

NIGERIA BROADCAST MEDIA INVESTMENT FRAMEWORK

2025

*IRR-Informed Licensing Strategy for
Evidence-Based Regulation*



TDMedia Company | www.tdmedia.com | January 2025

775

Functional Stations

₦12B

Revenue Target

36 & FCT

States Analyzed

EXECUTIVE SUMMARY

THE CHALLENGE

Uniform fees applied to markets with 2x earning disparity:

- ₪5.2B collection gap (43% shortfall)
- High defaults in low-IRR states
- Station failures threatening coverage

THE SOLUTION

Market-based fee differentiation using IRR Matrix:

- 4 fee bands by viability score
- Priority collection framework
- Evidence-based license issuance

THE IMPACT

IRR-informed approach delivers:

- +~~₪~~2.8B additional collection (+41%)
- 54% gap reduction to target
- Sustainable sector growth

MODEL COMPARISON

Uniform Model

₪6.8B

(57% of target)

IRR-Informed Model

₪9.6B

(80% of target)

Improvement

+~~₪~~2.8B

(+41% gain)

NIGERIA BROADCAST MARKET OVERVIEW

STATION COMPOSITION

Television

128 16.5%

Radio

647 83.5%

TOTAL: 775 Functional Stations

OWNERSHIP STRUCTURE

Private Commercial



Federal Government



State Government



Campus/Educational



Community/Other



KEY INSIGHT: Private commercial stations (58%) are largely IBAN members, providing the largest employment base in Nigerian broadcasting and the primary drivers of sector growth.

THE PRIVATE SECTOR IMPERATIVE: IBAN MEMBERS

Why market-based reform matters for Nigeria's broadcast employment and economic contribution

58%

of Industry

Private commercial operators
(449 of 775 stations)

45,000

Direct Jobs

Estimated employment
across IBAN members

5-6.5%

GDP Potential

Contribution if enabling
frameworks established

EMPLOYMENT STRUCTURE

Per Station: 50-200 employees

Categories: On-air talent, production crews, technical engineers, sales teams, administrative staff

Multiplier: Each direct job supports 2-3 indirect jobs in content, advertising, and services

REFORM IMPACT

Market-based licensing reform will:

- Stabilise existing operations
- Attract fresh investment capital
- Enable expansion and job creation
- Unlock GDP contribution potential

IRR MATRIX: METHODOLOGY

Evidence-based market viability scoring using verified data sources

SCORING MODEL WEIGHTS

30%	Population	Market size & reach
25%	GDP	Economic output
20%	Internet Penetration	Digital readiness
15%	Power & Logistics	Infrastructure
10%	Advertising Depth	Commercial viability

DATA SOURCES

National Bureau of Statistics (NBS)
GDP by State Report (2023)

Nigerian Communications Commission
Internet Subscribers by State (Q2 2025)

WorldPop
Nigeria Population Projections (2024)

Financial Assumptions:
Inflation: 20% | WACC: 16% | Corp. Tax: 30%

SCORE INTERPRETATION

Score 5 | Premium

IRR: 21-32%

Score 4 | Standard

IRR: 16-26%

Score 3 | Moderate

IRR: 11-23%

Score 2 | Concessional

IRR: 9-18%

IRR ANALYSIS BY GEOPOLITICAL ZONE

Region	Avg Score	IRR Range	States	Anchor Market
South West	3.5	18-24%	Lagos, Ogun, Oyo, Ondo, Osun, Ekiti	Lagos (Score 5)
South South	3.8	16-24%	Rivers, Delta, Akwa Ibom, Edo, Cross River, Bayelsa	Rivers (Score 5)
South East	3.0	14-22%	Anambra, Enugu, Imo, Abia, Ebonyi	Anambra (Score 4)
North Central + FCT	3.4	14-21%	FCT, Niger, Kogi, Kwara, Nasarawa, Benue, Plateau	FCT (Score 5)
North West	2.6	12-19%	Kano, Kaduna, Katsina, Jigawa, Zamfara, Kebbi, Sokoto	Kano (Score 4)
North East	2.2	9-16%	Borno, Yobe, Bauchi, Gombe, Adamawa, Taraba	Bauchi (Score 3)

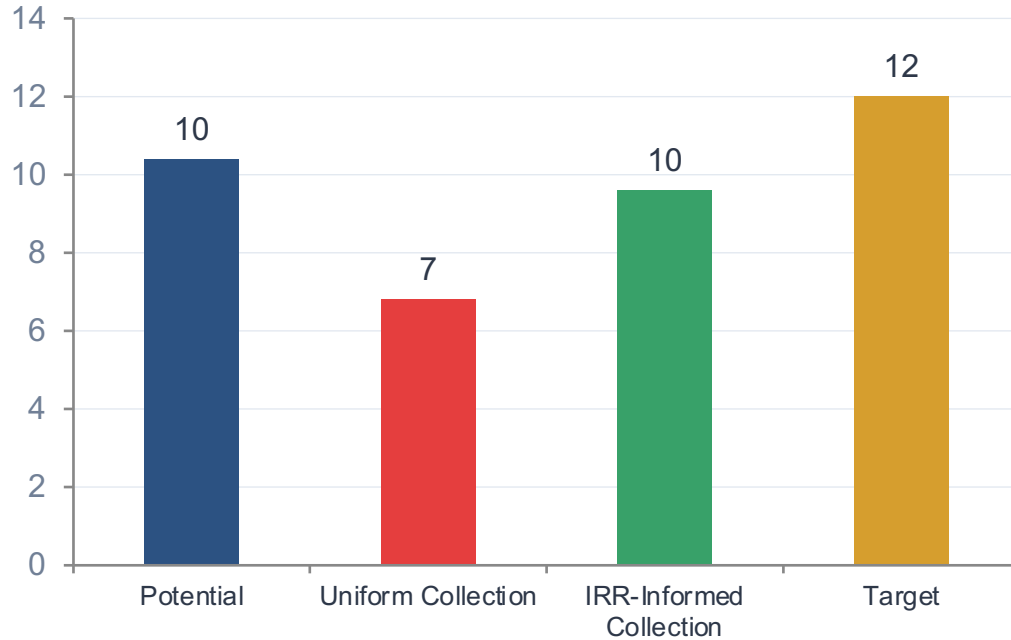
THE TWO-TIMES DISPARITY: Southern zones (avg. 3.4) deliver IRR up to 32%, while Northern zones (avg. 2.7) cap at 19%. Uniform fees ignore this fundamental economic reality.

MARKET-BASED FEE BAND STRUCTURE

Fee differentiation aligned with market earning capacity and investment viability

PREMIUM Score 5	STANDARD Score 4	MODERATE Score 3	CONCESSIONAL Score 2
<p>States: Lagos, FCT, Rivers</p> <p>Fee Adjustment: +10-15%</p> <p>Collection Target: 90%</p> <p>Content Levy: 2.0-2.5%</p>	<p>States: Ogun, Oyo, Kano, Delta, Akwa Ibom, Edo, Anambra</p> <p>Fee Adjustment: Base rate</p> <p>Collection Target: 75-85%</p> <p>Content Levy: 1.2-1.5%</p>	<p>States: Most NC, SE, SS states</p> <p>Fee Adjustment: -15-25%</p> <p>Collection Target: 60-75%</p> <p>Content Levy: 0.8-1.0%</p>	<p>States: NE, NW periphery (Borno, Yobe, Sokoto, etc.)</p> <p>Fee Adjustment: -30-50%</p> <p>Collection Target: 50-65%</p> <p>Content Levy: 0-0.5%</p>

REVENUE PROJECTION: MODEL COMPARISON



KEY METRICS

Revenue Gap (Uniform)

~~₱~~**5.2B**

43% short of target

Revenue Gap (IRR)

~~₱~~**2.4B**

20% short of target

Improvement

~~₱~~**+2.8B**

+41% additional collection

Gap Reduction

54%

Over half the gap closed

CONCLUSION: IRR-informed model achieves 80% of target vs. 57% under uniform fees. The ₱2.8B improvement comes from rational pricing, not aggressive enforcement.

COLLECTION PRIORITY FRAMEWORK

Resource allocation based on revenue potential and collection probability

HIGH PRIORITY (70% of resources)

Lagos, Abuja, Uyo

247 stations ₦5.3B potential (55% of total)

Approach: Aggressive quarterly advance payments

MEDIUM PRIORITY (20% of resources)

Ibadan, Benin, Enugu

290 stations ₦3.1B potential (32% of total)

Approach: Standard semi-annual payments

LOW PRIORITY (10% of resources)

Kaduna, Jos, Maiduguri, Sokoto

238 stations ₦1.2B potential (13% of total)

Approach: Flexible plans, tolerance for delays

PRINCIPLE: Focus 70% of collection effort on 32% of stations that generate 55% of revenue.

LICENSE ISSUANCE STRATEGY

Market-informed guidance for new license applications

License Type	Score 5	Score 4	Score 3	Score 2
TV - National/Regional	PRIORITIZE	SELECTIVE	CAUTIOUS	RESTRICT
Radio - Metro/Urban FM	PRIORITIZE	PRIORITIZE	SELECTIVE	CAUTIOUS
Radio - State FM	STANDARD	STANDARD	STANDARD	SELECTIVE
Campus/Community Radio	STANDARD	STANDARD	ENCOURAGE	PRIORITIZE
Digital/OTT Platforms	FAST-TRACK	FAST-TRACK	SELECTIVE	CAUTIOUS

Legend:



PRIORITIZE



STANDARD



SELECTIVE



ENCOURAGE



RESTRICT

STRATEGY: Encourage campus/community radio in Score 2 states while restricting high-capital TV investments. Fast-track digital/OTT in premium markets.

INVESTMENT OUTLOOK BY FORMAT

TELEVISION

Investment Range:

~~₦320M - ₦650M~~

Real IRR Range:

18-30%

Breakeven:

3-5 years

Guidance:

Highest risk, highest reward. Premium markets only. Requires strong ad market.

RADIO

Investment Range:

~~₦90M - ₦160M~~

Real IRR Range:

15-25%

Breakeven:

2-3 years

Guidance:

Most versatile format. Viable across all market scores with fee adjustments.

DIGITAL/OTT

Investment Range:

~~₦45M - ₦110M~~

Real IRR Range:

20-35%

Breakeven:

2-4 years

Guidance:

Highest potential returns. Requires broadband. Focus on Score 4-5 markets.

INVESTOR GUIDANCE

IRR < 15%: Public-interest or donor-funded | **IRR 16-25%:** Commercially sustainable | **IRR > 25%:** Attractive for expansion capital

STRATEGIC RECOMMENDATIONS

FOR GOVERNMENT / NBC

- 1. Adopt market-based fee bands**
Premium, Standard, Moderate, Concessional tiers aligned with IRR scores
- 2. Implement collection priority matrix**
Focus 70% of enforcement on top-3 zones
- 3. Restructure content levy by market depth**
2.0-2.5% in Score 5; 0-0.5% in Score 2 states

FOR ACADEMIA / RESEARCH

- 1. Validate IRR methodology**
Refine scoring factors and weights
- 2. Study employment multipliers**
Quantify broadcast sector job creation impact

FOR INVESTORS / IBAN MEMBERS

- 1. Anchor in Score 4-5 markets**
Lagos, FCT, Rivers for TV; Ogun, Kano for radio
- 2. Pursue multi-platform strategies**
Radio + Digital hybrids maximize returns
- 3. Advocate for tiered licensing**
Reform enables 5-6.5% GDP contribution potential

FOR DEVELOPMENT PARTNERS

- 1. Support Score 2 regions**
Fund public-interest broadcasting in NE/NW
- 2. Invest in enabling infrastructure**
Power and broadband raise IRR scores sector-wide

INTERNATIONAL PRECEDENT

Tiered licensing frameworks are established practice in peer African economies

SOUTH AFRICA

ICASA

Approach: Tiered licensing based on coverage area and commercial classification. Community, regional, and national tiers with differentiated fees.

Result: Sustainable community broadcasting sector alongside commercial operators

KENYA

CA

Approach: Market-based fee differentiation by county economic classification. Urban, peri-urban, and rural tiers.

Result: Improved license compliance and sector growth outside Nairobi

GHANA

NCA

Approach: Regional fee bands reflecting local advertising market depth and infrastructure availability.

Result: Balanced distribution of stations across regions

NIGERIA'S CASE: With 775 stations across 36 states & FCT and the largest population in Africa, Nigeria has even stronger justification for market-based differentiation than peer economies.

KEY TAKEAWAYS

1

The Two-Times Disparity Problem

IRR ranges from 9% to 32% across Nigerian states. Uniform fees ignore this fundamental economic reality, creating structural collection failures.

2

₦2.8 Billion Opportunity

IRR-informed model closes 54% of the revenue gap. This comes from rational pricing, not enforcement, improving from ₦6.8B to ₦9.6B collection.

3

IBAN Employment at Stake

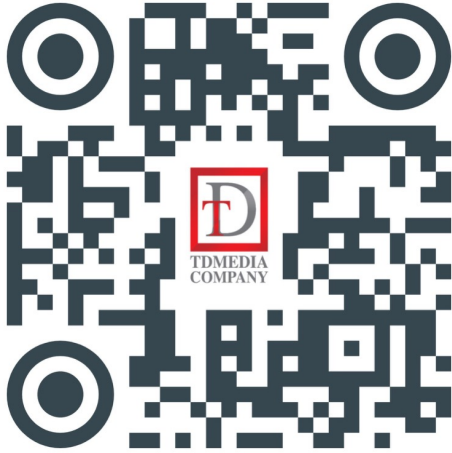
Private commercial operators (58% of industry) employ 25,000-45,000 directly. Market-based reform protects these jobs and enables growth.

4

5-6.5% GDP Contribution Potential

With enabling frameworks, Nigeria's broadcast sector can achieve peer-economy contribution levels. Reform is the prerequisite.

ABOUT TDMEDIA COMPANY



SERVICES

- IRR Analysis
- Regulatory Strategy
- Investment Advisory
- Market Entry

Strategic Media Advisory

TDMedia Company is a London-based media consultancy specializing in strategic development, broadcast advisory services, and project management across digital, print, and broadcast channels.

CREDENTIALS

- Founded NN24, Nigeria's first 24-hour news channel
- Established News Central TV, Pan-African news platform
- Nearly \$20 million raised across media ventures
- "Fresh Ideas in Broadcasting" Award (NBC, 2010)

Evidence-Based Regulation for a Sustainable Broadcast Sector

*The numbers have been calculated. The framework has been designed.
Implementation is a matter of political will.*

