

Dear colleagues,

You are kindly invited to attend a Financial Research Seminar co-organised by the National Bank of Belgium and the Belgian universities (KU Leuven, UA, UCL, UGent, ULB, ULg, UMONS, UNamur, USaint-Louis, Vlerick and VUB).

by **Murillo Campello** (Cornell University - Samuel Curtis Johnson Graduate School of Management - National Bureau of Economic Research (NBER))

on

## **Delayed Creative Destruction: How Uncertainty Shapes Corporate Assets**

### **Abstract**

We show how uncertainty shapes the asset allocation, composition, productivity, and value of capital-intensive firms. We do so using detailed, near-universal data on shipping firms' new orders, secondary-market transactions, and demolition of ships. Firms curtail both the acquisition and disposal of vessels in response to heightened uncertainty. The mechanism operates primarily through cuts in new ship orders and demolition of older ships — decisions that are costlier to reverse vis-à-vis deals in the used ship market. These dynamics are more pronounced when secondary ship markets are illiquid, as firms face stronger incentives to delay their decisions. The rise of Somali pirate attacks in 2009–2011 is used as a shock to well-defined shipping sectors to corroborate our findings. Critically, uncertainty prompts firms to concentrate their fleets into narrower, less productive portfolios, leading to value losses. Our work is novel in showing that uncertainty hampers "creative destruction," slowing both the adoption of innovation embodied in new capital and the disposal of old capital.

The seminar will take place on **Tuesday, May 30<sup>th</sup>, 2023** from **16:00** until **17:30** in the Auditorium of the National Bank of Belgium (Room B), entrance: rue Montagne aux Herbes potagères 61, Brussels. After the seminar there will be the opportunity to network during a short reception.

Please reply by mail to [nbbfinancial.seminar@nbb.be](mailto:nbbfinancial.seminar@nbb.be) if you wish to participate to this seminar. **Due to security measures it is necessary that you register before Thursday May 25<sup>th</sup>, 15:00**. Without registration, you will not be allowed in the seminar room.

You will receive a nominative badge at the entrance. We recommend that you arrive at least 10 minutes before the start of the seminar.

In case you want to access the NBB Parking (rue Montagne aux Herbes potagères 41), please also provide us with your name and the license plate of your car.

*Importantly, the speaker is available for bilateral meetings. If you want to have a bilateral appointment with the speaker; indicate this in your confirmation email **before April 30<sup>th</sup>**. We can offer (shared) office space for the time between your meeting and the seminar.*

Kind regards,

Olivier De Jonghe (NBB), T. Roukny (KU Leuven), S.Damen (UA), B. Candelon (UCL), K. Inghelbrecht (UGent), K. Oosterlinck (ULB), J. Hambuckers (ULg), L. Pozniak (UMONS), J.Y. Gnabo (UNamur), A. Girard (USaint-Louis), D. Veredas (Vlerick) and S. Vanduffel (VUB)