Council of the European Union

Brussels, 26 November 2026
(OR. en)

16058/26

Interinstitutional File:
2026/0068 (COD)

COMPET 1393
IND 710
MI 1226
MAP 212
FDI 59
TRANS 728
CLIMA 655
ENV 1426
ENER 779
ECOFIN 1494
UD 346
POLCOM 424
CODEC 2211

NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee/Council
Subject:	Preparation of the Competitiveness Council (Internal Market, Industry, Research, and Space) on 3 December 2026: Regulation on accelerating industrial capacity and decarbonisation (Industrial Accelerator Act) - Policy debate

Delegations will find attached a Presidency background note on the "Regulation on accelerating industrial capacity and decarbonisation (Industrial Accelerator Act)", with a view to the policy debate at the Competitiveness Council on 3 December 2026.

ANNEX

Industrial Accelerator Act: Strengthening Europe's Resilience

Time is of the essence for European industry. In the current geopolitical climate, significant threats arise for the Union's competitiveness, resilience and economic security. There is evidence of overcapacity in certain sectors created by non-market policies and practices. There are also risks associated with the weaponisation of the Union's economic dependencies, as well as challenges to achieving its industrial decarbonisation objectives. The Union's ability to preserve its economic security and independence, while safeguarding the functioning of the internal market, requires a common framework to protect the resilience of our supply chains in selected strategic sectors and reduce unsustainable third country dependencies by preserving a strong and sustainable industrial base, increasing our innovation capacity, and mobilising the strength and integrity of the Single Market.

At the European Council in March 2026, leaders highlighted that strengthening Europe's industrial base is essential to competitiveness, economic security and the green and digital transitions. They underlined the importance of establishing a targeted and proportionate 'European preference' in strategic sectors and technologies and called on the co-legislators to agree the Industrial Accelerator Act (IAA) by the end of 2026. The Council, the European Parliament and the Commission agreed that objective in the 'One Europe, One Market' Roadmap in April 2026.

The IAA proposal seeks to drive industrial renewal, by putting forward measures to speed up permitting procedures for industrial manufacturing projects, and create lead markets for strategic products manufactured in the Union through introducing harmonised Union origin and low-carbon criteria in public procurement and public support schemes. It also introduces conditions on inward investment into the Single Market to ensure that foreign direct investment adds value to the EU economy, creates quality jobs, facilitates the Union's technological advancement and the twin transition, while preserving the Union's economic security.

The Presidency has progressed these discussions efficiently; robust and constructive engagement by Member States has substantively developed the design and calibration of mechanisms to apply Union origin and low-carbon requirements in public procurement and public support schemes. These mechanisms are now more closely specified to create proportionate demand, and to provide the required investment signals for European manufactured, low-carbon products. The provisions would apply to energy-intensive sectors (steel, concrete, aluminium) and the automotive industry. Certain net-zero technologies (batteries, solar panels, heat pumps, offshore and onshore wind technologies, electrolysers and nuclear technologies) are additionally included through amendments to the Net-Zero Industry Act.

The Presidency's second compromise text provided for the 'partner origin' concept, so that products from third countries outside the Union, that share our values and objectives, can be treated as equivalent to products of 'Union origin' in public tenders and schemes where relevant international agreements exist and provided they deliver true reciprocity – both in law and in practice.

The Presidency's fourth compromise proposal further developed a mechanism to deliver a narrower set of eligible trading partners for the purposes of the Union's strategically critical automotive industry. This proposal is intended to create strong investment signals for this industry, while protecting manufacturers from unfair trading practices, supply chain dependencies or circumvention of the IAA's objectives. It aligns with the aim to support the automotive industry's renewal, while securing access to essential supply chains and technologies/components, and incorporating strict reciprocity and predictability.

Negotiations have demonstrated the complexity of designing measures that strengthen resilience and support strategic industries while remaining proportionate, workable and consistent with the Union's broader economic interests and international commitments. Through thorough and constructive debate on this file, in the Working Party on Competitiveness and Growth (Industry) and at Coreper, significant progress has nevertheless been achieved in refining the proposal and building greater convergence across a number of key issues. Ministers at the Competitiveness Council are now invited to share their priorities and provide the final political guidance required to reach a balanced, decisive and impactful Council position.

Question for discussion:

As we seek to finalise the Council's position on the IAA before the end of the year, what do Ministers consider to be the key issues to be resolved in order to secure an ambitious, balanced and workable Regulation that strengthens Europe's industrial resilience and competitiveness?