A statement on the Industrial Accelerator Act

Press Release

Agora Energiewende and Agora Industry welcome the Industrial Accelerator Act as a first step to strengthen demand for low-carbon materials and thus drive modernisation of European industry. Yet the low-carbon steel label, which was promised under the Clean Industrial Deal is missing and should be rapidly established.

Brussels, 4 March 2026. Today, the European Commission published its proposal for an Industrial Accelerator Act (IAA), aimed at strengthening demand for low-carbon materials, speed up permitting for industrial transformation projects and reinforcing the resilience of European value chains. Notably, the final text does not include the voluntary low-carbon steel label announced in the Clean Industrial Deal, instead deferring this work to the Ecodesign for Sustainable Products Regulation (ESPR). The act introduces criteria for "Union-origin" content across public procurement and public support schemes, light duty vehicles and net-zero technology manufacturing.

Frauke Thies, Director Europe, Agora Energiewende, said:

"The Industrial Accelerator Act comes at a crucial moment for Europe's economy. With the current turmoil in the Middle East once again driving fears of a renewed fossil-energy shock, the need for decisive action is evident. The Act must form part of Europe's broader effort to establish resilient industrial value chains and reduce fossil fuel dependence. We therefore welcome the recognition that strengthening European value chains is closely aligned with accelerating the low-carbon transition.

Well-designed criteria for 'Union origin' requirements can help channel investments towards clean technologies and thus modernise Europe's energy-intensive industries. We welcome efforts to align Union-origin requirements with low-carbon criteria. A differentiated approach is essential to secure a resilient and efficient industrial base: In energy-intensive sectors where Europe has well-established value chains, targeted local content requirements can incentivise low-carbon investments. For emerging climate-neutral technologies, the EU should carefully balance the strength of its internal market with global cooperation in order to bolster strategic autonomy, accelerate deployment and safeguard competitiveness."

Dr. Julia Metz, Director, Agora Industry, said:

"The Act marks an important move towards establishing credible lead markets for low-carbon basic materials. For these markets to function effectively, a strong and predictable emissions trading system (EU ETS) is crucial, as its robust carbon price signal underpins investment decisions. Lead markets and the EU ETS can reinforce each other and together with targeted instruments such as Carbon Contracts for Difference, support the modernisation of European industry.

Leveraging public procurement and public support schemes can provide a strong initial demand pull. However, clear lead market signals are still missing, as shown by the limited emphasis on the public sector and the absence of a proposal on a low-carbon steel label. Predictable, performance-based signals that extend across the wider economy are critical for long-term investment certainty. Transforming energy-intensive sectors and the

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corresponding end-use sectors such as automotive and construction requires demand signals that go beyond public procurement and funding. The gradual integration of low-carbon criteria into private procurement will therefore be essential to build a genuinely robust lead market.

A rapid adoption of a low-carbon steel label is also critical to steer investment towards cleaner processes and greater circularity. Such a label must recognise improvements in both primary and scrap-based production, where the highest class aligns with climate neutrality.

Establishing demand signals for low-carbon plastics and other chemical products is also crucial for an economically struggling chemicals sector. This needs to be addressed in the decision-making process, taking advantage of the ongoing work in the Critical Chemicals Alliance."

About Agora Industry and Agora Energiewende

Agora Industry and Agora Energiewende develop scientifically sound and politically feasible strategies for a successful pathway to climate neutrality – in Germany, Europe and internationally. The organisations which are part of the Agora Think Tanks work independently of economic and partisan interests. Their only commitment is to climate action.

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