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**UZBEKISTAN**

# SUCCESS STORY

## Credit Unions Open New Opportunities

### **Access to credit allows a young man to open his own business**



Photo: Mador Credit Union

Gairatjon Otajonov (on the right) at his bakery in Kokand, the Ferghana Valley.

***Using loans from a USAID-supported credit union, an enterprising Uzbek opened his own business, created new jobs, and improved his family's welfare.***

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Today Gairatjon Otajonov, a member of Mador Credit Union in Kokand City, the Ferghana Valley, runs his own bread-baking business. Yet just recently this man was working as a flour salesman in a small shop and, despite his dreams to open a bakery, had no hope to become his own boss any time soon.

About a year ago, he learned from a friend about the opportunity to become a member of a credit union. He successfully passed the loan underwriting process at the Mador Credit Union and received his first loan. Otajonov invested the money in two traditional Uzbek bread ovens – tandirs – and started baking bread to sell with the help of one employee. Otajonov's bread soon earned popularity among the clients, and the bakery started bringing in steady revenues.

Otajonov repaid his first loan ahead of schedule and then applied for a second loan from Mador Credit Union to expand the business. To keep up with increasing demand for his bread, Otajonov hired three new employees, bought a car to deliver his products, and increased the business daily turnover to 10 flour bags.

"Every day we produce about 1,200 lepeschkas and sell them to 5 (restaurants) in our area," said Otajonov.

Additional staff has enabled Otajonov to hand over the baking side of the business to his employees and focus attention on managing the business. Otajonov enjoys being his own boss and appreciates the higher income he is able to bring home.

"The money earned from the expansion of my business paid for the renovation of my house," says Otajonov.

The Mador Credit Union is one of 46 Uzbek credit unions established with support from the USAID-funded Savings and Credit Unions Development project. The credit unions provide access to affordable financial services and support to small business development across the country. The USAID-funded project helped begin the credit union movement in Uzbekistan and provided extensive assistance to their growth and strengthening of their services.