 694	337 822
Per 100 dwelling units ¹⁾	-	0.0	0.3	4.4	14.5
St.Petersburg					
Number of telephone connections, 1 000	1 757	1 825	1 852	1 893	1 994
Per 100 inhabitants	35	38	39	40	43
Number of mobile telephone connections per 100 inhabitants	...	...	...	159.7	977.1
Per 100 inhabitants	...	...	...	3.4	21.3

¹⁾ Finland

Source: Statistics Finland, Elisa

HEALTH SERVICES

Health care

	1990	1993	1995	1998	2001
Helsinki					
Number of beds in city hospitals 1 000 ¹⁾	5.3	5.1	4.7	3.7	2.8
per 1 000 inhabitants	10.7	10.0	9.1	6.8	5.1
Number of physicians, 1 000 ²⁾	2.7	2.8	2.8	4.1	4.6
Inhabitants per physician	180	179	181	132	122
St.Petersburg					
Number of beds in city hospitals 1 000 ¹⁾	61.9	51.4	49.5	47.1	47.0
per 1 000 inhabitants	12.4	10.6	10.4	10.0	10.2
Number of physicians, 1 000	41.9	33.2	34.3	34.7	35.0
Inhabitants per physician	119	146	139	135	131

¹⁾ Official number of beds in city hospitals.

²⁾ Working in Helsinki; dentists not included during 1990-1995

Source: City of Helsinki Health Department, Finnish Medical Association,
Finnish Dental Association, Health Committee of St.Petersburg.

EDUCATION

Educational establishments

	1990	1993	1995	1998	2001
Helsinki					
Comprehensive schools	166	159	160	165	162
Upper secondary schools	42	40	40	39	39
Upper secondary schools for adults	7	7	7	7	7
Vocational training institutes	43	42	39	32	30
Vocational universities	0	2	2	4	4
Universities	7	7	7	7	7
St.Petersburg¹⁾					
Secondary schools	661	731	777	796	836
Vocational training institutes	143	120	110	97	92
State-owned special vocational institutes	85	84	83	81	76
Universities and university level schools	43	50	58	80	95

¹⁾ St.Petersburg - in the beginning of school year 1990/91, 1993/94, 1995/96, 1998/99, 2001/02.

Source: Statistics Finland, City of Helsinki Urban Facts,
St. Petersburg Committee of Education.

INVESTMENTS

Investments by industry ¹⁾

	1995	1998	2000 ²⁾
Total, million.€			
Helsinki Region			
Market production	3 362	5 163	6 925
Manufacturing	815	1 009	907
Construction	69	99	143
Wholesale and retail trade	244	452	480
Hotels and restaurants	45	53	64
Transport, communications and logistics	494	717	694
Financial intermediation and insurance	166	171	277
Real estate and business activities	381	974	1961
Letting and operation of dwellings	849	1286	2027
Education, health care and social services	37	39	55
Other community service acts etc.	211	285	252
Others	51	79	67
Non-market production	825	1260	1191
Transport, communications and logistics	322	397	253
Real estate and business activities	54	88	40
Administration and social security funds	144	301	363
Education, health care and social services	238.4	347.5	407
Other community service acts etc.	67.5	126.6	128

¹⁾ Gross fixed capital formation at current prices according to national balance of supply and demand.

²⁾ Preliminary data

Source: Statistics Finland

The structure of investments by industry in St Petersburg ¹⁾

	1995	1998	2000
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million roubles (1995 - billion roubles)

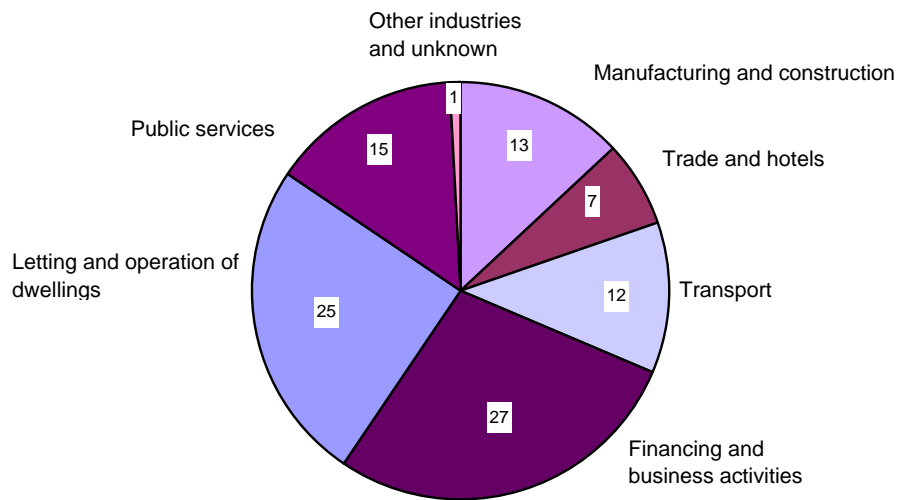
St.Petersburg

Total	4 215	11 232	29 030
Manufacturing	728	3 079	9 826
Construction	111	1 029	3235
Transport	1 097	2 328	6 667
Communications	134	436	690
Wholesale and retail trade	7	695	823
Management of communal housing	841	815	2 318
Communal administration	691	1 345	1 700
Education	34	146	285
Health care	152	61	1 727
Others	422	1 298	1 759

¹⁾ Including big and medium sized organisations.

Investments by industry, year 2000, %

Helsinki Region



St.Petersburg

