

BASF 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.”

BASF

BASF is one of the largest chemical companies in the world. The company’s product portfolio includes chemicals, plastics, functional solutions, performance products, agricultural solutions, crude oil, and natural gas. The company primarily operates in Europe and has its presence in North America, Asia-Pacific, South America, Africa, and Middle East countries. BASF is headquartered Ludwigshafen, Germany, and employs about 97,000 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"> ➤ Leading chemical company ➤ The concept of Verbund ➤ Diversified product and customer base 	Weaknesses <ul style="list-style-type: none"> ➤ Less expenditure on R&D ➤ Declining earnings in several business segments ➤ Low profitability of Ciba Holding
External	Opportunities <ul style="list-style-type: none"> ➤ Collaboration with Dow Chemical Company ➤ New product development ➤ Rising commodity chemicals market in Asia Pacific 	Threats <ul style="list-style-type: none"> ➤ New regulations ➤ Economic slowdown in the European Union region ➤ Rising petrochemical capacity in the Middle East

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