

Working better together

Trade associations and chemical industry councils are the stewards of the supply chain, supporting members as they navigate the many challenges and opportunities they face. In this article, they discuss how they are coping with an ever-changing market environment

In an industry that seems to be continually facing new challenges and disruptions, there has arguably never been a more important time for each link in the supply chain to work more closely. After all, the whole is greater than the sum of its parts – and by collaborating and working together, our collective voice gets stronger.

Chemical industry councils and trade associations from across the U.S. form a vitally important support network, continuously striving to represent their members and advocate for a stronger, safer, and more effective industry.

We asked some of them for their views on how their members are being affected by the current market conditions:

“In what ways will the chemical value chain in North America feel the effects of global issues like the conflict in the Middle East this year and beyond? What are your realistic expectations for the performance of the chemical industry in 2026 given the mixed macroeconomic outlook?”



Andy Brice

Mark Biel
CAE, IOM, Chief Executive Officer,
Chemical Industry Council of Illinois

“While economic uncertainty has persisted in 2026 – driven by the Middle East conflict, trade and tariffs, and the implications of artificial intelligence – there are several positive avenues for growth and prosperity for the chemical industry”



Holly Alfano
Chief Executive Officer, Independent
Lubricant Manufacturers Association

“The conflict in the Middle East has shown how quickly regional disruptions can move through the North American chemical value chain, particularly when they affect base oils, feedstocks, shipping lanes, fuel markets, and refinery economics”



William “Billy” Pitman
Executive Director, Massachusetts
Chemistry & Technology Alliance

“The mixed macroeconomic outlook means we cannot afford to be complacent, but our history proves that we are both resilient and able to catalyze progress during times of transition”



Illinois is the fourth largest chemical producing state in the nation, making us a bellwether for demand of industrial chemicals, pesticides, fertilizers, pharmaceuticals, and plastics, not to mention use of our state's large chemical distribution network.

While economic uncertainty has persisted in 2026 – driven by the Middle East conflict, trade and tariffs, and the implications of artificial intelligence (AI) – there are several positive avenues for growth and prosperity for the chemical industry.

If your company sells organics or any part of the hydrocarbon

chain, there's been a sizable shift recently in pricing power to the industry's benefit.

In Illinois, broad manufacturing remains on an upswing, and firms are rebuilding inventories to avoid supply disruptions. Growth in business investment continues to be driven largely by AI and power infrastructure development – with semiconductors, aerospace, electronics, and steel leading the way. In addition, global manufacturing is rebounding, which is providing new market opportunities.

While consumer spending growth has slowed as higher

prices eat into wage gains and tax refunds, the wealth effects are still powering high-income consumers – for the time being.

In other sectors of the industry, it's no secret that the high costs of housing and vehicles have led to decreased demand for appliances, apparel, and construction materials. In addition, demand for inorganic chemicals, specialty chemicals, and consumer products has been soft.

The consensus for the remainder of 2026 is that the recent boom will slowly dissipate, but there's optimism the tailwinds



from previous interest rate cuts, the "One Big Beautiful Bill" tax law, and deregulation will help power the industry through into 2027.

From the lubricant manufacturing perspective, global instability is no longer a background concern; it is a direct operating risk.

The conflict in the Middle East has shown how quickly regional disruptions can move through the North American chemical value chain, particularly when they affect base oils, feedstocks, shipping lanes, fuel markets, and refinery economics.

For lubricant manufacturers, the most immediate concern is availability and cost of high-performance base stocks, especially Group III, which is critical for many synthetic and low-

viscosity formulations. Even if shipping constraints ease, supply will not normalize overnight because production outages, damaged infrastructure, longer logistics cycles, and depleted inventories take time to recover.

The effects also extend beyond base oils. Additives, packaging, transportation, energy costs and customer demand are all connected to the broader chemical value chain. Lubricant manufacturers will continue to manage volatility through diversified sourcing, reformulation where approvals allow, tighter inventory planning and more

frequent customer communication.

For 2026, my expectation is cautious and uneven performance rather than a broad rebound.

Demand should remain resilient in essential end markets – transportation, agriculture, manufacturing, construction and power generation – because lubricants keep equipment operating. But margins will remain under pressure from higher input costs, uncertain freight conditions, regulatory complexity, and cautious customers.

Companies with strong supplier relationships, technical flexibility, and disciplined pricing will be better



positioned, while those dependent on single-region sourcing or highly specialized inputs may face continued disruption.

Navigating the 2026 macroeconomic landscape requires a heavy dose of pragmatism.

Global disruptions, particularly in the Middle East, continue to test the North American chemical value chain, with increased costs for raw resources and fuel, volatile shipping rates, and extended transit times.

Coupled with domestic energy and regulatory costs, these geopolitical headwinds present clear challenges. My outlook for 2026 performance remains defined by cautious optimism. In Massachusetts, our sector is deeply intertwined with life

sciences and healthcare, advanced manufacturing, clean energy, and technology.

As we look toward the state's ambitious economic development and innovation goals, the chemistry sector must actively reframe and simplify its message to policymakers as essential to that growth ecosystem. Our industry shouldn't be viewed merely as a heavily regulated entity; we are a foundational asset required to attain those goals.

As our nation celebrates its 250th anniversary, we remember that Massachusetts is where American innovation began. We

are the home of the nation's first chemical plant, the birthplace of the plastics industry, and the pioneer of the first four-year curriculum in chemical engineering at the Massachusetts Institute of Technology.

The mixed macroeconomic outlook means we cannot afford to be complacent, but our history proves that we are both resilient and able to catalyze progress during times of transition.

By combining rigorous operational discipline with the spirit of innovation that defines Massachusetts and the Northeast, the chemical value chain is well-



positioned to weather these global pressures and drive meaningful economic and technology growth through 2026.