



VNU UNIVERSITY OF
ECONOMICS & BUSINESS



**Vietnam International Academic Network
Seminar in Economics, Business, and Policy**

Event Space and Firm Value: Chinese Listed Firms in the US–China Trade War

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9:00 AM Monday, April 24, Vietnam Time
10:00 PM EST, Sunday April 23, US Time

Location:

Zoom Link: https://us06web.zoom.us/meeting/register/tZwtcuCqrz8tE90u_hmqNDG3URuqbd3TT_ko

Abstract

Although past studies in crisis management usually have taken a geography-focused approach to study how physical proximity increases firms' exposure to a crisis, this study draws on event system theory and proposes that independent of firms' geographic locations, an event can have multiple spatial directions and proximities to the firms in the event space. To further unpack the effects of event space, we develop an integrated framework that considers how the event space interacts with entity attributes—which are found to help firms cope with external challenges affecting their market value. Using the shock of the 2018 US–China trade war on listed firms in China's stock market, we find that the trade war has significantly reduced the market value of firms that have spatial proximity to the product market (i.e., firms that belong to target industries) and to the geographic market (i.e., firms that export to the US) in event space. This negative effect also spills over onto peer organizations with business activities related to target industries or the US. Moreover, there are differential moderating effects from entity attributes, such as corporate political connections and corporate social responsibility, on the different event spatial directions, pointing to the distinct natures of event spatial directions. This study introduces a novel, multidimensional view of event space and uses it to develop an event space model for geopolitical events, and in so doing, we complement extant work on the role of crises in shaping corporate strategy and performance.

More information about Dr. Jane Lu

Jane Lu is Chair Professor at the Department of Management, City University of Hong Kong. Her work has appeared in *Academy of Management Journal*, *Administrative Science Quarterly*, *Strategic Management Journal*, *Journal of Management* and *Journal of International Business Studies*, among other leading management journals. She served as Editor-in-Chief of *Asia Pacific Journal of Management* (2016-2018) and is currently a Senior Editor of *Journal of World Business* and a Consulting Editor of *Journal of International Business Studies*. Dr. Lu's research centers on the intersection between organization theory and strategy with a focus on international strategy and non-market strategy. Her earlier research investigates broad level issues that underlie the international strategy of a firm, as well as specific strategic questions, such as how to make a successful foreign entry

into a country, or how to manage successfully in a foreign country. Her recent research continues this line of research but with a focus on emerging market firms and their non-market strategies.