PRESS RELEASE

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Supply Chain Experts See Surge in Risk of Transportation Disruption in 3rd Quarter

Lehigh Business Supply Chain Risk Management Index shows the impact of war with Iran.

BETHLEHEM, PA, July 20, 2026 | The results of the Lehigh Business Supply Chain Risk Management Index for the 3rd quarter of 2026 show a significant impact from the U.S.-Iran war, the blockade of the Strait of Hormuz and the resulting spike in fuel and diesel prices.

Transportation Disruption Risk surged almost 16 points from last quarter. "This surge vaulted it from the middle of the pack to the single largest supply chain concern," said Zach G. Zacharia, Ph.D., associate professor of supply chain management and director of the Center for Supply Chain Research at Lehigh. "Economic Risk followed closely, reflecting fears that surging energy and commodity costs, stubborn inflation and labor shortages could tip the economy into a recession."

Government Intervention Risk rose amid uncertainty over tariff policy following a Supreme Court ruling that struck down major tariffs. Cybersecurity and Data Risk, which had led the index for years, eased slightly but remained the fourth-highest concern. "Respondents cited AI-enabled phishing, autonomous exploitation of software vulnerabilities, and third-party breaches," said Zacharia.

According to the LRMI, six out of the ten risks increased, driving the average risk index up nearly four points, signaling a significant escalation in risk for Q3 2026.

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 3rd quarter of 2026 are economics, transportation, government intervention, and supplier risk.

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 3rd quarter report include:

- First-quarter shipping demand has surged by over 20%, exposing a critical underlying freight capacity shortage.
- Costs are up, and people are leaving due to long hours and consolidation. International shipping is a concern with jet fuel shortages pending.

- Economic instability and uncertainty are increasing due to AI bubble fears, leading many enterprises to look for savings opportunities. This environment is also an opportunity for AI vendors like us to drive operational cost savings.
- U.S. import tariffs are highly unpredictable and fluid as the administration tries to impose alternate tariffs to make up for major tariffs removed by Supreme Court action.
- The use of AI, especially in Advanced Persistent Threats communities, is a big concern. The bad guys don't sleep and are getting better every day.
- 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
CSCMP's mission is to connect, educate and develop the world's supply chain management professionals throughout their careers. No matter where you are in your career development, CSCMP has the resources and network to help you achieve your goals. Learn more.