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WORKING DOCUMENT

From: Presidency
To: Delegations

Subject: Industrial Accelerator Act - Union Origin Options Paper

Industrial Accelerator Act Union Origin Options Paper

In March 2026, the European Council highlighted the importance of establishing a targeted and proportionate ‘European preference’ in strategic sectors and technologies. A key feature of the Commission proposal for the Industrial Accelerator Act is to restrict market access to public procurement, public support schemes and other forms of public interventions in defined product categories. By doing so, the Industrial Accelerator Act aims to establish a harmonised framework to improve the functioning of the internal market and the resilience of the Union’s manufacturing sector, including supply chain resilience, while bolstering production capacity, and contributing to the Union’s climate objectives. The Presidency notes while there is clear support for progressing these measures, Member States’ positions differ as to which options will best deliver on the overall objectives of the Regulation in an effective and proportionate manner. The second Presidency compromise puts forward a potential approach for addressing several key issues that arise under Chapter III, regarding the application of Union origin. However, alternative policy choices also warrant careful consideration.

The objective of this paper is to facilitate a high-level exploration of a broad range of policy options covering the key parameters of geographic scope, ownership, partner origin and self-certification. The Presidency’s intention is to use the outcome of discussions of this paper to clarify Member States’ preferences and to assist the development of a strong Council consensus regarding the implementation of Union origin.

Taking account of implementation, impact and speed of adoption, we invite Member States to express their preference during the Industry Working Party of 17th September.

i) Geographic Scope

This policy choice will determine the degree to which requirements for public procurement and other public intervention schemes may restrict access to products in scope based on their country of origin (Article 7 and 7a). While acknowledging the geographic scope may vary by product, a non-exhaustive range of approaches outlining how that geographic scope could be defined is provided below. Furthermore, perspectives on whether the Commission should be empowered to modify the geographic scope (for example to secure enhanced access to markets) or whether that geographic scope should remain static from the date of implementation are also requested.

Option	Considerations
1. EU27	Establishes lead market within the EU27 with a view to increasing manufacturing capacity, to strengthen

	supply chain resilience and counteract high-risk dependencies in targeted sectors • Simplest to implement • Implementation could be immediate, with equality of treatment of all third countries • Aligns with scope of foreign direct investment provisions • Concerns expressed regarding alignment with international commitments • Potential risk of manufacturing capacity constraints and/or price impacts
2. EU27 + GPA to the extent of the commitments made + FTA that include full reciprocity	• Approach seeks to explicitly align with FTA, GPA • Incentivises market access reciprocity • Risk that this option does not result in significant additional EU27 manufacturing capacity, as investors could choose to invest in a 3rd country with market access • Lower risk of manufacturing capacity constraints and/or price impacts
3. EU27 + FTA + GPA	• Broadest scope (covers all FTAs) • Implementation could be immediate, with no legal review required to establish countries in scope • Low risk of retaliatory actions by third countries • Significant risk that this option results in minimal additional EU27 manufacturing capacity, as investors could choose to invest in a 3rd country with market access • Risks providing market access beyond existing commitments.
4. Any above option + Commission empowerment to amend scope	• Mechanism to amend scope based on securing additional reciprocity conditions and assessment of real-world market access, or security of supply considerations including to address circumvention • Approach could increase leverage in trade negotiations and result in increased market access and reciprocity • Potential to reduce investment certainty

ii) Ownership Assessment in Public Procurement

In addition to the geographic scope of the product, it is also proposed to require public procurement bodies to exclude providers from in-scope procurement procedures based on the geographic location of their ownership (Article 8.2b).

Option	Considerations
1. Assess ownership	- Excludes from public procurement products manufactured within the EU and eligible partners based on non-FTA/GPA ownership. - Concerns expressed regarding alignment with existing international agreements - Technical solutions may be developed to support implementation (e.g. Orbis-type tool, NZIA learnings, alignment with International Procurement Instrument) - Increased administrative burden for public procurement bodies in determining and verifying information
2. Remove ownership assessment	- No additional administrative burden for public procurement bodies, or suppliers in assessing ownership - No impact on international agreements - Ease of circumvention of any origin requirement rules, where a 3rd country of concern could establish a manufacturing facility in a country included in the permitted geographical scope - Allows access to public procurement to non-FTA/non-GPA owned companies manufacturing the products within the geographic scope. This may incentive non-FTA-/non-GPA owned companies to invest in third countries with market access.

iii) Same geographic scope across public interventions

This consideration relates to whether to assign consistent or deferring origin requirements to products, depending on the type of public intervention.

Option	Considerations
1. The same origin requirements are in place for specified products, regardless of the public intervention	- Least complex approach for contracting authorities and contracting entities, manufacturers and consumers - Clear market signal to manufacturers - Manufacturing capacity may not be sufficient for certain products across public interventions - Concerns expressed regarding alignment with existing international agreements
2. Origin requirements differ for specified products, depending on the public intervention	- More targeted public interventions reflecting manufacturing capacity - Reflects asymmetric international commitments - Commission digital tool could support implementation

	• More complex implementation for contracting authorities and contracting entities, designers of public schemes, suppliers and consumers • Complex market signal to manufacturers
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iv) **Partner origin term**

To enhance readability of the text and general understanding of the measures, the second compromise text proposes to include the concept of “partner origin” (Article 7a) rather than relying on the terminology of “content equivalent to Union origin”. Member States are invited to consider the inclusion of the term ‘partner origin’, on the understanding that geographic scope may vary per product.

Option	Considerations
1. Define ‘partner origin’	• Enhances readability of the text and communication of the concept • Positive status for trusted partners • Potential negative connotations for countries excluded from ‘partner’ definition
2. Maintain current approach	• No differentiation • Concept is more challenging to interpret and communicate

v) **Self-Certification**

The proposal seeks to minimise administrative burden for businesses by requiring a self-declaration of eligibility for participation in public tenders (Article 8.7). However, some Member States have indicated concern that this shifts obligations and risks toward the contracting authority / contracting entity.

Option	Consideration
1. Self-Declaration	• Limited administrative burden for the supplier and faster procedures, but risk if the self-declaration is deemed to be false • Verification approach is decided by the public procurement body or scheme operator • Risk that public procurement body does not have the skills or capacity to validate the self-declaration • Risk that a false declaration may not be detected • Risk of litigation
2. Public Procurement Body Validates Ownership and Control, Union Origin	• Reduced risk of litigation as all criteria verified in advance of award • Potentially reduced risk of false submission given validation approach

	• Increased administrative burden and slower procedures for public procurement bodies, scheme operators and suppliers • Risk that public procurement body does not have the skills or capacity to validate the self-declaration
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Next Steps:

- Member States are asked to consider their preferred policy options under each of the points i - v above and are invited to express these views at the Industry Working Party on **Thursday 17th September**.
- Based on the outcomes of that discussion, Presidency will prepare a discussion paper to facilitate an exchange of views during the **7th October** meeting of COREPER I. That discussion, along with the written comments received on the second compromise will inform the development of the third compromise text.