



## MINUTES OF CITEM BOARD OF GOVERNORS MEETING

31 May 2016

Office of the Undersecretary for Industry Promotion Group Conference Room  
3/F DTI International Building,  
375 Sen. Gil J. Puyat Ave., Makati City

### I. Quorum

#### IN ATTENDANCE:

Alternate Chairman

Nora K. Terrado

Undersecretary for Industry Promotion Group (IPG)

Board Members

Ms. Wilhelmina C. Mañalac  
Bangko Sentral ng Pilipinas

Ms. Rosvi C. Gaetos  
CITEM

Ms. Leila C. Martin  
Land Bank of the Philippines

Citem Officers

Ms. Ma. Lourdes D. Mediran  
Deputy Executive Director

Ms. Aurelia O. Cruz  
OIC, Corporate Services

Atty. Anna Grace I. Marpuri  
Corporate Board Secretary

Ms. Doris U. Gacho  
Division Chief, Corporate Planning

Ms. Wilma G. Dulay  
OIC, Finance

### 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 Nora K. Terrado called the meeting to order at 1:45 pm.
2. The Undersecretary welcomed the CITEM Board Members as well as the CITEM officers present in the Board Meeting.

### IV. APPROVAL AND ADOPTION OF THE AGENDA

1. Reading and Approval of the Agenda.

1 | Minutes of the CBG meeting



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**V. MATTERS ARISING FROM THE PREVIOUS BOARD MEETING**

1. Undersecretary N.K. Terrado requested the members of the Board to do a page by page review of the minutes of the previous meeting held last 04 November 2015.
2. Likewise, she asked the Board Members for comments and clarifications on the Minutes of the 04 November 2015 meeting.
3. The Board moved for the approval of the Minutes of the 04 November 2015.
4. Upon motion duly made and seconded, it was ---

“RESOLVED, that the Minutes of 04 November 2015 Board Meeting, being in order, is hereby APPROVED AND CONFIRMED.”

(Res. No. BM 2016-05-01)

**VI. MATTERS ARISING FROM THE PREVIOUS BOARD MEETING**

1. The Board was informed that there were TWO (2) MATTERS arising from the 04 November 2015 Board Meeting:
  - A. CITEM to undertake organization structure benchmarking with CITEM counterpart agencies; and
  - B. Submission of executed contracts to the Commission on Audit in compliance with COA circular 76-43 and 87-728.
2. The Corporate Board Secretary explained that the above Board Matters were already acted upon by CITEM.
3. Having no more comments and clarifications upon motion duly made and seconded, it was---

“RESOLVED, that the Matters Arising from Previous 04 November 2015 Regular Board Meeting, being in order, is hereby NOTED.”

(Res. No. BM 2016-05-02)

**VII. EXECUTIVE DIRECTOR'S 2016 1<sup>ST</sup> SEMESTER ACCOMPLISHMENT REPORT**

1. Executive Director Rosvi Gaetos presented the 2014 and 2015 performance of CITEM with favorable indicators:

	Percentage of Increase from CY 2014 to CY 2015	CY 2014 Values	CY 2015 Values
Revenue from Project Trade Fairs	73 %	Php 35.6 M	Php 61.6M
Exhibitors/ MSMEs Assisted	77 %	985	1,739
Export Sales	107%	\$ 212M	\$ 438.3 M
Actual Sales to Cost		1:66	1:128



2. It was likewise reported that for the past five (5) years, CITEM heavily invested on the following:
- Integrated approach to export promotions;
  - Value Creation
  - Service expansion and upgrading

3. CITEM accomplished the following in line with the DTI breakthrough goals:

	QUICKWINS	VICTORY IN PROGRESS
MANDATE	Expand Manila FAME and Design Week Philippines to include Creative and Innovation Sectors	Average 35% CRR for all projects that will ensure PHP55.1M Total Revenue
Accomplishment as of 30 April 2016	100% Accomplished  Slingshot Philippines was embraced in April Manila FAME as part of the Creative Innovation Sector	38% Accomplished  As CITEM commitment to the GCG, it shall achieve a Cost Recovery Ratio (CRR) of thirty five percent (35%) average for all CITEM projects that will ensure PHP 55.1M total revenue

4. On CITEM International commitments, accomplishments were as follows:

PROJECTS	Export Sales	SMEs assisted	Revenues Generated (in Php)	Media mileage Generated (in Php)	Inquiries Received
Winter Fancy Food Show	\$ 45 Million (Export Sales)	17	Php 1.8 M	PhP 16.23 M	555
Tokyo International Gift Show	\$ 0.32M	3	PHP 0.07M		78
Ambiente	\$ 2.52M	17	PHP 1.32M	PHP 11.64M	605
Gulfood	\$110M	24	PHP 4.52M	PHP 8.49M	1759
Foodex	\$27.5M	18	PHP 2.13M	PHP 5.73M	470
Salone	\$1.5M	4 brands assisted	PHP 0.42M	PHP 16M	
ICFF	\$0.35M	5 brands assisted			1242

5. For the 63<sup>rd</sup> Manila FAME signature event, accomplishments were reported follows:

- 235 SMEs assisted
- 10 Foreign Companies assisted
- 1880 inquiries received
- USD 9.10M export sales generated
- PHP 11.48M revenue generated
- PHP 151.43M media mileage generated

6. The Artisans Village, a special feature and component in Manila Fame, showcased distinct products from the featured Regions. Likewise, to implement the program, CITEM engaged the services of a Product Development Specialist to help the featured Regions develop, modernize, upgrade and make their products marketable to foreign buyers.

- 135 7. On Design Week Philippines (DWP), the event was held in *Intramuros*, 16-24 April 2016, and  
136 accomplished:  
137 a. 29 Events organized  
138 b. 708 participants engaged  
139 c. 6 Katha awardees  
140 d. PHP 28.43M media mileage generated  
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- 142 8. Slinghot Philippines, organized by the Department of Trade and Industry and CITEM, aimed  
143 to build and nurture the innovation ecosystem. Likewise, the event served to inspire and  
144 energize the Philippine startups and innovation community, motivated to catapult new  
145 enterprises shaped by the present game changing realities of disruption, technology and  
146 scale. Accomplishments were as follows:  
147 a. 30 start-up companies assisted  
148 b. 11 design solution companies assisted  
149 c. 577 conference delegates accomplished  
150 d. PHP 26.41M media mileage generated
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- 152 9. For the second semester of 2016, CITEM will implement:  
153 a. CITEM will continue brand building, developing Red Box finalists, strengthening the  
154 Artisans Village for October with the support of the local government units (LGUs).  
155 b. Organize Two (2) selling missions to bring in at least Php 1 Million  
156 c. Expand Manila FAME by embracing other sectors.  
157 d. Design Center to occupy Hall One to bring in additional revenue to CITEM  
158 e. Achieve ISO certification, in compliance with the GCG commitment to CITEM  
159 f. 35% CRR in order for CITEM to pay the 105 existing personnel under the SSL4  
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- 161 10. CITEM is currently preparing 5 major overseas trade shows:  
162 a. Taipei Food Show  
163 b. NY Now  
164 c. Maison et Objet Paris  
165 d. CAEXPO  
166 e. SIAL Paris  
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- 168 11. Board Member W. Mañalac, based on the presentation, asked clarification on how media  
169 mileage was measured?  
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- 171 a. Ms. Gaetos answered publicity or any mileage is monitored and tracked by the  
172 CITEM Marketing Communications Division. The mileage is computed based on a  
173 formula utilized by advertising groups.  
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- 175 12. It was further explained that CITEM's media mileage is sourced from:  
176 a. CITEM's in-house PR and Publicity team  
177 b. The other one is driven by Manila FAME or other CITEM led events who come to the  
178 show; and write a review or blog their comments.  
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- 180 13. CITEM should translate how media mileage be reflected to actual savings rather than cost or  
181 expense, particularly from media mileage generated from voluntary online blogs and reviews.  
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- 183 14. Having no more comments and discussion, it was ---  
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185 "RESOLVED, that the 2016 Executive Director's  
186 Report for 1<sup>st</sup> Semester Projects (JANUARY –  
187 JUNE), being in order, is hereby NOTED."  
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189 (Res. No. BM 2016-05-03)  
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## VIII. 2016 CITEM FINANCIAL REPORT

### 1. The 2015 Financial Performance Indicators were at:

Current Ratio	2.68%
Cash in Bank Ratio	2.35%
Solvency Ratio	0.18%
Profitability Ratio	-0.01%

### 2. While CITEM's financial position during CY 2015 in terms of assets were at:

Cash in Bank (Operational Fund)	32%
Cash in Bank (Restricted Fund)	55%
Total percentage of assets	86%
Fixed assets	8%

### 3. Whereas, CITEM's financial position during CY 2015 in terms of liabilities were at:

Retained Earnings	21%
Total Liabilities	15%

### 4. CITEM's financial performance for CY 2014, as follows:

Gross Income	Php 223.839 Million
Corporate Income	Php 37.38 Million
(Other Service Income-Participation Fees)	
Government Subsidy	Php 186.443 Million
CY 2014 Corporate Income	Php 74.719 Million

### 5. Having no more comments---

"RESOLVED, that the 2016 CITEM  
Financial Report, being in order, is hereby NOTED."

(Res. No. BM 2016-05-04)

## IX. SUMMARY OF MARCH 2016 CITEM BOARD APPROVED MATTERS THROUGH REFERENDUM

### 1. The March 2016 CITEM Board Approved Matters through Referendum:

- Designation of Supervising Undersecretary for Industry Promotion Group(IPG), Nora K. Terrado, as the Alternate Chairman of the Board
- Approval of the supplemental budget for Capital Outlay for 2016
- Increase in signing authority of the Executive Director for Purchase Requests and Contracts from Php 3 Million to Php 5 Million
- Approval and authority to secure corporate credit card as alternate mode to settle corporate purchases and obligations
- Approval and authority to open a new regular account with Land Bank of the Philippines
- Acts of management for the period of December 2015 to February 2016

### 2. Having no more comments---

"RESOLVED, that the summary of March 2016  
CITEM Approved Matters through Referendum,  
being in order, is hereby NOTED."

(Res. No. BM 2016-05-05)

## **X. CITEM REORGANIZATION**

1. In a recent meeting of CITEM with the Governance Commission for GOCCs (GCG), CITEM Reorganization Plan is one of the proposed strategies to achieve the Agency's financial viability plan.
2. Likewise, the plan to undertake reorganization will ensure efficiency and effectiveness in CITEM operations.
3. Likewise, CITEM is seeking immediate approval for the creation of the CITEM Management Team (CMT) to spearhead the implementation of the CITEM Reorganization.
4. Having no more comments and clarification and upon motion duly made and seconded, it was---

"RESOLVED, that the Commencement of the Reorganization of CITEM under GCG Memorandum Circular 2015-04 and providing its governance structure, being in order, is hereby APPROVED AND CONFIRMED."

*(Res. No. BM 2016-05-06)*

"RESOLVED FURTHERMORE, that the creation and composition of the Change Management Team (CMT), being in order, is hereby APPROVED AND CONFIRMED."

*(Res. No. BM 2016-05-07)*

## **XI. 2016 PERFORMANCE NEGOTIATION AGREEMENT (PNA) BETWEEN GCG AND CITEM**

1. The State through the Governance Commission for GOCCs (GCG) is mandated to establish a Performance Evaluation System (PES), including performance scorecards which shall apply to all GOCCs in general.
2. The PES shall provide the framework for setting the organizational targets of a GOCC.
3. Last February 01, 2016, CITEM signed a Performance Negotiation Agreement (PNA) with the Governance Commission for GOCCs (GCG) that contained the Performance Scorecard 2016, Strategic Measures, Specific Objectives and Good Governance Conditions that will measure the performance of CITEM for 2016.
4. Having no more comments and clarification and upon motion duly made and seconded, it was---

"RESOLVED, that the 2016 Performance Negotiation Agreement between CITEM and the GCG, is hereby APPROVED and CONFIRMED."

*(Res. No. BM 2016-05-08)*

## **XII. DISPOSAL OF UNSERVICEABLE CITEM VEHICLES**



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1. It was reported that CITEM has 2 unserviceable vehicles beyond economic repair, subject for disposal.
  2. The Board finds no objection to the disposal of the unserviceable vehicles.
  3. Having no more comments and clarification and upon motion duly made and seconded, it was

"RESOLVED, that the disposal of Official CITEM Vehicles:

MITSUBISHI L300 Deluxe 1996 prod. 200cc Gasoline Engine  
Chassis # L067WQ24-01912  
MOTOR 4G63A-A8719  
PLATE SEK-736  
PROPERTY NO 7913

DONG FENG FENGXING LINGZHI VAN 2008 MPV SEDAN, BEIGE COLOR  
Engine Chassis # LGB1ACE158ZOO4887  
MOTOR 4G64S4M-SGA7440  
PLATE SEK-662  
PROPERTY NO. 13854

Being in order, is hereby APPROVED AND CONFIRMED.

(Res. No. BM 2016-05-08)

### **XIII. ACTS OF MANAGEMENT FOR CONTRACTS FOR THE PERIOD FEBRUARY – MAY 2016**

1. There are 17 and 77 contracts for Ratification and for Information of the Board, respectively;
2. These contracts were executed and entered by CITEM from 15 February 2016 to May 2016 for consultancy agreements, contracts of lease, contracts of services, procurement of goods, and MOAs.
3. As a matter of policy contracts with considerations of Php 1 Million and above should be presented to the Board for ratification.
4. Having no more comments and clarifications and upon motion duly made and seconded, it was---

"RESOLVED, that the Contracts executed  
by CITEM Management for the period  
15 February - 31 May 2016, being in  
order, is hereby RATIFIED."

(Res. No. BM 2016-05-09)

### **XIV. OTHER MATTERS**

1. No other matters were presented to the Board.

### **XV. SCHEDULE OF NEXT BOARD MEETING**

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XVI. **ADJOURNMENT**

The meeting adjourned at 3:30 in the afternoon.

This 31<sup>st</sup> day of May 2016 at Department of Trade and Industry International Building, 375 Sen. Gil J. Puyat Ave., Makati City, Philippines.

  
**ATTY. ANNA GRACE I. MAPURI**  
Corporate Board Secretary