

Ethiopian shoe factories are to sell six million dollars' worth of shoes through USAID's Agribusiness and Trade Expansion Programme (ATEP) after delivering the test order issued to them.

The ATEP has created a linkage with seven local shoe factories, including Anbessa Shoes, Kangaroo Shoes, Peacock Shoes, Ramsay Shoes, Walia Shoes, Ras Dashen Shoes, and OK Jamaica Shoes. These companies will be able to produce shoes for three US companies that have placed orders, once they meet certain requirements based on test orders placed with them. The three US companies could place orders for up to half a million shoes.

The United States, one of the biggest shoes markets in the world, has recently started looking for other sources of footwear besides China, which accounts for 86pc of the world's shoe production, the reason being the increasing price of production in China.

Brown Shoe Company Inc, one of the biggest shoe retailers and wholesalers in the US, which recorded 2.3 billion dollars' worth of sales in 2009, is one of the three companies looking to Ethiopia.

The test orders were placed to see how efficient the delivery of the shoes is. The fashion season in the US, which usually lasts 120 days, requires that orders be delivered on time before the season passes.

"The test orders will let the US companies know whether the banking system, delivery, and shipment of goods are to their liking, as a delay in orders usually means a 30pc loss for them," said Teshome Kebede, vice director of the ATEP.

"Once a shoe factory has been tested by one company, they may not need to be tested by another," said Teshome.

Each shoe factory will take orders out of the 500,000 total according to their capacity to produce

by a certain delivery time.

As part of the test order, Anbessa Shoe Factory delivered 10,000 pairs of shoes to Bass Shoe Company on Wednesday, June 24, 2010, making it the first US commercial order.

The Agribusiness and Trade Expansion Programme (ATEP) is a five-year, initiative of the United States Agency for International Development (USAID). It began in 2006 and is due to end in the coming year.