cefic

POSITION PAPER

JUNE 2026

Industrial Accelerator Act (IAA)

Executive Summary

The Industrial Accelerator Act (IAA) is a useful starting point for a new industrial policy approach in Europe. If properly designed, it can strengthen demand for low-carbon and circular products and support the transition of strategic sectors.

To be effective, the IAA must get the fundamentals right:

- Create demand where it matters— at the level of end-markets
- Support—not substitute—a strong supply side framework
- Remain practical, enforceable and compatible with Europe's open and fair trade framework.

Cefic supports the objectives of the proposal and is ready to engage constructively to ensure it delivers tangible benefits for Europe's chemical value chains, while contributing to climate neutrality and economic resilience.

European Chemical Industry Council - Cefic aisbl
Rue Belliard 40 b.15 B-1040 Brussels Belgium
Tel. +32.2.436.93.00 mail@cefic.be www.cefic.org
EU Transparency Register n° 64879142323-90

Chemistry can

The Industrial Accelerator Act (IAA) introduces a new generation of EU industrial policy tools that seek to connect competitiveness with the low-carbon and circular transition of the European chemical industry at scale. With the introduction of demand-side measures, procurement requirements, "Made in Europe" approaches and with the designation of industrial acceleration areas, it signals a change in EU industrial policy. As such, it is likely to set precedents for future legislation across sectors. It is therefore important to 'get it right'.

Cefic welcomes the fact that the IAA explicitly recognises energy-intensive upstream sectors, including chemicals, as strategically relevant. At the same time, the draft text acknowledges the competitiveness challenges that energy intensive industries are facing.

It must be clear to policy makers that the IAA alone will not bring competitiveness back. The IAA cannot be a substitute for core competitiveness reforms focused on cost competitiveness: disproportionately high energy and carbon costs, as well as regulatory complexity and weak enforcement of European rules at the borders, are the core constraints underpinning the loss of industrial competitiveness in Europe vs other regions. For example, the upcoming revision of the EU Emissions Trading System will be critical to enable investments, with IAA acting as a supplementary driver for supporting a viable business case for industrial transformation.

From Cefic's perspective, the draft text is not mature enough, for example, many important details are left to delegated acts without clear guardrails or workplans, creating uncertainty on the practical implementation and effectiveness of the IAA. Its success will depend on its ability to deliver clear methodologies adapted to the targeted sectors and enforceable rules, without creating significant administrative burden that would be counter-productive.

The focus on public procurement and public funding is justified: EU taxpayers' money should serve European interests, including job creation, economic security and social well-being. The IAA should not set direct criteria for private procurement at this stage.

Therefore, we recommend the following changes to make the IAA an effective and workable tool that can strengthen the European industry:

- Important overlaps and questions need to be clarified to ensure consistency with existing EU legislation and avoid duplication. The IAA should complement and simplify existing EU legislation, not create additional complexity. For example,
    - Permitting: the Industrial Emissions Directive (IED) remains the core permitting framework. While the IAA seeks to accelerate procedures—particularly for decarbonisation—and introduce baseline permits for industrial acceleration areas, its interaction with the IED is unclear. The IAA must streamline, not duplicate, the IED permitting system with clear guidance on alignment of different processes.

- Product requirements: The IAA introduces demand-side measures, including procurement and 'Made in Europe' requirements, that risk overlapping or diverging from the Ecodesign for Sustainable Products Regulation (ESPR), the future Circular Economy Act, and existing product legislation (e.g. Construction Products, Detergents, Fertilisers, Packaging and Packaging Waste Regulation, Single Use Plastics Directive, End-of-Life Vehicles Regulation). Alignment is essential to ensure legal certainty, consistent criteria, and effective value-chain implementation.
- Foreign Direct Investments (FDI): the EU already operates an FDI screening framework. The IAA adds FDI conditionalities for specific, strategic sectors, but their interplay with existing mechanisms is unclear. The framework should protect EU strategic interests while preserving EU's openness to investment from trusted partners.

- Demand-side requirements need to focus on final products in end markets, not intermediates, where demand is created. This is because measures placed upstream of end products risk being bypassed through imports of finished products. At the same time, a value chain approach is needed to ensure benefits reach European chemical producers embedded in downstream sectors, This can be done by designing requirements at end-market level, while explicitly specifying targeted embedded materials and components that are strategically important for the EU and should be produced locally, or be subject to low/circular carbon requirements, to a certain extent. Additional burden and direct obligations on chemical producers would undermine investments and competitiveness of the chemical industry.
- For chemicals, the IAA provisions (Article 16) focus on circular carbon feedstocks. The scope needs to be expanded to cover both low-carbon and circular solutions (recycled-, bio- and CCU-derived) in key value chains where public procurement and funding can play a decisive role in mobilising markets, thereby ensuring a balanced and technology-neutral approach. The transition also requires incentivising low-carbon production pathways.
- Targeted measures can be introduced in selected value chains, including extending relevant annexes to chemical materials in the future where appropriate, subject to robust socio-economic assessment of the impacts (e.g. with preparatory studies).
- In view of the many markets served by the chemical industry, a clear, phased implementation framework should be established, drawing inspiration from the implementation logic of the Ecodesign for Sustainable Products Regulation (ESPR), where a strategic workplan was adopted upfront to identify priority product groups, followed by targeted delegated acts developed in a predictable and phased manner. The workplan should prioritise high-impact product groups and end markets. This will contribute to reducing the uncertainty surrounding the IAA proposal.
- A credible framework requires clear, standardised and verifiable definitions and criteria. In particular, definitions of low-carbon products must be comparable, enforceable and sector-specific. We see a need to accelerate the development of harmonised and aligned product carbon footprint methodologies for low-carbon chemicals and fertilisers.
- European preference must be implemented in a way that is both effective and compatible with trade commitments. Openness to trusted partners remains essential for resilient

value chains. Cefic supports a “Made in Europe+” approach that includes trusted partners based on reciprocity, verifiability of low/circular-carbon claims, and fair competition principles[1]. The requirements for exclusion of FTA countries need to be improved to ensure that full reciprocity and verifiability of product claims is ensured.

- European preference requirements should be designed to be practical and enforceable, while minimising administrative burden. To achieve this, they should build on well-established ‘Non-Preferential Rules of Origin’ used in the customs area. Clear lists of individual products, components and materials in the annexes can define where requirements apply, ensuring that strategic steps of the chemical production can be captured where appropriate and justified by resilience considerations. Decisions on the inclusion or exclusion of partner countries as “Union-equivalent” need to consider the associated administrative burden, including for SMEs.

- The IAA introduces the concept of Industrial Acceleration Areas as a key tool to speed up industrial deployment. However, important questions remain regarding their practical implementation, governance and enforceability, which need to be clarified to provide certainty for industry and investors. How will these areas operate in practice, including their designation, management and oversight across Member States? Who will define common criteria for designation of such areas? Who will decide on support schemes or infrastructure deployment projects in those areas? Specific consideration should be given to cross-border industrial areas, to ensure coordinated governance, aligned permitting approaches and legal clarity for projects spanning multiple Member States.

For more information please contact:
Yannick Scharf
Manager Industrial Policy
ysc@cefic.be

About Cefic
Cefic, the European Chemical Industry Council, is the forum of large, medium and small chemical companies across Europe, accounting for 1.2 million jobs and 13% of world chemicals production.
On behalf of its members, Cefic’s experts share industry insights and trends, and offer views and input to the EU agenda. Cefic also provides members with services, like guidance and trainings on regulatory and technical matters, while also contributing to the advancement of scientific knowledge.

[1] *France Chimie issued a minority opinion on the geographical scope asking to define Union-origin as EU/EEA.*