



## Commission proposes Industrial Accelerator Act to strengthen industry and create jobs in Europe

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Today, the European Commission has adopted a legislative proposal to **increase demand for low-carbon, European-made technologies and products**. The **Industrial Accelerator Act (IAA) will 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](#), the IAA introduces **targeted and proportionate 'Made in EU' and / or low-carbon requirements for public procurement and public support schemes**. These will apply to selected strategic sectors, notably **in steel, cement, aluminium, cars, and net-zero technologies**, while establishing a framework that can be extended, where appropriate, to other energy-intensive sectors such as chemicals. This will **strengthen European production capacities and boost demand for European-made clean technologies and products**. The Act includes a requirement for Member States to set up a single digital permitting process to speed up and simplify manufacturing projects.

The **IAA** aims to increase value creation in the EU, strengthening our industrial base against the backdrop of growing unfair global competition and increasing dependencies on non-EU suppliers in strategic sectors. It therefore represents a strategy to support long-term economic growth, prosperity and security. In 2024, manufacturing represented 14.3% of EU GDP and therefore plays a vital role in Europe's economic resilience, innovation lifecycle, and social fabric. **The Act sets a goal to increase manufacturing's share of EU GDP to 20% by 2035.**

At the same time, the EU remains **one of the world's most open markets and is committed to maintaining that openness as a key source of economic strength and resilience**. The proposal encourages greater reciprocity in public procurement, by providing equal treatment to countries that offer EU companies access to their markets, in line with the Draghi report. 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. For other public interventions, notably public schemes and auctions, partners can be covered within the IAA scope if they have a free trade agreement or customs union with the EU.

While remaining open to foreign direct investment, the IAA establishes conditions for major investments in strategic sectors exceeding €100 million where a single third country controls more than 40% of global manufacturing capacity. Such **investments must create high-quality jobs, drive innovation and growth, and generate real value in the EU** through technology and knowledge transfer, as well as compliance with local content requirements. They must also guarantee a **50% minimum level of European employment, ensuring businesses and citizens benefit alongside investors** from access to the Single Market. In doing so, the IAA strengthens EU **economic security and reinforces supply chain resilience**.

The Industrial Accelerator Act leverages the strengths of the Single Market by:

### **Supporting lead markets for 'Made in EU' and low-carbon products**

The IAA introduces 'Made in EU' and low-carbon preferences in public procurement and public support schemes to boost demand for European industrial products — cement, aluminium to net-zero technologies like batteries, solar, wind, heat pumps, and nuclear. For steel, the Act proposes specific low-carbon preferences to create market demand. This measure will give investors confidence and predictability, boosting innovation and making clean steel a core part of the EU's industrial future. Strategic use of public funds will support investments in the EU, thereby strengthening access to low-

carbon products and safeguarding competitiveness.

## Ensuring that foreign direct investments bring value to the EU

The EU remains a top destination for foreign direct investments (FDI), hosting almost one quarter of global FDI stock in 2024. To ensure that FDI strengthens EU supply chains, promotes technology transfer, and supports quality job creation, the IAA introduces conditions for investments above €100 million in emerging sectors such as batteries, electric vehicles, photovoltaics and critical raw materials.

## Simplifying permitting

As part of the Commission's simplification agenda, the IAA streamlines and digitalises permitting procedures for industrial projects. This includes the introduction of a single digital 'one-stop-shop' with clear time limits as well as the principle of tacit approval at intermediate stages of the permitting process for energy-intensive decarbonisation projects.

## Boosting sustainable manufacturing

The IAA introduces Industrial Acceleration Areas designed to enable industrial symbiosis and encourage the creation of clean manufacturing project clusters. The creation of such clusters will facilitate essential energy infrastructure investments and promote area-wide permits. Projects in these areas will avail of profiling with investors and support with skills development.

## Next steps

The proposed Regulation will be negotiated by the European Parliament and the Council of the European Union before its adoption and entry into force.

## Background

This initiative is a proposal for a Regulation. It was announced in the [Clean Industrial Deal](#) and in last year's [Joint Communication on strengthening EU economic security](#). It also delivers on the [Draghi report](#) by creating EU demand for clean and EU-made products and key technologies through public procurement and support schemes.

## For more information

[Industrial Accelerator Act Regulation](#)

[Questions & Answers](#)

[Factsheet](#)

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Quote(s):

*"Today marks a major step in the renewal of the European economic doctrine so the Union is fit for the 21st century, as recommended by the Draghi report. Facing unprecedented global uncertainty and unfair competition, European industry can count on the provisions of this Act to boost demand and guarantee resilient supply chains in strategic sectors. It will create jobs by directing taxpayers' money to European production, decreasing our dependencies and enhancing our economic security and sovereignty."*

Stéphane Séjourné, Executive Vice-President for Prosperity and Industrial Strategy

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[Read-out of the weekly meeting of the von der Leyen Commission by Stéphane Séjourné, Executive Vice-President of the European Commission, on the Industrial Accelerator Act](#)