



Channel Economic Tracker

June 2025

Global Technology Industry Association

Channel Sentiment Rises in June, Tariff Pressures Still Loom

The June GTIA Channel Economic Tracker shows a notable improvement in economic sentiment by U.S. channel firms, with more businesses now describing the general economy as "strong" and expressing optimism about the next 12 months. While this is a positive signal, the underlying reality—especially regarding tariff impacts and cost pressures—suggests continued vigilance is needed. In June, 43% of respondents described the economy as “strong,” up from 39% the prior month. Likewise, optimism about the next 12 months rose from 45% to 55%, while pessimism declined sharply from 39% to 28%.

These are clear signs that economic fears—whether related to inflation, customer demand, or global instability—have eased slightly. More importantly, fewer respondents are expressing strongly negative views, suggesting that the industry may be adapting to ongoing macroeconomic uncertainties.

Another shift worth noting is how channel executives are viewing tariffs. In contrast to May—when most firms cited tariffs as a predominantly negative force—June data shows more executives viewing tariffs either neutrally or even positively. That said, it's important not to confuse sentiment with impact. A majority (62%) reported passing tariff-related costs to customers, either partially or fully. That figure is up from 59% in May. This slight upward trend reveals that pricing pressure has not disappeared—it has simply shifted downstream.

Even with growing optimism, a basic concern remains: many firms are still absorbing or offsetting higher costs driven by tariffs and supply chain issues. The persistent rise in the cost of goods sold (COGS), particularly on imported hardware and components, poses long-term risks. Firms may continue to hike prices for customers, threatening competitiveness and customer retention—especially in the small-to-midsize business (SMB) market where price sensitivity is high. They could also curtail new investments.

Key Points: June Economic Tracker

1

Channel execs are slightly more positive about the current economy than in May, reflecting continued customer spending and less tariff impact than expected

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Looking ahead, their optimism for the general economy's direction in the next 12 months rose 10% from May's results

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Likewise, more channel execs say they view tariffs favorably or neutrally than did so in May when negativity was their predominant reaction

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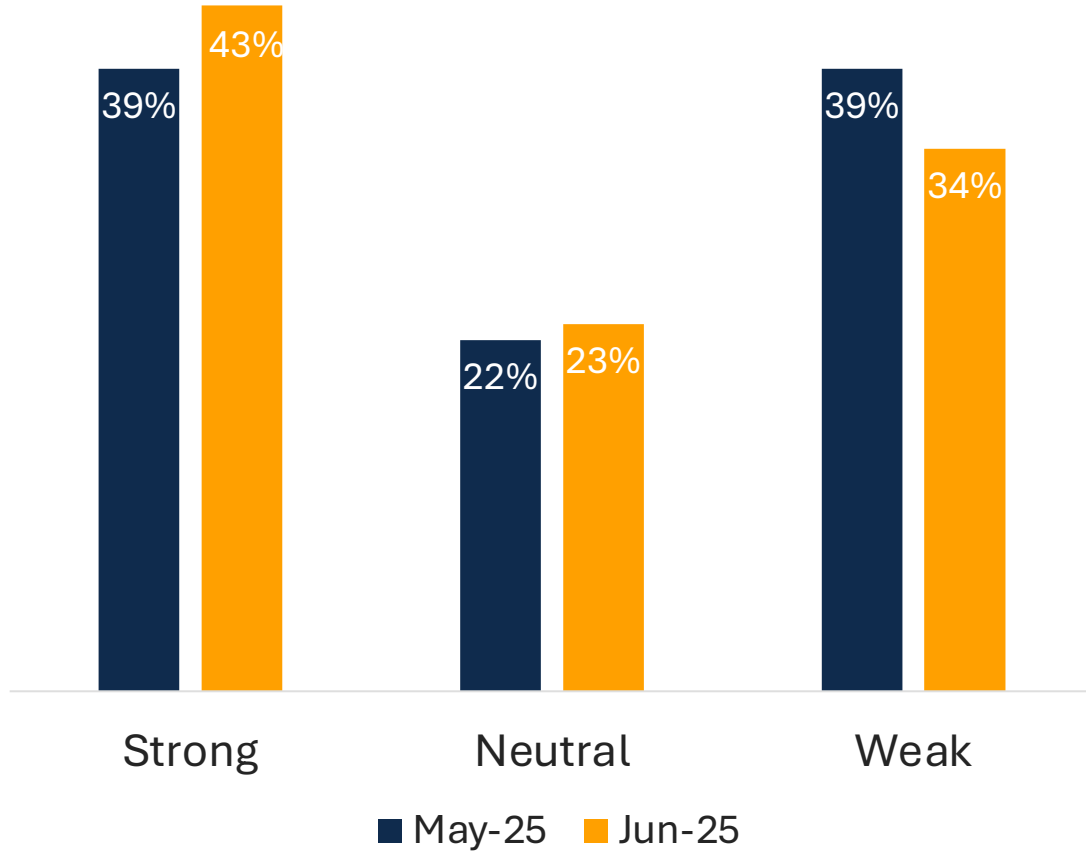
Competitive advantage and the overall US tech sales market are cited as top positive outcomes of tariffs in June

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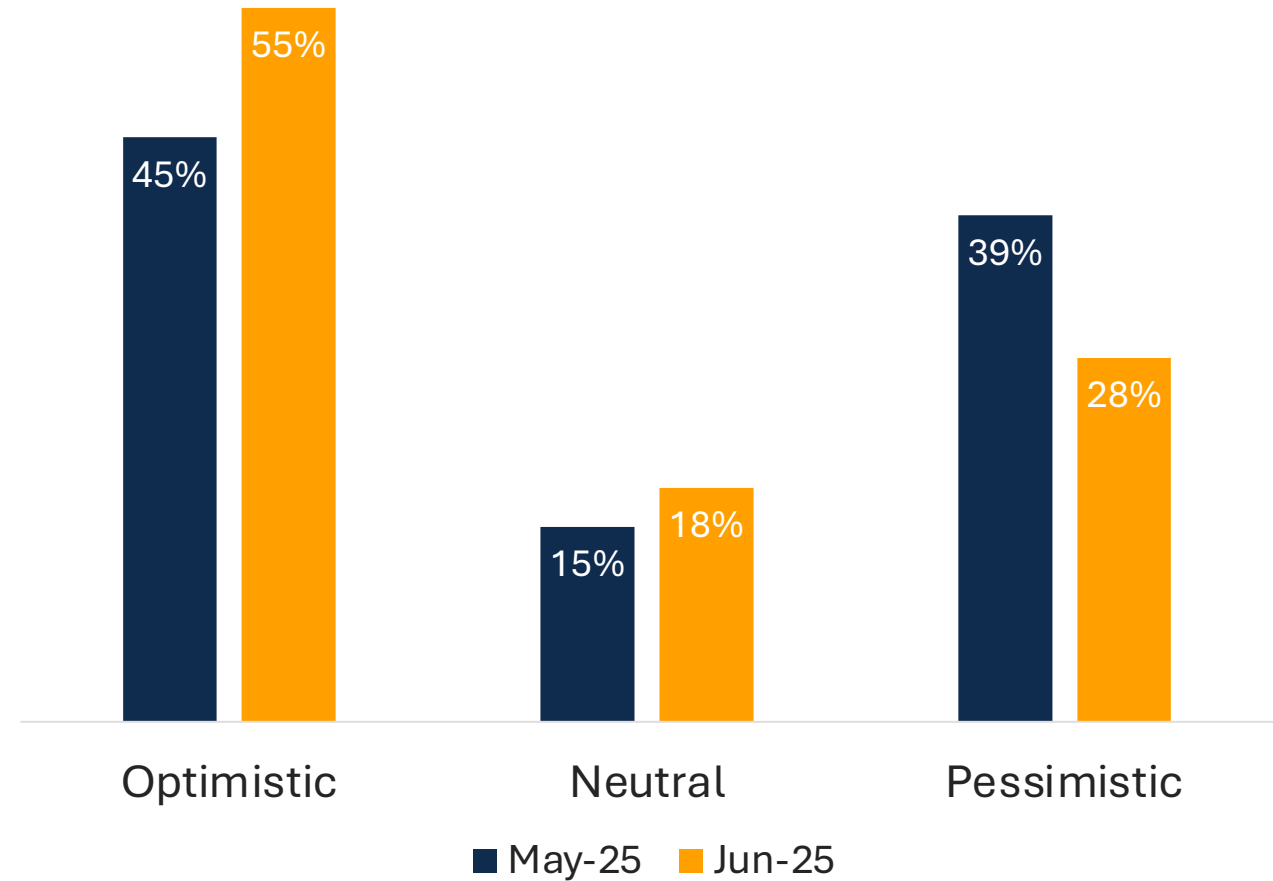
62% of channel firms say they are passing the cost of tariffs onto customers (in full or partially) vs. 59% that did in May

June Confidence in General Economy Up, Pessimism Tempered

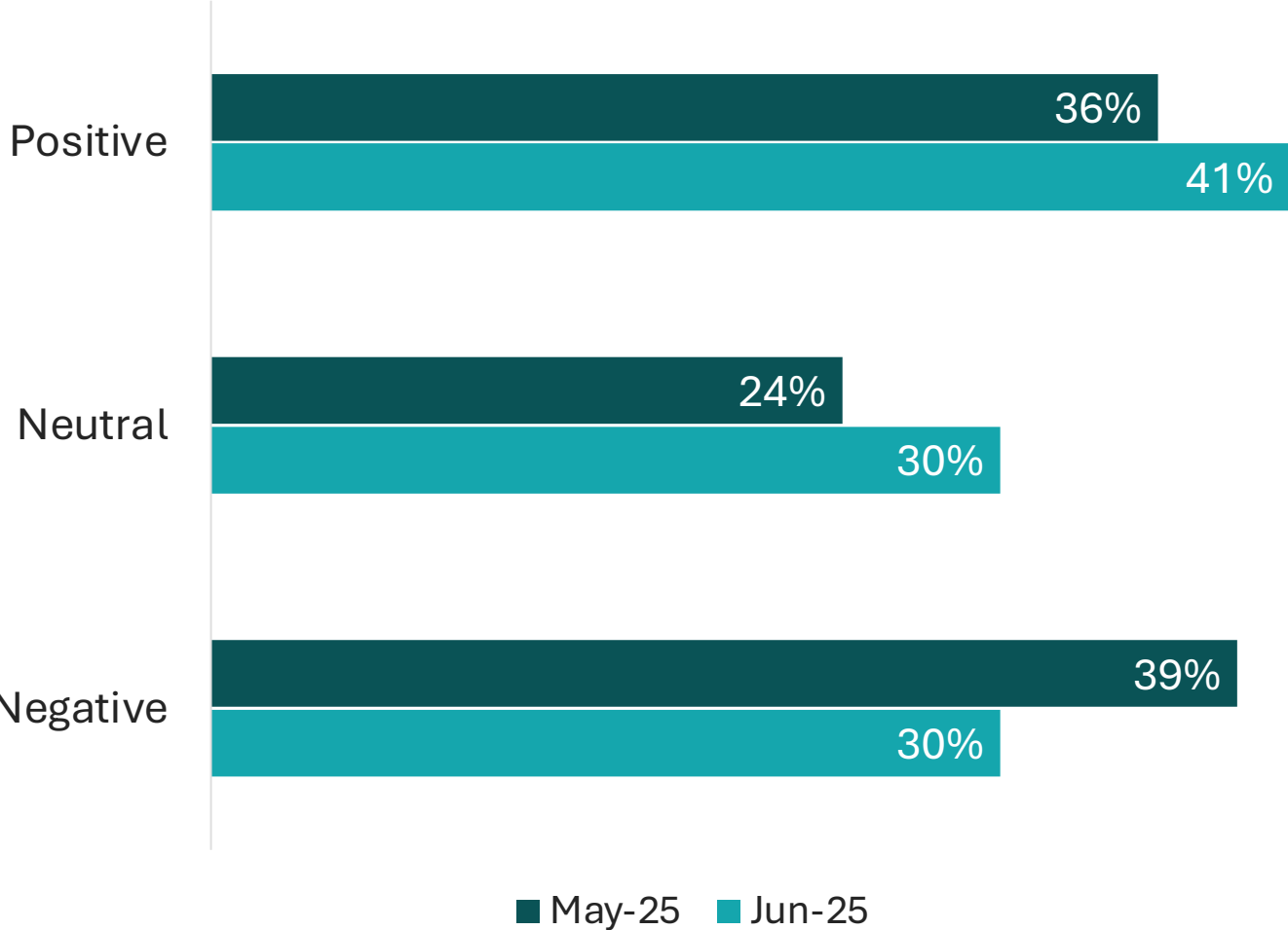
Channel Take on General Economy Today



Confidence Level for Economy next 12 months

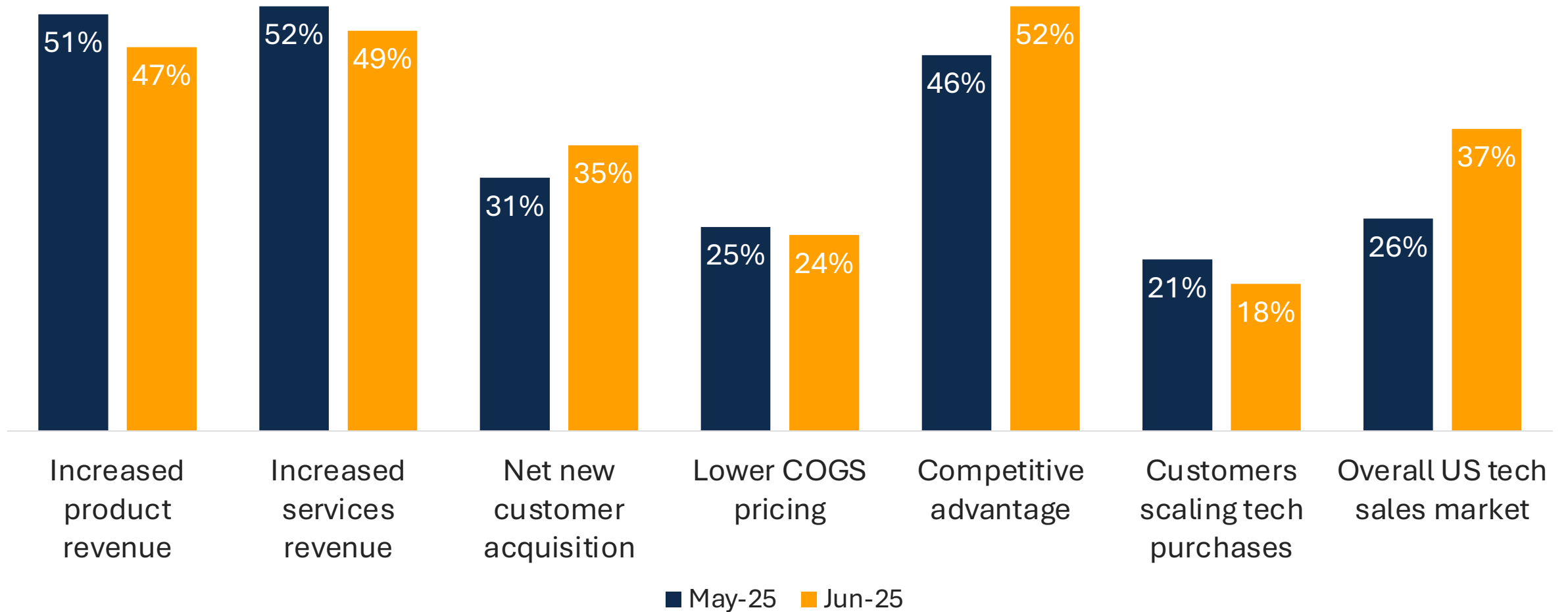


Channel Take on Tariff Impact Improves Slightly, Leans More Neutral

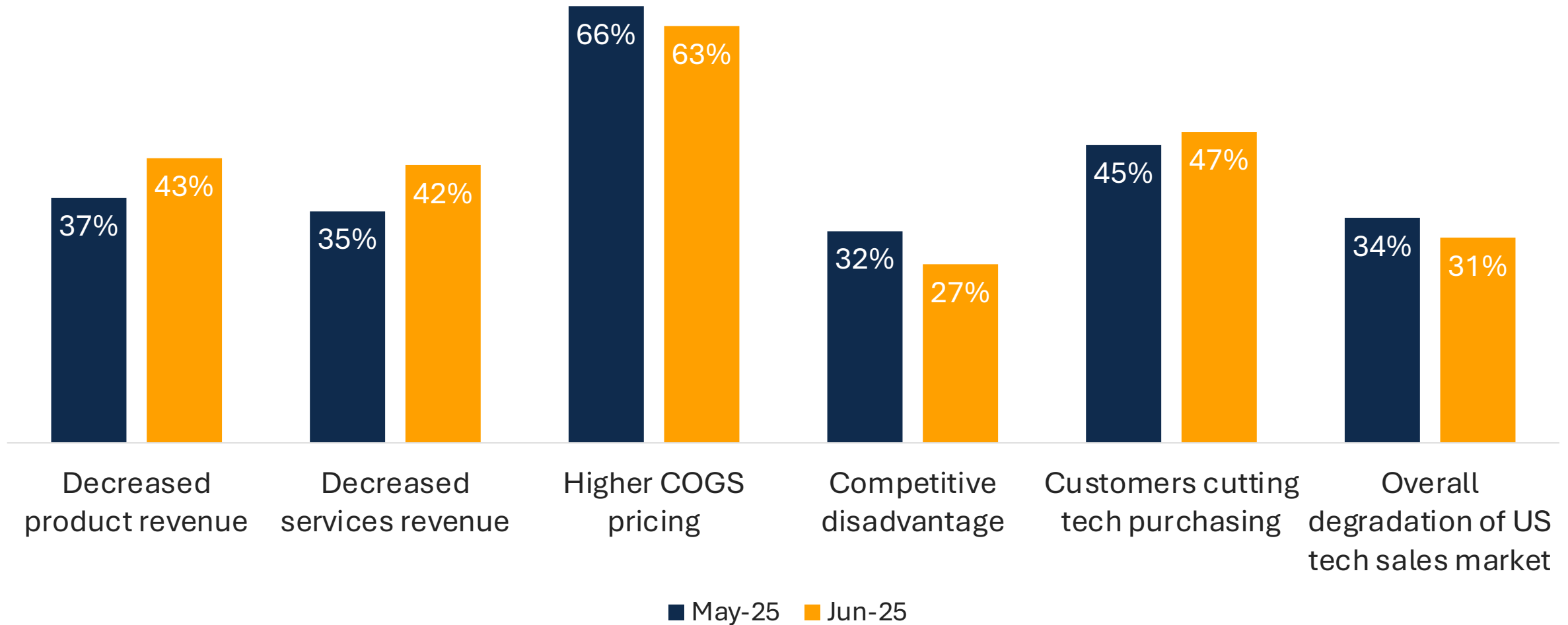


How ITSPs are experiencing the impact of tariffs remained a mixed bag of sentiment in June. However, more respondents expressed a positive or neutral take on any tariff effects on their business than a month ago. Looking ahead to the next 12 months, even more firms (47%) expect positive impact from tariffs. Meantime, the 9% decline in negative sentiment in June could reflect several factors, including dealing in goods and services yet untouched by tariffs, success in pivoting to new suppliers inside the United States, or a general belief that the local economy is faring well.

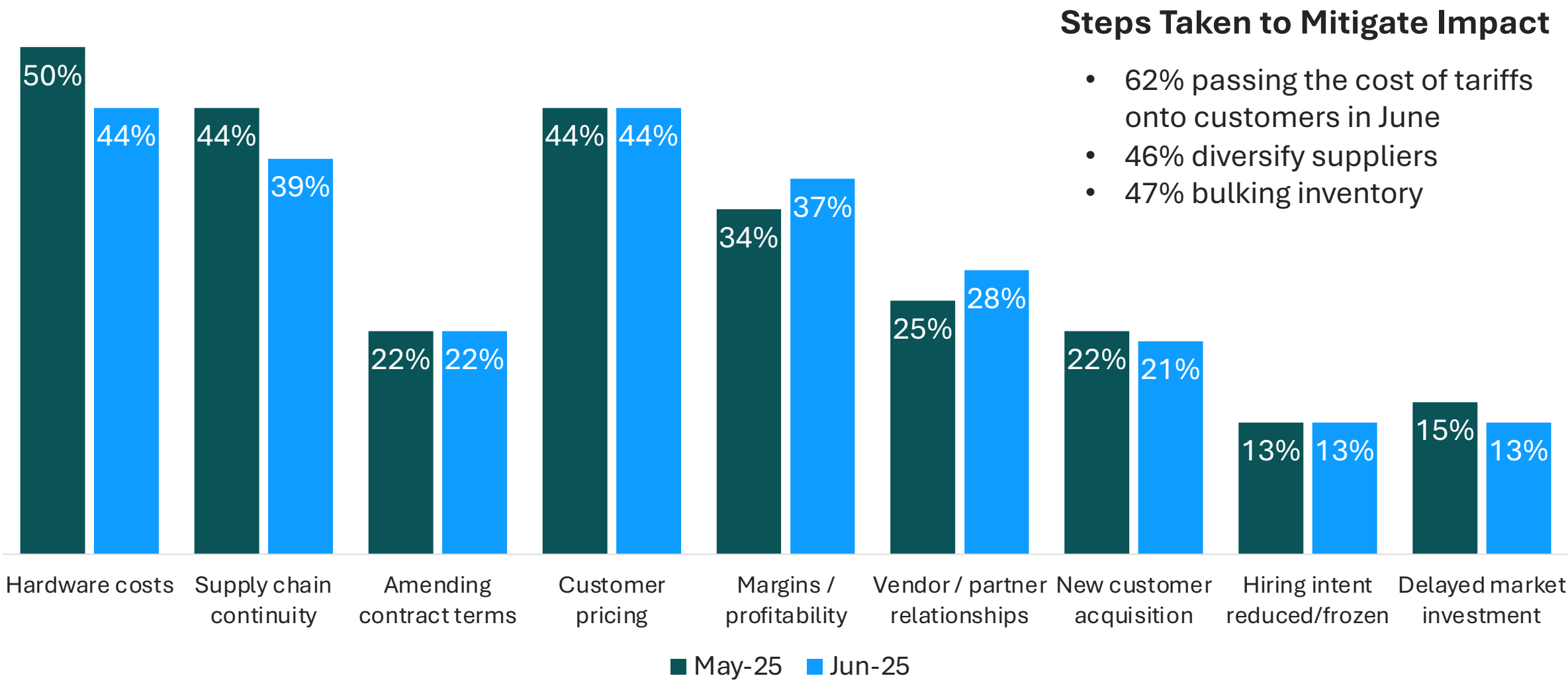
Channel Firms Cite Competitive Advantage as Top Tariff Benefit in June



Rise in Cost of Goods Remains Main Negative Impact of Tariffs in June



HW Costs, Customer Pricing Cited as Most Affected Business Areas



Steps Taken to Mitigate Impact

- 62% passing the cost of tariffs onto customers in June
- 46% diversify suppliers
- 47% bulking inventory



Policy Actions Channel Firms Say Could Best Mitigate Tariff Impacts

