



PRESS RELEASE

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Economic Risk to Supply Chain Up Significantly Over Last Quarter

Six of ten categories increase in Lehigh Business Supply Chain Risk Management Index.

BETHLEHEM, PA, January 5, 2025 | The results of the [Lehigh Business Supply Chain Risk Management Index](#) for the 1st quarter of 2026 indicate an increase in overall risk, with six of ten categories increasing. Economic Risk emerged as the highest risk to the supply chain, up significantly from last quarter.

“This increase in Economic Risk is reflecting renewed concerns about macroeconomic conditions, including inflation pressures, interest rate effects and currency volatility,” said Zach G. Zacharia, Ph.D., associate professor of supply chain management and director of the Center for Supply Chain Research at Lehigh.



According to the LRMI, Cybersecurity and Data Risk ranked second highest, down slightly, reflecting the persistent threat landscape facing digital supply chains.

“Notably, Technological or Competitive Risk experienced the largest increase among all categories, rising over seven points,” said Zacharia. “This is indicating heightened anxiety regarding innovation pressures, competitive disruption and challenges in technology adoption.”

The LRMI average risk index increased modestly, but it marks a reversal of the downward trend observed in recent quarters and represents the highest average risk in the past two quarters.

The LRMI was launched in 2020 by the [Center for Supply Chain Research at Lehigh](#) and the [Council of Supply Chain Management Professionals](#) in order to rank 10 broad categories of supply chain risks. According to Zacharia, the LRMI enables executives and supply chain managers to anticipate and prepare for risks that will become significant in planning for the next quarter. The risk categories are cybersecurity and data, customer, economic, environmental, government intervention, operational, quality, supplier, technological and transportation disruption.

A unique feature of the LRMI is the opportunity to compare all 10 risk categories directly against each other, rather than scoring each one individually. When supply chain professionals take that approach, the top four risks for the 1st quarter of 2026 are government intervention, economics, cybersecurity, and supplier.

Another valuable aspect of the LRMI is that the quarterly reports include a sampling of candid comments from supply chain managers about each risk category, taking you beyond the numbers. Comments from this new 1st quarter report include:

- Yes, Economic Risk will increase; there are too many demand shocks.
- There is a shortage of trained labor to fill increasing demand by onshoring.
- Cybersecurity Risk will be higher as bad actors use AI to increase the number and effectiveness of cyberattacks.



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- U.S. tariffs will stabilize at 20% and the uncertainty around China will stabilize. I expect a resolution of Brazil and India trade challenges by year end.
- Raw material price volatility and delivery schedule inconsistency are big issues.
- We are worried about the electricity supply and about consumer demand.
- [Read more comments.](#)

LRMI reports are available every quarter in March, June, Sept. and Dec.

To get the latest report for free and to find out how supply chain managers can take the LRMI survey for the next quarter go to: business.lehigh.edu/LRMI.

About the Center for Supply Chain Research at Lehigh

CSCRL bridges theory and practice to promote a collaborative exchange of ideas on critical issues affecting supply chain management. By leveraging Lehigh's faculty, students, alumni and industry partners, the Center brings the latest developments in research and best practices together to generate new ideas for education and future knowledge in the field of supply chain management. [Learn more.](#)

About the Council of Supply Chain Management Professionals

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