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## Industrial Accelerator Act - “Union-origin” and “Low-carbon” criterion for Steel and a Strengthened EU Net-Zero Industry Act

### Position of the EU Batch Hot Dip Galvanizing Industry

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EGGA – Galvanizing Europe supports the objectives of the Industrial Accelerator Act (IAA) to reinforce the EU’s industrial capacity, boost competitiveness, accelerate industrial decarbonisation and enhance strategic autonomy, in particular by stimulating industrial manufacturing and increasing demand for clean products of Union origin.

The European galvanizing industry delivers optimal durability and corrosion protection to steel fabricated products, most of which are used in strategic sectors, such as infrastructure and net-zero technologies, thereby supporting resilience and contributing to sustainability through circularity.

Our interest in the IAA therefore lies in its approach to steel used in construction and infrastructure, and to net-zero technologies, in particular solar technologies. However, in both areas, the expected outcomes are unlikely to be achieved without more targeted measures.

#### KEY RECOMMENDATIONS

##### 1. ADD “UNION-ORIGIN” ALONGSIDE “LOW-CARBON” CRITERION FOR STEEL

**To ensure that the IAA remains a driver of industrial transformation and prosperity for the EU steel sector, the Commission’s proposal must integrate the “Union-origin” criterion alongside the “low-carbon” requirement for steel.**

The European Commission's proposed Regulation requires that at least 25% of the steel used in buildings and infrastructure and procured through public procurement procedures, or supported through other forms of public intervention, be “low-carbon”.

The proposal relies on the Ecodesign for Sustainable Products Regulation (ESPR) and the Construction Products Regulation (CPR) as the basis for assessing whether steel products qualify as low-carbon, following a life-cycle approach. We support this approach.

However, unlike what is proposed for other energy-intensive products, such as concrete and aluminium, the proposal does not include a “Union-origin” requirement for steel alongside the low-carbon criterion.

The low-carbon requirement alone is not sufficient to protect industrial competitiveness and support the decarbonisation of the European steel industry, including the steel fabrication sector. While the IAA proposal suggests that steel trade defence measures, that address global overcapacity affecting the Union market, are sufficient and render the inclusion of a Union-origin requirement for steel largely redundant, those trade defence instruments, operating under a different scope from the IAA, currently do not extend to downstream steel products and will simply shift the problem from upstream to downstream, as importers will be encouraged to import steel end products that are most likely to be in the already-galvanized condition.

While public procurement covers only a limited share of steel demand, it represents a high share of batch galvanized infrastructure components, meaning the Union-origin criterion would strongly enhance the situation for our sector.

## 2. BUILD EU INDUSTRIAL NET-ZERO CAPACITY

**For solar PV technologies, all main specific solar PV system components for which the European Union has sufficient manufacturing capacity, including PV trackers and their specific mounting structures, should be subject to the Union-origin requirement, within the framework of public procurement, auctions and other forms of public intervention. This provision should enter into force 1 year after the entry into force of the IAA.**

The IAA proposal introduces some amendments to the Net-Zero Industry Act (NZIA), including the “Union-origin” requirement, in addition to the diversification requirement already established by the NZIA. Under this rule, certain net-zero main specific components in the scope of NZIA must be manufactured in the EU, rather than merely avoiding sourcing from dominant countries such as China. This requirement applies in the context of public procurement, auctions and other forms of public intervention, and will take effect only after a three-year transitional period following the entry into force of the Regulation.

For Solar PV technologies, the proposal, through Annex II (Parts 1-2-3), provides that only PV inverters and PV cells (i.e. two of the eight main specific solar PV system components identified by the NZIA) shall originate in the Union.

We support the IAA’s objective of strengthening EU industrial production of net-zero components. However, we recommend that Annex II (Parts 1-2-3) adopts a more ambitious, effective, timely and fair approach, aligned with the European Union’s solar PV manufacturing capacity targets and deployment needs, by ensuring that all solar PV net-zero components, for which manufacturing capacity already exists in the Union, are subject to the Union-origin requirement. This would, among others, prevent further erosion of existing manufacturing capacity that remains under threat.

This approach could be made easily applicable if the Commission regularly published data on the EU’s manufacturing capacity for such components, as is already foreseen for the monitoring of EU supply shares of net-zero products from third countries and would ensure that deployment is not hindered.

Currently, trackers and their specific mounting structures are among the Solar PV main specific components for which the European Union has sufficient manufacturing capacity, as also evidenced by the JRC Report *“Photovoltaics in the European Union: Status Report on Technology development, Trends, Value Chain and Markets” (2025)*.

Therefore, Annex II (Parts 1–2–3) should be amended to better reflect the above considerations, ensuring that the main solar PV specific components for which sufficient EU manufacturing capacity exists are covered by the Union-origin requirement. At a minimum, this should include PV trackers and their specific mounting structures, together with PV inverters and PV cells.

In conclusion, EGGA calls on EU policymakers to ensure that the final IAA fully reflects the key role of the steel value chain and its downstream industries in strengthening Europe’s industrial base and strategic autonomy while delivering on its climate objectives.



The general (batch) galvanizing industry provides the most effective long-term corrosion protection for steel products, through the application of a metallurgically-bonded coating of zinc metal. It is a service that is applied after manufacture of the product and normally on a sub-contract basis. The coating ensuring many decades of maintenance-free durability for vital net-zero technologies, such as solar power installations and wind energy equipment. A galvanized coating is sufficiently durable and robust to provide corrosion protection across more than one product lifecycle. Both zinc and steel are recovered at eventual end-of-life.

The European General Galvanizers Association (EGGA) is the federation of the national galvanizers associations within Europe. The industry comprises about 700 general galvanizing plants (mostly SMEs) employing an estimated 40,000 people in Europe. EGGA monitors and responds to issues affecting the general galvanizing industry in Europe, in particular environmental, technical and regulatory matters. EGGA also provides a platform for coordination of marketing and other initiatives for the industry.

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