Share of greenhouse gas emissions subject to a positive price by instrument, 2018-2021

In 2021, explicit carbon prices in Italy consist of emissions trading system (ETS) permit prices, which cover 36.2% of greenhouse gas (GHG) emissions in CO$_2$e. In total, 81.8% of GHG emissions in Italy are subject to a positive Net Effective Carbon Rate (ECR) in 2021, unchanged since 2018. Fuel excise taxes, an implicit form of carbon pricing, cover 71.1% of emissions in 2021, unchanged since 2018. Fossil fuel subsidies cover 1% of emissions in 2021, unchanged since 2018.

Note: Percentages are rounded to the first decimal place.

Average effective carbon prices by instrument, real 2021 EUR, 2018-2021

Explicit carbon prices have increased to an average of EUR 19.17 per tonne of CO$_2$e, up by EUR 13.31 (227.1%) since 2018. In 2021, fuel excise taxes amounted to EUR 70.33 on average, down by EUR 1.33 (1.9%) relative to 2018. Fossil fuel subsidies have remained at an average of EUR 0.11 per tonne of CO$_2$e.

Note: Prices are rounded to the nearest eurocent.

Percentage change in the average Net ECR by reference price, 2018-2021

The change in carbon prices in Italy was affected by inflation. The average Net ECR on GHG emissions has increased by 15.5% since 2018 when measured in real 2021 euros. In nominal euros, devalued by inflation, the average Net ECR has increased by 18.2% since 2018.
Distribution of effective carbon prices across GHG emissions, 2021

Less than 37.3% of GHG emissions have a Net ECR above EUR 60 per tonne of CO$_2$e, a mid-range estimate of current carbon costs.

Note: Simplified for illustration (the average price for each percentile bracket is shown).

Average effective carbon prices (left axis) and GHG emissions (right axis) by sector, 2021

Net effective carbon rates are highest in the road transport sector, which accounts for 23.5% of the country's total GHG emissions. The Net ECR is positive in all sectors.

Want to know more?

- Which domestic policy instruments are included as carbon pricing instruments? View the background information: [www.oecd.org/tax/tax-policy/carbon-pricing-background-notes.pdf](http://www.oecd.org/tax/tax-policy/carbon-pricing-background-notes.pdf)