

# ***China National Petroleum 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.”

## ***China National Petroleum***

China National Petroleum Corporation (CNPC) is an integrated energy company. CNPC is engaged in oil and gas upstream and downstream operations, chemicals, engineering, and construction, and equipment manufacturing. CNPC primarily operates in China and has oil and gas assets and interests in 27 countries. The company is headquartered in Beijing, China.

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## **Strengths, Weaknesses, Opportunities and Threats (SWOT)**

Location of Factor	TYPE OF FACTOR	
	Favorable	Unfavorable
<b>Internal</b>	<b>Strengths</b> <ul style="list-style-type: none"> <li>➤ Strong market position</li> <li>➤ Global operations</li> <li>➤ Increasing reserves and production</li> </ul>	<b>Weaknesses</b> <ul style="list-style-type: none"> <li>➤ Declining margins</li> <li>➤ Lack of operations in eastern and southern China</li> </ul>
<b>External</b>	<b>Opportunities</b> <ul style="list-style-type: none"> <li>➤ Potential of forest bio-fuel development</li> <li>➤ High demand potential in China</li> <li>➤ Development of new joint venture refineries abroad</li> </ul>	<b>Threats</b> <ul style="list-style-type: none"> <li>➤ Intense competition</li> <li>➤ Government regulations and control</li> <li>➤ Environmental laws and regulations</li> </ul>

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