The Italian Energy Market

U.S. Commercial Service Italy

ABSTRACT

The Italian energy policy is currently based on market liberalization, diversification of energy sources, power devolution to regional authorities, energy security, energy efficiency, and environmental protection. The energy mix is characterized by a substantial reliance on oil and gas. The intensity of oil and gas utilization is gradually decreasing, while renewable energies (hydro, solar, wind and biomass) are registering a strong growth trend. Significant progress has been recently made towards implementing electricity and gas market reforms and restructuring the energy industry. Important goals have been accomplished by transposing the EU gas and electricity directives into the Italian legislation.

MARKET DATA

Italy is not self-sufficient in energy, and although recent surveys indicate there is some oil and gas in the Southern regions and offshore, the country still depends on foreign suppliers for over 82 percent of its needs. (European Average: 56%). A strong increase in renewable energy and nuclear power would help Italy to significantly reduce its energy dependence, which would fall, according to a study of the European Commission to 70 percent in 2030. Italy’s political uncertainties coupled with a long economic stagnation have significantly affected the local market for energy related products, equipment and systems. At the same time, electric power demand has continued to increase, requiring substantial imports of electricity from neighboring countries (France, Austria, Switzerland and Slovenia).

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