

## Boeing faces critical juncture as Dreamliner crash shakes recovery

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Dhaka : Boeing is confronting a pivotal moment after a fatal Boeing 787 Dreamliner crash in India has reignited concerns over its safety practices, following a period of intense scrutiny over the 737 MAX. The commercial aviation giant is navigating renewed investor unease and regulatory pressure while striving to reassert its leadership.

Tragedy in Ahmedabad



On June 12, Air India Flight 171, a Boeing 787-8 registered VT-ANB, crashed into a hostel shortly after takeoff from Ahmedabad, killing 241 passengers and 12 crew, along with at least 39 individuals on the ground—one person survived. The cockpit had radioed a mayday, reporting a loss of power and thrust at roughly 36 seconds into flight

This marks the first fatal accident involving a Dreamliner since its 2011 debut, thrusting the model back under intense scrutiny

Industry alarm, safety response

Within days, the National Transportation Safety Board (NTSB) urged Boeing and engine-maker CFM to expedite updates on 737 MAX engines after several bird-strike incidents caused smoke infiltration into cabins—echoing persistent concerns about safety culture.

Meanwhile, investigations into the Dreamliner crash in Ahmedabad are actively underway by Indian and US authorities, exploring evidence of engine failure.

Financial fallout, market reaction

In the wake of the crash, Boeing's stock dropped approximately 4.8-5 percent on June 12-13, fueling broader market jitters.

Trading volumes also surged as institutional investors paused to reassess the company's durability amid this latest shock. Analysts warn that Boeing's valuation now hinges on whether current safety reforms and production controls can rapidly dispel doubt.

Paris Air Show fallout, competitive pressure

At the 2025 Paris Air Show, Boeing's presence was notably restrained. With global focus on the Ahmedabad crash, Boeing opted out of flight displays and stayed off the podium-letting rival Airbus dominate with USD 21?billion in orders.

That dominance underscores Airbus's recent advantage in both visibility and new business wins.



| Area                      | Current Status   |
|---------------------------|--|
| <b>Safety</b>             | Under renewed pressure. NTSB mandates new engine smoke fixes; Dreamliner crash fuels increased oversight.    |
| <b>Reputational Risk</b>  | Boeing's safety record—already marred by 737 Max and door-incident issues—now extended to the Dreamliner.    |
| <b>Investor Sentiment</b> | Stock pressured (~5pc), trading volatility high; investors watching for signs of successful reform.          |
| <b>Industry Standing</b>  | Airbus currently leading in orders and public confidence. Boeing on defensive at Paris Air Show.             |
| <b>Fundamentals</b>       | Strong long-term demand forecast remains intact, but Boeing must prove production reliability to capitalize. |

### Long-term demand outlook

Despite immediate setbacks, Boeing projects steady demand—forecasting the need for some 43,600 new aircraft from 2025 to 2044, including 33,300 single-aisle jets. Suppliers such as GE, RTX, and Safran also stand to gain from this trend, even as Boeing addresses near-term challenges.

### What comes next

- n Investigation timeline: Expect a 6-8 months probe into the Dreamliner crash.

- n Regulatory updates: FAA and NTSB to review engine smoke mitigation and possibly enforce retrofits.

n Market recovery: Boeing's stock and market share hinge on transparent safety fixes, delivery ramp-up, and regained customer trust. These are essential for market recovery for Boeing in this crisis of a time.

## Summary

Boeing stands at a crossroads. Its longstanding leadership in aerospace remains supported by robust demand projections. However, the sweeping impact of the Dreamliner crash-marked by regulatory calls for immediate fixes and investor caution-demands clear and decisive safety improvements. Boeing's ability to respond could determine whether this moment becomes a turning point or a lasting setback.