Investing in Albania's Solar Future: Your Complete Guide to Government Incentives for Solar Panel Manufacturing

Government incentives, market growth, and manufacturing opportunities in a rapidly expanding renewable energy market

Content Partner: J. v. G. technology GmbH

Turnkey solar module production lines — since 1997

www.jvg-thoma.com

Technical Overview: Albania's Government Incentives for Solar Manufacturing

Created as part of the PVKnowHow Knowledge Network

Prepared by J.v.G. Technology GmbH

European specialists in turnkey solar module production lines

Key Project Data

~1 GW

National Expansion Potential

Albania's stated target for additional renewable capacity; solar PV: 490 MW of 640 MW non-hydro goal by 2030

Flexible

Manufacturing Entry Point

Investment scope is incentive-driven; scalable from pilot to full automated production line

12–24 ...

Typical Ramp-Up

Project-dependent; experienced turnkey providers can deliver production-ready lines within this window

Balkans

Region

Albania / Western Balkans / EU candidate region — strategic access to Adriatic, Southeast Europe, and EU markets

Line type: Automated solar module production · Region: Albania / Balkans / Europe · Source: PVKnowHow / J.v.G. Technology GmbH

Market Demand & Solar Growth

Installed Capacity & Growth

- 307 MW of installed solar capacity by end of 2024
- Over 1,000 prosumers contributing 102 MW by 2023
- Up to 300 sunshine days per year; high irradiation levels
- 7 GW total wind and solar potential identified nationally

Demand Drivers by Segment

- **Residential:** Government subsidies covering up to 70% of installation costs for eligible households
- **Commercial & Industrial:** Businesses adopting rooftop solar to hedge against electricity price volatility
- **Utility-scale:** Competitive auctions driving large-scale project procurement (e.g. 300 MW tender in 2024)

Government Incentives: Tax, VAT & Customs

Tax Incentives

- Tax exemptions, reduced rates, or credits for renewable energy equipment purchases
- Tax credits applicable to installation and operation of solar energy systems
- Albania applies a liberal foreign investment framework with non-discriminatory treatment

Customs & VAT Relief

- Strategic investment law enables streamlined customs procedures for qualifying projects
- VAT incentives available for qualifying renewable energy investments
- Profit repatriation and capital protection guaranteed under Albanian investment law

Administrative Simplification

- Strategic investment law aims to reduce permitting and licensing complexity
- AIDA (Albanian Investment Development Agency) is the primary facilitation body
- Ongoing government reforms to improve transparency and streamline processes

Strategic Investment Framework: AIDA & the 1 Euro Scheme

AIDA — Albanian Investment Development Agency

- First point of contact for all foreign investors
- Facilitates administrative steps; promotes investment opportunities
- Interfaces with Ministry of Finance & Economy and Ministry of Infrastructure & Energy
- Provides guidance on timelines, eligibility, and incentive access

Albania 1 Euro Scheme & Sectoral Incentives

- Government-backed scheme enabling strategic land access at nominal cost for qualifying manufacturing investors
- Sectoral incentives available across manufacturing, energy, and export-oriented industries
- Protective legal framework against expropriation without fair compensation
- Continuously improving investment climate through new legislation and reforms

Financing & Institutional Support

EBRD — Active Partner Since 1992

- Close to €900 million in financing delivered to Albania over the past 5 years; over €200 million invested in 2024 alone
- Supported 3 successful solar auctions + first onshore wind auction — over 750 MW of RE capacity awarded
- Co-financed Albania's first large-scale solar plant (Karavasta, €29M); currently financing Belshi 50 MWp plant (€30M sovereign loan)

EU & Western Balkans Investment Framework

- EU contributing €8M investment grant + €1.2M technical assistance to Belshi solar project
- Albania to receive €922.1M under EU Growth Plan for Western Balkans (2024–2027)
- EU Reform & Growth Facility approved October 2024; supports green transition reform agenda

Guarantee Instruments & SME Finance

- EBRD SME Go Green programme active in Albania — green economy-linked credit lines
- ADIA (Albanian Deposit Insurance Agency) provides additional financial stability backstop
- World Bank and EIB also active; multilateral presence reduces sovereign financing risk

Market Demand Drivers: FiTs, Auctions & Residential Growth

1

Feed-in Tariffs (FiTs)

Fixed rates of ~€97–100/MWh for solar plants up to 2 MW (ERE-set rates, 2020–2021 Energy Community reference)

Guarantees stable, long-term revenue — supports bankability of smaller PV projects

2

Competitive Auctions

Four solar auctions held (2018, 2020, 2021, 2024); two projects totalling 240 MW awarded to date

2024 unsubsidised tender: 283.93 MW of proposals at avg. €0.051/kWh — signals emerging merchant market

3

Power Purchase Agreements (PPAs)

Government facilitates PPAs between RE producers and distribution companies

Conversion of auctioned PPAs to Contracts for Difference (CfDs) under assessment since May 2024

4

Residential & C&I Growth

Government subsidies covering up to 70% of installation costs for eligible households; 1,000+ prosumers active

Industrial customers increasingly using rooftop solar to hedge market price volatility

Competitive Advantages: Location, Labour & Policy

Geographic Position

- Adriatic and Ionian Sea coastlines — direct access to EU shipping routes
- Borders Greece, North Macedonia, Montenegro, Kosovo — regional export hub potential
- Up to 300 sunshine days/year; among the highest solar irradiation in Europe

Labour & Skills

- Competitive labour costs relative to EU and Western Balkan peers
- Widely spoken languages: English, Italian, Greek — facilitating international operations
- Proven turnkey manufacturing concepts include on-site team training from day one

Policy & Trade Framework

- EU candidate status; active accession negotiations and regulatory alignment underway
- Free trade agreements provide preferential market access across the region
- Law 24/2023 incentivises RE deployment through auctions, PPAs, and CfDs

Risks & Challenges

Structural & Regulatory Risks

- Bureaucracy and administrative complexity remain a challenge for investors
- Grid infrastructure inadequate for large-scale RE integration without upgrades
- World Bank ease of doing business: ranked 82nd/190 — below several Balkan peers
- Heavy hydropower dependence creates energy security vulnerability during dry years (imports up to 50% of consumption in drought periods)

Operational & Skills Challenges

- Limited domestic manufacturing know-how in solar module production
- Workforce training required — no prior factory experience assumed at entry
- Wholesale market still highly regulated; full liberalisation ongoing
- Public awareness of available incentives and support mechanisms remains low

⚠ Mitigation: An experienced European turnkey provider brings process methodology, compliance frameworks, and structured operator training — significantly reducing the learning curve for new market entrants.

Strategic Conclusion: Investment Opportunity Assessment

1

Demand Foundation

307 MW installed, 1 GW expansion target, 7 GW resource potential — structural demand for locally manufactured panels is real and growing

2

Incentive Stack

Tax relief, customs exemptions, AIDA facilitation, 1 Euro scheme, EBRD/EU financing, and EU Growth Plan funds create a multi-layer investment case

3

Manufacturing Entry

A proven turnkey manufacturing concept with flexible entry scale, on-site training, and 12–24 month ramp-up reduces execution risk for first-movers

An experienced European turnkey provider integrates manufacturing know-how into full-line process methodology — reducing the learning curve for investors entering solar panel production in Albania and the broader Balkan market. · **Source: PVKnowHow / J.v.G. Technology GmbH**

About the Content Partner

J. v. G. technology GmbH — The DESERT Company

Founded in 1997 in Bavaria, Germany. Family-owned engineering company specializing in turnkey solar module production lines.

More than 90 factory projects delivered worldwide.
On-site team training included — no prior manufacturing experience required.

Key areas:

Turnkey PV manufacturing lines | DESERT Technology® | TÜV-certified module designs | Factory planning to production

www.jvg-thoma.com

Contact

J.v.G. Technology GmbH

Möningerberg 1a, 92342 Freystadt, Germany

info@jvg-thoma.de | www.jvg-thoma.com

Source:
https://www.pvknowhow.com/countries/albania/government-solar-incentives

---

Created with the support of JvGLabs — specialist for AI systems and AI-driven visibility. www.jvglabs.com