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Navigating the New World Order: *A Strategic Imperative for CFOs and Treasurers*

The global economic and geopolitical landscape is undergoing profound transformation, moving from a predictable, internationally connected era to a “new world order.” This shift, characterized by increased fragmentation of global frameworks, geopolitical tension, and accelerating change, presents marked challenges and opportunities for corporate finance leaders. As highlighted at the recent World Economic Forum in Davos, the forces reshaping our world demand a fundamental re-evaluation of financial strategy and operational resilience. Our recent Citi Institute report, “Treasury Leadership: An Antidote to Market Stress¹,” substantiates this, showing that top-performing treasuries are crucial for navigating market volatility and achieving faster recovery.

By Anton Abraham, Director

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The insights echoed at Davos underscores a world grappling with globalization’s retreat, multipolar power structures, and pervasive digital transformation. For CFOs and Treasurers, these macro-trends translate into tangible, volatile, risks across balance sheets and income statements. Stability from established global norms is eroding and replaced by rapid, unpredictable, and reversible policy decisions. The significance of treasury resilience, flexibility, and robust governance outweigh static forecasts. Treasurers must evolve from operational managers to strategic navigators.

¹ <https://www.citigroup.com/global/insights/treasury-leadership-an-antidote-to-market-stress>

Navigating Macro-Financial Volatility

Trade and tariffs volatility is resurging. Protectionist policies indicate higher tariffs and bilateral trade pressures. The Citi Institute report examined the market impact of tariff announcements and concluded that companies with strong treasury performance were “better shielded from the market impact... and recovered fastest as outsized market volatility diminished.” Treasurers should scrutinize FX exposure in key supply chains, prepare for working capital impacts from inventory front-loading, and implement robust scenario planning for short-notice policy shifts.

Geopolitics has unequivocally become a treasury issue. Messaging from major global powers regarding alliances, trade partnerships, and international disputes translates directly into real-world risks. Sanctions exposure, payment blockages, counterparty concentration risks, and commodity hedging strategies are no longer peripheral concerns but central to enterprise risk. This makes contingency planning and stress testing with sophisticated data analytics paramount and serves as an imperative for treasury to further leverage the power of data during uncertain times.

The volatility extends to capital markets windows. Periods of perceived optimism can open brief windows for capital markets issuance, often followed by rapid closures and increased market turbulence. This demands an “always-on” readiness from treasurers introduced in our recent Top Treasury Priorities 2026² publication, where maintaining up-to-date documentation, ensuring agile issuance capabilities, and pre-aligning with boards on opportunistic funding strategies are critical.

Building the Resilient Treasury

Consequently, the treasury operating model should be agile. Empirical data shows top-performing treasuries support growth by shifting from people-dependency to process-driven models, digitizing/automating processes with technology, and developing data strategies for timely, accurate decisions. This requires models built for optionality, ample liquidity buffers, and continuous stress testing. “Always-on” models, integrating real-time data and analytics, become essential for rapid response. AI’s transformative potential for enhancing productivity, automating decisions, and simplifying processes is undeniable³; it augments, rather than replaces, human judgment.

Regulatory uncertainty also intensifies. CFOs and treasurers should anticipate less predictability, necessitating fast responses to evolving mandates, strong governance for approvals, and accelerated decision-making. Effective Executive Committee and Board communication becomes pivotal. Finance leaders should articulate global events’ concrete business impacts, identifying shifting risk profiles, highlight controls, and signal decisions requiring action.

² <https://www.citigroup.com/global/insights/top-treasury-priorities-2026-activating-intelligent-always-on-treasury>

³ <https://www.citigroup.com/global/insights/genai-in-treasury>

Key Points

1. A New Global Landscape

2. Why Companies Need to Pay Attention

- Unpredictability
- Disruptions to trade
- Best-in-class treasury will be crucial for navigating this new landscape and achieving resiliency, adaptability swift recovery from disruptions, sustaining growth, etc.

3. What’s the Playbook for this New Landscape?

In addition to treasury fundamentals, there are some new aspects that treasuries would have to master:

- Scrutinize Supply Chains, Stress Test
- Geopolitics Is Now a Core Treasury Issue
- Agility
- Regulatory Adaptability
- Leverage Regional Dynamics
- Understand Regional Rules of Engagement

Leveraging Regional Dynamics

The strategic response to this new world order should also consider regional themes. As global frameworks fragment, regional trade alliances gain heightened relevance. For smaller economies, these blocs offer pathways to maintain trade flows, diversify supply chains, and mitigate risks from larger geopolitical confrontations. Treasurers and CFOs operating in these regions need to understand specific rules of engagement, tariff schedules, and dispute resolution. Regional agreements can provide stability, counterbalancing broader fragmentation and facilitating trade resilience.

Conclusion

The “new world order” is not merely a political construct; it is a fundamental recalibration of economic and financial realities. For CFOs and Treasurers, this necessitates a strategic shift towards heightened agility, deep geopolitical literacy, robust risk management, and proactive communication. Investing in modernization and automation, guided by a clear strategy, will transform treasury management, empowering effective corporate growth and enhanced returns. Embracing regional dynamics and advanced analytics will be critical to thriving in this era of profound change.



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