

Industrial Accelerator Act

– requests from Swedish Enterprise

The European Commission has proposed an Industrial Accelerator Act with the aim of strengthening domestic manufacturing, accelerating decarbonisation, and regulating foreign investment in strategic sectors, while promoting “Made in the EU” and low-carbon products.

While we broadly share the Commission’s assessment of the challenges, we consider many of the proposed measures to be problematic from a competitiveness perspective. Below, we summarise our primary recommendations to improve the proposal.

European preference

We assess that the proposal on European preference is, in general, detrimental to business. It risks leading to higher input costs, reduced flexibility and dynamism, inefficient value chain design, more limited opportunities for diversification and increased administrative burdens.

If it is nevertheless implemented, the proposal should be limited in scope and streamlined.

- **Maintain the broader scope of countries** considered equivalent to EU origin, to ensure that the EU complies with its international commitments. A clearer and more explicit list of the specific countries covered is needed, and any changes to this list should only be made following a robust process.
- **Streamline the proposal to reduce bureaucracy and complexity.** We consider the proposals on EU origin for concrete and aluminium, respectively, to be overly unclear and of questionable effectiveness. For

designated metals and raw materials, only requirements related to low CO₂ emissions should apply. Furthermore, there are already provisions in the Net-Zero Industry Act that impose diversification requirements in public procurement, and it would therefore be advisable to refrain from introducing additional rules with similar objectives and scope. Rules on European preference should therefore be introduced only within the automotive sector, in a manner that minimises administrative burden and does not risk undermining companies’ ability to source necessary components.

Low-carbon requirements

- **We are generally supportive of introducing low CO₂ content requirements** as proposed, as it can help create a willingness to pay for such products despite a higher price. Properly designed, such requirements can enhance investment predictability and reward

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companies that are at the forefront of the transition.

- **Setting the appropriate level** of these requirements, is challenging. We welcome that the proposal refers to the ESPR processes and the Construction Products Regulation. Given that the definition of low carbon has not yet been established, it is difficult to assess the appropriate level of requirements needed to provide effective incentives for business without risking supply shortages.

Foreign Investment contribution

- **We are critical of this proposal**, as it risks deterring foreign direct investment. The EU needs to attract more foreign direct investment, which is an important contributor to EU growth and competitiveness. Proposing additional restrictions or conditions at this point is therefore directly counterproductive. We therefore consider that the proposal should not be adopted.
- In addition, the rules will operate in parallel with the existing framework for FDI screening. The proposal risks creating a complex and **fragmented regulatory framework**.
- Should the proposal nevertheless be implemented, **it needs to be clarified** to clearly delineate the sectors covered and the types of transactions in scope, while also reducing the Commission's discretion to make the assessment process more streamlined.

Permit procedures and industrial manufacturing acceleration areas

- We are generally positive towards the signal of increased ambitions regarding permit procedures, given the continued need to make procedures more efficient and predictable. **We would welcome an even broader scope** to the proposals.
- At the same time, national permitting procedures fall within national competence. The Commission's role should therefore primarily be to **ensure that other EU legislation does not constitute an obstacle** to a balanced and clear permitting process. In this regard, particular attention should be given to reviewing the Water Framework Directive, the Birds Directive and the Habitats Directive.
- The proposal on industrial manufacturing acceleration areas constitutes an inappropriate form of steering the location of certain industries and risks leading to distortions of competition. Measures intended to promote industrial investment should, as far as possible, be applied broadly rather than selectively. It is therefore essential that the establishment of such areas remains **voluntary for Member States**.

For more information, please contact:

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