

**TITLE: CORPORATE OPERATING BUDGET AND WORK PROGRAM
FOR FY 2016**

1.0 OBJECTIVE:

To seek Board approval for CITEM's Proposed Work Program and Corporate Operating Budget for FY 2016.

2.0 FACTS:

- 2.1 Initially, CITEM was informed by the Department of Budget and Management (DBM) of the P186.443M subsidy for FY 2016, which is the same level as FY 2015.
- 2.2 On 09 March 2015, DBM had a technical budget consultation meeting with CITEM for the FY 2016 Corporate Operating Budget.
- 2.3 As a result of the consultation meeting, CITEM's subsidy for FY 2016 was increased to P 195.0M. This is P 8.557M or 4.6% higher than 2015 P186.443M.
- 2.4 In 2016, CITEM proposed to undertake four (4) signature events: the bi-annual Manila FAME, as well as the Design Week Philippines in March and October. The agency, likewise, will organize country participation in 21 major select overseas trade events, mostly for home, fashion and food. Markets covered include Europe, NAFTA, Middle East, China and East Asia, which include Japan, Korea, and Taiwan.

2.5 Based on the Proposed Work Program, hereunder is the Corporate Operating Budget for FY 2016:

	<u>2015 Revised Corporate Operating Budget</u>	<u>2016 COB Based on DBM recom. Subsidy Level</u>	<u>% Increase (Decrease) over 2015</u>
	<u>(In Million Pesos)</u>		
I. Funding Sources			
NG Subsidy	P 186.443	195.000	4.6%
Corporate Income	55.100	55.100	0%
Prior Year Savings	<u>56.035</u>	<u>35.892</u>	(35.95%)
Total Sources	P <u>297.578</u>	<u>285.992</u>	(3.89%)

II. Budgetary Requirements

Personal Services	P 60.492	60.492	0%
MOOE	212.564	217.500	(2.32%)
Capital Outlay	<u>24.522</u>	<u>8.000</u>	(67.38%)
Total Budget	P <u>297.578</u>	<u>285.992</u>	(3.89%)

2.6 Budget for Personal Services in 2016 covers 115 plantilla positions.

2.7 Maintenance and Other Operating Expenses (MOOE) consist of direct costs of export promotion activities as well as support services and administrative overhead.

<u>Description</u>	<u>Budget 2015</u>	<u>Budget 2016</u>
	<u>(In Million Pesos)</u>	
I. Signature Events	P 84.370	P 72.500
II. Overseas Trade Fairs	77.764	108.000
III. Support to Operations	15.430	7.000
IV. General & Administrative Services	<u>35.000</u>	<u>30.000</u>
TOTAL	P <u>212.564</u>	P <u>217.500</u>

2.8 Provision of P8.0 million for capital outlay is allotted for the upgrading of IT equipment, replacement of old equipment, and office refurbishing.

3.0 RECOMMENDATION:

For the Board to approve the Proposed Work Program and Corporate Operating Budget for FY 2016 in the amount of **P 285.992M** based on DBM subsidy of **P195.000M**.

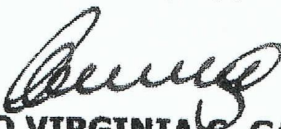
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