



PERFORMANCE AGREEMENT

This Performance Agreement has been executed pursuant to the **PERFORMANCE EVALUATION SYSTEM FOR THE GOCC SECTOR (GCG MC No. 2013-02 [Re-Issued])** between the –

GOVERNANCE COMMISSION FOR GOCCs (GCG)

- and -

**PHILIPPINE INTERNATIONAL TRADING CORPORATION
(PITC)**

WHEREAS, the Parties above entered into a Performance Agreement covering CY 2016;

WHEREAS, the Parties agreed to renegotiate certain targets for CY 2015, pursuant to Section 7.2 of GCG MC No. 2013-02 (Re-Issued), which provides that "GOCCs can renegotiate the targets set in their Performance Agreements for the current year if the same are no longer feasible due to substantial changes in circumstances that could not have been foreseen at the time the targets were agreed upon."

WITNESSETH: THAT –

The Parties agree to the following terms:

- 1. Renegotiation.** – PITC's Performance Scorecard in its 2015 Performance Agreement is hereby amended pursuant to the attached **Renegotiated Performance Scorecard**. All other conditions in the Performance Agreement covering CY 2015 shall remain effective.
- 2. Mission and Vision.** – PITC's Mission, Vision and target breakthrough results for its vision year are as follows:
 - Mission :** **As the state trading enterprise, PITC engages in exports, trade services, and special trading arrangements; ensures most efficient and cost effective procurement services for government; contributes to price and supply stabilization of goods and services; and creates strategic alliances that promote the growth and sustainability of businesses and enterprises.**
 - Vision :** **By 2020, PITC shall be a global state trading and marketing enterprise in support of the development of domestic industries.**

<i>(in million pesos)</i>	Baseline				
	2013	2014	2015	2016	2020
Countertrade	₱61.294	₱70.799	₱467.695	₱625.991	₱1,140.31
Exports and Imports	₱5.693	₱10.832	₱20	₱278.523	₱341.582
Custom Bonded Warehouse	₱867.037	₱1, 046.16	₱1,082	₱1,600	₱2,000.93
Procurement	₱1,288.97	₱2,206.44	₱2, 214	₱3,258	₱3,595.33

The agreed Strategy Map for achieving the vision is attached hereto as **Annex A**. The above breakthrough results shall serve as the context of performance negotiations of annual targets between the Governance Commission and the Board of the GOCC until the vision year.

3. **Measurement of Performance.** – Performance for 2015-2016 shall be measured based on the Performance Scorecard attached hereto as **Annexes B** and **B-1**, respectively. It is understood that the GOCC must achieve a weighted-average of at least 90% based on the agreed targets for 2016 to be eligible to grant any Performance-Based Bonus.
4. **Strategic Initiatives.** – PITC hereby commits to undertaking the following key programs and/or projects identified as having a significant impact on its Performance Scorecard (PES Form 2) attached hereto as **Annex C**, to wit:
 - (a) Strategic Initiative 1 – Establishment of Additional CBWs;
 - (b) Strategic Initiative 2 – Expansion of PITC International Marketing Network;
 - (c) Strategic Initiative 3 – Supply Base Expansion Program for In Demand Products;
 - (d) Strategic Initiative 4 – Expanding Client Portfolio and Enhancing Mechanisms for Acquiring New Technology Products;
 - (e) Strategic Initiative 5 – Amendment of “Best efforts” Clause of Countertrade EO to Mandatory on Selected Procurements;
 - (f) Strategic Initiative 6 – Research on New Countertrade Business Models;

The Commitment herein includes obtaining all necessary approvals, if applicable, such as those for Major Development Projects under GCG MC No. 2013-03. PITC shall include updates on the foregoing Strategic Initiatives in its submission of quarterly monitoring reports to the GCG.

5. **Quarterly Submission of Performance Monitoring.** – PITC shall submit a quarterly monitoring report to the GCG within thirty (30) calendar days from the close of each quarter.
6. **Good Governance Conditions.** – In addition to the covered portions of the Performance Scorecard, the GOCC must fully comply with the Good Governance Conditions enumerated under GCG MC No. 2013-02 (Re-Issued), GCG MC No. 2014-02, and GCG MC No. 2014-03 namely:
 - 6.1. **Conditions Common to National Government Agencies and GOCCs:**
 - (a) Transparency Seal;
 - (b) PhilGEPS Posting;

- (c) Cash Advance Liquidation;
- (d) Citizen's Charter or its equivalent; and
- (e) Compliance with the submission and review requirements covering Statement of Assets, Liabilities and Networth (SALN);

6.2. *Conditions Specific to GOCCs Covered by R.A. No. 10149:*

- (a) Satisfaction of all statutory liabilities, including the payment of all taxes due to the Government, and declaration and payment of all dividends to the State as cleared by the Department of Finance.
- (b) Submission and execution of concrete and time bound action plans for addressing Notices of Disallowances and Audit Observation Memoranda from the Commission on Audit (COA), if any.
- (c) Adoption of a *"Manual of Corporate Governance"* pursuant to Section 42 of the **CODE OF CORPORATE GOVERNANCE FOR GOCCs (GCG MC No. 2012-07)** that is approved by GCG and uploaded on the GOCC's website.
- (d) Compliance with posting on the GOCC's website the information enumerated under Section 43 of GCG MC No. 2012-07.
- (e) Adoption of a **No GIFT POLICY** approved by the GCG and uploaded on the GOCC's website pursuant to Section 29 of GCG MC No. 2012-07.
- (f) Compliance with the deadlines and submission of reports through the Integrated Corporate Reporting System (ICRS) pursuant to GCG MC No. 2014-02.
- (g) Compliance by all members of the Governing Board with the submission of all required forms for the Director Performance Review (DPR) pursuant to GCG MC. No. 2014-03 and implementing issuances pursuant thereto.
- (h) Submission of Corporate Operating Budgets (COBs):
 - i. For GOCCs receiving national government budgetary support, COBs shall be submitted to the Department of Budget and Management (DBM) for review and approval on or before the deadline indicated in DBM National Budget Memorandum No. 120 on "Budget Call for FY 2015;"
 - ii. For GOCCs without national government budgetary support, COBs shall be submitted to the Governance Commission using the same deadline as provided in DBM National Budget Memorandum No. 120.

7. PITC shall timely inform GCG of all audit observations and notices of disallowances within seven (7) working days from the time it receives the same from the Commission on Audit (COA) prior to the regular publication of the final annual audit report. Accordingly, PITC shall copy furnish the Governance Commission copies of all written communications between PITC and COA on such matters, inform GCG of the schedule of its exit interview with COA seven (7) working days before the schedule or as soon as practicable, and other efficient means of inter-agency coordination.

Failure to timely disclose such matters to the Governance Commission prior to the same becoming public information or the submission of the application for the Performance-Based Bonus (PBB) or Performance-Based Incentive (PBI) may be considered as non-compliance with the Good Governance Condition of submitting Concrete and Time Bound Action Plans on findings of COA, rendering the Governing Board **INELIGIBLE** to apply for the PBI, without prejudice to a further determination on the impact of the same on the GOCCs PBB application.

8. Nothing herein shall be construed as limiting the authority of GCG to initiate renegotiations and/or revoke Performance Agreements in accordance with existing laws, rules and regulations.

DONE, this 19th day of February 2016, in the City of Makati, Philippines.

**GOVERNANCE COMMISSION FOR
GOCCs**

BY AUTHORITY OF THE COMMISSION:



CESAR L. VILLANUEVA
Chairman



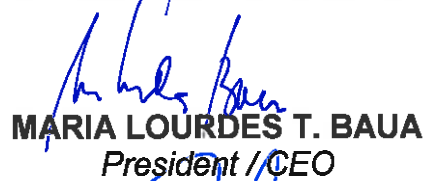
MA. ANGELA E. IGNACIO
Commissioner



RAINIER B. BUTALID
Commissioner

**PHILIPPINE INTERNATIONAL
TRADING CORPORATION**

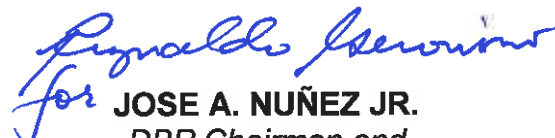
ADRIAN S. CRISTOBAL JR.
DTI Secretary and Chairman



MARIA LOURDES T. BAUA
President / CEO

Per 

PROCESO J. ALCALA
*DA Secretary and
Ex Officio Board Member*


for **JOSE A. NUÑEZ JR.**
*DBP Chairman and
Ex Officio Board Member*

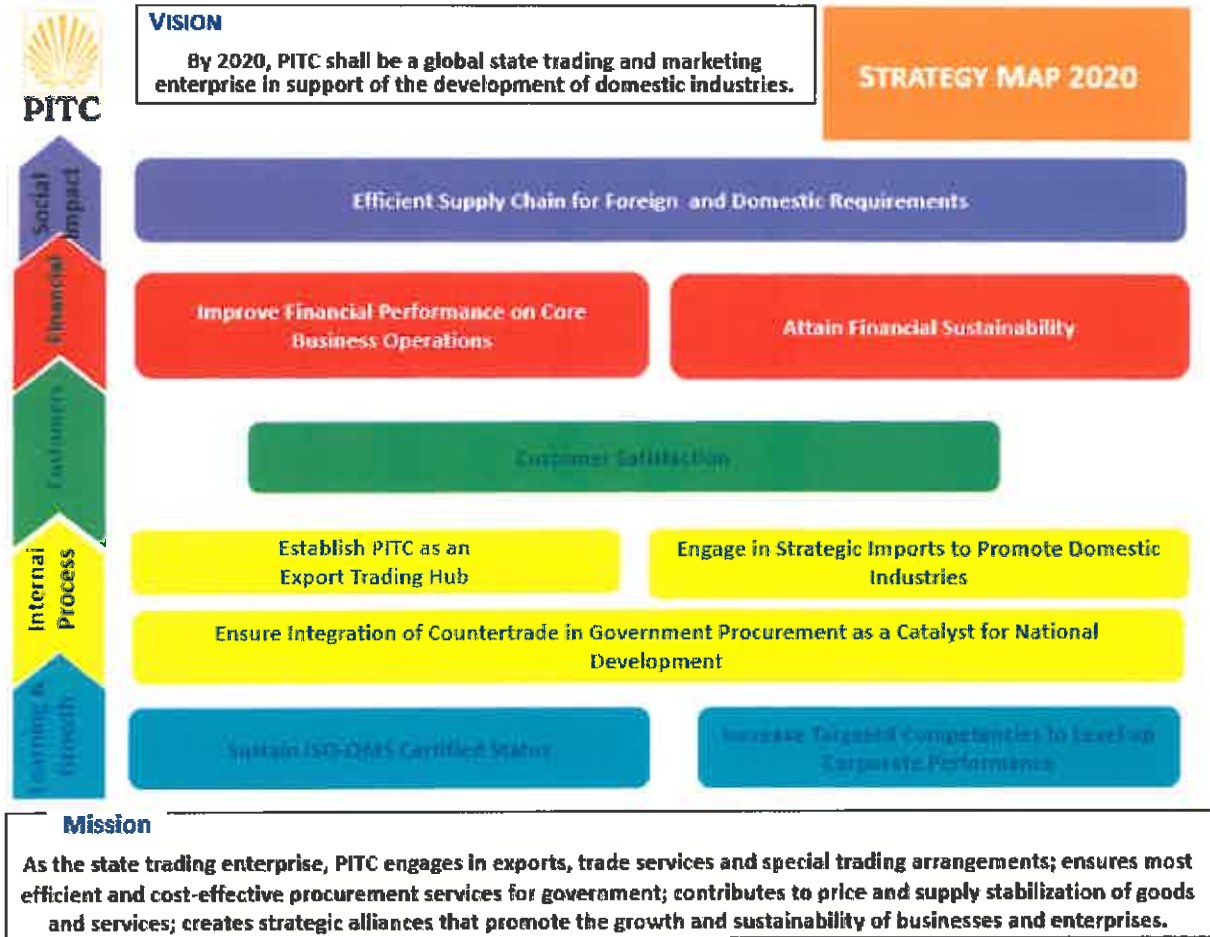

RAMON JESUS P. PAJE
*DENR Secretary and Ex Officio
Board Member*


MA. LOURDES F. REBUENO
*NDC General Manager and
Ex Officio Board Member*

for: P-2. P-2
EMMANUEL F. ESGUERRA
Acting NEDA Director General and Ex
Officio Board Member

J. La Viña
JOSE GABRIEL M. LA VIÑA
Member

PHILIPPINE INTERNATIONAL TRADING CORPORATION



Core Values: Professionalism. Integrity. Teamwork. Creativity. Service Orientation

PHILIPPINE INTERNATIONAL TRADING CORPORATION

Component		Baseline		Target		
Objective/Measure	Formula	Weight	Rating System	2013	2014	2015
SO 1 Efficient Supply Chain for Foreign and Domestic Requirements						
SM 1	Improved participation of accredited suppliers	Absolute Number	0%		n/a	400
SM 2	Proportion of successful contracts to the value of the contract	Number of successful contracts/number of suppliers	12%	Actual/Target x Weight		6.25% (25 successful contracts/400 accredited suppliers)
		Sub- Total	12%			440
SO 2 Improve Financial Performance on Core Business Operations						
SM 3	International Trade Revenue	Absolute Amount	15%	Actual/Target x Weight	₱934.024 Million	₱1,128 Million
SM 4	Gross Revenue from Procurement	Absolute Number	5%	Actual/Target x Weight	₱1,228 Million	₱2,206 Million
SO 3 Attain Financial Sustainability						
SM 5	Net Income	Gross Profit + Operating Income + Other Operating Income - Operating Expense - Finance Cost	10%	Actual/Target x Weight	₱(0.222 Million)	₱0.238 Million
		Sub-total	30%			₱4.714 Million
FINANCIAL						
SOCIAL IMPACT						

		Component			Baseline		Target
Objective/Measure		Formula	Weight	Rating System	2013	2014	2015
SO 4	Customer Satisfaction						
SM 6	Number of Agreements or Contracts signed with suppliers and buyers (Trading)	Absolute Number	10%	Actual/Target x Weight	35	68	84
SM 7	Over-all satisfaction rating (Third Party)	Adjectival rating	10%	Actual/Target x Weight	n/a	Very Satisfactory	At least Satisfactory
		Sub-total	20%				
SO 5	Offer an Array of Innovative and Non-Traditional Approaches and Customized Services for its Extensive Network of Clients						
SM 8	No. of Dealerships or Local Representations for New Technologies or Component Materials	Absolute Number	5%	Actual/Target x Weight	n/a	3	4
SM 9	No. of Export Producers Utilizing Customs Bonded Warehouse Services	Absolute Number	5%	Actual/Target x Weight	22	17	20
SM 10	No. of Countertrade Agreements Signed with Suppliers	Absolute Number	5%	Actual/Target x Weight	n/a	5	6
SO 6	Check Compliance of Supplier with PH Government and International Regulatory Bodies (Vetting)						
SM 11	No. of Export Suppliers Vetted & Certified	Absolute Number	5%	Actual/Target x Weight	310	400	440
CLIENTS / STAKEHOLDERS							
INTERNAL PROCESS							

Component		Baseline			Target	
Objective/Measure	Formula	Weight	Rating System	2013	2014	2015
SO 7	Resolve Contract Implementation Issues (Project Implementation)					
SM 12	Percentage of requests responded on Exports	Total number of responses made (email or letter)/Total number of issues raised/received	5%	Actual/Target x Weight	n/a	85%
		Sub-total	25%			
SO 8	Increase the Competencies of the Business and Support Units					
SM 13	Achieve group performance targets	Actual/Target x 100	5%	Actual/Target x Weight	n/a	90%
SO 9	Automate Key Business Processes					
SM 14	ICT-based systems automated	Absolute Number	3%	Actual/Target x Weight	n/a	1
SO 10	Acquire and Sustain ISO Certification of QMS					
SM 15	ISO 9001:2008 QMS acquired and sustained		5%	Actual/Target x Weight	n/a	Prepared QMS Manual & Manual of Procedures
		Sub-total	13%			ISO Certification acquired
		TOTAL	100%			
LEARNING AND GROWTH						

PHILIPPINE INTERNATIONAL TRADING CORPORATION

		Component			Baseline		Target
Objective/Measure		Formula	Weight	Rating System	2014	2015	2016
SO 1	Efficient Supply Chain for Foreign and Domestic Requirements						
SM 1	Increase percentage of International Trading Revenues from the priority sectors: 1) Processed Food, 2) Agri-based Commodity, 3) Furniture, Furnishings & Crafts, 4) Transport	Revenue from the priority sectors/Total Revenue from Exports and Imports	10%	Actual/ Target x Weight	79% (P8.583 Million / P10.832 Million)	50%	60%
SM 2	Increase in Customs Bonded Warehousing Facilities for SMEs	Absolute Number	10%	Actual/ Target x Weight	3	3	4
		Sub-total	20%				
SO 2	Improve Financial Performance on Core Business Operations						
SM 3	Gross Revenues from Exports and Imports activities	Absolute amount	5%	Actual/ Target x Weight	P10.832 Million	P20 Million	P278.523 Million
SM 4	Gross Revenue from Countertrade	Absolute amount	5%	Actual/ Target x Weight	P70.799 Million	P467.695 Million	P625.991 Million
SM 6	Gross Revenue from Customs Bonded Warehouse	Absolute amount	5%	Actual/ Target x Weight	P1,046 Million	P1,082.42 Million	P1,600 Million
FINANCIAL							
SOCIAL IMPACT							

Component		Baseline			Target	
Objective/Measure	Formula	Weight	Rating System	2014	2015	2016
SM 7	Gross Revenue from Procurement	Absolute amount	Actual/Target x Weight	₱2,206 Million	₱2,214 Million	₱3,258 Million
SO 3	Attain Financial Sustainability					
SM 8	Net Income	Gross Profit + Operating Income + Other Operating Income - Operating Expense - Finance Cost	Actual/Target x Weight	₱0.238 Million	₱4.714 Million	₱4.447 Million
		Sub-total				
SO 4	Customer Satisfaction					
SM 9	Over-all satisfaction rating (Third Party)	Adjectival rating	Actual/Target x Weight	Very Satisfactory	At least Satisfactory	10% increase from 2015 but not lower than Satisfactory
		Sub-total				
SO 5	Establish PITC as an Export Trading Hub					
SM 10	Percentage of export producers linked to buyers	Number of successful contracts/Total Number of vetted and accredited Exports suppliers	Actual/Target x Weight	6.25% (25 successful contracts/400 suppliers)	9.09% (40 successful contracts/440 suppliers)	12% (54 successful contracts/450 suppliers)
STAKEHOLDERS						
INTERNAL PROCESS						

Component		Baseline			Target	
Objective/Measure	Formula	Weight	Rating System	2014	2015	2016
SO 6	Engage in Strategic Imports to Promote Domestic Industries					
SM 11	Percentage of technology requirements served to the domestic industries (government clients)	Number of successful contracts/Total Number of vetted Imports Suppliers	10%	Actual/Target x Weight	n/a	40% (2 successful contracts/5 suppliers) 60% (3 successful contracts/5 suppliers)
SO 7	Ensure Integration of Countertrade in Government Procurement as a Catalyst for National Development					
SM 12	Number of new NGAs integrating Countertrade	Absolute Number	5%	Actual/Target x Weight	3	2
SM 13	Number of Countertrade agreements signed with suppliers	Absolute Number	5%	Actual/Target x Weight	14	7
		Sub-total	35%			
SO 8	Sustain ISO-QMS Certified Status					
SM 14	ISO-QMS certification sustained	ISO Certification	5%		n/a	Certified Maintain Certification
SO 9	Increase Targeted Competencies to Level Up Corporate Performance					
SM 15	Percentage of improvement from baseline on targeted competencies	Number of improved competencies/Total number of targeted competencies	5%	Actual/Target x Weight	3/8 (38%)	5/8 (63%) 7/8 (88%)
		Sub-total	10%			
		TOTAL	100%			
LEARNING AND GROWTH						

PHILIPPINE INTERNATIONAL TRADING CORPORATION

STRATEGIC INITIATIVES PROFILE

I. STRATEGIC INITIATIVE PROFILE I

1. **Name of Project: Establishment of Additional CBWs**
2. **Contact Person/Project Team Head: Edgardo Bernardo, CBW Department Manager**
3. **Project Description:** The Customs Bonded Warehouse (CBW) Service Facility is for the "duty and tax free" importation of raw materials, packaging materials and accessories to be used in the manufacture/processing of products for re-exports.
4. **Project Milestones:**

Davao CBW

Activities	Timeline		Budget	Funding Source	Status
	Start	End			
1) Establish prospective clients/users and their projected importation volume and value in coordination with DTI and Philexport, Industry Associations	May-15	Sep-15		PITC COB	Conducted business presentation at DTI Davao last May 2015. Met also with Philexport Ongoing
2) Establish project income potential. Validate prospective client data.	Sep-15	Dec-15			
3) Prepare documentary requirements for Bureau of Customs for the application for PITC Davao CBW license	Jan-16	Feb-16			
4) Work on the approval of PITC Davao CBW license with BOC-Davao for transmittal to BOC-Manila	Feb-16	Mar-16			
5) Identify and lease physical warehouse for the PITC Davao CBW	Feb-16	Mar-16			
6) Hire/Assign personnel to be stationed at the PITC Davao CBW	Mar-16	Apr-16			

Activities	Timeline		Budget	Funding Source	Status
	Start	End			
7) Work on/ Coordinate/ Liaise with the BOC-Manila for the approval of application of the PITC Davao CBW license	Apr-16	Sep-16			
8) Coordinate with target clients for the submission of accreditation documents to PITC and BOC	Apr-16	Ongoing activity			
9) Work on/Coordinate/ Liaise with the BOC-Manila for the approval of accreditation of clients with the PITC Davao CBW	Apr-16	Oct-16			
10) Start-up operations of the PITC Davao CBW. PITC CBW License to Operate renewable every two (2) years	By 1st quarter Y2017		₱5.365 M Operating expenses per year		
Total			₱5.365 M		

General Santos CBW

Activities	Timeline		Budget	Funding Source	Status
	Start	End			
1) Establish prospective clients/users and their projected importation volume and value in coordination with DTI and Philexport, Industry Associations	August 2015	Dec 2015		PITC COB	Meeting with DTI and Philexport scheduled 2nd week August 2015
2) Establish project income potential. Validate prospective client data	Dec 2015	Mar 2016			
3) Prepare documentary requirements for Bureau of Customs for the application for PITC Gensan CBW license	Mar 2016	Apr 2016			
4) Work on the approval of PITC Gensan CBW license with BOC-Gensan for transmittal to BOC-Manila	Apr 2016	May 2016			
5) Identify and lease physical warehouse for the PITC Gensan	Apr 2016	May 2016			

Activities	Timeline		Budget	Funding Source	Status
	Start	End			
CBW					
6) Hire/Assign personnel to be stationed at the PITC Gensan CBW	May 2016	June 2016			
7) Work on/ Coordinate/Liaise with the BOC-Manila for the approval of application of the PITC Gensan CBW license	June 2016	Nov 2016			
8) Coordinate with target clients for the submission of accreditation documents to PITC and BOC	June 2016	Ongoing activity			
9) Work on/Coordinate/ Liaise with the BOC-Manila for the approval of accreditation of clients with the PITC Gensan CBW	June 2016	Dec 2016			
10) Startup operations of the PITC Gensan CBW PITC CBW License to Operate renewable every two (2) years	By 1st quarter Y2017				
Total			P5.365M		

5. Measures Affected:

- a. Number of additional CBWs established
- b. Number of exporters/producers utilizing CBW services

II. STRATEGIC INITIATIVE PROFILE II

1. Name of Project: Expansion of PITC International Marketing Network

2. Contact Person/Project Team Head: Joel S. Rodriguez, Department Manager, Exports Services

3. Project Description: The program aims to expand the international marketing network for exports, generate accounts and revenues that will help establish and sustain the profitability objectives of PITC Exports.

4. Project Milestones:

Activities	Timeline		Budget	Funding Source	Status
	Start	End			
Organize briefing/consultative meetings to present PITC, updates on products, exports services, marketing thrusts and discuss areas of cooperation with the following strategic partners:	Jan-16	Dec-16	₱0.050M	PITC COB	
FTSC Foreign Trade Officers & DFA					
Foreign Embassies Trade Desk, Trade Support Organizations					
FTSC & Embassies - collaterals			₱0.050M		
Promptly respond to inquiries from Buyers referred by Partners and Service Buyers order requirements	Jan-16				
Total			₱0.100M		

5. Measures Affected:

- a. No. of buyers with consummated transactions to sustain the business
- b. No. of partnerships with export producers with supply capacity of in-demand products

III. STRATEGIC INITIATIVE PROFILE III

- 1. Name of Project:** Supply Base Expansion Program for In Demand Products
- 2. Contact Person/Project Team Head:** Joel S. Rodriguez, Department Manager, Exports Services
- 3. Project Description:** The program aims to strengthen PITCs supply capability as the premier state-owned international trading company to cope up with the market demands and buyers supply requirements for in-demand products through expansion of its supply base and establishing alliance with key suppliers/export producers.
- 4. Project Milestones:**

Activities	Timeline		Budget	Funding Source	Status
	Start	End			
Organize briefing to Industry Associations on PITC, export marketing activities & services and supply requirements. One event each for: <ul style="list-style-type: none"> • Food sector • Non-Food sector • Venue 	Jan 2016	June 2016	₱0.050 M (50pax x P500 = ₱25,000 x 2 events) ₱0.030 M	PITC COB	
Conduct one-on-one consultation meetings with Suppliers/Export Producers to discuss specific requirements	Jan 2016	Dec 2016			
Secure product brochures, photos and price quotations/Prepare PITC product portfolio	Jan 2016	Dec 2016	₱0.050 M		
Conduct factory visits/ocular inspection of plant & manufacturing facilities	Jan 2016	Dec 2016	₱0.100 M		
Network with Go Negosyo and other prominent Business Organizations Travel & Collaterals	Jan 2016	Dec 2016	₱0.050 M		
Total			₱0.280 M		

5. Measures Affected:

- a. Gross Revenue
- b. Gross Income
- c. Operating Income
- d. Net Income
- e. No. of buyers with consummated transactions to sustain the business
- f. No. of partnerships with export producers with supply capacity of in-demand products in-demand products

IV. STRATEGIC INITIATIVE PROFILE IV

- 1. Name of Project: Expanding Client Portfolio and Enhancing Mechanisms for Acquiring New Technology Products**

- 2. Contact Person/Project Team Head: Vivian E. Monsanto, Department Manager, Imports Department**
- 3. Project Description:** PITC Imports Department undertakes international trading of commodities products, wares, merchandise, machineries, equipment and intermediate goods and services through importation, dealership and distribution through different trading methods: Direct Trading (Back to Back Arrangement/3rdCountry) Indirect Trading and Dealership/ Distributorship/Local Sales.

The project aims to increase its present clientele and enhance its various trading mechanisms to ensure that new technologies are available for the domestic industries.

4. Project Milestones:

Activities	Timeline		Budget	Funding Source	Status
	Start	End			
Research/ check government agencies (NGAs) that are not procuring thru GAG but procuring imported products, wares, merchandise, machineries, equipment and intermediate goods and non-governmental organizations (NGOs) donors / beneficiaries	Jan-16	Feb-16		PITC COB	
Check annual procurement plan (APP) of above NGAs and NGOs imported donations	Jan-16	Feb-16			
Business / Marketing Plan:	Mar-16	Jun-16			
Develop a business / marketing plan for NGAs and NGOs:					
Marketing Strategy					
Develop strategic sourcing action plan					
Client Needs Analysis for new technology products					
Develop detailed work plan	Apr-16	May-16			
Identify responsible Account owners and support Team					
Determine resource requirements by category					
Research	Jul-16	Sep-16			

Activities	Timeline		Budget	Funding Source	Status
	Start	End			
Analyze supply chain gaps of NGAs and supplier development plan					
Collect relevant information and analyze data					
Evaluate Customer requirements, establish product / services specifications / product specifications options / products substitutes, challenges of product requirements and evaluate demand opportunities					
Check international / local regulatory compliances of customer's requirements					
Gather market data on industry in order to understand the supplier's market place. Identify potential suppliers (who are market leaders, key players, competitors)					
Establish supplier selection criteria and weights					
Negotiations with suppliers.					
Formulate negotiation objectives (1) for regular trading supply (2) for dealership	Aug-16	Dec-16			
Identify negotiation issues					
Prepare negotiation plans.					
Select supplier engagement path & develop request for proposal (RFP) package, if Dealership, Submit to Dealership Committee for evaluation	Aug-16	Aug-16			
Evaluate RFP based on criteria and weights identified and short list of suppliers / bidders for negotiations	Aug-16	Aug-16			
Conduct Negotiations with suppliers	Sep-16	Dec-16			

Activities	Timeline		Budget	Funding Source	Status
	Start	End			
Forge supply Agreement	Oct-16	Dec-16			
Actual sales and delivery	Feb-17	Dec-17			
Total			₱ 0.050M		

5. Measures Affected:

- a. Gross Revenue
- b. Gross Income
- c. Operating Income
- d. Net Income
- e. No. of NGAs contracting PITC as importer on record
- f. No. of NGOs and private sector organizations contracting PITC for importation services

V. STRATEGIC INITIATIVE PROFILE V

1. Name of Project: Amendment of “Best efforts” Clause of Countertrade EO to Mandatory on Selected Procurements

2. Contact Person/Project Team Head: David A. Inocencio, Department Manager, Countertrade Department

3. Project Description: The Countertrade integration in government procurement is not mandatory. It allows the government agency discretion on whether to implement Countertrade. It has become the Achilles heel of the Executive Order. This has been used as the excuse for non-implementation of Countertrade. PITC proposes a revision and review of the said provision for “best efforts” to mandatory in the procurement of the following:

- a. Defense equipment and munitions
- b. Special Purpose Vehicles: Ambulances, Firetrucks, Emergency Equipment
- c. Ships i.e. Naval Vessels, Coast Guard Vessels, NAMRIA Mapping Vessels, MARINA Patrol Vessels
- d. Medical equipment
- e. Railroad and train engines

4. Project Milestones:

Activities	Timeline		Budget	Funding Source	Status
	Start	End			
Conduct of research studies on Countertrade & Offset Programs of other countries i.e. Malaysia & Indonesia <ul style="list-style-type: none"> • Mandatory vs. Non-mandatory • Implementation in Defense & Non-Defense Equipment 	Jan 2016	Apr 2016	₱0.300 M (Hiring of Researcher)	PITC COB	
Drafting of proposal on a National Countertrade and Offset Policy and proposed revision on the Executive Order in Countertrade	May 2016	Jun 2016			
Consultation with stakeholders on proposed National Countertrade and Offset Policy	July 2017		₱0.025 M		
Final draft & revision of Executive Order	Sept 2017				
Memorandum Circular of revised/ amendment Executive Order	Nov 2017				
Total			₱0.325 M		

5. Measures Affected

- a. Gross Revenue
- b. Gross Income
- c. Operating Income
- d. Net Income
- e. No. of NGAs w/ procurement budget of at least 3 Billion integrating Countertrade

VI. STRATEGIC INITIATIVE PROFILE VI

1. Name of Project: Research on New Countertrade Business Models

2. Contact Person/Project Team Head: David A. Inocencio, Department Manager, Countertrade Department

3. Project Description: The Countertrade integration in government is that it leverages Countertrade benefits from government procurement. It has not succeeded in the other types of Countertrade business models. These include bilateral trade transactions, debt swap transactions and bilateral arrangements.

The project is essentially to research working business models adopted by other countries i.e. bilateral trade transactions – India & Indonesia, barter – Thailand & Indonesia.

4. Project Milestones:

Activities	Timeline		Budget	Funding Source	Status
	Start	End			
Define the problem <ul style="list-style-type: none"> • Set research objectives • Identify possible marketing actions 	Jan 2016	Mar 2016		PITC COB	
Develop the research plan <ul style="list-style-type: none"> • Specify constraints • Identify data needed for marketing actions • Determine how to collect data 	May 2016				
Collect relevant information by specifying <ul style="list-style-type: none"> • Analyze data • Present findings 	Jun 2016	Dec 2017			
4. Take marketing actions <ul style="list-style-type: none"> • Identify action recommendations • Implement action recommendations • Evaluate results 	Jan 2017				
Total			₱ 0.050M		

5. Measures Affected

- a. Gross Revenue
- b. Gross Income
- c. Operating Income
- d. Net Income
- e. No. of NGAs w/ procurement budget of at least 3 Billion integrating Countertrade