



SUCCESS STORY

Macedonian Shoes Hit Aussie Sidewalks

Commercial Finance Fund gives Macedonia's small businesses a boost



Photo: USAID/Kristina Stefanova

Macedonia's Kegi Shoes expanded its staff and now exports to Australia.

“Our shoes even have the stamp of approval of the Australian orthopedics association,” said Dobre Todorovski, son of the owner of Kegi Shoes.

Kegi Shoes, a popular Macedonian children's shoemaker, had exported its products only twice, and only to neighboring Croatia, since it was founded in 1995. But in November 2003, when Kegi received an order to produce and export shoes to Australia, the company lacked the funds to purchase the amount of leather needed to fill it.

Then the company owners were approached by Sonja Tasevska, a loan officer from the new, USAID-supported Commercial Finance Fund, which gives loans to small and medium-sized businesses. “I knew about them because I have two small kids and buy their shoes,” said Sonja, who was visiting businesses to promote the fund.

Kegi's owners applied for and were given a \$30,000 loan, which allowed them to seal the Australia deal and begin production. “We are very happy,” said Dobre Todorovski, son of Blogoja Todorovski, Kegi's founder. “Our shoes even have the stamp of approval of the Australian orthopedics association.”

Kegi Shoes has now taken out three loans and repaid all on time. Its exports have grown by 49 percent, and its staff by eight workers. The business is branching out into retailing, with a growing number of stores nationwide.

Macedonian companies like Kegi can borrow through regular banks, but they require collateral and lend larger amounts with higher interest rates over longer periods — which all can be road blocks for small enterprises.

The Commercial Finance Fund minimizes these obstacles, loaning amounts ranging from \$10,000 to \$100,000. The average loan of \$60,000 is repaid over four months. The fund has currently lent about \$4.3 million to 66 small and medium-sized companies in industries including textiles, building materials, construction, metal processing and leather products.