

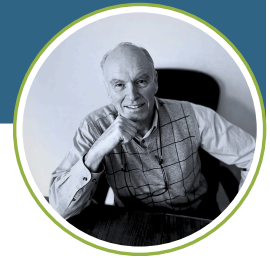


CPG QUARTERLY NEWSLETTER

Editor: Jesse Alterman
Operations & Insights

A WORD FROM OUR CEO

By Michael De Clercq
CPG CEO



Here we are in the 4th quarter of 2025, and we are talking about rare earths and soya beans, computer chips and AI, sanctions and tariffs.

Each quarter this year has had two dominant themes: Uncertainty and China's resilience as a source. Both are important for importers because they need to know where to place orders to stay competitive. For many, making the wrong bet is an existential risk.

And what have we learned? If you dig deep enough, two things:

1. Uncertainty will continue.
2. China is the safe bet.

Let's briefly unwrap these.

Those who seek certainty before making decisions this year will be disappointed - and risk being left behind. Uncertainty is the hallmark of this administration and leaders must learn to live with it.

Why is China a safe bet? Why is China, the only country that pushed back against the US trade war, still unscathed? How have China's exports been growing despite being the main target of the tariffs?

Five main reasons:

- The Chinese manufacturing environment is difficult to beat if one seeks speed to market and reliable quality.
- Factory gate costs have dropped since the beginning of the year
- The US needs China more than the other way round.
- US trade pressure on China does not work when such pressure is applied to all other countries
- China does not have elections.

Does all this matter? Yes. Because the fog of the global trade war has slowly revealed a path for success.

For many products, buyers can continue to concentrate their sourcing on China instead of spreading their resources examining alternatives all over the world. Strategic sourcing in this uncertain environment means finding a good supply chain partner who can manage complexity and risk, not just cost, and whose sourcing agility can deliver business stability in a turbulent world.

In the meantime, SCOTUS (The Supreme Court of the USA) is finally addressing the question of tariffs, whether they are indeed a tax and whether the executive can levy them without Congress approval. SCOTUS's ruling will have a big impact. Boring this is not.

Finally, I leave you with a thought about the importance and value of trade, something our friends in Canada recently reminded us of. A quote from "The Gipper":

"When someone says, 'Let's impose tariffs on foreign imports,' it looks like they're doing the patriotic thing by protecting American products and jobs, and sometimes for a short while it works, but only for a short time."

"But over the long run, such trade barriers hurt every American worker and consumer,"

"Throughout the world, there's a growing realization that the way to prosperity for all nations is rejecting protectionist legislation and promoting fair and free competition.

America's jobs and growth are at stake."

(Ronald Reagan, April 25, 1987).

DID YOU KNOW?

The Great Wall Hotel and Ronald Reagan

Our CEO was present when President Ronald Reagan made a speech to the American business community at the Great Wall Hotel in Beijing in April 1984. Our company was 6 years old.



BEYOND RESILIENCE: THE RISE OF AGILITY IN SUPPLY CHAINS

By Laura Dow
Business Director

The topic of a recent Supply Chain of Thought podcast was an issue often raised in modern sourcing strategy: Resilience vs. Agility. Three

years ago, everyone at industry events was talking about resilience: the ability to survive disruption and recover quickly. It's a defensive mindset, built on risk buffers like dual sourcing, safety stock, and long-term contracts. But as Michael De Clercq and I discussed in the episode, resilience is no longer enough. Today, agility is also critical: the ability to move fast, adapt to change, and turn disruption into advantage. Resilience keeps you standing when shocks hit. Agility helps you pivot in real time, redesign products, and capture opportunities before competitors do. In practice, the strongest supply chains combine both: resilience to absorb impact and agility to respond and win. If you missed the episode, you can listen to it here:

<https://www.youtube.com/watch?v=InOdv46lpAE>

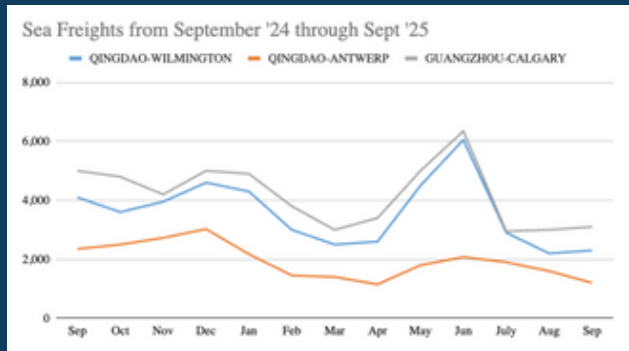
THE VALUE OF MEETING SUPPLIERS IN PERSON

By Chris Volz
Client Success Manager

In today's global sourcing environment, digital communication is essential, but nothing replaces face-to-face interaction, especially when working with Chinese suppliers. Visiting factories builds trust, improves transparency, and helps verify capabilities first-hand. In-person meetings allow for deeper technical discussions, faster problem-solving, and clearer alignment on quality expectations. You see real production lines, meet engineering teams, and understand a supplier's true strengths and limitations. Most importantly, showing up signals commitment, which often leads to better pricing, stronger priority, and more flexible support. For brands serious about China sourcing, on-the-ground engagement is a strategic investment in trust and long-term success.

UPCOMING CHINA TRADE SHOWS

- December 10-12: [The 47th Shenzhen International Medical Devices Exhibition 2025](#)
- March 1-4: [The 34th East China Fair \(ECF\)](#)
- March 24-26: [The 39th China International Hardware Fair \(CIHF\)](#)
- March 18-21 and 28-31: [The 57th China International Furniture Fair \(Guangzhou\)](#)



SEA FREIGHT TREND

US Route

In October, the U.S. and China imposed new port fees on each other. Despite service cuts, freight rates rose slightly but stayed limited by weak demand. North American rates may climb in November, depending on cargo volume and the upcoming tariff truce.

European routes

China's exports to the EU rose 14.2% in September, led by Italy, the Netherlands, and Germany. Freight rates briefly jumped USD 300/TEU in October, then eased. Rates may stay firm or rise in November—monitor schedules and updates closely.

REBAR & HOT-ROLLED COIL TRENDS

By Jane Xiong
Sourcing Associate

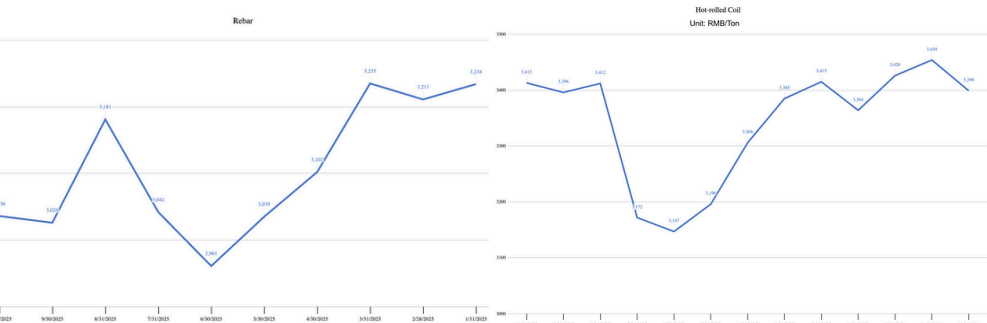
Rebar:

In Q3 2025, infrastructure demand partly offset weaker real estate demand, but overall steel demand stayed soft. Rebar prices rose early then retreated, with futures sliding from above 3,000 CNY/ton to roughly 3,000 by quarter-end. In Q4 2025, prices will remain caught between weak market conditions and strong policy expectations, likely fluctuating between 3,000–3,120 CNY/ton.

Hot-Rolled Coil (HRC):

In Q3 2025, domestic HRC averaged 3,495.38 CNY/ton, rising early due to regional production restrictions before weakening as those effects faded. A sluggish real estate market and cautious pre-holiday buying slowed high-price transactions, leading to a pullback.

In Q4, HRC is expected to continue a weak, range-bound trend, with prices likely falling 45–180 CNY/ton from Q3. Supply-demand imbalance and off-season conditions will drive the decline, while any rebounds from policy support or production cuts will be brief and limited.



EMPLOYEE SPOTLIGHT: ANNA FENG

Position:

Sourcing Specialist

How long have you been at CPG?

4 months

What do you do in your role?

I am in charge of managing and executing clients' projects in China.

My responsibilities include:

- Sourcing
- Price Benchmarking
- Order Management
- Quality Assurance
- Logistics Coordination

What do you love most about your job?

Supporting clients with qualified and reliable suppliers, enhancing communications, and helping to build a professional, close, transparent relationship.

What are some notable achievements during your time at CPG?

- Assisted clients in developing new products from initial concept through sampling, including identifying qualified manufacturers and securing competitive pricing.
- Managed the full lifecycle of bulk orders, coordinating inspections, payments, and shipments to ensure smooth, on-time delivery to customers.

