

A DHL company

**GORI**

*Wine and spirits logistics*

## **CORONA VIRUS UPDATE 16TH MARCH 2020**

As the whole world is going through the same issues, please find below the updates of our wines and spirits origins, where we are trying to minimize the impacts to your business.

### **ITALY**

Our staff and families are all well.

Please see below update about the situation in Italy.

The Government has implemented new safety restrictions on working places which are slowing down production and services activities (mainly due to cleaning procedure and distance between people). If the procedures are not applied by the company the Government may close the site. Gori is complaint with the procedure imposed by the Government.

Our team is continuing working from home and/or in shifts in the office.

This is today overall situation:

- Goods: can be moved around the Country.
- Ports: Ports are all open but they are congested. Still long waiting time for the truckers. Genova port at the moment is the one with major issues, there are some strikes (few hours per shift) and the general operations are very slow. It may takes hours to deliver a full container and hours to pick up an empty. We are trying to use at minimum Genova port using other services/ports.
- Rail: Rail service is active with some congestion on the mainland terminals. Trains once arrived at the port may take more time to be offloaded.
- Vessel operation: the vessel operations are slower than usual due to reduced number of stevedores at the port (due to shifts and safety procedures implemented). We may face in longer transit time or vessel reschedule. We are monitoring the situation and we will inform in the event a vessel decide to omit a port. So far everything stays as standard schedule except about half day longer lead time at each port stop (this may end up with 3/4 days longer journey transit time, considering all the port's stops in the MED). As you know the Coronavirus situation is impacting all Europe and Med countries.
- Equipments: so far we are covered with equipments needed but the carriers are saying that by end of April we may have a shortage of equipments. We are working with all the carriers having a fix number of equipments assigned to our bizs.
- Transports: our truckers are fully operative but the lead time is much longer than usual (especially for the consolidations). The trucking association has confirmed that at the moment 25% of the truck's drivers have decided to stay home (voluntary quarantine). We are working with our truckers to make sure they cover our needs (we may expect an increase in transport costs soon)
- Consolidation @ Gori warehouses: we are fully operative but we must respect the safety instructions received by the Government in term of distance between the operators, cleaning, sanitization, etc. this means that the time needed to load a container is much longer than usual.
- FCL: so far no big impact, we try to follow RSD and producer ready date.
- Producers: the producers are now starting to be opened just for few hours every day (mainly in the morning), this is reducing our daily window to send a truck and pick up the orders. We are coordinating with the producers trying to find best options for everybody
- Shipping line: the majority are working from home, not easy to contact and get support in the event of problems. Vessels may have space issues because many customers (for all the commodities) are trying to ship the products ready asap. So far as Gori we have enough agreed allocation to load and ship based on our needs. Shipping lines may announce GRI or equipment imbalance surcharge by end of March.

- T&T updates: we are trying to keep notes and dates updated as much as we can but with all the above factors we may have some info missing. So far I saw minor omissions, orders are getting daily updates based on the info we are getting.

Our team and management is working hard to speed up the process as much as we can.

## SPAIN

NO restrictions so far about transportation. Goods can be moved around the Country.

Our team will start to implement a containment plan, partially working from home and others are in shifts in the office.

We have a slow down on general operations mainly due to the safety restrictions requested these last days by the Government, these are the main aspects:

- **Ports:** Ports are open with no congestion except Bilbao, where there is a kind of covert strike.
- **Equipment's:** so far we are covered with DRY & RF to US & CA with a clear difficult to get space. Hard time for space and any kind of equipment to all Far EAST. It's foreseen that situation is getting worst up next month. No container available in Bilbao port.
- **Inland Transports:** our truckers are fully operative but the lead time is a bit longer than usual due reduction load time faced in the main producers already.
- **Intermodal service:** very scarce possibility to combine rail/truck service due the lack of empty box in Madrid & Zaragoza areas.
- **Consolidation @ Gori warehouses:** so far fully operative but due safety, time needed to load a container is much longer than usual.
- **Producers:** producers are now starting to be opened just for few hours every day (mainly in the morning), this is reducing our daily window to send a truck and pick up the orders.
- **Shipping line:** the majority are working from home, not easy to contact and get support in the event of problems.

Thanks for your understanding and support

## PORTUGAL

Portuguese government took severe measure to control the situation, closing all schools, bars, limitation on restaurants, shopping centres control, public departments etc.

As from this week on we will have to have in place a contingency plan, 50/50 staff home and at work and different shifts, because it is expected the highest virus development reached it's top level until April.

This is also being applied by carriers, truckers, wineries etc.

At the moment no restriction on exports, transports or ports, in spite of this measures to control virus will definitely delay containers depot, get in /out ports and loading at suppliers who will also demand security/health procedure.

Consolidation: we have plans developed but all situations will be in chain and will also affect warehouse with slower service due to health implementation.

This is new for all of us and we are trying to do our best to have the life and work as smooth as possible for everybody.

## **FRANCE**

French president confirmed that schools (that includes nursery schools, nannies, etc) will be closed as from next Monday (March 16<sup>th</sup>) in an attempt to confine the Corona virus.

Some of our staff who have young kids will have to stay home to take care of them till the situation resume. There are less than 30% of our staff and for them we are implementing remote working from home and/or part time working when necessary.

Transportation of people and goods are not limited so far. Airfreight is of course affected by cancellation of flights (Asia) and/or measures taken by destination countries to forbid flights coming from Europe (USA).

Today we got further instruction from our government to reduce our moves as much as possible. So far only bars, restaurants and shops other than alimentary and pharmacies have to be closed till further notice.

We are anticipating further restriction over this week so we are organizing ourselves to work remotely from home whenever possible but also working on shifts at the office.

Some suppliers are starting to contact us in order to confirm they will either close or reduce their activities. A usual our teams will keep you informed case per case.

Anyway we are anticipating a slow down of the activities due to above.

## **SOUTH AFRICA**

The President of ZA tonight declared Covid-19 a national emergency due to fast escalation of confirmed cases especially citizens returning from high risk counties in EU. Although only 51 confirmed cases with 0 deaths, measures has been put in place to shut down as early as possible to reduce risk of spreading and contain potential outbreak.

This includes travel ban to high risk countries as well as ban of travellers to ZA from high risk regions. Borders closed with only a few entry points open where high level of security and screening will apply. Also all non essential international and local travel to all other countries by air, rail or bus.

This will impact employees traveling to work as many of our people are dependent on bus and rail transport to get to work.

Schools closed until after easter. Public gathering of groups over 100 is banned etc.

This is early stage but government want to prevent development as the national health system will not cope with a big outbreak.

Business will continue as "normal" within these limitations.

At this stage all Gori staff is clean and we will apply all regulations and precautions to keep all safe.

## **CHILE**

75 people found with the virus up to late Sunday. No deaths.

Schools and Universities are close for 14 days.

Restriction on public gathering for more than 200 people.

No restrictions on international freight for the moment.

Since today in Santiago our staff is doing 50% home office.

We will have 100% of the team in home office since Wednesday.

## **ARGENTINA**

56 people found sick and 2 deaths. No cases in Mendoza.

Schools and Universities are close until March 31st.

Borders were closed yesterday for the transit of people for 2 weeks. Only Argentinians coming back will be allowed to cross.

Restriction on all public gathering.

No restrictions on international freight for the moment.

From tomorrow our MDZ office will be having 50% of the team doing home office.

## **USA**

President Trump Declared a national emergency late last week. From there individual states have started to enact their own local policy's with the aim to have "social distancing".

Many states have already closed schools for minimum 2 weeks , and several cities are closing restaurants and bars .

This far as all Gori USA staff are

As far as Hoboken, as of last night he mayor has closed al bars and restaurants ( they can only offer takeout food ). He has also impose a curfew from 10pm until 5am effective today..

So our plan is as from tomorrow Hoboken team will be split and alternate working from home a day and office another day. Should the satiation worsen in Hoboken our staff will prepared to work solely from home.

Napa team as from tomorrow will also be on a modified schedule some office some from home but again as of tomorrow all will be able to work remotely as needed.

We wish all of you and our families to be safe and stay healthy.

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