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Europaforum Northern Sweden's views on the Industrial Accelerator Act

Europaforum Northern Sweden (EFNS) is a network for politicians at the local and regional levels from Norrbotten, Västerbotten, Jämtland Härjedalen and Västernorrland. EFNS is a meeting place and a knowledge arena for discussion and analysis of the impacts of EU policy on northern Sweden. EFNS monitors European issues to influence EU legislation, the EU's strategies and action programmes and the EU's budget. The objective of EFNS is to safeguard the interests of northern Sweden both in the European arena and in relation to the national level in matters with a clear European perspective.

EFNS, which comprises regions with both small- and large-scale green industrial investments, welcomes the Industrial Accelerator Act's (IAA) ambitions to strengthen and support Europe's green industry. Together with other EU-wide regulations, such measures can help strengthen Europe's competitiveness and support the transition to a more sustainable economy.

EFNS wishes to emphasise in particular the importance of a territorial perspective on European industrial policy. Industrial investments do not take place in isolation within individual sectors, but form part of value chains that often span several industries and geographical areas. At the same time, the conditions for industrial development are shaped by access to energy, transport, raw materials, skills and well-functioning communities. Industrial policy based solely on individual sectors therefore risks overlooking both the opportunities and the dependencies between different activities and the places in which they develop.

The industrial transition also entails societal transformation. Housing, education, infrastructure and public services are not merely consequences of industrial investment, but are often necessary preconditions for it to take place. A stronger and more direct link is therefore needed between the EU's industrial policy priorities and the regional and local conditions that determine whether investments can be realised. Through their responsibility for regional development, their knowledge of industrial value chains and their established partnerships, regions have an important role to play in this work. EFNS therefore considers that European industrial policy needs to combine sectoral priorities with a clearer territorial perspective, giving regions an active role in both its design and implementation, and developing industrial policy in close interaction with cohesion policy and existing regional development strategies.

EFNS fundamentally believes that rules-based free trade and a well-functioning Single Market are the best means of fostering competitiveness, boosting productivity and ensuring long-term prosperity. At the same time, unfair competitive conditions arise as a result of actions by countries outside the EU, hindering development and investment and making targeted, appropriate measures necessary. However, public intervention should be limited to measures that contribute to the green transition, address structural differences between regions and ensure comparable conditions for businesses globally.

Having considered the European Commission's proposal of 4 March 2026, EFNS makes the following recommendations regarding the design of the proposed measures.

Industrial Acceleration Areas

- EFNS welcomes the ambition to establish Industrial Acceleration Areas, but considers that these should not be restricted to a limited number of geographical areas. The proposal embodies a place-based approach that is sound and also well established in regional and innovation policy. Europe's regions and municipalities have extensive experience in developing industrial clusters, value chains and regional areas of strength. Effective acceleration areas need to be considered from a broader societal perspective and require close cooperation with municipalities and regions to ensure local ownership and acceptance. Attractive places to live, effective public services and sustainable long-term community investment are central to enabling industrial transition and expansion in practice. Experience from large-scale green industrial investments shows that municipalities and regions play a significant role in enabling industrial expansion. This applies to spatial planning and permitting, as well as creating the conditions for housing and welfare services. The design of Industrial Acceleration Areas should therefore serve as an invitation to local and regional authorities to join forces with national authorities in mobilising collective efforts to drive industrial expansion.

- In developing Industrial Acceleration Areas, the Regulation should take clearer account of the division of competence between local, regional and national levels, where local and regional resources and competences are complemented by national resources and decision-making powers.

- Acceleration areas should be coordinated with existing and forthcoming EU initiatives, such as Smart Specialisation Strategies (S3), to ensure that the initiatives complement one another and do not create parallel structures.

- The process for developing Industrial Acceleration Areas should also involve the businesses concerned, particularly regional value chains and small and medium-sized enterprises (SMEs). This would make better use of the capacity and expertise already present in regional industrial ecosystems.

- The proposal prioritises existing industrial sites (brownfield) when designating Industrial Acceleration Areas. However, in northern Sweden, new industrial land (greenfield) is often readily available, meaning that land availability is not a limiting factor. The Regulation should therefore be designed to allow Member States to choose greenfield developments on equal terms with brownfield developments. Article 25(e) should therefore be removed or reformulated.

- Article 25.4 requires Member States to take skills needs into account when designing Industrial Acceleration Areas. The Regulation should clarify that this responsibility must be exercised in cooperation with relevant stakeholders, since municipalities and regions play a significant role in ensuring the supply of skills in Sweden.

Lead markets

Public procurement

- EFNS welcomes the use of public procurement as a tool to stimulate demand for sustainable and innovative products and thereby contribute to the emergence of European lead markets.

- EFNS considers that the benchmarks for low-carbon products set out in Article 10 should be ambitious. This is important in order to create a tangible competitive advantage and benefits for businesses that are leading the transition away from fossil-based inputs.

- EFNS welcomes the establishment of common definitions of low-carbon and EU origin. It is important that these definitions are implemented and applied consistently throughout the EU in order to create predictability and a level playing field.

- The method for assessing EU origin risks becoming complex. It is therefore important that the definitions are clear and easy for contracting authorities to implement and apply. At the same time, they should be designed to benefit European SMEs and subcontractors without creating a disproportionate administrative burden.

- With regard to definitions such as low-carbon and value added, it is important that future regulation does not impose disproportionate administrative burdens on European SMEs that are part of industrial value chains. Calculation and verification methods must not disadvantage SMEs that have invested in green production and technology but have limited administrative capacity. The Regulation should allow the use of, for example, standardised calculation methods, default values, recognised certification schemes and the reuse of information that has already been verified.

- Requirements involving verification of EU origin and/or low-carbon status may pose particular challenges for smaller municipalities and other public bodies with limited administrative resources. Implementation should therefore be designed so that the requirements are proportionate and do not make it more difficult for public bodies to fulfil their duties.

- Article 16 of the Regulation empowers the European Commission to introduce, at a later stage through delegated acts, demand-side measures for chemicals of EU origin based on sustainable carbon sources. Chemicals should instead be included directly in the Regulation in order to make use of assets such as bio-based chemical producers (e.g. ethanol-based chemicals), pulp mills, sawmills, electrochemical chemicals, and ongoing investments in hydrogen and CO_2-based industry. Together, these can be linked into new, competitive value chains.

Other forms of intervention

- The proposed Regulation also provides that “other forms of public intervention”, including Member States’ public support schemes, should be geared towards

promoting EU-origin products and low-carbon requirements. It is important that these requirements do not restrict the scope for regional and local authorities to provide business support aimed at offsetting differences arising from permanent disadvantages. At this stage, EFNS understands that regional business support schemes fall outside the scope of the IAA provisions concerning the selected products. However, we believe that regional business support may be covered by the amendments to the Net-Zero Industry Act (NZIA) proposed through the IAA. EFNS considers that this could create unnecessary complications for micro, small and medium-sized enterprises seeking to access business support for these product groups. The wording of this Article should therefore be amended to exclude regional business support.

Foreign investment contribution/Foreign direct investment

- EFNS welcomes the Regulation's initiative to ensure consistent and transparent implementation and application of the rules governing foreign direct investment within the EU. This is particularly important given the considerable uncertainty that has previously existed around the criteria established by authorities for approving an investment. This has in turn made it more difficult to attract business establishments from third countries. Harmonisation of the legislation is also positive, as differences in application between EU countries have previously made it more difficult to maintain a common EU approach towards these companies.

- It is positive that the criteria for 'Value Added Foreign Direct Investment' include a requirement to publish a 'strategy for enhancing Union value chains'. This criterion should be supplemented in particular by a requirement for the investor to engage with relevant regional ecosystems and take existing Smart Specialisation Strategies (S3) into account. This would strengthen the link between foreign investment and regional strengths, expertise and value chains (Article 18.2(f)).

- Local and regional authorities play a significant role in industrial establishment. The IAA should therefore clarify that relevant local and regional authorities must be kept informed about the processes followed by national competent authorities and EU institutions in investigations concerning FDI.

Comments on the proposed measures overall

- The European Commission's IAA proposal means that extensive and fundamental decisions will largely be delegated and implemented through delegated acts and links to, among other things, the Ecodesign for Sustainable Products Regulation (ESPR). This makes it difficult to assess the Regulation's overall effects and creates uncertainty for market participants. Decisions on methodologies, criteria and definitions should therefore, as far as possible, be addressed through the ordinary political consideration of the IAA Regulation. The fundamental conditions for businesses, regions and public bodies need to be clear when the legislation is adopted.

- It also needs to be clarified how the Regulation relates to other EU initiatives, such as the Net-Zero Industry Act and the Critical Raw Materials Act, particularly with regard to Article 4 on single access points and permit-granting procedures. This is necessary to avoid overlapping requirements, parallel processes and unnecessary administrative burdens for businesses and public bodies.

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