Acceleration of industrial capacity and decarbonisation in strategic sectors (Industrial Accelerator Act)

2026/0068(COD) - 04/03/2026 - Legislative proposal

PURPOSE: to establish the Industrial Accelerator Act to strengthen industry and create jobs in Europe.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: in today’s geopolitical landscape, the frequent and targeted use of economic tools to advance strategic objectives poses a serious threat to the EU’s resilience, competitiveness, economic security and strategic autonomy. As highlighted in the Draghi report on European Competitiveness, the weaponisation of EU dependencies of trading partners in strategic sectors puts the EU’s security, competitiveness and economy at risk. The Union’s capacity to respond and reduce third country dependencies lies in the strength of its industrial base, innovation capacity and integrity of the Single Market.

Despite the EU’s objectives of economic security, resilience, quality jobs and climate neutrality, manufacturing capacity has decreased over the last 20 years. The share of manufacturing in total GDP has declined from 17.4% to 14.3% between 2000 and 2024. It is therefore necessary to strengthen economic resilience, competitiveness and job creation, while also ensuring that the Union’s climate and energy targets are met.

Therefore, the EU must act strategically to secure and further strengthen its resilience and industrial base, long-term competitiveness and ensure that the climate transition becomes an engine of industrial growth.

CONTENT: against this background, the Commission is proposing the Industrial Accelerator Act to ensure that by 2035, this trend is reversed and that manufacturing represents 20% of the EU GDP. It will do so by accelerating permitting for all manufacturing projects, and by providing a toolbox to provide access to the European single market in a way that prevents strategic dependencies, creates manufacturing jobs, boosts decarbonisation and climate performance and secure access of European citizens and companies to vital commodities and products at all times.

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

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

The proposal 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 proposed Industrial Accelerator Act introduces conditions for investments above EUR 100 million in emerging sectors such as batteries, electric vehicles, photovoltaics and critical raw materials.

The Investment Authorities designated by Member States will be responsible for reviewing and monitoring compliance with those conditions, with the Commission playing a coordinating role.

Streamlining the permit-granting procedure

It is proposed that the Member States should establish a single permit-granting procedure based on a **single application** covering all permits required for industrial manufacturing 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 permit-granting process for energy-intensive decarbonisation projects.

Boosting sustainable manufacturing

The proposal establishes a framework for the designation of industrial manufacturing **acceleration areas** by Member States based on a defined set of criteria. These areas are intended to facilitate the geographical clustering industrial activities and to promote favourable conditions for the industries established therein. Industrial manufacturing acceleration areas will be developed in synergy with other Union initiatives.