

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61

MINUTES OF THE CITEM BOARD OF GOVERNORS' MEETING

27 May 2020, 10AM
VIRTUAL CONFERENCE

ATTENDANCE:

Alternate Chairman

Abdulgani M. Macatoman
Undersecretary for Special Concerns and Trade Promotions Group (TPG)

Board Members

| | |
|---|--|
| Mr. Thomas Benjamin B. Marcelo Bangko Sentral ng Pilipinas | Ms. Paulina Suaco-Juan CITEM |
| Ms. Judy O. Kis-Ing Land Bank of the Philippines | Ms. Elsa Asuncion Lim National Food Authority |

CITEM OFFICERS

| | |
|---|---|
| A. Grace I. Marpuri Corporate Secretary | Ma. Lourdes D. Mediran Deputy Executive Director |
| Florence Buensalido HRD Chief | Wilma Dulay Budget, Chief |
| Romina Magno Corporate Planning Division Chief | Malerna C. Buyao Controllership, Chief |

I. DETERMINATION OF EXISTENCE OF QUORUM

1. The Chair and the Board Secretary determined the existence of quorum.
2. Board Members duly acknowledged the Notice and Board Paper materials sent to their respective email addresses on 20 May 2020.

II. APPROVAL OF THE PREVIOUS MEETING (20 MARCH 2020)

1. In the recently concluded March 20, 2020 virtual conference Meeting, the CITEM Board through a Resolution 2020-03.1 approved the deferment of the 2nd Quarter 2020 projects due to COVID 19 Global Pandemic:

| | | |
|---|------------|---------------|
| Sustainability Solutions Expo: Food+Beverage | 21-23 May | Manila, PH |
| Fourisalone 2020 | 15-21 June | Milan, Italy |
| Taipei International Food Show | 17-20 June | Taiwan |
| CREATE Philippines | 18-20 June | Manila, PH |
| Summer Fancy Food Show | 28-30 June | New York, USA |

2. The Board was likewise informed that the decision to defer the 2nd quarter shows was welcomed by stakeholders, agency partners, exhibitors as they understand the complexities and quarantine restrictions that were at hand.
3. Having no further comments—

62 “RESOLVED, that the Minutes of the Previous 20 March
63 2020 Virtual Board Meeting, being in order , is hereby
64 APPROVED.
65

66 **Res. No. BM 2020-05-01**
67

68 **III. DEFERMENT OF 3Q APPROVED PROJECTS**
69

- 70 1. CITEM is continuously preparing for its remaining 3rd and 4th Q projects, while on enhanced
71 community quarantine (ECQ) restrictions declared in NCR and other high-risk areas:
72

73 **THIRD QUARTER PROJECTS**

| | | |
|-----------------------------|-----------------|-----------------|
| 74 MIHAS | 1-4 September | KL, Malaysia |
| 75 Maison et Objet | 04-08 September | Paris, France |
| 76 SIAL Middle East | 08-10 September | UAE |
| 77 Interior Lifestyle China | 10-12 September | Shanghai, China |
| 78 China ASEAN Expo | 18-21 September | Nanning , China |

79 **FOURTH QUARTER PROJECTS**

| | | |
|-----------------------------|----------------|---------------------|
| 80 Premierre Class | 02-05 October | Paris, France |
| 81 Manila FAME | 15-17 October | Manila, Philippines |
| 82 SIAL Paris | 18-22 October | Paris France |
| 83 China Intl Import Expo | 05-10 November | Shanghai, China |
| 84 Nordic Organic Food Fair | 11-12 November | Malmö, Sweden |

- 85
86
87
88 2. With only 4 months left to prepare for the 3rd Quarter overseas projects while on quarantine
89 restrictions, overseas event organizers particularly in Europe¹. Middle East² and China, have
90 decided to open the trade show platforms in the 1st week of Q4 2020.
91
92 3. Although quarantine restrictions and new normal measures will be mandatorily observed in
93 implementing trade shows, such as social distancing, minimum health restrictions be
94 observed, overseas travels and long haul flights will be lifted in January 2021 , thus the request
95 for approval deferment of 3Q projects.
96
97 4. As further explained, 3Q projects are proposed to defer implementation:
98 a. MIHAS – in coordination with FTSC Malaysia, the Malaysian government is imposing
99 restrictions until the end of the 3rd quarter
100
101 b. Maison et Objet— Trade show in Europe is expected to resume only at the end of 3rd
102 quarter as per UFI and European Exhibition Industry Association [EEIA). Also, they
103 advised long haul travel may not be permitted any time soon. Further, recovery period
104 in EU might impose policy that will mandate domestic purchases to pivot their own
105 economic recovery
106
107 c. In the case of CAEXPO, the industry is not keen on pursuing participation in China
108 given the CoViD situation and for safety and health consideration. Physical participation
109 will be dependent on social distancing and travel regulations, as well as number of
110 exhibitors willing to participate in physical trade show
111
112 d. Moreover, being a political commitment, CITEM leaves the discretion to the DTI
113 Secretary whether to cancel or pursue the CAEXPO participation.
114
115 5. Further, that while trade exhibitions industry is only hopeful that normal operations will resume
116 to happen in the 4Q 2020 and all decisions are mostly based on wait and see mode, the
117 Management recommends for the Board to grant authority to CITEM Management to defer
118 participation for 4Q projects and organizing Manila FAME October, after careful
119 considerations of government directives, quarantine restrictions, and public health measures.

¹ UFI Webinar, **What next for the exhibition industry in Europe? 27 April 2020**

²UFI Webinar **Updates from the Middle East: Focus on KSA and UAE, 04 May 2020**

- 120
121
122
123
124
125
126
127
128
129
130
131
132
133
6. On the query of the Board if there were prepayments made for these programmed 3rd and 4th Q shows and how did it affect the financial aspect of CITEM, Ms Mediran reported that there were about PHP8M paid/settled to the organizers, in preparation for these projects ie. Booth requirements, space reservation, etc:
7. Given COVID time, trade organizers will either refund or apply the payments made and will be treated as advance payment for CITEM's next year participation.
8. The Board asked what are plans and alternatives for CITEM when shows for 3Q and 4Q shows will fold; and whether CITEM conducted benchmarking with other trade organizer counterparts globally or in the ASEAN on what strategies they will implement, or measures will take in this uncertain and disruptive time;
- 134
135
136
137
138
9. ED Pauline Juan reported the Digital Initiative program to the Board as future plans for CITEM, not only as alternative for the deferred shows, but at the same time a new revenue generation for CITEM in the long term, apart from the traditional participation fees collected to exhibitors.
- 139
140
141
142
143
144
145
146
147
10. As background:
- a. Realities on the ground, large gatherings including trade shows are on hold indefinitely; trade and logistics movement are limited; travel is restricted, and rates will skyrocket once it resumes.
 - b. The digital marketing and e-commerce have disrupted the trade industry that should be taken seriously.
 - c. Digital marketing and commerce disrupted the market, Covid19 even forced everyone to evolve and MSMEs are asking how they can get into the digital space.
- 148
149
150
151
152
11. Started in the 4Q2018, CITEM initiated digitalization when the HALLONE venue closed, taking as new thrust and direction for the agency. Taking the initial step, the Manila FAME Digital Trade and Community Platform in October will be launched as alternative to the April Manila FAME show.
- 153
154
155
156
12. Moving forward, a new digital business model is introduced, being very timely during this pandemic time for the mandate of CITEM to continuously function, evolve and be relevant and emerge with more sustainable ways and means.
- 157
158
159
13. Content and Digital Marketing are main focus and strategies for the Digital Initiative , will work on the following:
- a. The task is to make MSME brands and companies (our exhibitors) DISCOVERABLE to as many relevant people/audiences possible, while trade shows are a venue for discovering and sourcing. Whereas, digital will enable CITEM to go beyond who and where the trade shows reach, 24/7, all year round.
 - b. Content Marketing will tell the stories about products, and MSMEs can promote culture in the context of products; talk about market trends and forecasts; dissect market behavior, market intelligence; discuss best practices in the industry; celebrate Filipino talent and ingenuity.
 - c. It will be likewise a knowledge centers/information exchange channels about Philippine products and companies, engaging stakeholders 24/7 and making most convenient to all stakeholders.
 - d. Content will be available in different formats, ie. recipes are best communicated through videos. Conference highlights are best communicated through quotes on social cards.
 - e. Content creation and distribution is both creative and technical. The content will be designed and crafted in order to achieve quality score that will optimize
- 160
161
162
163
164
165
166
167
168
169
170
171
172
173
174
175
176
177
178
179

- 180 searchability/discoverability and reach the right set people under right circumstances.
181 Tools such as CRM (social listening, email journey), SEO, SEM will provide data and
182 capabilities that will allow manage relationships and optimize content.
183
- 184 f. Content distribution will work as to make content available to CITEM's target audience.
185 The most relevant touchpoints will be identified, and content will be customized based
186 on the function and strength of specific touchpoints. It also involves capturing data of
187 people who will visit platforms and serving the content.
188
- 189 g. User habits and behavior within CITEM's platforms will be tracked using a CRM. Data
190 will tell us what they are looking for, who they are connecting with, what engaged them,
191 what is relevant to them at what point in the year, what made them leave the site, and
192 many others.
193
- 194 h. The availability of our content across diverse touchpoints will bring audience
195 development.
196
- 197 14. CITEM DTCPs is not an e-commerce platform like Alibaba or Lazada or Shopee, as sales
198 transactions and fulfillment will not be offered in CITEM digital platforms, and to manage cost
199 and manpower . Rather, the DTCP will focus on bringing MSMEs to priority markets through
200 sustainable export promotion programs and activities, in response to CITEM's vision
201 committed and mandate to function.
202
- 203 15. User habits and behavior within our platforms will be tracked. Data will tell us what they're
204 looking for, who they're connecting with, what engages them, what is relevant to them at what
205 point in the year, what made them leave the site, and many others.
206
- 207 16. As a GOCC, the digital initiative through this DTCP will generate from these several platforms
208 and methods:
209 a. Sign up membership fees
210 b. Content production
211 c. Digital intelligence
212 d. Archives
213 e. Business intelligence (paid downloads)
214 f. Catalogue ranking
215 g. Search ranking
216 h. Feature stories
217 i. Email campaign feature
218 j. Ad placements
219 k. Social media performance
220 l. Online portfolio performance
221 m. Portfolio maintenance fee
222
- 223 17. Content creation subsidy for MSMEs is another program to help exhibitors, stakeholders to
224 be in the digital space as CITEM will introduce user-generated content (the MSMEs being the
225 users). The content from the MSMEs must have good quality score in order to have better
226 chances in searchability.
227
- 228 18. CITEM will leverage on relationships with suppliers and size of the project to get the best
229 rates from content creation suppliers: stylists, photographers, writers, etc. CITEM will work
230 with the MSMEs with an end-to-end content creation program. CITEM will link MSMEs who
231 need content to thrive in online marketplaces with the creative sector (art directors,
232 photographers, writers, stylists etc.) whose incomes are badly affected by advertising budget
233 cuts, to produce world class copy and visuals for them.
234
- 235 19. The Board highly commended CITEM Management for initiating to execute the digital
236 initiative that is very timely particularly in this challenging time. The digital business model will
237 provide new revenue for the agency; and that will provide value producing opportunities to its
238 stakeholders.
239

240 20. The Board further recognized that CITEM was very strong in pushing the initiative and has
241 started rolling out plans early in 2019 before the COVID pandemic giving competitive
242 advantage in the business; and its digitalization plan helped reinvent process, and improve
243 quality service to stakeholders.
244

245 21. In response to the Board's comment, CITEM reported that pursuant to DBM National Budget
246 Memorandum No. 136, dated 21 May 2020 on the expenditure direction framework for
247 FY2021, one of the four focused banner programs of the government -- to enable a digital
248 government and economy. With this expenditure direction, the digital initiative is very timely,
249 aligned and very responsive said government directive.
250

251 22. It was further reported that when CITEM was delegated by the Board to negotiate
252 performance targets with the GCG on its 2020 commitments, the digital initiative as a
253 business model was likewise recognized by the GCG in adopting to the changing trade
254 exhibition and promotions market.
255

256 23. Having no further comments,
257

258 "RESOLVED, that the deferment of CITEM 3RD QUARTER 2020
259 PROJECTS is hereby APPROVED"

260 (Res. No. BM 2020-05-02)
261

262 "RESOLVED, that grant to CITEM Management the authority to
263 defer 4Q 2020 projects, after consideration of quarantine
264 restrictions and health safety measures, being in order, is hereby
265 APPROVED"
266

267 (Res. No. BM 2020-05-03)
268

269 "RESOLVED, that the Board is highly commending the efforts of
270 the CITEM Management in initiating digitalization as the agency's
271 new business model and revenue generation platform ; as well as
272 in providing added value service to its stakeholders.
273

274 (Res. No. BM 2020-05-04)
275
276
277

278 IV. ADDITIONAL CASH DRAWDOWN FOR 2020

- 279
280 1. Initially, on 28 June 2019 CITEM Board Members approved CITEM's Corporate Operating
281 Budget (COB) and Work Program for FY2020 amounting to Php397.974M.
282

283 *Below Summary of Board-approved COB for FY 2020:*

| 284 Particulars | 285 2020 Board-Approved 286 Corporate Operating 287 Budget (In Million Php) |
|---|--|
| 288 I. Funding Sources | |
| 289 NG Subsidy | 278.479 |
| 290 Corporate Revenues | 100.345 |
| 291 Prior Year Savings | 19.150 |
| 292 Total Sources | 397.974 |
| 293 II. Budgetary Requirements | |
| 294 Personal Services (PS) | 89.160 |
| 295 Maintenance & Other Operating Expenses (MOOE) | 304.730 |
| 296 Capital Outlay (CO) | 4.084 |
| 297 Total Budget | 397.974 |

298
299

- 300 2. From the P397.974M funding sources, P19.150M will be sourced from the prior year
301 savings to be used for:
302 a. Digital trade show, P14.0M sourced from the building fund as payment for the
303 demolition of Hall One
304 b. Travelling expenses, P5.150M sourced from CITEM corporate fund. GOCCs are
305 mandated to source the travelling expenses solely from its corporate fund per
306 Executive Order No. 77.
307
308 3. Personal Services (PS) and Capital Outlay (CO) are not subsidized by the government; hence
309 paid from Corporate Revenues
310
311 4. CITEM is engaged in various export trade promotions locally and abroad. The main source
312 of revenues is from export promotions related activities.
313
314 5. On 09 March 2020, the Philippine government declared a health emergency due to COVID
315 19 pandemic crisis; followed by lock-down of Metro-Manila, and the entire Luzon island, then
316 the entire Philippines under State of Calamity amid the threats posed by covid19..
317
318 6. The Philippine government announced travel restrictions; and cancellations of flights to and
319 from Philippines.
320
321 7. On 20 March 2020, the Board members approved the proposal of Management to defer
322 participation in overseas shows and holding of its signature events programmed for the 2nd
323 quarter.
324
325 8. Unfortunately, the cancellations of locally-held Trade Fairs and Overseas projects due to
326 COVID19 pandemic crisis affected our revenues; that to-date the revenues earned by CITEM
327 totaled P17.2M only
328
329 9. CITEM is taking action to adapt to the new normal in the export trade promotions.(Less
330 physical trade fairs & exhibitions & more intensified use of the digital platform)
331
332 10. Meantime, in order to meet the required funding for PS and Capital Outlay, CITEM is
333 requesting for an additional cash drawdown to fund for Personal Services and Capital Outlay
334 for this year:

Amount (in Million Php)

| | |
|-----------------------------------|-------------------|
| Personal Services (PS) | Php 89.160 |
| Capital Outlay (CO) | <u>4.084</u> |
| | Php 93.244 |
| Less: Actual Revenues | <u>17.200</u> |
| Additional Cash Drawdown Required | <u>Php 76.044</u> |

- 343
344 11. The Board asked the absorptive capacity of the remaining retained earnings should COVID
345 19 and vaccine yet to be discover will toll the economy and government service to immediately
346 go back to normal.
347
348 12. Ms Malou Mediran reported that with the remaining unrestricted fund of PHP 153.624M, the
349 amount can still fund salaries of 100 employees at SSL5 tranche 2 rate and CAPEX in 2021.
350 The digital initiative, seeing as an investment for this year, will provide revenue to CITEM in
351 the coming years, and the same time fill the gap and complement the unrestricted retained
352 earnings to fund PS salaries and CAPEX.
353
354 13. CITEM took the opportunity to seek guidance from the Board, where to place its retaining
355 earnings that will earn interests as additional income for CITEM , as government agencies
356 are restricted to invest in high yielding interests.
357
358 14. The Board advised that similar to other highly subsidized agencies, CITEM to discuss this
359 concern to the DBM, that in this extra ordinary circumstance, to allow agencies to utilize a
360 portion of subsidy grants to fund Personnel Services and CAPEX.
361

362
363
364
365
366
367
368
369
370
371
372
373
374
375
376
377
378
379
380
381
382
383
384
385
386
387
388
389
390
391
392
393
394
395
396
397
398
399
400
401
402
403
404
405
406
407
408
409
410
411
412
413
414
415

15. Having no further discussion--

“RESOLVED, that the additional cash drawdown amounting to Php 76.044M to fund Personal Services and Capital Outlay requirement of CITEM for 2020, is hereby APPROVED.”

(Res. No. BM 2020-05-05)

V. OTHER MATTERS

1. It was reported to the Board that CITEM implemented alternative work arrangements due to imposed community quarantine beginning 16 March.
2. Critical functions have been identified to continue operations, a skeleton workforce is in placed—both online and physical reporting to work on blended schedule.
3. Skeleton workforce who will report to CITEM shall be provided shuttle services for all employees as a complement in the absence of mass transportation. And this will continue until mass transportation are resumed into normal.
4. Respective Divisions of the agency has laid out business continuity planning to continue to function and implement tasks.
5. The top and middle managers have to optimize the use of issued ipads, phones and laptops provided by CITEM while working from home (virtual meetings and group chat thru whatsapp, viber, fb messenger, etc, will take place). While technical staffs are likewise provided data to complete the tasks assigned to them
6. Virtual approvals have been in practiced and implemented.
7. Having no more comments—

“RESOLVED, that the Alternative Working Arrangement observed by CITEM during the imposed community quarantine in the National Capital Region , is hereby NOTED.

(Res. No. BM 2020-05-06)

VI. DISCUSSION OF THE NEXT REGULAR BOARD MEETING

- a. Discussion of the Board Calendar
- b. Next Board Meeting is on 24 July 2020.

VII. ADJOURNMENT

Prepared by:


ATTY. ANNA GRACE I. MARPURI
Corporate Secretary