

Italy

Trilemma Rank
20

Trilemma Score
74.8

Balance Grade
ABA

Italy is one of the strongest Trilemma performers, ranking 20th globally. A strong score in Sustainability is supported by an improvement in the index over time, driven by growing renewables generation, and managed GHG emissions in the context of growth. Strong and stable performance in the Equity dimension reflects stable affordability indicators. Although Italy's Security score is slightly lower, the index shows step change improvement in recent years across all indicators, especially driven by growing energy independence through diversity of generation.

Population
59.6 (million)

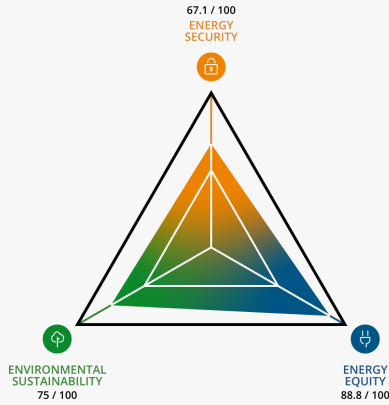
Land Area
297.7 (thousand sq. km)

GDP Per Capita
31,714.20 (PPP US\$)

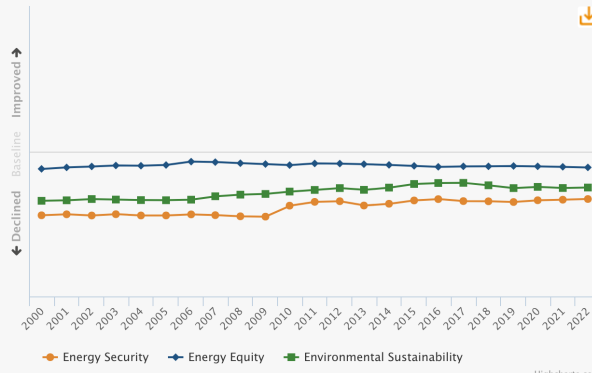
Industrial Sector
21.6 (% of GDP)

GDP Growth
1.7 (annual %)

Balance



Historical Trilemma Scores



Trends and Outlook

The overall grade of Italy for 2022 vs 2021 is relatively stable but hasn't improved compared with year 2018. Performance was deeply influenced by the Pandemic crisis especially for 2020-2021 during lockdown periods. Nevertheless, after the most difficult period of pandemic crisis, transport sector consumption reached comparable levels of demand on the previous period.

Even if Italy performs relatively very well on energy efficiency, there is room for improvements in energy efficiency, especially in the housing sector. In fact, high performance is mostly due to de-industrialisation of the country. As well as diversification of energy sources by country of origin, due to the current geopolitical context. Favourable long term gas contracts drove the country to a concentration from one country origin.

Energy efficiency can improve but not significantly, because the major efforts have been made already. The energy security, on the contrary, can and must. Sustainability is a result of efforts success in energy sources diversification but will take longer to achieve it.

Energy equity is, by far, the indicator that performed the worst. The high increase of energy prices is the main reason for that. On the other side, CO2 emissions from the energy sector decreased, mostly due to the energy consumption collapse.

Energy policies on Net Zero Emissions goals will positively affect the trilemma performances. Simplification in authorisation process to build new REN power plants will boost the transition but not at the required pace. Similar problems will arise in the transport sector where so far, the electrification of vehicles is far from sufficient.

Italy suffers for a decentralised energy policies system due to regionalisation in last decades. The Conflict in Ukraine deeply affected Italy economically and forced it to review immediately the diversification of energy supply from Russia. Like other countries, Italy was concentrating too much on one country source (almost 40% of natural gas from Russia) and progressive gas supply cutting pushed gas and power prices at the highest level ever.

Social justice is seen by looking at the energy prices for both fuels and electricity. Price differentials for families and industries are still in favour of the former. Industrial consumers consider the country competition on export is damaged by higher prices if compared with foreign competitors.

Key Metrics

Metrics are determined relative to other countries, with a full bar representing a score of 100.

