

Sinopec 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.”

Sinopec

China Petroleum & Chemical Corporation (Sinopec) is a vertically integrated energy and chemical company. China Petrochemical Corporation (Sinopec Group), a state owned company, holds a stake of 75.8% in the company. Sinopec is primarily engaged in the upstream, midstream, and downstream operations including exploration, production, refining, marketing, and distribution of oil and natural gas. It is China's largest producer and supplier of refined oil products and major petrochemical products. The company primarily operates in China. It is headquartered in Beijing, China and employs more than 358,300 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 ➤ Vertically integrated operations ➤ Increased revenues | Weaknesses <ul style="list-style-type: none"> ➤ Dependence on third party crude oil suppliers ➤ Lack of geographical diversification ➤ Decline in crude oil reserves |
| External | Opportunities <ul style="list-style-type: none"> ➤ Growth through joint ventures and alliances ➤ Increased emphasis on exploration and production ➤ High demand potential in China | Threats <ul style="list-style-type: none"> ➤ Intense competition ➤ Government regulations and control ➤ Environmental laws and regulations |

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