Brussels, 22 May 2026

German Chamber of Commerce and Industry

Statement

Industrial Accelerator Act

Thank you for the opportunity to comment on the European Commission's Industrial Accelerator Act (IAA).

A. Outline of main facts

In light of increasing geopolitical conflicts, strategic dependencies and unfair trade practices by third countries, the European Commission aims to strengthen industrial value creation in Europe through the IAA. The aim is to support European industry so that it accounts for 20 per cent of European GDP by 2035. The focus is particularly on energy-intensive industries, so-called net-zero technologies and the automotive industry.

In principle, the IAA sends an important signal and demonstrates a commitment to Europe as an industrial hub and can have a positive impact, for example with regard to accelerating approval procedures and designating land for industrial projects. However, rather than seeking to ease the burden on individual sectors alone, the aim should be to reduce bureaucratic hurdles in approval and planning procedures across the entire economy. This is because, alongside multinational corporations, it is often small and medium-sized enterprises (SMEs) that drive innovation and require relief.

In many areas, the IAA also interferes extensively with entrepreneurial freedoms and restricts companies' scope for action through overly detailed regulation. There is a fear that the creation of lead markets with complex requirements and an overload of strategic objectives will place a burden on companies – particularly SMEs – rather than strengthening them. This would not support domestic value creation but rather achieve the opposite. These concerns are largely shared within the IHK organisation, even if some sections attach less weight to them.

Against the backdrop of growing strategic rivalry between the US and China, the EU needs to adopt a more assertive stance. However, measures moving towards 'managed trade' – trade that is more strongly directed by the state – are viewed critically by the German business

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community[1]. When introducing EU rules of origin and conditions for foreign direct investment, the business community considers it important that the EU does not take any measures that violate WTO law and existing trade agreements. This would send the wrong signal to partner countries and could prompt third countries to take countermeasures. The business community therefore supports the 'Made with Europe' approach currently envisaged in the IAA (Art. 8), rather than the 'Made in Europe' approach. Some companies point out that while this approach may be sensible, it should not lead to a watering down of resilience goals. Nevertheless, concerns about excessive isolation persist for many, particularly small and medium-sized enterprises, under both approaches. It is therefore crucial that requirements, thresholds and transition periods are aligned with the actual available supply base and reviewed regularly. Overall, the question arises as to what extent the costs of such interventions for businesses and consumers justify their benefits[2] – as there is a fear within the business community that the costs of such measures will outweigh the benefits and will not pay off in the long run.

In the long term, it remains important to address the causes of the gap that has opened up in certain key technology sectors and the lack of competitiveness in energy-intensive industries. This requires, first and foremost, an improvement in the business environment, so that future innovative technologies – including mid- and high-tech sectors – as well as energy-intensive industrial products can be developed and produced by EU companies in a way that is globally competitive. Key framework conditions for industry include, in particular, an affordable, reliable and climate-friendly energy supply, a well-developed infrastructure – i.e. efficient transport links, comprehensive digital networks and a sufficient supply of industrial and commercial land available for immediate use. Long-term predictability for raw material supplies and well-trained professionals are also required. Furthermore, an internationally competitive industrial location requires a modern tax system, reduced bureaucracy and digital administration. In summary, the economy as a whole requires structural reforms to improve investment conditions for all industrial projects.

[1] See the DIHK policy paper on economic security strategies: Recommendations for the German Government and the EU, April 2026.

[2] See the DIHK policy paper on local content requirements: Trade and competition under scrutiny, February 2026.

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B. Detailed explanation

1. Coherence of the Industrial Accelerator Act

The Industrial Accelerator Act is ambiguous in its objectives. Whilst the regulation was originally intended to focus on accelerating decarbonisation (see Call for Evidence of 15 April 2025), the current proposal combines various policy objectives (resilience, competitiveness, economic security and the achievement of climate targets), thereby raising questions about conflicting objectives. For example, measures designed to enhance resilience could delay the achievement of climate targets (Art. 1(1)). Particularly in the case of energy and grid infrastructure, the design of resilience and origin criteria must not lead to delays in decarbonisation projects, electrification or grid expansion.

Example: There is a risk that grid expansion will be slowed down by the new EU origin criteria in procurement procedures if there are not enough European manufacturers of the relevant components. In such cases, demonstrating eligibility for exemptions in the event of supply bottlenecks creates additional bureaucracy and delays. Furthermore, this could drive up the costs of expanding the energy infrastructure even further. Neither of these factors contribute to achieving climate targets or to competitive energy prices, as such costs are often passed on to grid tariffs.

Furthermore, many business representatives criticize the IAA's objective of increasing the manufacturing sector's share of the EU's GDP from 14.3 per cent to 20 per cent. The measures proposed in the IAA are not suitable for achieving this goal in the long term. Structural reforms and strengthening of location factors are necessary to achieve this. Furthermore, a percentage share of total value added is not a suitable indicator, for example in view of a growing services sector.

a. Compatibility with other legislation

Furthermore, the business community fears that the sectoral nature of the regulation and the varying scope of application for different measures under the IAA will further exacerbate the patchwork nature of the EU acquis rather than simplifying it. The multitude of additions or references to existing or planned legislation, such as the proposed Environmental Omnibus, the Battery Regulation, the Circular Economy Act, the Ecodesign Regulation, the Construction Products Regulation, public procurement law, the European Business Wallet, the regulation of foreign direct investment, the link to EU trade agreements and WTO law, European trade defence instruments, the Cyber Security Act or the Net-Zero Industry Act, underscore this concern. In further negotiations, legislators should at all costs avoid double regulation and additional complexity, ensure compliance with existing legal texts such as trade agreements, and guarantee coherence and compatibility with the various texts. The IAA's far-reaching impact on other existing regulations may lead to undesirable and unexpected consequences. A comprehensive analysis and appropriate corrective measures are therefore essential.

b. Selection of the scope of application of the various instruments

The measures set out in the IAA affect different sectors to varying degrees. It is worth questioning whether the selection of sectors is actually of strategic relevance to the EU and how this selection was made – with a particular focus on technology neutrality. This is because, according to the impact assessments, it has not been possible to quantify either the potential positive or negative effects on the downstream and upstream value chains. Furthermore, the European Commission can use further implementing acts to extend the scope to other sectors (e.g. Article 16(2)). This is too far-reaching and undermines the principles of a market economy. Furthermore, it raises concerns under the rule of law to deviate from the 'regular' legislative procedure for such important decisions and to defer them to subsequent legal acts. Future extensions of regulatory requirements should also always be subject to an SME and supply chain assessment that takes into account the impacts along the entire value chain. Extensions should only be made if additional burdens are justifiably substantiated and the economic operators concerned have been appropriately involved.

2. Acceleration of permitting procedures

The IAA provides for various measures to accelerate permitting and approval procedures (Art. 4 to Art. 6). An acceleration of permitting procedures is urgently needed. Given that the Net Zero Industry Act focused acceleration measures on net-zero technologies, extending these to other sectors within the manufacturing industry (NACE Code C, with the exception of tobacco processing) is a step in the right direction. In principle, however, there is a need to speed up and simplify permitting and approval procedures for all projects. The business community expects little in the way of noticeable acceleration from the measures proposed in the IAA. In detail:

a. Single Access Point

The Single Access Point provided for in the IAA (Art. 4) has already been introduced in Germany in a similar form by RED II in the renewable energy sector (BImSchG §13), without contributing to any significant acceleration. Companies are likely to continue to seek direct contact with the authorities relevant to them.

b. EU Business Wallet as a digitalization booster

Businesses are calling for the digitization of procedures to be as comprehensive as possible. In this context, it is therefore a positive step that the IAA provides for the digitization of permitting procedures and the submission of applications (Art. 4(2)). The integration of the European Business Wallet should be designed to be user-friendly, and particularly SME-friendly. The potential interfaces between a European Business Wallet and the German electronic authorisation procedure ELiA should be standardized across all federal states and should also allow service providers access to the areas necessary for the service, as well as enabling the exchange of forms, applications and submissions between authorities. This is because digital initiatives

only achieve their full impact if they are geared towards scalability, interoperability and measurable operational benefits from the outset. The IAA should therefore avoid creating new isolated digital solutions or additional portals without robust process integration; instead, standardized, open interfaces should be provided and existing national systems (such as ELiA) should be connected. For businesses, particularly SMEs, it is important that existing data, evidence and certificates can be reused and do not have to be generated anew for every procedure.

c. **Deadlines for completeness checks**

The proposed 45-day deadline for completeness checks (Art. 5(3)) is longer than similar deadlines in the German "Bundes-Immissionsschutzgesetz", where such a check should be carried out within 30 days. Shorter deadlines would therefore be necessary to speed up the process in Germany. If existing national deadlines are shorter, these should continue to apply and not be undermined by the IAA.

d. **Extension of the NZIA acceleration measures**

The extension of the "acceleration measures" from the Net Zero Industry Act (NZIA) (Regulation 2024/1735) to decarbonisation projects in energy-intensive industries is the right approach, but should not be defined too narrowly; rather, it should encompass technology-neutral industrial projects of all kinds, as well as the infrastructure measures required for these. The same applies to the definition of strategic projects (Art. 6(1)).

3. Introduction of lead markets to strengthen strategic industrial value creation

As a key element, the IAA is intended to promote the sale of European low-carbon technology and industrial products. The Commission has therefore proposed the introduction of criteria for EU origin and carbon intensity. These are to be applied within the framework of various instruments:

- In public procurement
- In public funding programmes
- In the auction of renewable energy (NZIA adjustment)
- In the promotion or production of selected technologies (NZIA adjustment)

European lead markets for low-carbon products can lay the foundations for the production and scaling up of sustainable products. Public procurement can provide the initial important stimulus for demand. It is crucial, however, that requirements, thresholds and verification rules are designed in such a way that they actually trigger investment and do not lose their effectiveness due to excessive complexity. Criteria that are already in use in practice would be ideal. However, the impact of demand stimuli should be assessed in advance to determine the costs and benefits. European lead markets are only compatible with economic efficiency and competition if qualitative award criteria are contract-specific and if they can be verified quickly

and easily by the contracting authority and demonstrated by the company. In line with the EU's **'Think Small First'** principle, strategic objectives must not lead to procurement procedures becoming more complex and effectively excluding SMEs from procurement processes due to the bureaucratic burden. On the contrary: lead markets could and should, through innovation-friendly tenders, enable access to markets, particularly for small and innovative companies such as start-ups and scale-ups. When introducing sustainability, security and resilience criteria, care should therefore be taken not to undermine desirable objectives through bureaucratic burdens. On the one hand, such criteria can, for example, contribute to sustainability, cybersecurity, innovation capacity or diversification – on the other hand, verification and documentation requirements tie up scarce resources. Furthermore, there is a risk that local content requirements could provoke countermeasures from third countries.

Before introducing lead markets, the EU should take into account potential negative effects, higher procurement prices or delayed infrastructure expansion due to increasing complexity in public procurement, particularly in the electricity and hydrogen sectors. The costs should therefore be thoroughly assessed, as the transition to climate-friendly production methods and the associated documentation processes require substantial investment, which places a financial burden on small and medium-sized enterprises in particular. In international competition, price is the decisive criterion, raising the question of who will bear the additional costs of European low-carbon products. It is therefore essential that policymakers highlight opportunities for the business sector to capitalise on the benefits of lead markets without being disadvantaged in (international) trade.

a. Introduction of EU origin criteria

In principle, the business community views state intervention in private-sector decisions with scepticism. It is up to companies to diversify their procurement and sales markets from the local to the global level. At the same time, there is also growing support within the business community – given the changing geopolitical situation – for giving preference to EU companies and/or EU content in order to reduce existing dependencies and avoid new ones. This applies in particular to the areas of critical infrastructure, the defence industry and digital resilience. Against a backdrop of increasing geopolitical tensions and protectionist measures, solutions to reduce or avoid dependencies are becoming significantly more relevant. In light of unfair practices by third countries, companies are also increasingly pointing out that market opening must not be a one-way street. However, the introduction of such EU origin criteria does not come free of charge. Additional requirements, bureaucratical proofs of origin or evidence of ownership structure, as well as potential backlash from trading partners, place a particular strain on SMEs.

i. Last resort: time-limited, clearly defined, with minimal red tape and in line with WTO rules

The business community therefore advocates that such interventions should be exceptions in the sense of a last resort, which are time-limited, clearly defined, low on red tape and

coordinated in terms of trade policy. Some parts of the German Chambers of Commerce and Industry organisation view such interventions less critically than others. However, the EU origin criteria set out in the IAA only marginally meet this requirement profile.

Currently, the IAA provides for a gradual tightening of the EU rules of origin over the coming years (see Appendix List 1), with an initial evaluation of the IAA to take place two years after its entry into force. In addition to being subject to review or tightening, the regulation should also be time-limited. Such interventions in entrepreneurial freedom should be automatically repealed after a **predefined** period or require active renewal.

The application of EU origin criteria to different sectors and with varying intensity raises further questions regarding the selection of technologies and the strategic relevance of such technologies for the EU.

With regard to the definition of a product's origin, the IAA (Art. 7(2)) refers to the Union Customs Code (UCC). Against this background, there is a risk that the associated documentation requirements and proofs of origin will create additional bureaucracy, particularly if companies participating in procurement procedures pass on these proof requirements to their suppliers – often SMEs. The complexity of such proofs of origin is high, as the question of when a product is deemed 'European' often has to be determined by examining its various components. Furthermore, through corresponding trickle-down effects along the supply chain, companies that have hitherto produced exclusively for the internal market and have had no previous dealings with non-preferential and preferential law could be affected.

Furthermore, the IAA refers to value shares and minimum percentage shares when it comes to EU origin. For non-preferential origin as regulated in the UCC, the Commission has drawn up a number of list-based criteria, although many of the products are covered by the so-called non-legally binding interpretative guidelines. It is questionable whether these interpretative guidelines must then be applied as a mandatory basis for the relevant products when non-preferential origin is addressed. Furthermore, other highly practical and technical questions arise, such as who is responsible for monitoring such criteria, who provides information on correct compliance, and how a value-added clause is defined: is a mere increase in the ex-works price sufficient, or is physical processing within the EU mandatory? Before such clauses take effect, these outstanding questions should be clarified.

Legislators should design verification options in such a way that they are practical, unbureaucratic and resistant to abuse. In doing so, care should be taken to ensure that verification requirements do not extend disproportionately far down the supply chain and place an excessive burden on suppliers, particularly SMEs. Industry stakeholders are currently engaged in an open discussion on how compliance could be demonstrated and what form such proof should ideally take. One possibility would be to consider linking this to the company's registered office. This measure would entail the least effort, as the registered office is easy to determine. To prevent circumvention, an extension to subcontractors and suppliers could be considered. Extending this to further tiers of suppliers, on the other hand, could result in similar cascading

effects to those seen in determining the origin of products and should therefore be avoided. Basing the requirement on ownership structure as an alternative would only be feasible at a disproportionately high cost. As a further alternative, proof of a 'European' company could be provided via the number of EU employees. Here, a quota might help to strengthen value creation – but this should only be considered as a last resort and should relate to employees based within the EU. Basing the assessment on nationality or EU citizenship would be incompatible with current EU law and would also constitute a disproportionate interference with the freedom of enterprises. However, all the proposals mentioned entail costs and have been met with varying degrees of criticism from businesses.

From the perspective of the majority of the German business community, a 'Made in Europe' criterion would undermine the EU's credibility as a reliable partner that advocates for open and global trade at the global, plurilateral and bilateral levels. As a rules-based community of states, the EU must defend the rule of law, on which the European single market is also based, and should therefore under no circumstances violate WTO rules and bilateral trade agreements. The IAA conditionality on market access is partly driven by the hope that third countries will open up their own public procurement systems in order to gain access to the EU single market. To date, the EU instrument developed for this purpose, the International Procurement Instrument, has not led to any corresponding improvements through conditionality.

The 'Made with Europe' approach sends an important signal to all trading partners in favour of dialogue rather than confrontation. The majority of companies are calling for content from countries with which the EU has a free trade agreement, a customs union or GPA obligations in the procurement sector to remain permanently and predictably included. Exclusions of third countries through delegated acts may only take place on the basis of a transparent risk analysis, following prior consultation with industry, with appropriate transition periods and whilst respecting existing supply and project contracts.

Excessive restrictions on market access in the EU could also prompt third countries to restrict their own markets, leading to further isolation or trade conflicts. This would place a particularly heavy burden on Germany's export-oriented economy. Concerns about excessive isolation of the EU remain, particularly among many SMEs.

ii. **Taking evidence-based measures and involving businesses**

The Commission has already introduced resilience criteria relating to diversification in the NZIA in order to support European industry. Some of these criteria have only come into effect since the start of 2026. As a result, hardly any public sector body has been able to gain practical experience with the criteria that have already been introduced. An evidence-based policy approach would await the evaluation of these measures and their impacts before introducing measures involving further extensive intervention.

With regard to 'Buy European' measures, the biggest concern for businesses is additional bureaucracy: according to a recent DIHK survey, 55 percent expect increased administrative

burdens due to proofs of origin. This is followed by cost concerns, which almost balance out the hoped-for competitive advantages: 42 percent expect higher production costs, whilst 43 percent anticipate better competitive opportunities in the EU internal market. Other risks also remain in focus: 36 percent fear backlash from trading partners and more difficult access to key third-country markets. A further 29 percent also see the risk of losing existing suppliers (see Appendix, Figure 1).

b. **Introduction of low-carbon criteria**

To establish a market for low-carbon products from energy-intensive industries, the IAA envisages the introduction of low-carbon criteria for the steel, cement and aluminium industries. The majority of German companies support the approach of implementing corresponding classification systems and calculation methods within the framework of the legislation mentioned in the IAA. In this way, green lead markets should create a global level playing field by establishing or harmonising standards internationally. At the same time, companies point out that it is not possible to assess whether the percentages or quotas proposed in the IAA are achievable as long as the definitions of low-carbon products remain unclear.

Coherent interaction between green lead markets and the requirements of the Ecodesign Regulation can lead to meaningful synergies and provide companies in Europe with planning certainty. In principle, comprehensive sustainability requirements for products – such as those set out in an Ecodesign Regulation – present challenges for German companies. For instance, overly detailed ecodesign requirements can lead to a reduction in product diversity and hinder technology-neutral innovation. Requirements regarding the durability, reparability and recyclability of products should therefore allow companies sufficient leeway in product development. This will enable businesses to capitalise on the opportunities arising from improved energy and material efficiency, including in a competitive environment. Furthermore, ecodesign requirements must be practical and SME-friendly and must not lead to disproportionate information and documentation obligations.

c. **Further comments on the requirements for public procurement**

The exemptions in public procurement (Art. 11(3)) are important and enable the public sector to implement its projects under certain circumstances, even if there are not enough European bidders participating in the tender. However, the proposed exemptions are way too narrowly defined.

Whilst the IAA is intended to regulate public procurement for bidders in certain sectors, the Commission is aiming for a comprehensive reform of public procurement law this year. It is essential to consider both initiatives (the IAA and the public procurement reform) together, whilst taking into account the national circumstances of public contracting authorities. Overall, the aim of simplifying procurement procedures must not be undermined by ever-increasing strategic requirements and the resulting fragmentation of legislation, some of which is sector-specific. Otherwise, if strategic objectives become excessive, the associated bureaucratic

burden risks deterring companies from participating in tenders. The fewer bids submitted, the less competition there will be and, ultimately, the higher the prices will be for the taxpayer.

d. Changes to the Renewable Energy Auctions (NZIA)

The IAA provides various amendments to the NZIA. In addition to the introduction of origin criteria (see above), these include, for example, changes to renewable energy auctions. Particular focus is placed here on the cybersecurity of the systems used: in addition to the introduction of a high-risk supplier approach, the cyber and data security requirements are to be applied to 100 percent of the auctioned volume, rather than 30 percent as previously (IAA Art. 34 (5); NZIA Art. 26).

The business community generally supports the approach of taking cybersecurity into account in renewable energy auctions as well. However, such requirements should be implemented with as little bureaucracy as possible, in a cost-effective and SME-friendly manner. The new requirements, however, make the exclusion of high-risk suppliers mandatory and technically detailed. This could pose considerable challenges, particularly for SMEs, due to tight supply chains and issues with providing evidence. Furthermore, cybersecurity evidence should be designed to be compatible with existing certification and requirements for critical infrastructure in Germany (including the “IT-Sicherheitsgesetz” and the “BSI KritisV”).

Raising the thresholds for exemptions when applying further pre-qualification and selection criteria in connection with disproportionate costs from 15 to 20 percent may lead to higher roll-out costs and fewer market participants. Flexible exemptions should be retained and specified in more detail so that national roll-out pathways are not blocked.

Overall, there is a risk of overburdening through qualitative criteria: the integration of additional non-price criteria (including resilience, cybersecurity and origin) into Article 26 of the NZIA may reinforce structural parallels with planning and permitting law. The business community is therefore calling for an evaluation of the impact of existing implementing regulations (including Implementing Regulation (EU) 2025/1176) before tightening the requirements, in order to minimize risks to expansion and security of supply, as well as SME participation.

4. Conditions for foreign investment in selected key technologies

To ensure that substantial investments from third countries in sensitive future-oriented sectors deliver economic and industrial added value for Europe as a business location and do not further exacerbate existing strategic dependencies, the European Commission proposes a new screening and authorisation framework for certain foreign investments in the IAA.

The scope covers foreign direct investment of €100 million or more in selected key technologies. These include battery and battery energy storage technologies, PV/solar technologies, pure electric vehicles (PEVs), off-vehicle charging hybrid electric vehicles (OVCHEVs), fuel cell electric vehicles (FCVs), and the extraction, processing and recycling of critical raw materials.

The regulations apply only if the investor's country of origin accounts for more than 40 per cent of global production capacity in the relevant key technology.

Investments are subject to authorisation where the foreign investor acquires control over an EU company or an EU asset. Control is deemed to exist as soon as at least 30 percent of the shares, voting rights or comparable control rights are held. Direct and indirect holdings are aggregated, meaning that several investors may jointly be deemed to exercise control. To carry out the assessments, EU Member States are to establish a competent national authority ('Investment Authority') in each case.

For a covered foreign investment to be approved, at least four of the following six conditions ('value-added foreign direct investment criteria') must be met:

1. **Joint venture structure with EU partners**: The investment must be made through a joint venture with one or more EU partners.

2. **Limitation of foreign control**: The foreign investor may hold no more than 49 per cent of the shares, voting rights or comparable control rights.

3. **Technology and know-how transfer**: The investor must make relevant intellectual property rights and technological know-how available to the EU target entity through licensing agreements.

4. **Research and development investment in the EU**: The EU investment entity must spend at least 1 percent of its annual turnover on research and development in the EU.

5. **Employment of EU workers:** At least 50 percent of the workforce must be EU workers.

6. **Strengthening European value chains**: The investor must present a strategy setting out how European value creation will be strengthened and how, in the medium term, at least 30 percent of intermediate inputs will be sourced from the EU.

As a highly export-oriented economy, Germany as an industrial location is particularly dependent on open markets and access to foreign capital. Accordingly, the business community generally takes a critical view of interventions in entrepreneurial freedom through restrictions and conditions on foreign investment, such as those envisaged by the IAA. The free disposal of property is a central element of the market economy and a prerequisite for companies to be able to respond flexibly to market changes, technological developments and international competition. State restrictions on the sale of companies or parts of companies to foreign investors therefore require particularly careful justification, must be proportionate and must be subject to judicial review. From the business community's perspective, state intervention in foreign equity investments in German and European companies should remain the exception and be limited primarily to the protection of public safety and order.

At the same time, the changed geopolitical situation shows that there are growing calls within the IHK organisation for better protection of sensitive future-oriented sectors, with the aim of strengthening European resilience. In some cases, a stronger European focus on individual key technologies is also being discussed. However, these assessments do not imply fundamental agreement with the specific measures envisaged in the IAA regarding foreign investment screening. From the business community's perspective, it remains crucial that Europe maintains and further enhances its attractiveness to foreign investment. Competitive location factors – in particular the protection of property rights, freedom of contract and the free movement of capital – are key prerequisites for attracting international capital and enabling growth.

Against this backdrop, the German business community has criticised the fact that the provisions set out in the IAA go significantly beyond the current European framework for screening foreign direct investment. The IAA is explicitly intended to apply without prejudice to the existing EU FDI Screening Regulation, meaning that both regimes could operate in parallel. In practice, the coexistence of two screening frameworks could lead to considerable additional complexity for investors. Investors would potentially have to undergo two separate screening procedures in parallel, which, whilst using similar terms and concepts, do not provide for harmonised substantive and procedural requirements, deadlines and competences. Although the scope of the IAA is currently narrower than that of the EU FDI Screening Regulation, future delegated acts could further expand overlaps in content. Without clear coordination, there is a risk of disproportionate or contradictory requirements being imposed by potentially different competent authorities, which could significantly undermine legal and planning certainty. To strengthen legal certainty, a clear demarcation and coordination between the EU FDI Screening Regulation and the IAA would therefore be necessary.

Also striking are the far-reaching powers of the European Commission in the area of foreign investment screening. The IAA grants the Commission the power to significantly expand the list of covered key technologies through delegated acts. Whilst certain technology sectors such as AI, quantum and semiconductor technologies are currently expressly excluded from this, the regulation as a whole opens the door to far-reaching changes. The Member States, the Council of the EU and the European Parliament are involved in the drafting of these delegated acts only to a very limited extent. This gives the Commission considerable discretion in shaping European industrial and investment policy. In this context, there is a risk that an instrument that was originally narrowly defined will gradually be expanded into a comprehensive regulatory regime for foreign investment across large parts of the German and European economy.

Furthermore, from the business community's perspective, the requirements set out in the IAA regarding local value creation and employment raise significant practical issues. The obligation to source at least 30 per cent of intermediate goods within the EU and to ensure that at least 50 per cent of the workforce consists of EU workers has a profound impact on internationally structured business models. In many cases, these requirements are difficult to meet, involve considerable administrative effort and can result in high additional costs. Particularly in

globally organised value chains, such requirements risk calling into question the economic viability of investment projects.

It also appears challenging that the IAA does not further differentiate the concept of 'control', but essentially links the obligation to notify to ownership thresholds. The notification obligation applies from a 30 percent stake, with the shares and voting rights of all foreign investors being aggregated. In practice, this could lead to review procedures being triggered even where no single investor exercises a decisive influence. This may raise questions of interpretation, increase the documentation burden, delay investment decisions and undermine planning certainty.

Furthermore, there is a risk that the design and application of the new rules could lead to fragmentation of the internal market due to inconsistent handling by different national investment authorities. This would undermine a level playing field and instead create new locational disparities within the EU.

The IAA also raises significant concerns in the area of intellectual property (IP). The obligation to conclude licence agreements approved by the authorities constitutes a significant encroachment on the freedom of property and contract. There is a risk that foreign investors will effectively be obliged to license on terms that are out of line with market conditions, which could deter highly innovative companies. Furthermore, the draft stipulates that the Union Target must retain exclusive control over the IP rights it has developed itself. This requirement hinders the commercial exploitation of such rights, for example as collateral for loans, and thus contradicts other EU initiatives specifically aimed at promoting access to financing through IP-based instruments. Finally, given the significant encroachment on fundamental rights, it seems particularly problematic that the Commission is to be empowered to adopt additional provisions restricting fundamental rights through further implementing acts. The transfer of decision-making powers to the Commission provided for in Article 19 of the IAA also raises questions, as the assessment of IP matters regularly requires an in-depth examination of national law, for which the EU has neither its own competence nor sufficient expertise.

Overall, the FDI provisions of the IAA point to a shift in the direction of European investment policy. Whilst investment screening has hitherto served primarily to protect security and public order, the IAA provides for additional industrial policy requirements, for example in the form of joint venture structures, ownership caps, labour quotas, and technology and IP transfer. Furthermore, the measures envisaged in the IAA carry the risk of triggering retaliatory measures from third countries. Given the added complexity, longer screening procedures and far-reaching conditions, there is also a risk that investors will consider alternative locations. This could ultimately lead to Europe as a whole being perceived as a less attractive investment destination, thereby undermining the IAA's own objectives.

5. Industrial Acceleration Areas

To support the formation of clusters and speed up the approval of industrial projects, the Commission is proposing the introduction of so-called Industrial Acceleration Areas. These are closely modelled on the Net Zero Valleys in the NZIA. By issuing an 'aggregated baseline permit', all permits that are not installation-specific are to be granted at the time the acceleration area is designated.

However, the current proposal is limited to a very select range of technologies and runs counter to a technology-neutral approach:

1. Manufacture of paper and paper products NACE Code C17
2. Coking and petroleum processing NACE Code C19
3. Manufacture of chemical products NACE Code C20
4. Manufacture of rubber and plastic products NACE Code C22
5. Manufacture of glass and glass products, ceramics, and processing of stone and earth NACE Code C23
6. Manufacture of basic metals and fabricated metal products NACE Code C24
7. Automotive industry: Manufacture of motor vehicles, trailers and semi-trailers, classified under NACE Code C29
8. Net-zero technologies, as defined in Article 1(4) of the NZIA

The Industrial Acceleration Areas should not be understood as narrowly defined sectoral silos, but rather as value-creation ecosystems. Extending the Industrial Acceleration Areas to other land-intensive industrial sectors (e.g. microelectronics or mechanical engineering), as well as supplier and customer industries within industrial value chains, alongside technology providers, service providers, automation and software companies, recycling and circular economy stakeholders, and relevant infrastructure operators, could make a significant contribution to supporting these industrial sectors. Failing to take value chains into account would yield no real benefit. Furthermore, restricting the scope to industrial sectors based on NACE codes is not particularly effective, as the permitting requirements in Germany are based on plant categories under "4. BImSchV" and are not identical to the listed NACE codes. In this regard, existing national legislation should be taken as the basis.

The Industrial Acceleration Areas could be specifically designed as regulatory sandboxes for industrial transformation and decarbonisation. This would enable businesses and the state to jointly test innovative technologies, pilot projects and regulatory approaches under real-world conditions, whilst simultaneously refining approval procedures. This would significantly strengthen the acceleration and clustering effects of the IAA whilst providing evidence-based insights for the further development of the regulatory framework. At the same time, existing clusters or designated Net Zero Valleys must be taken into account in order to create as many synergies as possible, for example through access to existing structures, designated sites or approved testing facilities.

In general, the supply of industrial land in Germany is very limited, meaning that the various players within the industry compete for the remaining sites. Designating suitable sites could therefore help to alleviate this situation. To ensure that future investment projects can be realised more quickly, it is important that the baseline permit for an Industrial Acceleration Area contributes to a genuine acceleration and simplification of industrial establishment. This would be the case if the baseline permit covered the environmental impact assessment for future projects in the area and no additional environmental impact assessment were required for the approval of industrial facilities. However, in the Commission's proposal, installation-specific permits are not covered by the baseline permit (Art. 27.1). Under national legislation in Germany, there are no permits for industrial facilities that are not installation specific. The current proposal would therefore not achieve any acceleration effects.

When designating areas, decision-makers should ensure that both structurally strong and structurally weak regions are taken into account. Furthermore, the requirements for accelerating authorisation procedures in designated acceleration areas should be based on the provisions for renewable energy in RED III (Art. 16a). These measures, particularly in the area of species protection, have contributed significantly to accelerating the expansion of wind turbines compared to many other initiatives and should be extended to other industrial sectors. The Commission's proposal should be improved in this regard to clarify the benefits for businesses through the baseline permit.

It should also be noted that focusing on already sealed surfaces can conflict with other usage interests, such as their importance in the event of a defense scenario. In such cases, these areas should be quickly available for logistical purposes. Even today, some municipalities are already delaying the development of brownfield (conversion) sites, as these could become relevant in times of crisis. Overall, it can be concluded that additional sector-specific prioritizations will only gain acceptance if they are combined with integrated land-use concepts, clearly defined responsibilities, and practical instruments for municipal planning.

C. Additional information

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b. Description of the DIHK

Who we are:

The 79 Chambers of Commerce and Industry (IHKs) are incorporated under the umbrella of the German Chamber of Commerce and Industry (DIHK). Our joint aim: to obtain the best conditions for successful business.

The DIHK represents the interests of the entire commercial economy in dealings with decision makers, administrations and the public at federal and European level. Several million companies representing trade, industry and services are legal members of an IHK, ranging from kiosk owners to DAX companies. DIHK and IHKs therefore provide a platform for a whole range of corporate concerns. We group them together in an organised procedure on a statutory basis to formulate the general interest of the commercial economy and thus contribute to the formation of opinions in economic policy.

Our statements are based on economic policy positions and position papers adopted by the DIHK taking into account the comments received by the DIHK from IHKs and their member companies prior to the submission of the statement.

The DIHK also coordinates the network of 150 German Chambers of Commerce Abroad, delegations and representative offices of the German economy in 93 countries.

The DIHK is registered with the European Union's Transparency Register under registration number 22400601191-42.

Annex to the statement on the Industrial Accelerator Act

List 1: Introduction of lead markets through low-carbon and EU origin requirements

Introduction of low-carbon and/or EU origin criteria in procurement for:

- Steel: 25% low-carbon from 1 January 2029
- Cement: 5% low-carbon and EU origin from 1 January 2029
- Aluminium: 25% low-carbon and EU origin from 1 January 2029
- EVs (assembly, batteries, components):
  - EU origin criteria take effect 6 months after entry into force
  - Tightening 3 years after entry into force
- Batteries and energy storage technologies:
  - EU origin criteria take effect 1 year after entry into force
  - Tightening 3 years after entry into force
- Photovoltaic solar technologies:
  - EU origin criteria take effect 3 years after entry into force
- Hydronic heat pumps:
  - EU origin criteria take effect 3 years after entry into force
- Technologies for onshore wind power and renewable offshore energy:
  - EU origin criteria apply 1 year after entry into force
  - Tightening 3 years after entry into force
- Technologies for nuclear fission energy:
  - EU origin criteria take effect 4 years after entry into force
  - Tightening 6 years after entry into force

Introduction of low-carbon and/or EU origin criteria in funding programmes for:

- Steel: 25% low-carbon from 1 January 2029
- Cement: 5% low-carbon and EU origin criteria from 1 January 2029
- Aluminium: 25% low-carbon and EU origin from 1 January 2029
- EVs (assembly, batteries, components):
  - EU origin criteria take effect 6 months after entry into force
  - Tightening 3 years after entry into force
- Batteries and energy storage technologies:
  - EU origin criteria take effect 1 year after entry into force
  - Tightening 3 years after entry into force
- Photovoltaic solar technologies:
  - EU origin criteria take effect 3 years after entry into force
- Hydronic heat pumps:
  - EU origin criteria take effect 3 years after entry into force

Introduction of EU origin criteria in renewable energy auctions (NZIA) for:

- Batteries and energy storage technologies:
  - EU origin criteria take effect 1 year after entry into force
  - Tightening 3 years after entry into force

- Photovoltaic solar technologies:
    - EU origin criteria take effect 3 years after entry into force
- Hydrogen/electrolysers:
    - EU origin criteria take effect 1 year after entry into force
    - Tightening 3 years after entry into force
- Technologies for onshore wind power and renewable offshore energy:
    - EU origin criteria take effect 1 year after entry into force
    - Tightening 3 years after entry into force

Introduction of EU origin criteria for the promotion of the construction or manufacture (NZIA) of:

- Hydrogen/electrolysers:
    - EU origin criteria apply 1 year after entry into force
    - Tightening 3 years after entry into force
- Nuclear (including SMRs, small modular reactors):
    - EU origin criteria take effect 4 years after entry into force
    - Tightening 6 years after entry into force

Annex to the opinion on the Industrial Accelerator Act

Figure 1: Buy-European survey