



TIF Position on the EU Industrial Accelerator Act (IAA)

Summary of key messages:

- Technology Industries of Finland supports the objective of the IAA to strengthen industrial production in the EU, but emphasises the need to promote overall competitiveness, well-functioning single markets, and an operating environment that supports investment and exports.
- Technology Industries of Finland takes a cautious view on origin-based requirements. European companies must be able to utilise the best available technologies and inputs, and competition should not be unnecessarily restricted.
- Technology Industries of Finland considers procurement criteria based on quality and sustainability more justified than regulation based on origin.
- Low-carbon development should primarily be promoted through market-based instruments, such as emissions trading.
- However, additional measures are needed to create a justified market advantage for low-emission products also within the internal market. Technology Industries of Finland sees potential low-carbon requirements, alongside other environmental and quality criteria in public procurement, as a way to steer demand towards more sustainable products.
- Low-carbon criteria should not be set as mandatory eligibility or minimum requirements. Instead, they should be applied as non-binding target levels that provide additional scoring in public procurement and support schemes.
- The design and level of all requirements must take into account the availability of low-emission products in the EU and globally, as well as their impacts on competition and costs. Derogations are necessary due to cost, availability, and technical considerations.
- The proposed new rules on foreign direct investment are viewed with caution. It is essential to maintain the EU's attractiveness and to target only genuine risks without unnecessary restrictions.
- Technology Industries of Finland supports the streamlining of permitting procedures and the introduction of one-stop-shop models to facilitate investments.

Positions

Technology Industries of Finland considers the objective of the Industrial Accelerator Act to strengthen industrial production in Europe to be commendable. However, it is important to promote the competitiveness of European industry as a whole. The priority must be to ensure that the EU provides companies with well-functioning internal markets and an operating environment that creates competitive advantages for exports and investments.

The success of European companies depends on their ability to participate in international markets without barriers. Exports and international cooperation also support global emission reduction efforts, as demonstrated by the significant carbon handprint of Finnish clean solutions. Therefore, EU regulation must always take into account international commitments, such as trade agreements.

Origin requirements

European industry benefits from free, rules-based international trade, and companies often operate with global and specialised supply chains. European companies must be able to utilise the best available technologies and inputs, and competition should not be unnecessarily restricted. In general, Technology Industries of Finland considers procurement criteria based on quality, sustainability, and risk to be more justified than regulation based on origin.

Any use of European preference should be developed cautiously and in a controlled manner from a long-term competitiveness perspective, taking into account the EU's international commitments. Technology Industries of Finland emphasises the importance of reflecting trade agreements, customs unions, and the WTO Government Procurement Agreement in the definition of "Union origin."

In all cases, any origin requirements must be targeted, clearly defined, and based on thorough impact assessments, and must not impose an unreasonable administrative burden on companies. They should be limited to a narrow set of materials and technologies, and compliance criteria must be unambiguous. Technology Industries of Finland considers it justified to allow derogations based on high costs, technical characteristics, or a limited number of suppliers.

Any expansion of the scope of the regulation should be based on the ordinary legislative process rather than delegated acts by the Commission.

Low-carbon requirements

Technology Industries of Finland considers that achieving the goals of the Paris Agreement and the EU's own climate targets requires determined action. The primary policy tools for achieving these goals are the EU Emissions Trading System and other existing regulations that guide the deployment of clean technologies through market mechanisms. Broad and technology-neutral measures are generally the most effective way to reduce emissions. It is important that effectiveness and cost-efficiency remain the primary considerations when designing new measures.

However, additional measures may be warranted to strengthen the position of low-carbon materials and solutions within the EU internal market. For example, Finnish frontrunner companies already produce metals and metal-based products with a very low carbon footprint. These companies must be provided with a genuine market advantage in Europe. Origin requirements alone are insufficient, as they do not differentiate between low-emission and higher-emission production.

Technology Industries of Finland sees low-carbon requirements, alongside other environmental and quality criteria in public procurement, as a means to steer demand towards lower-emission products. However, their design and level of obligation must take into account the availability of such products and their impacts on competition and costs. The IAA low-carbon criterion should therefore not be established as a legally binding eligibility or minimum requirement, but rather applied as a non-binding target that provides additional scoring in public procurement and support schemes.

Technology Industries of Finland also emphasises the need for a clearly defined scope. Based on the proposal, it remains unclear which projects and project components the low-carbon requirements for steel, aluminium, and concrete in construction would apply to in practice. In addition to buildings and structures, this could include, for example, municipal energy company power plant projects and the technologies supplied to them. The requirements should not increase the costs of clean energy technologies.

Technology Industries of Finland notes that origin and low-carbon requirements linked to public support schemes may affect a very wide range of projects and companies. For example, a tax credit could lead to a requirement to use a limited set of technology suppliers. The scope and practical implications of these requirements must be clarified in further preparation.

We also underline that current challenges are largely related to the cost competitiveness of European raw material and material production. This is due to lower environmental and climate requirements, state subsidies, and excess capacity in third countries, which has led to increased imports of low-cost, high-carbon products displacing low-emission European production. At the same time, risks related to origin and low-carbon requirements particularly affect downstream products with highly complex supply chains. To safeguard the effective functioning of the internal market, a broader set of instruments is needed to strengthen the cost competitiveness of European production and processing. This includes appropriate use of financial instruments such as the European Competitiveness Fund to support investments, innovation, and low-carbon production. Support should be allocated based on the principle of excellence, rewarding the most effective and competitive solutions.

Derogations and definitions

Overall, any origin and low-carbon requirements must be targeted, proportionate, and based on thorough impact assessments, and must not impose an unreasonable administrative burden on companies. Their implementation must not lead to availability constraints, price increases, or broad retaliatory actions by international partners.

Technology Industries of Finland considers it justified to allow derogations from both origin and low-carbon requirements based on high costs, technical characteristics, or a limited

number of suppliers. The proposal should clarify how the reference price is defined to enable the application of cost-based derogations.

The proposal grants the Commission delegated powers to expand the scope of the regulation, for example to new products. Such significant decisions should be based on the ordinary legislative process rather than delegated acts.

The Commission may also define low-carbon products through delegated acts. It is essential that such labels are based on actual climate impacts, are compatible with existing standards and regulatory frameworks, and make use of already available data, such as from emissions trading or the carbon border adjustment mechanism, to avoid additional administrative burden. To provide added value and improve transparency, voluntary labels should include batch-specific emissions data, for example in material certificates.

The proposal also includes a definition of sustainable carbon sources. According to the proposed definition, all waste-based and technically captured carbon dioxide would be considered "sustainable," treating fossil-based, mixed-waste, and biogenic CO₂ equally. Technology Industries of Finland emphasises that the definition of sustainable carbon dioxide must be based on actual climate impacts and should be consistent across legislative initiatives.

Foreign direct investment

Technology Industries of Finland takes a cautious view on the proposed provisions concerning foreign direct investment (FDI). While it is justified for the EU to strengthen its strategic autonomy and reduce harmful dependencies, it is essential that regulation does not undermine Europe's attractiveness as an investment destination.

Global value chains, innovation, and financing are strongly based on international cooperation. Overly strict or unclear investment conditions risk reducing foreign investment, hindering technology transfer and cooperation, and weakening long-term competitiveness. The FDI framework should therefore remain predictable and flexible, targeted at genuine risks, and avoid unnecessary restrictions.

It is particularly important that the proposed conditions model retains practical flexibility, and that the Commission exercises restraint in extending sectors or conditions through delegated acts. FDI regulation must remain consistent with EU trade policy and international partnerships.

Technology Industries of Finland supports measures that strengthen the EU's ability to manage technological risks, avoid dependency between competing technology ecosystems (e.g. US-China), and promote a risk-based approach to cybersecurity and supply chains.

In cybersecurity, it is justified to apply modern, risk-based criteria (e.g. NIS2 Directive and Cyber Resilience Act), exclude high-risk suppliers from critical control and SCADA systems, and ensure comprehensive security of renewable energy and industrial systems.

Overall, FDI rules should strengthen the EU's strategic resilience without undermining its position as an open and attractive investment environment.

Permitting

Technology Industries of Finland supports the objective of streamlining permitting procedures across EU Member States. National one-stop-shop authorities would improve clarity for companies operating across borders and harmonise environmental permitting processes within the EU.

Facilitating low-carbon projects in energy-intensive industries through strategic project status can support investments in clean technologies. However, such status should be granted only to projects that achieve significant and permanent emission reductions within techno-economic constraints.

The practical benefits of industrial acceleration areas remain uncertain due to differences in national planning and permitting systems. Therefore, it is appropriate that the EU sets general conditions, while implementation remains voluntary.

The proposal grants the Commission broad powers to expand the scope through delegated acts. It is essential that such powers are exercised with restraint.

Additional information

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