



SET-IndEU

Press Release

Industrial Accelerator Act to strengthen
European Industry



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Industrial Accelerator Act: A new push to scale up decarbonisation of European energy-intensive industries

The European Commission has adopted the Industrial Accelerator Act (IAA), a legislative proposal to increase demand for low-carbon, European-made technologies and products. It seeks to boost manufacturing, grow businesses, and create jobs in the EU, while supporting industry's adoption of cleaner, future-ready technologies.

In line with the recommendations of the Draghi report and as announced in the Clean Industrial Deal, the legislative proposal introduces measures to unlock stalled investments, stimulate demand for low-carbon materials, and streamline permitting procedures.

Brussels, 5 March 2026 – The European Commission yesterday proposed the long-awaited Industrial Accelerator Act (IAA).

The proposal introduces **targeted and proportionate “Made in EU” and/or low-carbon requirements in public procurement and public support schemes**. These measures apply to selected strategic sectors, including **steel, cement, aluminium, automotive, and net-zero technologies** such as batteries, solar, wind, heat pumps and nuclear. The framework may be extended, where appropriate, to other energy-intensive sectors such as chemicals.

The Commission frames the Act as a response to growing global competition and increasing dependencies on non-EU suppliers in strategic sectors. The Act will **enhance European production capacities and increase demand for European-made clean technologies and products**. With a manufacturing capacity of 14.3% of EU GDP in 2024, the Act aims to increase manufacturing's share to 20% by 2035.

The Act also proposes a **streamlined permitting** framework. It requires Member States to establish a single digital permitting process (“one-stop-shop”) with clear time limits, and for energy-intensive decarbonisation projects, the proposal introduces **simplified procedures**, including the principle of tacit approval at intermediate stages of the permit-granting process.

A central pillar of the adopted proposal is the **creation of lead markets** through ‘**Made in EU**’ and **low-carbon preferences** in public procurement and public support schemes. For steel, the Act introduces specific low-carbon preferences aimed at strengthening investor confidence and accelerating market uptake. The proposal also introduces **reciprocity principles in public procurement**, granting equal treatment to countries that provide EU companies access to their markets. In addition, the Press Release from the EC states that “Content from partners with which the Union has concluded an agreement establishing a free trade area or a customs union, or that are parties to the Agreement on Government Procurement, and where relevant obligations of the Union exist under that agreement, shall be deemed



to be of Union origin”.

Moreover, the IAA establishes conditions for major **foreign direct investments** exceeding €100 million in strategic sectors where a single third country controls more than 40% of global manufacturing capacity. The Commission expects such investments to create high-quality jobs, contribute to innovation and growth, generate value in the EU through technology and knowledge transfer, comply with local content requirements, and guarantee at least a 50% minimum level of European employment.

To boost **sustainable manufacturing**, the Act also introduces **Industrial Acceleration Areas** to support clean manufacturing clusters and industrial symbiosis. These clusters will enable coordinated infrastructure planning, area-wide permitting, investor profiling and support for skills development.

Next Steps

The proposed Regulation will now enter negotiations between the European Parliament and the Council before adoption and entry into force.

For energy-intensive industries, the Industrial Accelerator Act signals a shift toward combining climate objectives with market creation, regulatory simplification and supply chain resilience.

In this evolving policy landscape, SET-IndEU continues to support the SET Plan IWG-Industry to foster dialogue between policymakers, industry and research actors, helping to align research, innovation and deployment efforts with Europe’s industrial and climate objectives.

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