

ArcelorMittal SWOT Analysis

“SWOT is an acronym for the internal Strengths and Weaknesses of a firm and the environmental Opportunities and Threats facing that firm. SWOT analysis is a widely used technique through which managers create a quick overview of a company’s strategic situation. The technique is based on the assumption that an effective strategy derives from a sound “fit” between a firm’s internal resources (strengths and weaknesses) and its external situation (opportunities and threats). A good fit maximizes a firm’s strengths and opportunities and minimizes its weaknesses and threats. Accurately applied, this simple assumption has powerful implications for the design of a successful strategy.”

ArcelorMittal

ArcelorMittal is the world's largest steel producer. The group has a crude steel production capacity of 130 million tons and steel shipments of approximately 101.7 million tons. ArcelorMittal sells its products to the automotive, appliance, engineering, construction, and machinery industries. ArcelorMittal has steel-making operations in 20 countries on four continents. The group is headquartered in Luxembourg City, Luxembourg and employs about 316,000 people.

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Strengths, Weaknesses, Opportunities and Threats (SWOT)

Location of Factor	TYPE OF FACTOR	
	Favorable	Unfavorable
Internal	Strengths <ul style="list-style-type: none"> ➤ Market leadership position ➤ Strong presence in the entire value chain ➤ Diverse product portfolio 	Weaknesses <ul style="list-style-type: none"> ➤ High debt ➤ Dependence on subsidiaries to meet obligations ➤ Product liability claims
External	Opportunities <ul style="list-style-type: none"> ➤ Acquisitions to increase geographic reach ➤ Joint ventures to generate incremental revenues ➤ Construction of a steel mill in Mexico 	Threats <ul style="list-style-type: none"> ➤ Volatility in the prices of raw materials ➤ Political, legal, and social uncertainties ➤ Environmental regulations

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