



**STRATFOR**  
GLOBAL INTELLIGENCE



## The Rise and Fall of the Russian Oligarchs

May 2009

This analysis may not be forwarded or republished without express permission from STRATFOR.  
For permission, please submit a request to [PR@stratfor.com](mailto:PR@stratfor.com).

## Part One: Putin's Endgame Against His Rivals

The fall of the Soviet Union left chaos in its wake, and emerging from the turmoil were three principal factions — the siloviki, “The Family” and the oligarchs — all scrambling for the spoils. When Vladimir Putin became president in 1999, the St. Petersburg native consolidated the siloviki and Family inside the Kremlin and set his sights on the oligarchs, a new elite class of post-Soviet business rulers. Ten years on, in the midst of the global financial crisis, Putin's consolidation of Russian power is almost complete.



Following the collapse of the Soviet Union in 1991, Russia looked more like the American Wild West than a once-global Eurasian power. There were few clear rules and ample opportunities for financial and political gain — legal and otherwise — as well as a number of shrewd, larger-than-life personalities who could take advantage of those opportunities. Before Vladimir Putin took control of the government in 1999, an array of factions fought for control of the country's wealth, industries and politics, principal among them the siloviki, “The Family” and the oligarchs.

[Siloviki](#) is a term used in Russia for men of power. The faction consists of former KGB and security service personnel, most of whom are Russian nationalists who want to see the country return to its former glory. In the 1990s, the siloviki typically controlled the Foreign and Interior ministries and the KGB's successor, the Federal Security Service (FSB). Then-President Boris Yeltsin feared the group would overthrow him and, in a preemptive move, restructured the siloviki's engines — the FSB, military and other security institutions — thus keeping them out of real power until 1999.



Originally, members of [The Family](#) were Yeltsin's relatives and their close associates who infiltrated business and government in Russia, keeping Yeltsin in power. In the late 1990s, however, The Family was infiltrated by a new group called the “St. Petersburg Brigade,” which consisted mainly of Western-leaning technocrats who kept foreign investment flowing into the country on Russia's terms. Typically, this faction controlled the Finance and Economic ministries. Among them were siloviki members who also were part of The Family and who brought Putin, who is from St. Petersburg, into power. This infiltration was the beginning of the end for The Family and marked the return of the siloviki. ([Click here for interactive chart](#))

While the siloviki and The Family fought it out in the 1990s, [the oligarchs](#) ruled most of Russia's vital business sectors, both private and state-controlled. Most of these individuals rose to power during the Yeltsin economic reforms, dubbed the “shock therapy,” which led to confusion over who owned what following the Soviet collapse and to a mad scramble for the pieces. The oligarchs (named after the form of government in which only a few persons hold the reins of power) were a class unto

themselves, a new elite group of post-Soviet business rulers, and the other two principal factions had to unite before they could counter them. This took place under Putin, who was president from 1999 to 2008 and is now prime minister. As part of his plan to consolidate Russia politically, economically and socially, Putin dismantled The Family, placing those he considered the most trusted and useful members directly under him in the Kremlin.

In 2004, Putin set his sights on the oligarchs, starting with strategic sectors that he proceeded to pick off one by one. By 2009, the Kremlin had begun its final push to destroy the once-powerful class of business rulers. With the help of the global financial crisis, the Kremlin is now putting an end to the two decades in which the oligarchs rose and created their empires. Upon completion, Putin's [consolidation of Russian power](#), now in its last phase, will leave the prime minister and his factions unrivaled.

## Part Two: The Evolution of a New Business Elite

In the bedlam following the Soviet Union's collapse, Russian laws were contradictory and unevenly enforced. The oligarchs thrived in this environment, gobbling up corporate holdings and creating empires of disparate parts. Then the ruble crashed in 1998, and a new wave of more business-minded oligarchs reconsolidated their holdings and created real empires. One of these oligarchs, the owner of oil giant Yukos, also had political ambitions, and he was the first to go when Vladimir Putin set out to remake the Russian business elite.

The Russian oligarchs emerged from the wreckage of the Soviet Union in 1991, taking advantage of organizational, economic and political chaos to form multibillion-dollar corporate empires. They did not create their empires in the traditional way — with the idea of building something permanent and sound — but instead used a variety of underhanded methods to amass their fortunes as quickly as possible. We say “underhanded” and not “illegal” because Russian law during this period was anything but clear. Large portions of the Soviet legal code were abrogated by the new Russian state while many statutes remained in place. In the bedlam of the Yeltsin years, much of the law became contradictory and — at best — unevenly enforced.

The oligarchs thrived in this environment. Some banded together to rig privatization auctions, allowing all to get pieces of Soviet industry for rock-bottom bids. Others monopolized the export of raw materials to the West, purchasing commodities at local (controlled) prices and then selling them abroad at much higher global prices. Still others gathered stock certificates that had been issued to workers who did not understand what it meant to have an equity interest in a corporation, swindling their way to majority and often total ownership. Others provided loans to the government when it found itself in dire financial straits and seized the ownership of state-owned firms when the government defaulted. There were even rare cases when an oligarch would acquire a company and its assets merely by reproducing corporate ownership documents on a home printer and then registering them with the state.

There was no coherence to the composition of corporate holdings that emerged from the Soviet wreckage. Most oligarchic empires were hodgepodes of unrelated assets, with oil firms owning cafeteria subsidiaries or metal smelters with pig-farm units. The new oligarchs were simply grabbing whatever they could however they could, with the goal of acquiring more of anything, whether it made business sense or not. The bottom line was not wealth generation but wealth *extraction*. Oligarchs gave very little thought to the future. It was all about what could be obtained now.

And they had no reluctance to use “extra-legal” methods in the process, from fraudulent accounting to hiring a private army to wrest control of an asset away from its rightful owner. While using a variety of methods to build their empires, oligarchs shared a common view of the state: they saw it as an increasingly irrelevant player, an entity to be stolen from and certainly not a threat.

## 1999-2003: Making Empires Work

This mindset changed with the ruble crash in August 1998. Until this point, the oligarchs leeches off of their corporate empires heedless of the damage they were inflicting not only on the country but also on their own assets. When the ruble devalued and most Russians were thrown into poverty, the oligarchs faced their first collective crisis. They discovered that the companies they had been aggregating were not performing particularly well.

The oil industry is perhaps the best example of this. A well-run oil firm requires regular reinvestment to maintain or re-drill wells to keep output steady, manage reservoir pressure and find new fields to replace aging ones. In the 1990s, very little of this happened. As a rule, the oligarchs simply worked their fields harder and harder to extract as much oil as quickly as they could. After six years of such activity, many fields were failing outright and Russian oil output had dropped by over one-third. When international oil prices tanked with the ruble crisis in 1998, many oligarchs found themselves unable to break even.

Similar problems beset most of Russia's oligarchs, many of whom discovered quickly — and belatedly — that they had run their empires into the ground. The result was a massive consolidation as a new crop of oligarchs pushed aside the old. Conmen and thieves gave way to (or transformed themselves into) actual businessmen. These were all businessmen who had their roots in the chaos of the 1990s, so it would be inaccurate to think of them as kind, law-abiding citizens, but they did begin to take a longer view of things.

Industrial empires were reconsolidated based on core competencies — oil companies divested their cafeterias, for example — and standard reinvestment and asset-maintenance practices were introduced. The oligarchs' holding companies formed or acquired limited banking assets to better process their firms' collective accounts and allow for internal lending to finance everything from operations to capital improvements to takeovers. In most cases, this was the first time anything had been accomplished with legitimate financing (albeit handled within each oligarch's own holdings).

This period's defining moment came in early 2000, when Vladimir Putin called all the oligarchs to Moscow. Putin, a former KGB officer, became prime minister in August 1999 and acting-president in December 1999, then was elected president in his own right in March 2000. At the initial Moscow meeting, Putin made it clear that the state would make few to no additional divestments. From now on, the oligarchs would have to make due with the empires they already had, and their future wealth would be determined by how much business they could grow rather than how much they could pillage.

At the time, the government was not seeking to reclaim the oligarchs' assets for the state. But Putin did have two conditions. First, oligarchs had to pay their taxes. Second, they had to stay out of politics. It was clearly communicated that refusal to do so would result in aggressive state efforts to reclaim lost property. For the next three years, the oligarchs were left to their own devices and set about actually building their businesses. An oligarch-state truce largely held, and Putin spent most of this period consolidating his government and edging the oligarchs as a class steadily out of Russian political life.

## 2004-2008: Oligarchs, Silovarchs and Credit

In the eyes of the government, one oligarch continued playing the political game: Mikhail Khodorkovsky, owner of the oil giant Yukos, which at the time produced over 2 percent of global oil supplies. Khodorkovsky held the loyalty of a large number of state Duma representatives, used that influence to amend laws to make his corporate empire stronger and [made little secret](#) of his intention to succeed Putin as president. In 2004, the government brought the full power of a much-reinvigorated state to bear against Khodorkovsky and soon banished him to a Siberian prison where he languishes to this day.

In addition to underscoring just how much the Russian balance of power had shifted, Khodorkovsky's fall had a critical side effect: [it toppled Yukos](#) along with its master. Deeply engrained within the state's effort to bring down Khodorkovsky was a parallel effort to seize control of his assets, particularly Yukos. In a country as energy-rich as Russia — the world's largest natural gas producer and second largest oil producer — for the state to have the opportunity to command the country's largest energy company was key to having control over [Russia's most important political, economic and social lever](#).

Using Yukos as an example, the Russian government went after the rest of the energy industry in the country and began targeting other sectors it deemed "strategic." During the Yukos break-up, the company's senior leadership was stripped away in various ways — including being exiled and charged with murder — along with Khodorkovsky. Yukos itself was broken up and was transferred to a new breed of businessman who reported not to the head of the firm or his shareholders but to the Kremlin.

This new breed was the "silovarch" — half siloviki, half oligarch. Silovarchs constitute a highly elite class since they are within the corporate boardrooms of Russia but have the Kremlin's support and resources of the siloviki (the federal intelligence apparatus, state prosecutors and judiciaries, even the armed forces) to protect themselves and their assets and to rid themselves of pesky rivals. With the nation's leader a former KGB operative, such tactics defined the government and eventually the rest of the country, although the system remained [vertically stacked under Putin alone](#).

The silovarch class grew very quickly during this period as traditional oligarchs either misstepped or discovered there were ambitious men in the government who wanted their firms. Government tentacles extended into energy, metals and mining, diamonds, defense, aviation, banking, automotive, shipping, retail, agriculture and telecommunications. Today, Kremlinologists estimate that 78 percent of Russia's government, business and social leadership is currently linked to the Federal Security Service, successor agency to the Soviet-era KGB.

While 2004 marked a turning point in the Kremlin's attitude toward the oligarchs, it also marked a revolution in oligarch (and silovarch) thinking. The global economy was booming, and the United States, Europe and Asia were looking for prospective markets in which to invest. The legal murkiness and sordid corporate histories of most Russian firms — state and private — frightened away investors, and Russian IPOs were at best tepid affairs. So Russian banks and firms quit trying to attract discerning investors and instead started tapping Western capital markets more directly. Some of this was done by borrowing money from Western banks while most consisted of bond offerings to Western investors.

For the first time in the post-Cold War era, Russian business reached out for credit beyond the limited scope of local corporate empires. The subsequent credit engorgement — some half a trillion dollars in all flooded into Russia during this period — provided for the country's first real economic boom unrelated to energy prices (the fact that energy prices breached \$100 a barrel in this period certainly did not hurt). The oligarchs and silovarchs (the latter backed by the full faith and credit of the Russian government) used this money to invest in infrastructure, apply Western technology to their operations and fund massive industrial expansions.

### **Part Three: The Party's Over**

The year 2004 marked a turning point for Russian oligarchs, who started tapping external markets for capital to expand their empires. Then-President Vladimir Putin dampened their political ambitions by toppling some and drawing others into the Kremlin orbit. He did nothing to discourage the inflow of foreign credit, which was unprecedented. Then came the global financial crisis of 2008, which helped create the perfect storm for the oligarchs. The game and the players would never be the same.

By the summer of 2008, events were brewing that would soon drastically reduce the amount of outside money flowing into Russian coffers. The government, for one, was growing increasingly

interested in [raking back assets](#) from Russia's banking sector. At the same time the Kremlin was preparing to [invade Georgia](#), which it would do in August of that year. By fall, of course, markets were reeling from the onset of a [global financial crisis](#).

It would become the perfect storm for the Russian oligarchs. In January 2009, Russian businesses and banks had roughly \$500 billion in outstanding debt, about \$130 billion of which had to be paid back in 2009. Russia's oligarchs found their incomes slashed, their companies' crashing and their debts rising — all at a time when credit on a global scale was becoming harder to come by. Such debt overexposure turned into the kiss of death for most of the oligarchs, who had spent much of the past four years borrowing huge amounts of money in order to finance capacity expansions that were now either unfinished or unneeded. The oligarchs' empires — even in their improved form — were unsustainable without more financing.

As a result, oligarchs now wish to portray themselves in a different light. To be called an oligarch today is to be branded “unpatriotic,” and many Russian industrial magnates once known as oligarchs now want to be considered, above all, businessmen loyal to the Kremlin. Oligarchs are scaling back their once-extravagant lifestyles and maintaining very low profiles. Every year Forbes publishes its list of global billionaires, and in 2009 many still-eligible Russians asked not to be included in order to avoid Kremlin scrutiny. From 2008 to 2009, the number of Russians on the Forbes billionaire list shrunk by two-thirds, from 87 to 32. [\(click here to enlarge chart\)](#)

**OLIGARCHS AND THEIR EMPIRES**

OLIGARCHS	COMPANY OR EMPIRE	OFFICIAL WORTH IN 2008 (IN BILLIONS)	LOSSES REPORTED AT START 2009 (IN BILLIONS)	REPORTED CURRENT WEALTH (IN BILLIONS)
Oleg Deripaska	United Company RUSAL	\$28.0 (unofficially \$36.0)	\$28.4	\$3.0 - 4.5
Roman Abramovich	Euras Group	\$23.5 (unofficially \$33.0)	\$20.0	\$6.5 - 13.9
Alexei Mordashov	Severstal	\$21.2	\$16.6	\$4.1 - 4.3
Mikhail Fridman	Alfa Group and TNK (of TNK-BP)	\$20.8	\$13.8	\$6.1 - 6.3
Vladimir Lisin	Novolipetsk Steel	\$20.3	\$21.7	\$5.2 - 7.7
Mikhail Prokhorov	Norilsk Nickel	\$19.5	N/A	\$9.5 - 14.1
Vladimir Potanin	Norilsk Nickel and Interros	\$19.3	\$13.2	\$2.1 - 5.0
Suleiman Kerimov	Polyus Gold, Gazprom and Sberbank	\$17.5	N/A	\$3.1 - 7.5
German Khan	Alfa Group and TNK (of TNK-BP)	\$13.9	N/A	\$3.9
Vagit Alekperov	LUKoil	\$13.0	\$9.4	\$7.6 - 7.8
Dmitri Rybolovlev	Uralkali Fertilizer	\$12.8	N/A	\$3.1
Iskander Makhmudov	UGMK Copper	\$11.9	N/A	\$3.3
Alexander Abramov	Euras Group	\$11.5	N/A	\$4.4
Victor Vekselberg	Renova Holding Ltd., Alfa Group, TNK and SUAL Aluminum	\$11.2	N/A	\$3.0
Alexei Kuznetsov	Alfa Group	\$10.8	N/A	\$3.1
Viktor Rashnikov	Magnitogorsk Iron and Steel Works	\$10.4	\$9.7	\$2.2
Igor Zyuzin	Mechel Metals	\$10.0	N/A	\$1.4
Vladimir Yevtushenkov	Sistems and Mobile Telesystems	\$10.0	N/A	\$1.1
Alisher Usmanov	Metalloinvest	\$9.3	\$14.4	\$4.5
Nikolai Tsvetkov	LUKoil	\$8.0	N/A	well under a billion
Sergei Popov	MDM Bank, TMK Pipe, SUEK	\$6.4	N/A	\$1.0 - 2.0
Leonid Mikhelson	Novatek	\$4.7	N/A	\$2.4
Elena Baturina and Yuri Luzhkov	Inteco	\$4.2	\$3.3	\$0.9

\*This is not a complete list of Russia's oligarchs or billionaires, but the most wealthy, powerful or important.

Copyright STRATFOR 2009 www.STRATFOR.com

The silovarchs are in a similar situation, but they have two critical advantages. First, they came late to the game of tapping international credit markets. While there are some exceptions, most were not quite as exposed as the oligarchs. Second, since silovarchs are government men they tend to find themselves at the top of the government's “bailout” list. Indeed, silovarchs often participate in the policy planning meetings in which bailout packages are crafted. As long as the silovarchs remain in political favor they will survive the downturn.

With international funds unavailable, the Kremlin has emerged as the sole source of credit for a credit-starved Russian economy. But the bailout money comes with strings attached. Whether the government buys up foreign debt — replacing debts to foreigners with debts to the Kremlin — or grants loans directly to Russian firms, a change in ownership is implied or, in some cases, demanded. Consequently, barring a rapid return to the credit and commodities environment of a year ago, the vast bulk of the oligarchic empires are in the process of [escheating back to the state](#). This means that the only oligarchs who will survive the downturn are those the Kremlin chooses to keep — essentially as employees.

Many oligarchs view this as an ironic twist. Those who cobbled together their empires in the 1990s using the “loans-for-shares” program, in which they took on key enterprises in order to keep the ailing country afloat, are now watching the state take on the debt and management of their companies in order to keep ailing industries afloat.

But the Kremlin is being very selective in choosing which oligarchs to bail out. It is the government's way of weeding out non-loyalists and consolidating its final control over the country financially,

economically, socially and politically. During the first month of the financial crisis in Russia, the government promised bailouts to the tune of \$100 billion. After shelling out only \$11 billion, the Kremlin froze the plan and began to recalibrate its strategy to deal with the financial crisis to ensure it aligned with its ongoing consolidation efforts.

## Another Scramble

When Kremlin power brokers retired to their back rooms to debate the future of Russian industries, the once-mighty class of oligarchs reacted to the news in different ways. One group threw billions of dollars at the state for political protection. Oligarch cash poured in to shore up Russian stock exchanges, keep the currency afloat and stabilize strategic banks and industries linked to the Kremlin. Some oligarchs gave their billions directly to the Kremlin in order to keep the government stable but soon found themselves overextended and asking for help from the government. One example of this was metals magnate Igor Zyuzin — once worth \$10 billion and now reportedly worth \$1 billion — who knew he was on the Kremlin chopping block after a very public fallout with Prime Minister Vladimir Putin just months before the financial crisis began. Zyuzin poured billions of dollars into the Russian system and in return received a political pardon from the Kremlin and credit with state-controlled bank Vnesheconombank.

Another group of oligarchs have lost billions trying to weather the storm, neither putting cash into their companies nor buying deals from the state. This is because they don't have any cash left. It evaporated into the ether of the stock exchanges, tumbling currency, falling commodity prices or the overall financial system seizure. Many oligarchs within this group considered themselves too big to fall and [did not plan accordingly](#). An example is metals magnate Alexander Abramov, whose company, Evraz Group, has lost 90 percent of its share value since the beginning of 2008. Abramov did not turn to the Kremlin for help and, as a result, was singled out by Putin, who publically accused Abramov of cheating the Russian people over his company's steel prices. So, Abramov sealed his fate with a floundering company and no political protection.

Yet another group of oligarchs are those who have poured their money into their companies to keep them afloat regardless of whether it decimates their personal wealth. There are really only two examples of this oligarch type: LUKoil chief Vagit Alekperov and Severstal chief Alexei Mordashov. Both have poured between 50 percent and 80 percent of their wealth into their companies to avoid having to turn to the Kremlin for support. These two oligarchs have long strived to stay independent from the government without alienating themselves politically. They [adhere to the Kremlin's wishes without giving themselves over](#) as servants to Putin or giving the government an excuse to come after their companies. They are most likely the only oligarchs who will come out of this ordeal having any resemblance at all to the old breed.

Most oligarchs have tried to mix the three approaches described above in order to survive, but finding a balance between the financial crisis, the credit crunch and an increasingly aggressive Kremlin is nearly impossible. One oligarch who appears to have had some success is Oleg Deripaska, chief of United Company RUSAL and investment firm Basic Element and formerly the wealthiest man in Russia. Deripaska has long had political aspirations, which he put in check after the [Khodorkovsky-Yukos affair](#). Deripaska poured part of his reportedly \$36 billion into his company while giving the rest in various ways to the Kremlin, leaving him with an estimated \$3 billion to \$4 billion. As a company, RUSAL is still stable, and Deripaska has maintained a close relationship with the Kremlin, particularly Putin.

In the long run, however, Deripaska knows that his power independent of the Kremlin is gone and he will have to adhere to the government's whims from here on out. Putin is currently discussing the creation of a state metals giant, similar to energy champions Gazprom and Rosneft, and he wants RUSAL — the world's largest aluminum company — to be a major part of that (more about the metals giant below). According to STRATFOR sources, Deripaska has been told he would remain chief of the metals industry, which would give him enormous power in Russia, but he would still be under the Kremlin's thumb.

## Kremlin Offensive

Deripaska's submission to the Kremlin does not mean that oligarchs across the board are accepting their fate. These are tough and competitive entrepreneurs who survived the 1990s and numerous industrial wars and are disinclined to kowtow to the state.

But the Russian government has implemented a series of deft moves that have further undermined the oligarchs. First, the Kremlin wanted to know just how much money the oligarchs and their companies had. Since the start of the financial crisis, members of the Russian security apparatus, principally the Federal Security Service, have been [assigned as "observers"](#) inside most major Russian companies, institutions and banks. This has allowed the state to inventory the revenues, assets and foreign currency holdings of strategic institutions to see if they match what the companies are officially reporting. It has also allowed the government to figure out how much the oligarchs should be contributing toward mitigating the financial crisis and to weed out those that don't really need government bailouts.

Then the Russian government embarked on a sweep of the [world's tax havens](#) to take stock of Russian oligarchs' cash and assets offshore. The Kremlin struck a deal with the government of Cyprus — the largest haven for Russian funds outside the country — to obtain a list of Russian "clients" who are using the country to shelter their money. Russian oligarchs and other businessmen also register their companies in Cyprus (as well as other countries), and the Cypriot government has agreed to turn over to the Kremlin the name of any Russian company registered in Cyprus that has Russian shareholders.

In return, the Russian government removed Cyprus from its economic blacklist and started developing an economic investment plan for Russian companies (approved by the Kremlin) to invest heavily in Cyprus. The Russian government is negotiating similar deals with Ireland, Luxembourg and the Bahamas. Russia is not the only country going after tax havens. The German government has signed an agreement with Liechtenstein to gain access to that country's offshore client list and has allowed other European countries, the United States and Russia to have access as well.

## What's Left?

This concerted government offensive has enabled the Kremlin to decide which companies to let fail, which to bail out and which to smash or absorb as it tackles Russia's financial problems. The Kremlin already has plans to merge many of the empires together, in addition to the metals sector, in order to create national champions like Gazprom and Rosneft. STRATFOR sources say the government has actually been wary of moving on the metals industry because so many dangerous and powerful oligarchs control it. Rumor has it that Putin is considering combining four of the top seven metals companies — RUSAL (aluminum); Norilsk (nickel); and Metalloinvest, Mechel and Evraz (steel) — along with the chemical company Uralkali to create a metals giant. As it happens, such a move would also bring together five of the most powerful oligarchs — most of whom do not get along — and Putin would have to carefully sort out and choose which oligarchs to keep under the proposed metals umbrella.

The Kremlin is considering doing the same sort of consolidation with many of the banks that the oligarchs control. It would keep a few of the banks around — those that are Kremlin-friendly — to ensure that corporate lending would still originate from several sources. Overall, however, the government and not individuals would hold controlling stakes in nearly all the banks. (Most banks in Russia are chartered to lend to certain sectors, which will reinforce the Kremlin's control over who gets the cash.)

Because of the financial crisis and government consolidation, the once-powerful oligarchs no longer have a say in their future and are merely [along for the ride](#). Indeed, they no longer constitute a powerful and distinct business "class." Some oligarchs will survive the shakeout, but not with their independence. To some degree, they all will become part of the Kremlin machine so carefully



engineered by Putin. As copper oligarch Iskander Makhmudov said in a rare interview: "The oligarchs now have mixed fortunes, but we will all end up being soldiers of Putin one day."



# ABOUT STRATFOR

STRATFOR is the world leader in global intelligence. Our team of experts collects and analyzes intelligence from every part of the world — offering unparalleled insights through our exclusively published analyses and forecasts. Whether it be on political, economic or military developments, STRATFOR not only provides its members with a better understanding of current issues and events, but invaluable assessments of what lies ahead.

Renowned author and futurologist George Friedman founded STRATFOR in 1996. Most recently, he authored the international bestseller, [The Next 100 Years](#). Dr. Friedman is supported by a team of professionals with widespread experience, many of whom are internationally recognized in their own right. Although its headquarters are in Austin, Texas, STRATFOR's staff is widely distributed throughout the world.

"Barron's has consistently found STRATFOR's insights informative and largely on the money-as has the company's large client base, which ranges from corporations to media outlets and government agencies." - Barron's

## What We Offer

On a daily basis, STRATFOR members are made aware of what really matters on an international scale. At the heart of STRATFOR's service lies a series of analyses which are written without bias or political preferences. We assume our readers not only want international news, but insight into the developments behind it.

In addition to analyses, STRATFOR members also receive access to an endless supply of SITREPS (situational reports), our heavily vetted vehicle for providing breaking geopolitical news. To complete the STRATFOR service, we publish an ongoing series of geopolitical monographs and assessments which offer rigorous forecasts of future world developments.

## The STRATFOR Difference

STRATFOR members quickly come to realize the difference between intelligence and journalism. We are not the purveyors of gossip or trivia. We never forget the need to explain why any event or issue has significance and we use global intelligence not quotes.

STRATFOR also provides corporate and institutional memberships for multi-users. Our intelligence professionals provide Executive Briefings for corporate events and board of directors meetings and routinely appear as speakers at conferences. For more information on corporate or institutional services please contact [sales@stratfor.com](mailto:sales@stratfor.com)