

How Moniepoint is driving trade in West Africa's largest market

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01

Onitsha market origins and the apprenticeship system

CHAPTER 01

Onitsha market origins and the apprenticeship system

""Uzor!" a young man shouts behind you. In Igbo, the language of an ethnic group based primarily in southeastern Nigeria, this means "way" or "road" and calls for you to step aside. If you're not quick, someone else might pull you out of the way before the cart he's pushing bumps into you. A worker in the market is moving goods, probably from his boss's warehouse to a customer, and the sun is too hot for him to let anything get in his way."



Welcome to Onitsha market.

The term "West Africa's Largest Market" is easy to say, but there's nothing quite like the raw experience of being in the Onitsha market. According to the National Inland Waterways Authority (NIWA), about 65% of cargo berthing in Nigeria through the Lagos ports is for the southeast, especially Onitsha and Aba markets. The sprawling mass of buildings, caravans, parasols, and roadside shops is a living body of trade, with everything calling you to perform a transaction. It all looks chaotic at a glance, but only to the untrained eye.

Based in Onitsha city, in Anambra State, southeastern Nigeria, Onitsha market is home to thousands of businesses and their customers across the country and beyond. A central union,

the Onitsha Main Market Traders Union (OMMATU), presides over the market. According to its current Chairman, Chief Innocent Ezioha, the union has existed since 1973. For him and many businesses we spoke to, the market isn't just a place where goods and services are sold. It's a business school and incubator, helping thousands of young men accomplish their lofty business dreams. However, the market didn't start like this.

Once upon a time in Onitsha

Early accounts on the origin of the market say that the people who settled at Onitsha had engaged in trade before the 1500s with other settlements along the Niger. At the time, it was called Otunkwo market, and its position at the bank of the Niger River meant that it was visited by traders from far and wide. The market is old enough that trade by barter was used by its early patrons¹.

In the colonial era, the British government renamed the Otunkwo market and relocated it to its current location. At the time, the market was primarily controlled by women, who handled a lot of importation from European firms. Trade had become more international, with many traders still involved in the importation of goods to this day.

Since then, the market has undergone many reconstructions, like a phoenix, staying alive no matter how many fires or similar incidents occur. Much of the current Onitsha Main Market was built in the 1970s after it was previously destroyed. The business owners themselves also

According to the National Inland Waterways Authority (NIWA), about 65% of cargo berthing in Nigeria through the Lagos ports is for the southeast, especially Onitsha and Aba markets.

¹(OCHENDO: AN AFRICAN JOURNAL OF INNOVATIVE STUDIES. ISSN: 26814-0788 (Print) 2814-077X (e). Vol. 4 No. 4. 2023. A Publication of the Association for the Promotion of African Studies)

reflect this tenacity. They've continued to grow and expand, separating the market into multiple specialised sections like Ogbo Ogwu, Ochanja Market, Relieve Market, Ogbo Efere, Building Material Market, and others.

As we've established, the Main Market is managed by the Onitsha Main Market Traders Union (OMMATU). The market comprises an intricate system of lines, zones, and mini-trade unions enabling its organisation. In the market, a line refers to a row of stalls, often selling similar goods. These lines typically form a union, and traders must register before joining that line. A zone consists of multiple lines, and the Main Market is made up of three zones.

This level-by-level organisation enables efficient oversight of market activities, given that the market consists of thousands of stalls. Issues and challenges are typically resolved at the line level first, with escalation to the zone and Main Market union levels if resolution is impossible.

With perspective on the market's structure and how long it's survived, we'll explore a system that has kept it growing - the lgbo apprenticeship system. This system is famed for contributing to the evolution of business among the lgbo people of Nigeria. In the Onitsha market, it is no different.



The world's largest business incubator

Obinna, owner of Obaino Fabrics, is a textile and fabric merchant. He owns four stalls in different locations at the Main Market, three on the textile line. By any metric, he is a successful businessman, and like many other business owners in the market, his story began with an apprenticeship.

The Igbo apprenticeship is a traditional, informal system that fosters entrepreneurship and economic growth within the Igbo community. Young boys, called "Nwa Boi," receive hands-on training and mentorship from experienced "masters" to learn a trade or business.

Many of these apprentices leave their families right after secondary school to live with and work for established business owners. These merchants teach them the business basics and money, connect them with suppliers and other key stakeholders and ultimately "settle" them at the end of the apprenticeship with some money to open their own business.

After serving his master for 6 years, Obinna got settled, which he used to procure his first store and then purchase goods to start the business. Typically, the number of years of service is agreed beforehand but is generally upwards of 5 years. The apprenticeship is unpaid, but the apprentice's needs are handled by the merchant under whom they are learning.

The apprentices learn the business basics, and their responsibilities increase as time progresses. Towards the end of their apprenticeship, they typically have enough knowledge to start on their own and receive a blessing from their master, who then lets them go.

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One millionaire is not enough

The apprenticeship system is a "millionaire-making scheme". Those aren't our words. They're the words of different merchants in the market, many of whom partook in the system. From our research, we identified quite a few benefits:

Establishing new businesses

The apprenticeship system has been referred to as the world's largest business incubator. For the lgbo people, it serves as an opportunity to set up every generation for success based on the success of the last. Many of the apprentices come from poor backgrounds and, through the apprenticeship system, set up their own successful businesses and train others. It's a path to success for many young men who might not have had a chance otherwise.

Passing on trade secrets

The apprenticeship system also preserves and passes on trade secrets. From one generation to the next, masters connect their apprentices with relevant contacts and connections that enable them to establish their businesses and keep trade going. It has helped maintain strong business relationships not just within Nigeria but outside of it, where they source many of their goods.

Maintaining structure

The apprenticeship system forms part of the market's structure. Business owners in the market get young people who work for them and open their own businesses after a few years. In this way, the market has continued to grow and expand.

Cultural preservation

Beyond its business implications, the system ensures that Igbo values such as hard work, respect, and community spirit are passed on to future generations. No one leaves their brother behind, and they do what they can to ensure that the next generation can sustain itself.

For Obinna and many other business owners in the market, the apprenticeship is the start of their success story, building multi-million naira businesses from scratch.

From apprentice to multimillion naira business owner, Meet Obaino Fabrics

Obinna, the apprentice we introduced earlier, owns Obaino Fabrics today. He first came to the market in the late 1990s after secondary school and started as an apprentice. During this time, he became acquainted with the textile business. He recalls travelling across the Nigerian border to Cotonou, Benin Republic, every Friday and returning on Sundays for a week in the market.

Constant trips like this meant the apprenticeship wasn't easy, but he persevered. Ultimately, he got settled with N300,000, with most of the money going into getting a stall at the market. With the money he had left, he continued the run across the border to purchase whatever goods he could get and slowly began to grow his business.

He first came to the market in the late 1990s after secondary school and started as an apprentice. Obinna's relationship with Moniepoint began after he experienced frequent failed transactions from the four banks he used. Customers would spend weeks to months trying to track declined transactions, which got in the way of doing business effectively. Since switching to Moniepoint, those experiences have become a thing of the past. In his words, "From then, till date, I've not experienced a declined transaction."

He has not had to visit a bank in a while and always keeps his terminal with him. "My bank is with me in my pocket," he says. Moniepoint enables him to easily receive customer payments and pay his suppliers when necessary. He sees the money immediately.

With limits on cash withdrawals due to the country's cashless policy, his dependency on cash was also a problem for him. Restrictions on daily withdrawals meant he was sometimes unable to get the money he needed to do business.

But with his Moniepoint account, he can make transfers for every transaction he needs. For importation from China, he sends to his exchange platform from his Moniepoint account directly to enable him to pay for goods. He makes around a million daily, and Moniepoint keeps his business fast and easy. Customers would spend weeks to months trying to track declined transactions, which got in the way of doing business effectively.



But with his Moniepoint account, he can make transfers for every transaction he needs.



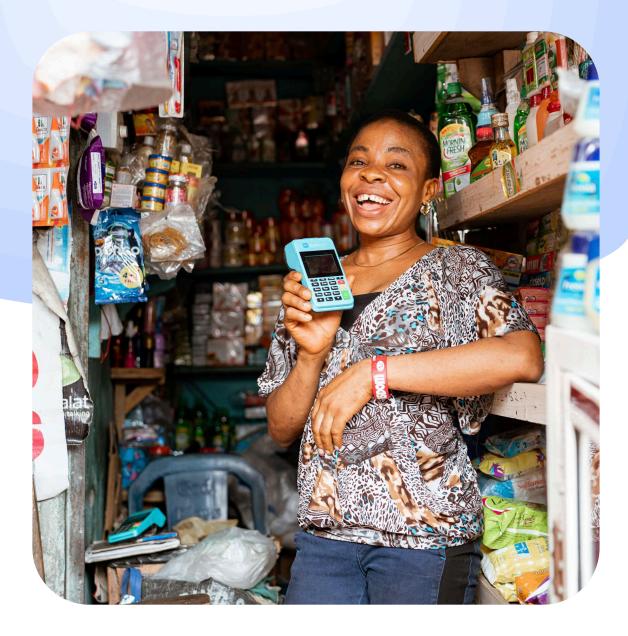
02

How business and payments work in the market

CHAPTER 02

How business and payments work in the market

If you want to open a shop at Onitsha market, what's the first thing you need to do? According to many of the people we spoke to, the answer is to just show up. "Onitsha market is open to anybody, and as long as you have a clean heart and the willingness to work, anyone can make it here," Pastor Bassey Chinedu, the vice chairman of one of the market unions, would say.



And they're right if the market's volume is anything to go by. According to the union leaders, the Onitsha market is home to over 20,000 merchants across Nigeria and neighbouring countries. Every day, Moniepoint processes over \$2 million for businesses in the market. A New York Times article states that the annual volume of business transactions in the market is estimated to be above \$5 billion. The market also contributes significantly to the Anambra state government, with over N90 million estimated to have been generated in revenue in 2022 and 2023².

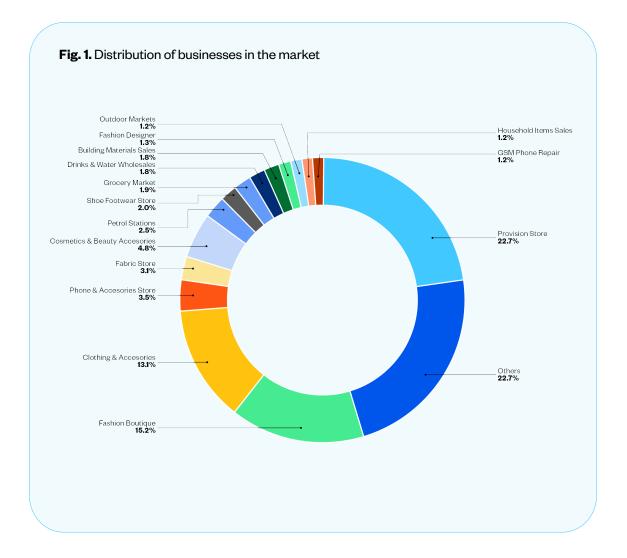
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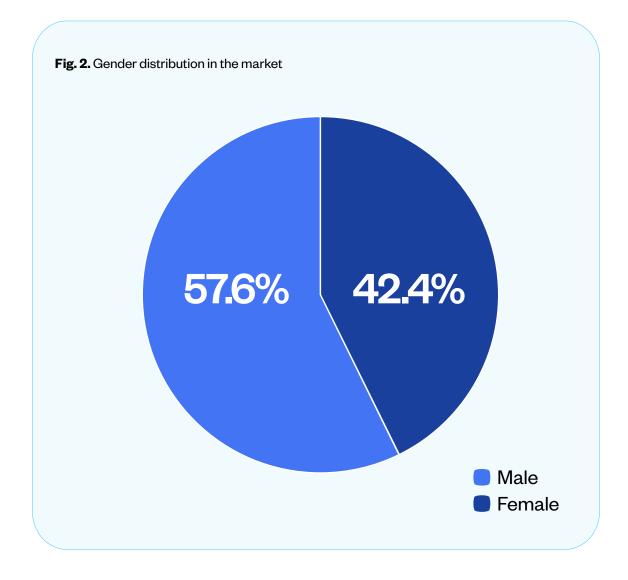


²https://thesun.ng/how-some-market-leaders-want-me-to-share-govt-revenue-fund-says-onitsha-main-market-chairman-ezeoha/

What kind of businesses can you find in the market?

A mosaic of different kinds of businesses contributes to this immense volume of trade. From our data, the most common business types in the market were those in the fashion and cosmetic industry. From clothing shops, to fashion boutiques and fabric stores, there's no shortage of fashion-related businesses at Onitsha market. Second to these are provision stores and other food-affiliated businesses. Across different areas of the market, there's a shift between the primary type of business you find, depending on the line or zone. About 4 out of 10 businesses you'd find in the market are women-owned.





With the volume of goods flowing through the market, we also explored how they source their goods, and how the market connects with the larger trade ecosystem.

The heart of trade in West Africa

The Onitsha market plays a vital role for Anamabra State, where it is located, and markets around the country. Its role is international and domestic, connecting exporters outside of Africa with different markets on the continent.

International trade

While interviewing businesses, we noticed a firm relationship between this market and China, where many of their goods came from. At the market, there's a tall building with the words 'Uche-China' inscribed on it, an allusion to the strong economic handshake between the market and its import partners.

According to IK Jewelry, a merchant who has been in the market for over 10 years, many of the goods being sold are imported from China, Dubai, and other countries. Like Obinna, the textile merchant from our previous chapter, who crossed the border every Friday to get his goods from Cotonou, frequent travel isn't just common for many merchants—it's necessary.

Local trade

The imported goods are sold to markets in Lagos, Kano, Abuja, and many other Nigerian cities. Traders visit the market regularly to purchase goods at wholesale prices, which are then sold to retail customers across the country.

However, just as the market receives patrons from neighbouring cities and countries, quite a few of them visit those places to purchase their goods. Before they become successful enough to import goods from other countries, many business owners buy their goods from other wholesalers within the Nigerian market or other markets. Collins, a provisions merchant, recalls travelling to Kano to purchase the goods he sold at Onitsha when he was just starting.

The traders also sometimes move between these markets in search of goods or greener pastures. For example, Chinonso, a phone and gadgets merchant, started his business 12 years ago in Alaba International Market, Lagos, but moved to Onitsha market, hoping for better odds of success.

In these ways, the Onitsha market is at the nexus of trade in Nigeria and West Africa, and many other markets depend on it to supply goods.

Many of the goods being sold are imported from China, Dubai, and other countries

With the market playing such a pivotal role, payments have gone through multiple evolutions in the market. From its earliest days of trade by barter to the cash era, when wads of paper currency were a staple in the market.

The cash era of the Onitsha market

"Growing up, I wanted to be like my father because I used to see him stack piles of cash after the business day was over. To me, that's what it meant to be successful," says Chukwuka. His father grew up in the market and worked as an apprentice in the early 1980s. Born after his father had been settled and began his own business, Chukwuka witnessed and participated in a very different side of the market than is obtainable today.

At the time, the Onitsha market was run entirely by cash, much like most other places in Nigeria. Customers paid for business with cash, and merchants also purchased their goods in cash. The problem, however, was that business typically occurred at very high volumes in the Onitsha market.

This meant that where small businesses elsewhere had to worry about a few thousand Naira at the end of the day, merchants at Onitsha market typically had millions in their possession, and doing business with this wasn't easy.



A few challenges were associated with the volume of cash these businesses typically had to deal with.

Safety concerns

"I remember a man who was driving in the market with a lot of cash in his car. They stopped the car, took his cash, and he got shot in his leg," says Mr Charles, secretary of the Ose market union. Most business owners we spoke to who were active during the cash-dominant era of the market had one similar harrowing story or another to share about dealing with cash.

Businesses typically have a lot of cash at the end of the day, which they have to move around for one reason or another, and theft and robbery are rife. It was not uncommon for business owners to be accosted and lose all their cash. There were also cases of apprentices conniving to steal from their bosses when they were entrusted with delivering large amounts to the bank.

These safety concerns extended to periods when the merchants needed to purchase goods from other places. Chukwuka, a merchant in the market, recalls having to travel with cash strapped around his waist for safety concerns when he made trips to purchase goods in Lagos. Luckily, he never encountered problems, but this wasn't always the case.

A slower rate of transactions

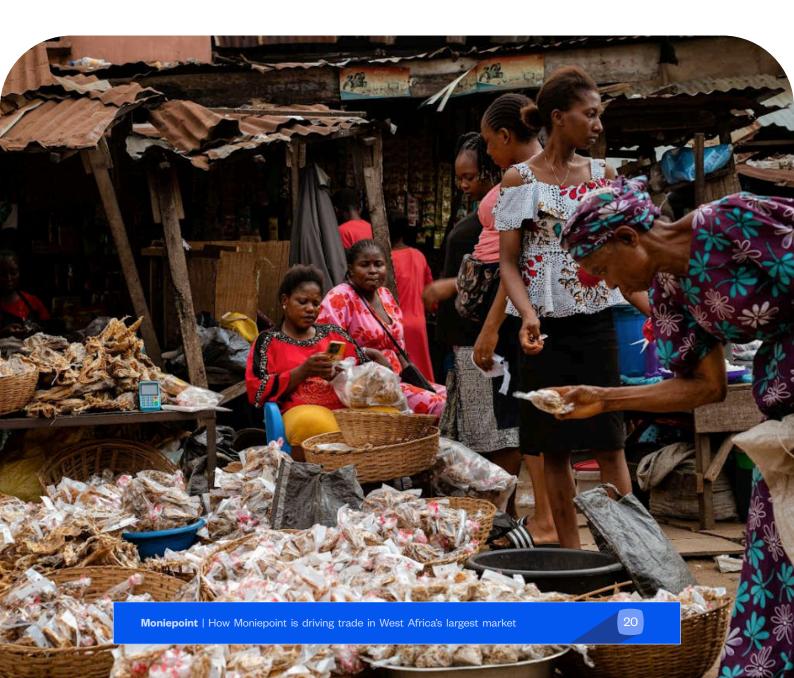
Another consequence of relying on cash to do business is that transactions are typically slower. Millions of Naira had to be counted before goods could be released, especially for first-time transactions where trust hadn't yet been established. Business was also not instant and typically had to be done in person unless it couldn't be avoided.

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Banking was cash-heavy and inconvenient.

Although there have always been banks around the market, the cash-heavy nature of banking and business at the time meant merchants typically had to spend hours in the bank for daily transactions. With the volume of traders in the market, the process of depositing money often ran late. Getting the cash to the bank was also another problem. Sometimes, cash left the merchant stores, but they either got duped or robbed before successfully making it into the bank.

With these significant problems, the market's reliance on cash was unsustainable in the long term. With a nationwide shift in the adoption of digital payments, the Onitsha market was not left behind, and a new era began. One of many businesses that experienced this transition was Chukwuka, owner of Oyibo Fragrance Resources.



Unlocking digital payments for safer business - Chukwuka, Oyibo Fragrance Resources.

Inspired by his father, Chukwuka decided to follow his path and become a businessman after studying architecture at a polytechnic. He first came to the market in 2012 and started learning the basics from his father.

At the time, business was cash-heavy and risky. As we mentioned earlier, the first time he went to Lagos to buy goods for the business, he carried about 3 million in cash strapped around his waist under his garment for security reasons. He heard of people having bad experiences with cash, and this was his precautionary method. These bad experiences weren't just during trips. One of his dad's apprentices got duped of over N400,000 on his way to a bank that was not very far from the market.

He carried about 3 million in cash strapped around his waist under his garment for security reasons. He eventually took over the business after his father's passing in 2015.

The desire to keep the business going and solve some of his problems with cash and payments eventually led him to Moniepoint. Chukwuka's favourite thing about using Moniepoint is the instant reception of alerts, transfers, and access to loans. He no longer needs to carry cash for business transactions. Customers can now pay him directly, and he no longer loses business due to difficulty receiving payments. He can also now send money to his supplier at the end of the business day and then travel to pick up goods without carrying cash, which is much safer.

Access to credit has helped him manage unstable prices, which have happened more frequently in recent times. "I had a challenge in October. I got information that the price of this carton of perfumes would increase. I didn't have physical cash to purchase it, but I needed to be on the safer side, and that was when I got a loan from Moniepoint," he says. With the loan, he could buy the goods at a favourable price and stock up the second shop he opened in the market. Access to credit has helped him manage unstable prices, which have happened more frequently in recent times.



He no longer needs to carry cash for business transactions. Customers can now pay him directly, and he no longer loses business due to difficulty receiving payments.



03

Evolution of payments in the market

CHAPTER 03

Evolution of payments in the market

While walking around Onitsha market today, it's not uncommon to find point-of-sale terminals, the majority of which are blue, at every store. 2 out of 3 in-person payments at the market are made on a Moniepoint terminal. Boys carrying vast amounts of cash around the market are mostly a thing of the past, and businesses in the markets can accept payments from anyone, anywhere. But how did this change happen?



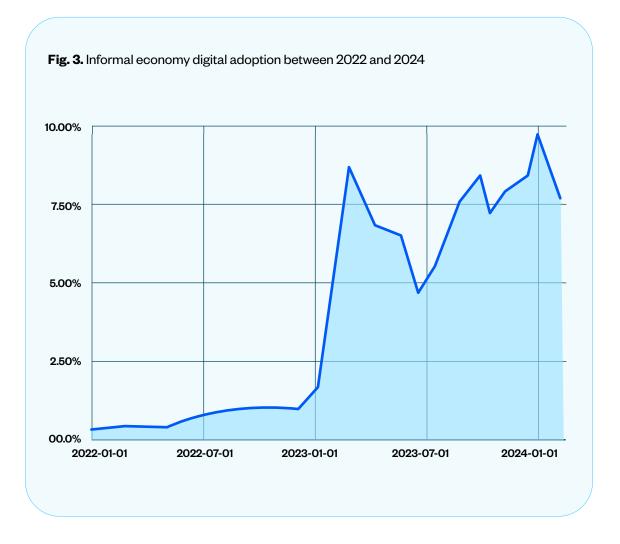
Cash, card or transfer?

According to data from the Nigeria Inter-Bank Settlement System (NIBSS), Nigeria's electronic payment transactions soared to a record \$1.2 trillion in 2024, marking a 79% increase from the previous year, as digital banking adoption surged across the country.

The transition to accepting digital payments for businesses at Onitsha Market started with agency banking. Agents were present in the market and According to NIBSS, Nigeria's electronic payment transactions soared to a record \$1.2 trillion in 2024

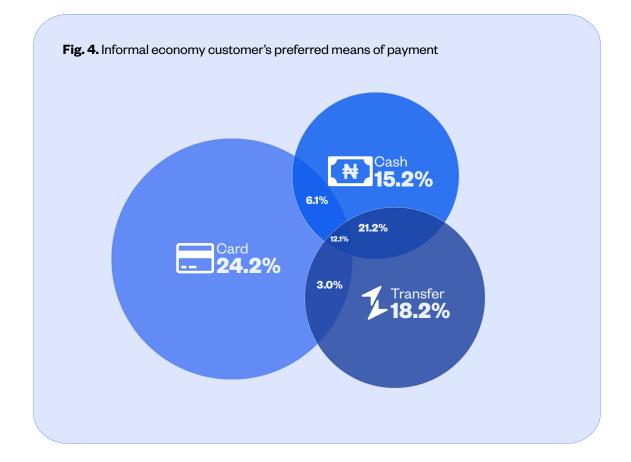


helped collect cash from businesses while depositing the digital equivalent into their accounts. However, this relationship didn't hold up.



Relying on agents still created one level of dependency for these businesses, and for complete control, they wanted to accept payments directly. Soon, businesses began to find ways to receive these payments, enabling their customers to pay them directly.

Previously, we established the challenges businesses in the market faced due to a reliance on cash, which drove their adoption of digital payments. Today, many merchants say transfers and card payments are their preferred means of making payments and receiving customer payments, a common trend across the industry. According to the 2024 Informal Economy Report by Moniepoint, 42.4% of customers prefer to pay via card or transfer only.



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Elimination of cash-related risks

With the introduction of mobile payments, cards and other forms of digital payments, merchants in the market had much less cash in their possession. This meant that risks related to holding cash on them, such as robbery and theft, have been significantly reduced. Merchants can travel for business and receive large payments from their customers without the risk of moving the cash around.

Digital payments solve quite a few problems for merchants in the Onitsha market:

Easier business growth

Merchants who can accept payments from customers anywhere have better chances for growth. Several merchants in the market recounted experiences of receiving payments from customers they had never met and sending the required goods. The ability to accept payments immediately has fostered trust, which has contributed to the ease of doing business.

Speed of business transactions

A significant advantage of digital payments is the speed and ease of doing business. This can be the difference between a successful sale and a bad deal in the Onitsha market. Access to digital payments has unlocked instant transactions for merchants in the market, eliminating delays and settlement issues.

Access to more convenient banking

Access to digital banking means a reduced reliance on physical branches, which is timesaving for many of these merchants. Their reduced dependence on cash means they can spend less time worrying about the problems associated with cash and focus on growing their businesses.

This transition came in the nick of time for many businesses, helping them to adapt at a time when cash payments were either impossible or not the preference of their customers. For businesses like Mrs Rachel's, being able to accept digital payments became a need and not just an option.



"I was struggling for customers to pay" - Mrs Rachel, Prettygold cosmetics

Mrs Rachel started her cosmetics business after quitting a hospital job which was not paying enough to meet her needs. She had heard that the market was an opportunity to change one's fortune, and she decided to give it a go. This business was her ticket to a better life.

A few years into the business, she began to struggle with collecting payments. As the owner of a growing cosmetics business, many of her customers paid with cash. However, as the cash supply dried up for her customers at the start of 2023, and cash in circulation reduced, she began to miss out on receiving payments from some customers. As a remedy, she relied on agents to help accept digital payments, but costs and delays made this unsustainable. A few years into the business, she began to struggle with collecting payments. She needed to accept payments directly.

This led her to get a Moniepoint terminal for the first time, which was a turning point for her business. Today, whether it's transfers or cards, she can seamlessly accept payments from her customers. She describes the speed and ability to confirm transactions instantly as a gamechanger.



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04

How Moniepoint is driving trade in West Africa's largest market

CHAPTER 04

How Moniepoint is driving trade in West Africa's largest market

Moniepoint is the partner of choice for over 10 million businesses and individuals in Africa, and this is no different in the Onitsha market. Here's how our products and services are driving trade in the Onitsha market.



1. Keeping payments fast: Moniepoint provides thousands of businesses with access to payments and banking. Through our point-of-sale terminals and bank accounts, they can easily accept customer payments and send money.

"I don't have to worry about failed transactions anymore." - Obaino



2. Providing credit for scaling: For businesses in the Onitsha market, access to credit plays a crucial role. Wholesale importation of goods sometimes takes weeks to months, and fluctuations in prices can affect profits. Access to credit helps Onitsha merchants purchase goods and services without risking their business capital. It's a key way to expand their businesses and scale without fear.

"One thing I love about Moniepoint is they watch how you're growing, and they will support you at the pace you want to grow. They are not scared of you." - Collins

3. Business management: Business in the Onitsha market is typically high volume and high value. On a busy market day, this can sometimes mean that some transactions slip through the cracks. With all their transactions happening in one place, Moniepoint helps businesses track their income and growth.

"Before I started using Moniepoint, I was losing a lot of money. Some people would say they've transferred and show you fake receipts, but you'd later discover that they made away with your money. With Moniepoint, I can collect the payments instantly, and that has become a thing of the past" -Nwachukwu

4. Hyperlocal support: Moniepoint provides access to a hyperlocal banking and payments support system that meets them right in the market. With account managers who speak their language (literally) and understand how the market works, they get tailor-made responses that answer their pressing questions and meet their unique needs.

Our products and services create a seamless banking and payment experience for these businesses, helping them scale their businesses and reach new heights. For Collins, this feels like being backed by someone who isn't scared to see you grow.

"Moniepoint isn't scared to support me" - Mr Collins, Beverage merchant.

"One thing I love about Moniepoint is they watch how you're growing, and they will support you at the pace you want to grow. They are not scared of you," says Collins, a beverage and provisions merchant.

Collins started the provisions business as an apprentice in 2017 after two previous attempts at apprenticeship hadn't brought the results he expected. As the first child of his family, he felt the responsibility of turning their fortune around, and business was how he wanted to do it. With access to credit, he's been able to expand his business and scale up as required to meet the needs of his customers. His first trip in this business took him to Kano state, Nigeria, where he bought sweets and candy to sell at Onitsha market. He took regular trips like this, but his first breakthrough came when he got contracted to supply a large volume of goods.

For Collins' line of business, high volumes bring profit, and high cash flow is important. He found this pivotal about Moniepoint for his business. With access to credit, he's been able to expand his business and scale up as required to meet the needs of his customers.

"For someone to look at you, and see that you have somewhere you're going, it's unusual. For someone that's in level one, Moniepoint picked me up to level 500. And they're not scared to support me".

With Moniepoint, Collins can grow as fast as he needs to , while protecting his business from economic shocks due to inflation.



With Moniepoint, Collins can grow as fast as he needs to , while protecting his business from economic shocks due to inflation.

Payments are at the heart of economic activity, and in Africa, they offer an opportunity for driving economic growth. In Onitsha, West Africa's largest market - digital payments have not only enhanced business efficiency but also driven financial inclusion, reduced cash risks, and enabled growth at an unprecedented scale. By providing seamless access to payments, banking, and credit, Moniepoint is shaping the future of commerce in Onitsha and similar markets across Nigeria.

