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# How Boeing's problems drag down airlines like Southwest, United

## Description

The travails confronting aviation colossus, Boeing, are engendering discernible disturbances for preeminent airlines globally.

**The Core Premise:** Carrying companies, contingent on the anticipated influx of Boeing's state-of-the-art aviation equipment to fulfill their expansion schematics, are involuntarily retracting anticipations, or desperately envisaging alternative arrangements.

**Scrutinizing the Scenario:** Southwest Airlines [that it was attenuating its 2024 capacity augmentation projection](#) and implementing schedule reprioritization strategies, prominently in the latter half of the annum. This culminated in a 15% diminution in its equity valuation within 24 hours.

- The crux of the issue for Southwest, a company that solely operates a Boeing 737 fleet, is an anticipation of a decreased yield of 737 MAX aircraft from the manufacturer than initially conjectured, taking into account no 737-7 units this financial year.

**Examining the Context:** Boeing currently grapples with serious quality-related disquiets subsequent to an incident involving an exit door plug detaching mid-flight during a journey with Alaska Airlines, thus sparking inquiries that [have deferred production timelines](#).

- An inspection of the 737-9 MAX production aisle by the Federal Aviation Administration divulged issues of "non-compliance in Boeing's manufacturing process control, parts handling and storage, and product control" earlier in the week.

**The Broad-based Perspective:** A contraction in the number of available aircraft could invariably imply reduced seating capacity and inflated maintenance expenses for airlines — ergo reduced revenue influx and escalated expenditure outflows.

- With a reported 1 to 1.5 percentage-point curtailment in its formerly postulated capacity augmentation for 2024, Southwest has responded by enacting cost minimization initiatives, as announced by CEO Robert Jordan in a recent conference call.
- The implemented frugality measures ensue a hiring freeze for its reservation support squad and slated suspensions for pilot and flight attendant employment initiation classes, according to CEO Jordan.
- "Our current expectations are to conclude the fiscal year with a significant downsizing in personnel numbers compared to 2023, in contrast to our earlier guidance of a flat to nominal downsizing," he augmented further.

**For Boeing,** ongoing complications could culminate in comprehensive business attrition.

- Delta's CEO Ed Bastian [on Sunday](#), expressing anticipation of up to three additional years for the arrival of its 737 Max 10 order from Boeing. He further acknowledged appreciable satisfaction with Airbus's rival single-aisle plane, the A321neo.



- United Airlines' CEO Scott Kirby communicated to conference attendees earlier in the week that United has [broached negotiations with Airbus](#) to procure more A321neo planes due to anticipated delays in Boeing deliveries.
- While Delta's equity valuation has realized marginal appreciations over the preceding week, United witnessed a 3% dip in its shares' valuation earlier in the day before closing 1.7% lower.

**Appraising the Situation:** Airlines are juggling immediate aviation equipment demands against a long-term projection of the sector.

- "It's in everyone's interest that Boeing emerges stronger from this tumultuous period, not just in two years, but five and even a decade down the line," opined Southwest's Jordan. "And that takes precedence over delivery delays."
- Paralleling Jordan's comments, Kirby last month labeled Boeing as its most crucial collaborator, whilst remarking it to be "one of the most important companies in the country."

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## Vocabulary List:

1. **Retracting** // (verb): Pulling back or withdrawing.
2. **Envisaging** // (verb): Imagining or visualizing.
3. **Diminution** // (noun): The act of making something smaller or less.



4. **Conjectured** // (verb): Guessed or inferred.
5. **Disquiets** // (noun): Feelings of anxiety or unease.
6. **Attrition** // (noun): Gradual reduction or weakening.

## Vocabulary quizzes

### Multiple Choice ( Select the Correct answer for each question. )

1. What does the word "confiscate" mean?  
Option: To return something secretly  
Option: To take possession of something  
Option: To donate something  
Option: To destroy something
2. How can synergy be defined?  
Option: Conflict between two ideas  
Option: The combined power of a group when working together  
Option: Opposing forces that cancel each other out  
Option: Disconnection of elements
3. What is the main effect of inflation on the economy?  
Option: Decrease in prices  
Option: Increase in the value of money  
Option: Increase in prices  
Option: Stabilization of prices
4. How would you describe a volatile market?  
Option: Stable and predictable  
Option: Fluctuating and unpredictable  
Option: Consistently rising  
Option: Consistently falling
5. What does "diminution" refer to?  
Option: Increase in size  
Option: Reduction in size or importance  
Option: Unchanging quantity  
Option: Continual growth
6. What can cause malfunctions in electronic devices?  
Option: Proper maintenance  
Option: Normal usage



Option: Excessive water exposure

Option: Regular cleaning

7. How should a story be told to engage the audience?

Option: Boringly

Option: Compellingly

Option: Randomly

Option: Hesitantly

8. What does it mean if something is "perceived"?

Option: Clearly understood

Option: Hidden from view

Option: Unimportant

Option: Openly discussed

9. Which direction does an uptick represent in financial terms?

Option: Decrease in value

Option: Sideways movement

Option: Increase in value

Option: Stagnant position

10. What does it mean to have "clinched" a deal?

Option: Failed to finalize a deal

Option: Successfully completed a deal

Option: Delayed a negotiation

Option: Avoided negotiations

**Gap-Fill ( Fill in the blanks with the correct word from the vocabulary list. )**

11. Attrition in a company can lead to a \_\_\_\_\_ in workforce.

12. The siblings used to \_\_\_\_\_ over trivial matters all the time.

13. I felt \_\_\_\_\_ to help my friend in need.

14. The army successfully \_\_\_\_\_ the enemy forces.

15. The old bridge swayed \_\_\_\_\_ in the strong wind.

16. I am \_\_\_\_\_ to inform you about the company policies.



17. The sudden power surge caused the electronic device to \_\_\_\_\_ .
18. After the initial excitement the enthusiasm for the project began to \_\_\_\_\_ .
19. She worked hard towards \_\_\_\_\_ her career goals.
20. The artist spent hours \_\_\_\_\_ his next masterpiece in his mind.

**Matching Sentences ( Match each definition to the correct word from the vocabulary list. )**

21. The competition in the industry was intense and aggressive with each company trying to outdo the other.
22. The artist his latest collection at the prestigious art gallery in the city.
23. The subtle in her tone hinted at the upcoming surprise party.
24. The company issued a statement their previous announcement.
25. The strange noises coming from the basement caused in the neighborhood.
26. Economic suggest a downturn in the market in the coming months.
27. Smartphones have become in today's society with almost everyone owning one.
28. The movie portrayed the storyline captivating the audience from start to finish.
29. The scientist that the new species of plant might have medicinal properties.
30. Despite facing numerous challenges the community remained and bounced back stronger each time.

**Answer**

**Multiple Choice:** 1. To take possession of something 2. The combined power of a group when working together 3. Increase in prices 4. Fluctuating and unpredictable 5. Reduction in size or importance 6. Excessive water exposure 7. Compellingly 8. Clearly understood 9. Increase in value 10. Successfully completed a deal

**Gap-Fill:** 11. reduction 12. argue 13. compelled 14. surrounded 15. dangerously 16. required 17. break down 18. fade 19. achieving 20. imagining

**Matching sentence:** 1. cutthroat 2. exhibited 3. intimation 4. retracting 5. disquiets 6. indices 7. ubiquitous 8. compellingly 9. conjectured 10. resilient



## **CATEGORY**

1. Business - LEVEL6

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