



AEGIS Europe's Position Paper on the Industrial Accelerator Act

AEGIS Europe welcomes the European Commission's proposal for an Industrial Accelerator Act (IAA), which seeks to accelerate industrial decarbonisation and strengthen manufacturing capacity in strategic sectors.

In today's geopolitical and trade environment, EU manufacturing resilience, competitiveness and strategic autonomy are increasingly undermined by persistent global overcapacities, state-induced market distortions and unfair trade practices. These distortions risk displacing European production and weakening the industrial base required for the clean transition.

In this context, industrial decarbonisation cannot be considered in isolation from trade exposure. The Act should ensure that public support, procurement incentives and market opportunities primarily benefit manufacturing activities located in Europe, while preserving the competitiveness of European industry across strategic value chains. Industrial decarbonisation should also be supported by affordable energy prices, secure access to raw materials and a stable and predictable regulatory environment that does not create distortions within the internal market. Without addressing these enabling conditions, decarbonisation efforts risk accelerating carbon leakage, reducing industrial output and weakening Europe's manufacturing base.

AEGIS Europe Policy Recommendations

1. Establish a robust and strategic Union-origin requirement

The definition of "Made in EU" should be designed to strengthen industrial resilience, strategic autonomy and fair competition. A robust Union-origin framework under the IAA is essential to ensure that EU industrial support measures are not undermined by trade distortions and third-country subsidisation practices. Without clear origin criteria, the IAA risks indirectly reinforcing foreign production structures benefiting from non-market conditions.

As a general principle, products, components or content originating from third countries covered by Free Trade Agreements (FTAs), customs union arrangements or the WTO Government Procurement Agreement (GPA) should not automatically qualify as Union-originating for the purposes of the IAA. Furthermore, Union-origin equivalence, as well as access to public procurement schemes and public support mechanisms under the IAA, should not be granted to countries that maintain or contribute to structural overcapacities through state support, market access restrictions, requirements to purchase locally irrespective of reciprocity agreements, export controls or other non-market practices.

To ensure strategic autonomy, the regulatory framework must grant a direct prioritisation to EU-made products. Therefore, AEGIS Europe recommends the introduction of a case-by-case "opt-in" mechanism under which third-country content may be recognised as equivalent to Union-originating only when:

- the third country has public procurement commitments towards the EU that provide reciprocal access to its market;
- the third country has implemented a carbon pricing system equivalent to that of the Union and has a similar climate target ambition as the EU;

- the third country demonstrates compliance with ESG standards, respect for the rule of law, market economy principles, fair competition practices, transparency obligations and the absence of structural overcapacities.

2. Use public procurement as a strategic industrial policy instrument

Public procurement and other forms of public intervention provisions under the IAA should support the competitiveness, resilience and decarbonisation of European industry across all sectors and value chains.

AEGIS Europe recommends that:

- public procurement criteria give clear preference to Union-originating products and technologies;
- a value-chain approach is applied to benefit both upstream and downstream sectors;
- access to EU procurement opportunities is conditioned on reciprocity: third-country companies could benefit from access to EU procurement markets only where European companies enjoy equivalent and effective access to procurement markets in the countries concerned, and where all other 'opt-in' criteria for Union origin equivalence are met.
- the exception according to which contracting entities would not apply the obligations in case of '*disproportionate costs*' or for '*cost differences exceeding 25%*' needs to be modified. Indeed, in public procurement, undercutting prices has been observed as a common practice of certain third country economic operators – often going beyond the 25% difference. Against this background, the 25% cost difference should be an absolute minimum based on a sound and comparable price matrix, at the level of overall project costs, that integrates the Foreign Subsidies Regulation and CO2 allowances cost. There should also be a reasonable possibility for bidders to challenge the use of exceptions.
- while AEGIS Europe appreciates and supports the 'light' self-declaration system – i.e. without third party assessment – which has been proposed to limit the administrative burden of economic operators participating in public procurement procedures, clear and robust enforcement is needed. The absence of clearly defined enforcement provisions in the current text presents several risks, such as circumvention or arbitrary, inconsistent, or disproportionate penalties, thereby increasing the likelihood of legal challenges and administrative disputes. The responsibilities of the different levels (European Commission, Member States, contracting entities) are highly unclear at this stage. There should be sanctions defined and enforced by the European Commission – i.e., with broader implications than just the procurement procedure in question – regarding bidders which would be found to "have constructed" a false declaration; this would strengthen the credibility of the obligations and mitigate the risk of anti-circumvention. Furthermore, bidders in the framework of a specific procedure should be able to alert competent authorities based on initial suspicions of non-compliance in order to trigger *ex-post* controls by the European Commission and/or national authorities, thereby preventing unreliable or inaccurate self-declarations.

3. Design public support schemes that create lead markets for Made in EU products

AEGIS Europe calls for public support schemes and incentives to support EU manufacturers and EU consumers. Public incentives constitute a complementary instrument to public expenditure and should therefore be designed in line with the same principles that govern public procurement frameworks.

AEGIS Europe sees the IAA as an opportunity to define a regulatory framework that could help consumers benefit from incentives when opting for low-carbon or Made in EU products on the market.

As for public procurement, public incentives should give preference to Union-originating products and technologies, to low-carbon products, and to both upstream and downstream goods. Access to public support scheme opportunities should be conditioned on reciprocity: third-country companies should benefit from access to EU public incentives only where European companies enjoy equivalent and effective access in the countries concerned.

4. Develop a clear framework for low-carbon products

The absence of a harmonised definition and methodology on low-carbon products creates uncertainty for industrial operators and investors and risks undermining investment decisions necessary for the clean transition.

AEGIS Europe recommends therefore that low-carbon requirements under the IAA be based on transparent, science-based and internationally recognised methodologies and rely on comprehensive life-cycle assessment approaches covering the entire environmental footprint of products. Such methodologies should be technologically neutral, proportionate, verifiable and should avoid creating competitive distortions arising from differences in national energy systems. Therefore, the European electricity mix should serve as the benchmark for electricity-related emissions, with this principle set out directly in the IAA to ensure legal certainty and a level playing field across the Union.

5. Strengthen industrial resilience through strategic foreign direct investment

Foreign direct investments in strategic sectors should contribute to the Union's long-term industrial resilience, technological sovereignty and innovation capacity, while demonstrating a genuine and verifiable contribution to the European economy, including technology and know-how transfer, the development of local industrial ecosystems, the creation of high-quality jobs, and progressive integration into Union value chains.

Clarifications on responsibilities are needed to ensure that a multi-layered approach delivers meaningful results; should the proposed multi-layer system be maintained, procedural uncertainty should be reduced, and clarity and predictability further increased, including by safeguarding investment timelines for non-targeted sectors.

To ensure that such contributions are effectively delivered, AEGIS Europe recommends that joint ventures benefiting from the IAA include appropriate corporate governance safeguards guaranteeing the effective participation of Union partners in strategic, technological and manufacturing decisions. Formal ownership thresholds alone should not be considered sufficient where governance arrangements limit the effective influence of Union partners.

For greenfield investments, Union-origin and low-carbon requirements should be implemented through a phased and roadmap-based approach, allowing supply chains to be progressively localised while preserving investment attractiveness and supporting industrial scale-up. Such roadmaps should

be subject to approval, monitoring and periodic verification by the competent authority or, where applicable, by the Commission. This approach would support fair competition, balanced industrial development across all Member States, and the resilience of the Union's industrial base.

6. Reinforce the framework for industrial manufacturing acceleration areas

AEGIS Europe supports the proposed framework for Industrial Manufacturing Acceleration Areas. However, it stresses that the initiative should encompass new industrial projects as well as existing strategic industrial installations and production capacities. Fast, predictable, and simplified permitting procedures are essential to safeguard and expand Europe's upstream industrial base and to reduce strategic dependencies on third countries.

AEGIS Europe also notes with concern the absence of credible funding instruments, as well as the lack of clear oversight and coordination mechanisms, which risks leading to fragmented implementation across Member States.

7. Limit the use of delegated acts

The IAA should provide a clear, stable and predictable regulatory framework directly in the primary legislation.

While delegated acts are key to guarantee a certain extent of flexibility, AEGIS recommends avoiding their extensive use, which could increase regulatory complexity, reduce legal certainty for investors and industrial operators and create an overly fragmented framework.

[AEGIS Europe](#) is an industry alliance that brings together more than 30 European manufacturing associations representative of the whole value chain, from commodities down to consumer end products. Our members account for more than €500 billion in annual turnover, as well as for millions of jobs across the EU.

