

# MONITORING

## Economic and social state of the Vologda region in the Russian Federation and in the North-West Federal District according to the results of the 1<sup>st</sup> quarter, 2009

Taking place in the country economic crisis has a different degree of range and depth in the regions. This is due to specialization of regional economy and its involvement into inter-regional and external economic relations.

Relatively high rates of the Vologda region economy dynamics in recent years were largely determined by the ferrous metallurgy pace of development and the export rolled metal deliveries add-ins. The sharp downturn of steel products sales in the global and domestic market has had rather morbid impact on the economy of the region. In the first quarter of

2009, economic and social situation of the region in Russia and the North-West Federal District had pronounced downward trends.

During January – March, 2009 compared to the same period of 2008 industrial output in the region decreased by 27,4% per capita. It is considerable more than the average in Russia and the NWFD (*fig. 1*). However, it should be noted that the region retains the first place in the district according to this indicator.

Another negative development is the sharp contraction of investment processes. In the Vologda region fixed capital investment per

Figure 1. Industrial output per capita, thousand roubles (mark-to-market)

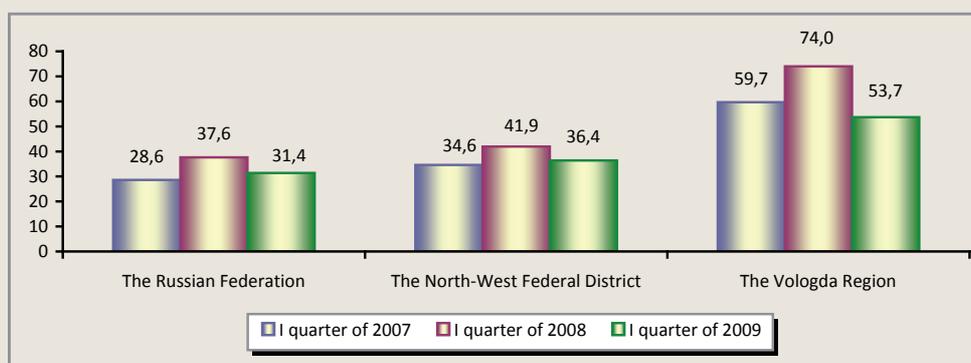
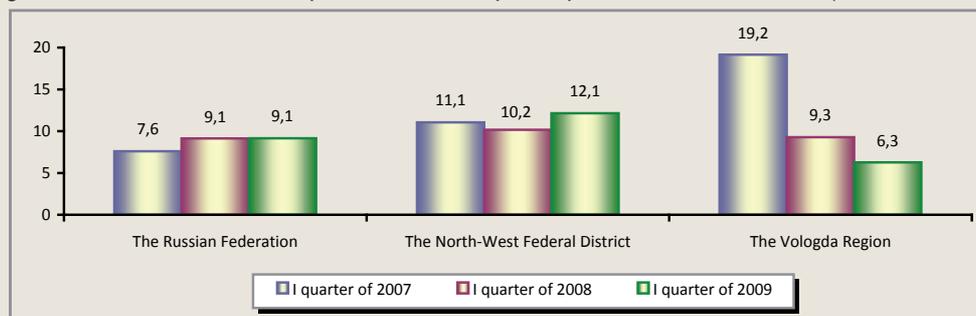


Figure 2. Volume of fixed capital investment per capita, thousand roubles (mark-to-market)



capita decreased by almost one third during the 1st quarter of 2009 compared with the 1st quarter of 2008. They were half as less than in the district (fig. 2). According to this indicator the region dropped from the 4<sup>th</sup> to the 8<sup>th</sup> place among the regions of the NWFD.

Many construction companies had to suspend their activities. In the first quarter the volume of put into operation housing per capita in the Vologda region was less than the average in the North-West and Russia (fig. 3).

In January – March, 2009 the average wage in the Vologda region was as before lower than in the NWFD and Russia, and although the nominal drawn payroll has increased by 9,5% compared with the last year, in real terms its decline has occurred (fig. 4).

The retail trade turnover has decreased in the region as well. It was the lowest in the North-West per capita (fig. 5).

The decrease of production in the real sector and the service industries could not but af-

Figure 3. Putting into operation housing (m<sup>2</sup> floor area per capita)

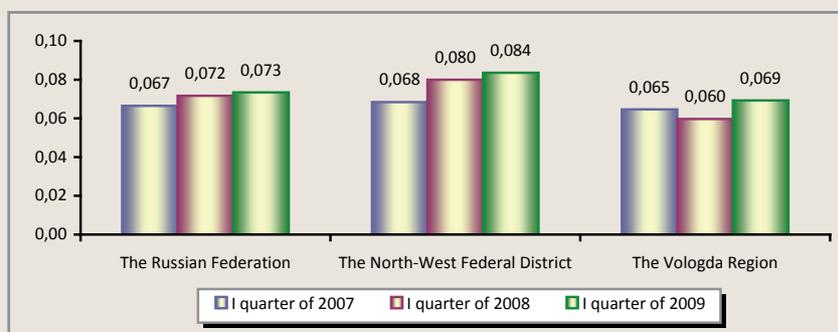


Figure 4. The average monthly nominal drawn payroll, roubles

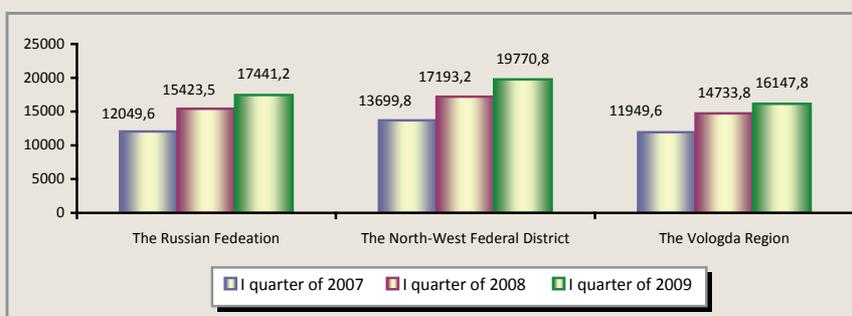


Figure 5. The retail trade turnover per capita, thousand roubles (mark-to-market)

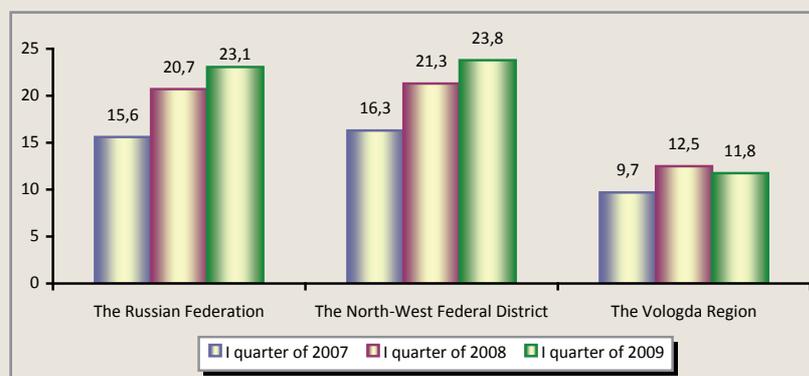


Figure 6. Balanced financial performance of large and medium-sized enterprises (thousand roubles per capita)

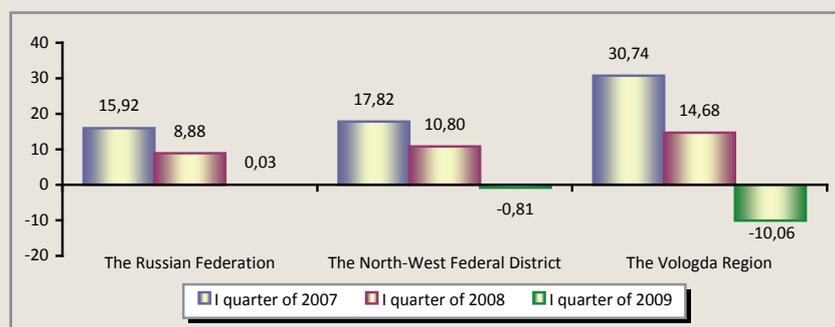
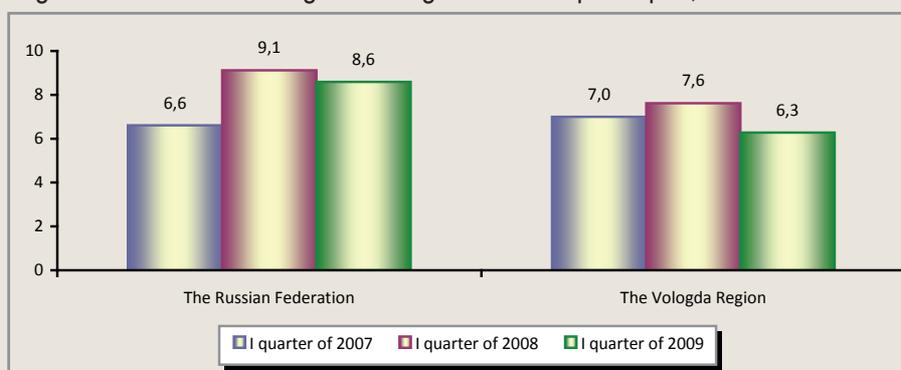


Figure 7. Consolidated regional budget revenues per capita, thousand roubles



fect the financial performance of organizations. Region's large and medium-sized enterprises received damage in the 1st quarter of 2009. It is average 10 thousand roubles per capita (*fig. 6*).

In turn, the complexity of enterprises' financial situation affected the region's budget performance. In the 1st quarter of 2009, there was a decrease in consolidated regional budget revenues per capita by 18% compared with the same period of the last year, while in Russia

this figure has fallen by 6% average (*fig. 7*). On this indicator the region is on the 9<sup>th</sup> place in the district, while in the 1st quarter of 2008 it was in 6<sup>th</sup> one.

The regional authorities intensify anti-crisis measures in this situation. Particular attention is paid to the stabilization of the largest enterprises forming a company town, to the employment of the population and social support of its low-income groups.