

### **Economic Policy Uncertainty and Cash Holdings in Shipping 2001-2017**

Theodoros V. Stamatopoulos,

Hellenic Mediterranean University (HMU) School of Management and Economic Sciences (S.M.E.S.), Dept. of Accounting and Finance, MSc Accounting and Auditing, E-mail: [stamth@hmu.gr](mailto:stamth@hmu.gr)

#### **Abstract**

We provided evidence about how the cash holdings, of the listed firms of the overseas shipping in the globe, are affected by economic uncertainty (policy –EPU- and industry’s specific) during 2001-2017. The novelty of the paper is that in addition to common variables used by the literature in measuring EPU we apply proxies expressing international financial markets’ 2008 turmoil. Thus, using panel data econometrics we studied three possible mechanisms through which uncertainty impacts on shipping companies’ cash, i.e. financial constraints, corporate governance and investment irreversibility. Our findings indicate that financial constraints and investment irreversibility are statistically significant channels expressing better how economic policy or the industry’s specific economic uncertainty affect cash holdings of shipping firms. Several aspects of financialization, such as shareholder value and calculative practices are analyzed to illuminate the changing nature of the concept of uncertainty, and thus we open either new ways for further research or new opportunities to managers or investors.

**Keywords:** Economic Policy Uncertainty; shipping specific uncertainty; Cash management; Shipping; Corporate governance; Financialization.

**JEL Codes:** G32; F65; C58; R4.