Joint Amendments on Industrial Manufacturing Acceleration Areas

The Commission's proposal for the Industrial Accelerator Act, under Chapter V, requires Member States to designate at least one "industrial manufacturing acceleration area", with the aim of creating industrial clusters for boosting the production activity of sectors under Annex I of the proposal. Member States are responsible for ensuring these designated areas contain the enabling conditions for industrial activity, namely financial support, accelerated permitting, an available, affordable low-carbon energy supply and infrastructure, and requisite supply chains.

Though a promising concept in theory, the proposal's fixation on clustering industrial activity ignores the production reality of many strategic energy-intensive sectors under NACE C23, manufacture of other non-metallic minerals. These do not necessarily produce in industrial clusters, but rather in more decentralised locations due to the development of regional economies. Their production assets simply cannot be relocated to these new acceleration areas, as they are often substantial multidecade investments into local communities and industry.

Adopting a geographically inflexible approach to conferring the benefits of these acceleration areas could render the inclusion of C23 sectors as "strategic sectors" in Annex I more of a moot, rhetorical point rather than translating into concrete benefits for industry. Moreover, the confinement of enabling conditions reduces the chances of these areas delivering spillover benefits into surrounding industries.

In light of these realities and to ensure the effectiveness of industrial manufacturing acceleration areas, we propose two joint amendments that give Member States geographic flexibility with regard to the designation of these areas and the enabling conditions contained therewithin.

In Article 25, the following could be inserted as a new paragraph 2:
Where a strategic sector listed in Annex I manufactures products across dispersed locations, its plants should remain eligible to receive the designation and benefits of an industrial manufacturing acceleration area under an "umbrella agreement''. Member States should not necessarily confine the enabling conditions, such as energy tax reductions, to these areas to just the designated zones themselves.

Furthermore, within the same article, paragraph 3, point a, could be amended as follows:
When designating industrial manufacturing acceleration areas, Member States shall: (a) define a clear geographic scope for the acceleration area; ***this should not prevent Member States from adopting a more expansive geographic scope for these acceleration areas and striving to***

expand the benefits of these areas to production sites located in close proximity to the acceleration area.