

## MINUTES OF CITEM BOARD OF GOVERNORS MEETING

29 January 2013  
HallOne Meeting Room  
International Trade Center, Roxas Blvd., cor  
Sen. Gil J. Puyat Avenue, 1300 Pasay City

### I. Quorum

#### IN ATTENDANCE:

Alternate Chairman

Atty. Adrian S. Cristobal, Jr.  
Undersecretary for Industry Development and Trade Policy Group

Cristino L. Panlilio  
Undersecretary for Trade and Investment Promotions Group

#### Board Members

Ma. Mercedes G. Yacapin  
National Food Authority

Leila C. Martin  
Land Bank of the Philippines

Margie A. Jorillo  
Government Service Insurance System

Rosvi C. Gaetos  
CITEM

Wilhelmina C. Manalac  
Bangko Sentral ng Pilipinas

#### Also Present:

Ma. Lourdes D. Mediran  
Deputy Executive Director

Aurelia O. Cruz  
OIC, Corporate Services

Maria Rita O. Matute  
Deputy Executive Director

Romleah Juliet P. Ocampo  
OIC, Food Team

Atty. Anna Grace I. Marpuri  
Legal Officer

Atty. Benjamin T. Subido  
Corporate Board Secretary

Doris U. Gacho  
OIC, Corporate Planning

Atty. Rodolfo B. Gilbang  
Asst. Corporate Board Secretary

## II. DETERMINATION AND EXISTENCE OF QUORUM

1. The Corporate Board Secretary determined the existence of a quorum.

## III. CALL TO ORDER

1. After confirmation from the Corporate Board Secretary of the existence of a quorum, Undersecretary Cristino L. Panlilio called the meeting to order at 04:30pm.
2. The Undersecretary welcomed the CITEM Board Members as well as the CITEM personnel present in the Board meeting.

## IV. APPROVAL AND ADOPTION OF THE AGENDA

1. Reading and approval of the Agenda.

## V. APPROVAL OF THE MINUTES OF THE 05 JULY 2013 BOARD MEETING

1. Undersecretary C.L. Panlilio requested the members of the Board to do a page by page review of the minutes of the previous meeting held last 05 July 2012.
2. He asked the Board for comments and clarifications on the Minutes of the 05 July 2012 Board meeting.
3. Ms. W. Manalac moved for the approval of the Minutes of the 05 July 2012 Board meeting, and this was seconded by Ms. M. Yacapin.
4. Upon motion duly made and seconded, it was—

“RESOLVED, that the Minutes of the regular meeting of the CITEM Board of Governors held last 05 July 2012, and finding the same to be in order, is hereby, APPROVED”

*(Res. No. BM 2013-01-01)*

## VI. MATTERS ARISING FROM THE PREVIOUS BOARD MEETING

1. The Board was informed that there are TWO (2) MATTERS arising from the 05 July 2013 Board Meeting:
  1. The 2012 CITEM Financial Reports; and
  2. Presentation of Lists of Contracts (ex deal agreements, MOUs, partnership agreements, etc.) that have no considerations/amounts involved.

2. It was explained that the above board matters will be presented in today's meeting.

## VII. FOR INFORMATION OF THE BOARD

### A. DESIGNATION OF MS. LEILA C. MARTIN AS LAND BANK OF THE PHILIPPINES REPRESENTATIVE TO THE CITEM BOARD

1. Undersecretary C.L. Panlilio introduced Ms. Leila C. Martin as the new designated LBP GSIS representative member to the CITEM Board vice Ms. Leticia P. Villa who has retired from the service.
2. Thus, it was--

"RESOLVED, that the designation of the LBP Vice President for Lending Program Management Group, as LBP representative to the CITEM Board, being in order, is hereby , NOTED"

(Res. No. BM 2013-01-02)

### B. RESULT OF CITEM PERFORMANCE GOVERNANCE SYSTEM

1. Executive Director R. C. Gaetos explained to the Board that CITEM, being a GOCC, is under the jurisdiction of the Governance Commission on GOCCs (GCG) by virtue of RA 10149.
2. As mandated by RA 10149, all GOCCs are required to undergo a Performance Governance System (PGS) to come up with its own Strategy Map and Performance Scorecards to be submitted to GCG.
3. It was explained that the PGS to be presented is the result of the series of workshops that CITEM management conducted last November 2012 in Tagaytay with the help of the Institute for Solidarity of Asia (ISA), aligned to the goals and objectives of the Department of Trade and Industry (DTI).
4. CITEM has two (2) major objectives under the PGS finance component:
  - a. To optimize use of public funds for SME development, and
  - b. To expand revenue generating capability for financial sustainability
5. It was explained that during the series of workshops conducted, it has become very clear that CITEM will not depend on government subsidy, rather CITEM will strengthen its capability to raise revenue over the medium term.
6. Ms. Manalac, a representative from BSP, made clarification on CITEM's export orders generated in relation to the country's generated export sales.
7. Ms. Gaetos explained that the base line presented in the PGS is CITEM's contribution to the country's export sales. The export sales target of CITEM came from the two major sectors: (1) the design driven sector (furniture, furnishings, home decors; and (2) handicraft industries.

8. Undersecretary C. L. Panlilio affirmed that the 2012 base line figure shown was a contribution of CITEM to the country's export sales, and so with the 2013-2016 targets. He further informed the Board that by 2016, the country's export target is PHP 120B.
9. Ms. Yacapin also inquired whether the PGS scorecards will be used by GCG as parameters or basis in rating the performance of CITEM.
10. Ms. Gaetos answered that the PGS strategy map and scorecard will be used as basis of GCG in monitoring CITEM's performance as well as the basis for the grant of the Performance Based Bonus.
11. Ms. Jorillo further also asked whether the baseline and targets presented will no longer need additional subsidy from DBM.
12. Ms. Gaetos answered that CITEM has two major sources of funds in implementing its projects: (1) GAA, that is the subsidy from the government which increases by 10% every year on the average, and (2) corporate income which comes from participation fees of exhibitors joining the show.
13. CITEM, being a GOCC, is expected to generate revenues to fund its operations. However, it is also mandated to deliver its public function to the SMEs and other stakeholders, thus, the need for continued subsidy from the National Government.
14. CITEM is working on its sustainability plan. For this 2013, it will create revenue streams to generate additional revenues for CITEM.
15. Having no more comments---

"RESOLVED, that the CITEM strategy map and Performance Scorecard under the Performance Governance system, being in order, is hereby NOTED"

(Res. No. BM 2012-01-03)

A.

C. APPOINTMENT OF ROSARIO VIRGINIA C. GAETOS AS MEMBER OF THE BOARD REPRESENTING THE PRIVATE SECTOR and ELECTION OF THE CHIEF EXECUTIVE OFFICER OF CITEM

1. Undersecretary C. Panlilio informed the Board that he tendered his resignation effective 16 January 2013, as Undersecretary for TIPG.
2. Undersecretary Adrian Cristobal Jr., the duly designated OIC Supervising Undersecretary for TIPG, is now the new alternate Chairman of the CITEM Board and will continue to preside the meeting.
3. The Corporate Board Secretary, Atty. Benjamin T. Subido informed the Board that pursuant to Sec. 14 of RA 10149, and GCG Memo circular 2012-08, the Principal Director (ex-officio member), may designate his Alternate who shall be the official next in rank to them, and whose acts shall be considered acts of their Principal.

4. The Board, through its Corporate Board Secretary, welcomed Undersecretary Adrian Cristobal as the new Alternate Chairman to the CITEM Board.
5. Undersecretary Cristobal explained to the Board that he will take over as Alternate Chairman of the CITEM Board in a temporary capacity only.
6. Undersecretary Cristobal told the Board that matters previously taken and discussed were duly noted.
7. The Undersecretary inquired whether the appointment of R. Gaetos as member of the Board and election of the CEO are just for information of the Board.
8. Ms. Gaetos explained that her appointment as member of the CITEM Board and nomination from the President to be elected as Executive Director are for the information of the Board.
9. She further explained that based on RA 10149, the Board shall conduct an election of the CEO.
10. The Undersecretary made his comment that the information on her appointment as Appointive member to the CITEM Board and her election should be the first agenda of this Board meeting, so that CITEM could have an official CEO or Executive Director while conducting the Board Meeting.
11. Ms. Yacapin asked whether Ms. Gaetos already took her oath of office as the newly appointed Appointive member of the CITEM Board.
12. The Corporate Board Secretary answered that Ms. Gaetos took her oath of office as appointive member of the board before the DTI Secretary Hon. Gregory L. Domingo.
13. The Alternate Chairman ordered the Corporate Board Secretary to open the meeting for election of the Executive Director of CITEM.
14. The Alternate Chairman nominated Ms. Rosario Virginia C. Gaetos as Chief Executive Officer / Executive Director of CITEM.
15. The Board unanimously approved the nomination and voted in favor of Ms. Gaetos as the newly elected Executive Director of CITEM and immediately took her oath of office as Executive Director of CITEM before Undersecretary Adrian S. Cristobal. (see attached).
16. Having no more comments and clarifications and upon motion duly made and seconded, it was—

“RESOLVED, that the appointment of Rosario Virginia C. Gaetos as Appointive member of the CITEM Board representing the Private Sector, being in order, is hereby NOTED”

(Res. No. BM 2013-01-04)

"RESOLVED, that the approved nomination of Rosario Virginia C. Gaetos by the President of the Philippines to be elected as Executive Director of CITEM, being in order, is hereby NOTED"

(Res. No. BM 2013-01-05)

"RESOLVED, that Rosario Virginia C. Gaetos is hereby duly elected as the Executive Director of the Center for International Trade Expositions and Missions.

(Res. No. BM 2013-01-06)

#### D. EXECUTIVE DIRECTOR'S REPORT FOR 2012: CITEM ACCOMPLISHMENTS

1. Ms. Gaetos gave a background on the strategic directions of CITEM which was already presented last 05 July 2012 Board meeting:
  - a. To pursue industry Consolidation that will unify the Fashion design industry and consolidate under one Manila FAME;
  - b. To have an aggressive Brand Building activities here and abroad;
  - c. To rebrand and reposition CITEM Signature events—Manila FAME and IFEX;
  - d. To create product brands for specific markets and adopt all Promotional Tools;
  - e. To institutionalize the Design Week Philippines;
  - f. To sustain and strengthen the integrated approach to export competitiveness through:
    - i. Creating the next level in the integrated approach to merchandise development through an expanded base of home and fashion specialists
    - ii. Launching a comprehensive capacity building program for SMES in home and food; as well as Export Coaching Program and Design for Exports
    - iii. Merchandise Specialists Program
    - iv. Launching of HallOne: Design for Exports
  - g. To continue to implement the program "Go where the buyers are" in order to accelerate overseas promotions for home and food through trade fairs and missions
2. Ms. Gaetos also presented to the Board CITEM's accomplishments for 2012:
  - a. Assisted 744 export companies equivalent to 100% of its target;
  - b. It generated 14,863 trade inquiries which may be a potential trade partners representing 169% of its target;
  - c. US \$184.59 initial export orders representing 106% of its target;
  - d. Generated PHP 165.53M on local sales representing 828% of its target.

3. Manila FAME accomplishments surpassed 2011 results by:
  - a. 12% or 570 exhibitors
  - b. 33% or 7,503 buyers
  - c. 11% or US \$ 49.87M export orders
  - d. PHP 165.53M local sales generated on the spot
4. It was also reported that Manila FAME is:
  - a. A global platform for SMEs
  - b. Recognized as a country Brand and a source of national pride
  - c. A venue for Design and product innovations
  - d. A contributor to socio-economic growth and development
  - e. Generated on the spot export sales
  - f. A contributor to job generation
5. Ms. Gaetos also reported on Manila FAME's comparative performance from 2008-2012:
  - a. Number of companies assisted.
  - b. Buyers' attendance, and
  - c. Export sales generated
6. The lists of foreign buyers in Manila FAME were also presented.
7. The collaboration with Local – International Design icons and marketing experts for the March and October 2012 Manila FAME gave birth to the following:
  - a. The Merchandise Development
  - b. Design for Exports
  - c. Visual Merchandising
  - d. Exhibit and Space Planning
  - e. Design Houses
  - f. Special Settings
8. The Merchandise Specialists Program in March and October 2012 program of Design for Profitability resulted in the following:
  - a. 35 companies were directly assisted by international experts Michael Cleghorn and Linda Simpson
  - b. Created 848 new products reflecting 3 global trends: Paradiso, Tribal Fusion and Stone Age
  - c. A total of 165 participants attended the seminar on conquering markets in Pampanga, Cebu, and Manila
  - d. Generated \$ US 310,627 export orders
9. The October Manila FAME's Design for Exports featured vibrant, and creative designers: Milo Naval, Stanley Ruiz, Wataru Sakuma, Robert Alejandro, Ito Kish, Daniel Latorre-Cruz, Olivia D'Aboville, Amina Aranaz-Alunan, Inigo Elizalde and Vito Selma.
10. The Manila Wear component in the March and October 2012 Manila FAME was curated by Fashion Icon Josie C. Natori.
11. It was reported also that overseas food projects in 2012:

- a. Generated an astounding \$128.075M total export orders
- b. Assisted a total of 102 companies, and
- c. Resulted to 3,702 foreign buyers

12. On international commitments:

- a. CITEM participated in overseas home and fashion projects i.e. Interior Lifestyle Tokyo, Japan Fashion Week, Korea International Furniture and Interior Fair and Seoul Gift show, and accomplished the following:
  - i. \$704,511 total export orders generated
  - ii. 9 companies assisted
  - iii. 198 foreign buyers serviced
- b. On overseas food projects, CITEM participated in ASEAN promotion at Foodex Japan, Asean Food and Beverage Trade Mission with Business Meeting and accomplished the following:
  - i. \$149,250 total export orders generated
  - ii. 6 companies assisted
  - iii. 239 foreign buyers assisted
- c. The participation in the China – Asean Expo and Expo 2012 Yeosu Korea generated \$668,495 in total export orders, assisted 21 companies and serviced 2,990 foreign buyers;

13. CITEM is the lead implementor of Design Week Philippines (DWP). During the October 2012 celebration, world renowned Architect Calvin Tsao and Celebrity Events Organizer David Monn headlined the Manila FAME Design talks under the Design Talks and Fora.

14. One of the components of Design Week Philippines is the Craft Village Program, implemented in partnership with MMDA. The Cities of Caloocan, Las Pinas, Paranaque, Mandaluyong, Manila, Pasig, Quezon City and San Juan participated in the October 2012 Manila FAME.

15. It was reported that HallOne will create a year round sourcing venue for local and foreign buyers.

16. CITEM creates a branding application for DTI parallel to the brand destination of the Department of Trade and Industry's "ITS MORE FUN IN THE PHILIPPINES":

- a. Invest Philippines, your business our people, for Investment Promotions
- b. Trade Philippines. Products with Passion for Trade Promotions
- c. Home Philippines, Beyond artisanship for Furniture and furnishings holidays and Gifts
- d. Fashion Philippines, for Fashion Accessories and Apparel
- e. Design Philippines
- f. Food Philippines, a feast of flavors for Food

17. On media mileage, CITEM generated PHP 46.65M for Manila FAME and IFEX, from broadcast coverage, print and online articles in major local dailies and international publication.

18. The Undersecretary inquired on the update PHP 500M country branding given by the government and where was the fund lodged.
19. Ms. Gaetos answered that CITEM and OOP submitted a budget in the amount of PHP 500M budget for DTI Branding. The budget however went to the Department of Tourism (DOT).
20. The Undersecretary told the Board that this should be clarified with the DTI Secretary.
21. Having no more comments and discussion, it was ---

"RESOLVED, that the Executive Director's  
Accomplishment Report for 2012, being in  
order, is hereby NOTED"

(Res. No. BM 2013-01-07)

#### E. FINANCIAL REPORTS

1. Ms. Au O. Cruz presented to the Board the summary of the 2012 CITEM Financial Reports.
2. It was reported that the sources of funds for the 2012 Corporate Operating Budget (COB) are as follows:
 

a. NG Subsidy- GAA	PHP 88.510
b. Supplemental budget	91.000
c. Corporate Income	31.110
d. Cash Drawdown	<u>76.563</u>
	PHP 287.183
3. The PHP 287.183 was allocated for personal services, MOOE, Administrative Expenses, and CAPEX which included PHP 18M for Hall One construction cost.
4. Ms. Au Cruz also presented the actual uses of funds:
 

a. GAA + supplemental budget	PHP 179.510
b. Corporate Income	33.326
c. Cash drawdown	30.425
d. Continuing appropriation	11.201
e. Other sources	<u>33.260</u>
	PHP 287.722
5. PHP 24M was appropriated for CAPEX, however, only PHP 12.799 was utilized. The remaining balance of PHP 11.201 will be used for 2013.
6. CITEM tried to save the PHP 76M cash drawdown through sourcing it
  - from other sources i.e. sponsorships and partnership with the DA.

7. CITEM was able to save the amount of PHP 21.186M from GAA, which intended to use for 2013 projects.
8. Ms. Au Cruz also presented the comparative Balance Sheet from 2007-2012 showing the current assets, non-current assets, liabilities and equity of CITEM.
9. Also, presented to the Board was the comparative income statements of CITEM for the period 2008-2012 showing the income, subsidy, expense and net income of CITEM.
10. It was explained that there is a downward trend of the revenue or income because of less number of exhibitors joining the show.
11. Also, it was explained the reason for the decrease of income deposits because of the low rate of interests given by banks on T-bills and time deposits.
12. Ms. Yacapin inquired on how CITEM was given additional subsidy from DBM despite the savings it made?
13. Ms. Gaetos explained that the approved GAA for 2013 in the amount of PHP 96M will cover only the 3 shows (2 Manila FAME and 1 IFEX).
14. The Honorable Secretary wants CITEM to be present in shows abroad, (Salone, Fashion Week, etc), thus, CITEM need to have an additional budget in the amount of PHP133M.
15. Ms. Au Cruz made an update that that request for PHP 133M additional budget is now in the office of Secretary Butch Abad.
16. The Undersecretary requested for a copy of documents on the additional request of PHP133M to DBM.
17. The Corporate Board Secretary inquired whether CITEM is remitting dividends to the National Government.
18. Ms. Au Cruz answered that CITEM is neither declaring nor remitting dividends to the government. CITEM is categorized by GCG as a losing government corporation, thus, the reason for its request for government subsidy.
19. It was further explained that CITEM requests for subsidy from government to support for its MOOE, but has to earn income to fund for the personal services of its employees.
20. Ms. Manalac asked that if the revenues generated were not sufficient to cover the salaries of personnel, what measure/s did CITEM undertake.
21. It was explained that CITEM has to exert effort in its capability to raise income for the salaries of its personnel.
22. Ms. Au Cruz answered that CITEM undertook the following measures:

- a. Salaries of personnel were sourced from cashdrawdown
  - b. CITEM did not fill up all the approved plantilla positions. Rather, it outsources personnel which expenses are charged from the MOOE budget.
23. The DTI Secretary instructed CITEM to limit its cash drawdown. It has to look for effort to generate income.
24. The Corporate Board Secretary inquired whether CITEM salaries are covered by the SSL (Salary Standardization Law).
25. Ms. Gaetos answered that CITEM is covered by the Salary Standardization Law. This is one of the reasons why CITEM had to draw cash in the amount of PHP 37M from its retained earnings in 2011 to cover the salaries of CITEM personnel.
26. It was further explained that the GCG will come up with the Compensation and Position Classification System (CPCS), where most of the GOCCs may increase salaries. It was further informed that GCG had a meeting with DBM requesting to allow a certain budget for CPCS once implemented.
27. Having no more comments—

"RESOLVED, that the 2012 CITEM  
Financial Reports, being in order, is hereby  
NOTED"

(Res. No. BM 2013-01-08)

#### VIII. FOR CITEM BOARD APPROVAL AND CONFIRMATION

##### IX. INCREASE IN SIGNING AUTHORITY OF THE EXECUTIVE DIRECTOR FOR DISBURSEMENTS, CHECKS, VOUCHERS, PURCHASE REQUESTS AND CONTRACTS UP TO PHP10M

1. Undersecretary Adrian S. Cristobal suggested deferring this Agenda.
2. He explained that the increase in signing authority of the Executive Director up to PHP 10M is dependent on the corporate operating budget of CITEM to be presented.

##### X. REVISED WORK PROGRAM AND CORPORATE OPERATING BUDGET FOR 2013

1. Ms. Gaetos gave a background on the realities and challenges that CITEM is facing before presenting the Revised Work Program and COB for 2013.
2. She mentioned that CITEM will actively pursue revenue generation measures and create other source of income for CITEM through the following:
  - a. Launch new events
  - b. Internationalize Manila FAME

- c. Expand IFEX International Hall
  - d. Undertake partnership with international trade fair organizers i.e. Comexposium
  - e. Market Hall One as venue for events
3. It was reiterated that CITEM as a GOCC, is challenged to generate revenues to cover the salaries of its personnel in the amount of PHP 50M+ for 2012. But for the 2012, only PHP33M revenues was generated. CITEM is subsidizing most of the exhibitors participating in the signature event, Manila FAME.
  4. CITEM has to do "multi-tasking". GCG is expecting CITEM to generate revenues to partially fund its operations while doing its public function to help and extend assistance to the SMEs and export industry.
  5. It was presented that CITEM will launch Slow Food and LOHAS and identified as revenue generating events.
  6. The Undersecretary suggested coming up with strategies to market the pilot shows in order to shorten its gestation period.
  7. He further made a suggestion, that these pilot shows be organized in time with the similar existing show/s in order not share in the existing market rather than creating a new one.
  8. Ms. Martin informed the Board that LBP has its value chain financing project, a foreign funded project that has the objective to help the SMEs. SMEs may be invited to participate in the next IFEX show.
  9. Ms. Mediran, CITEM Deputy Executive Director, was asked to update on the plans of the Business Development Team of CITEM:
    - a. To plan and strategize well in putting up revenue generating shows
    - b. To look into whether SlowFood can be organized in time with the IFEX 2013
    - c. LOHAS or Lifestyle of Health and Sustainability can be held simultaneously with a major wellness show, which will still be identified
    - d. To partner with other agencies for sponsorships
    - e. Internationalization of Manila FAME
  10. The Undersecretary asked on the budget involved in implementing the new projects.
  11. Ms. Mediran answered that LOHAS requires a conservative budget of PHP10M to be sourced from the GAA, PHP5M and from sponsorship, another PHP5M.
  12. Ms. Au Cruz presented to the Board the Revised Corporate Operating Budget (COB) for 2013.
  13. CITEM would like to seek an initial approval from the Board the amount of PHP 182.027M as COB for 2013 with funding sources as follows:

a. Budgetary Appropriation	PHP 96.810
b. Corporate Income	62.073
c. Cash drawdown	<u>23.144</u>
	PHP 182.027

14. It was explained that CITEM submitted to DBM an initial COB for 2013, approved by the Board last 03 April 2012, in the amount of PHP 217.065M and requested for a government subsidy in the amount of PGP 180.000. However, only the amount of PHP 96.810M, as government subsidy was approved.

15. The COB in the amount of PHP 182.027 is appropriated for the following budgetary requirements:

a. Personal Services	PHP 60.105M
b. MOOE	118.922
c. Capital Equipment Outlay	<u>3.000</u>
	PHP182.027M

16. The breakdown of MOOE which includes provision for direct costs of export promotion activities as well as support services and administrative overhead was further presented to the Board.

a. Signature Events	PHP 71.024
b. Overseas Trade Fairs	11.586
c. Institutional Promotions	10.000
d. International Commitment	5.300
e. Special Project-	
f. Support to Operations	2.200
g. General and Admin. Services	18.812

TOTAL PHP118.922

17. Usec. Cristobal clarified whether only PHP 96.810 was approved by DBM as budgetary support to implement the 2013 CITEM work program.

18. Ms. Au explained that CITEM would like to seek approval from the Board of the initial 2013 COB of PHP 182.027 pending CITEM's request for PHP133M additional budget from DBM.

19. Usec. Cristobal asked from CITEM management to have a comparative presentation of the proposed 2013 COB and work program from the previous 2011 and 2012 approved COB and work program.

20. The Undersecretary explained that through a comparative presentation, it would show an increase or decrease and justification in budget appropriated to each project. It would also show whether the budget appropriated to each project will sufficiently cover all requirements to implement the project.

21. CITEM explained that in the case of Manila FAME October 2011, March 2012 and October 2012, the budgetary requirements including other sources are PHP49M, PHP54M, and PHP55M, respectively.

22. The budget for Oct 2011 Manila FAME was PHP49M because of the strategy to consolidate the furniture groups (Manila Now, Bijoux, Cebu Next and Manila FAME) under one Manila FAME. The participation fees of the furniture group were subsidized by CITEM.
23. In 2012, the furniture groups occupied one floor of the SMX exhibition area and paid for their own space and expenses.
24. Usec. Cristobal also noticed and asked the reason for the decrease in budget appropriated for Gulfood 2013 in the amount of PHP0.213M.
25. It was explained that on 2013 Gulfood, the cost will be pass on to the exhibitors. Also, CITEM entered into partnership (co-share) with other government agencies.
26. Ms. R. Gaetos also informed the Board that CITEM will participate in Salone in April 2013, which involved PHP 6M budgetary cost.
27. Usec. Cristobal made a comment on the PHP 3M budgetary allocation for HALLONE. He mentioned that it will be expected that it should generate more than PHP 3M.
28. He commented that HallOne, being identified as one of the revenue streams of CITEM, should have a Business Plan.
29. Ms. L. Martin, a representative from LBP, suggested that the Work Program of CITEM be presented in a matrix form showing the financial and non-financial variables. It must also present, other than export sales generated, the outcome or the impact of implementing the projects.
30. Usec. Cristobal commented that the work program presented are budgeted on a reduced cost and maximized resources to implement all the projects.
31. Ms. Gaetos told the Board that CITEM is expecting that the request for additional subsidy in the amount of PHP 133M will be approved by DBM so that CITEM could have a bigger presence in the projects presented.
32. It was also explained that the 2 identified revenue streams, Slowfood and LOHAS were not included in the work program.
33. CITEM appropriated the amount of PHP 5.3M for CAEXPO. It was explained that DTI through OLA and CITEM, crafted an Administrative Order, submitted to Malacanang for approval, creating an organizing committee and appropriating funds for the implementation of the project. Should the Administrative Order be approved, the PHP 5.3M budget allocated for CAEXPO will be saved by CITEM.
34. Undersecretary Cristobal requested CITEM to follow up the status and an update of the pending Administrative Order.
35. Ms. Yacapin asked what it is the corporate planning under the institutional promotions funded at PHP 1.3M.

36. Ms. Gaetos explained that these are institutional promotions, ie. AJC and AKC from the counterpart export marketing agencies in Japan and Korea. These are Asian trade promotions forum and conventions. It involved administrative and travel costs in implementing this institutional promotion activities.
37. Usec. Cristobal asked the sources of funds for foreign consultants.
38. Ms. Gaetos answered that those will be funded by the (Trade Related Technical Assistance) TRTA funding.
39. Having no more comments and clarifications and upon motion duly made and seconded, it was—

"RESOLVED, that the proposed Corporate Operating Budget for FY 2013 in the amount of PHP 182.027M based on DBM subsidy of PHP 96.10M, being in order, are hereby APPROVED AND CONFIRMED"

(Res. No. BM 2013-01-09)

#### XI. RATIFICATION OF ACTS OF MANAGEMENT FOR CONTRACTS EXECUTED FROM 16 JUNE 2012 TO 31 DECEMBER 2012

1. Ms. Gaetos informed the Board that there are 13 contracts for ratification and 324 are for the information of the Board.
2. The contracts for ratification and information of the Board are contracts executed and entered by CITEM from 16 June 2012 to 31 December 2012 for consultancy agreements, contracts of lease, contracts of services, procurement of goods, and MOAs.
3. It was also mentioned that the ex-deal agreements, MOUs, with no amount involved were presented on page 16 of the attachments, as this was one of the matters arising from the 05 July 2012 Board meeting.
4. Undersecretary, A.S. Cristobal asked whether contracts presented for ratification were all reviewed by the DTI-Office of Legal Affairs.
5. Director Benjamin T. Subido, the Corporate Board Secretary, confirmed that as part of the complete staff work (CSW), the DTI-Office of Legal Affairs made comments and rendered opinion on the contracts presented.
6. Ms. Yacapin also inquired whether all the contracts presented for ratification and information went through procurement process and were all posted in the CITEM website and PHilgeps.
7. Ms. Gaetos answered that the contracts were procured through government bidding in compliance of the RA 9184. In 2012, some contracts were not posted in the Philgeps but posted in the CITEM website instead.
8. With the new Memo Circular issued by GCG on the PBB, CITEM is now in 100% compliance to post all the notices of award, notices to proceed, and contracts in the PHilgeps.

9. Having no more comments and clarifications and upon motion duly made and seconded, it was—

“RESOLVED, that the Ratification of Acts of CITEM management for contracts of lease, services, MOAs and other agreements entered into from 16 June 2012 to 31 December 2012, being in order, are hereby RATIFIED”

(Res. No. BM 2013-01-10)

## XII. APPOINTMENT OF NON-VOTING HONORARY MEMBERS TO THE CITEM BOARD

1. Ms. Gaetos explained to the Board that CITEM sought opinion from the GCG whether non-voting Honorary members from the government or private sector can be appointed in the CITEM board.
2. CITEM also sought opinion and comment from DTI OLA, however, it recommended to wait for the comment and opinion of GCG.
3. The basis for this proposal is for CITEM to include influential key members of the export community who can provide advice on industry trends as well as maximize their networks of contacts to benefit CITEM's plans and programs.
4. Having no more comments, it was—

“RESOLVED, that the proposal to appoint non voting honorary members to the CITEM Board, being in order, is hereby NOTED”

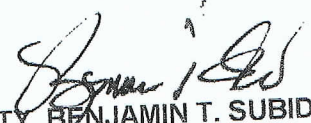
(Res. No. BM 2013-01-11)

## XIII. SCHEDULE OF THE NEXT BOARD MEETING

1. The Board tentatively scheduled next Board meeting on 03 April 2013 at a time and place to be determined by the Board.

## XIV. ADJOURNMENT

This \_\_ of February 2013 at the Department of Trade and Industry, Sen. Gil J. Puyat Ave., Makati City, Philippines.

  
ATTY. BENJAMIN T. SUBIDO  
Corporate Board Secretary