

SME priorities on the Industrial Accelerator Act – IAA -

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Key messages

- **SME perspective:** Systematic application of the SME test in the design and implementation of all the provisions.
- **Legal clarity:** Definition of demand-side measures (e.g. Union origin) directly in the Regulation rather than in Delegated Acts.
- **Identification of sectors in scope:** Definition of clear and objective criteria in the Regulation for selecting sectors, based on their strategic relevance, third-country dependencies, spill-over potential, impact proportionality, and the suitability of the proposed policy instruments.
- **Sectors covered:** Consider extending the scope to additional strategic sectors, either from the outset or through a phased approach, with the Commission required to justify and regularly review sector selection.
- **Union origin / Low carbon requirements:**
 - Strengthen reciprocity through robust audit, early-warning and exclusion mechanisms to address proven circumvention.
 - Clarify the implementation of the principle of self-declaration, including its scope and frequency, ensuring reuse of existing declarations and data.
 - For public procurement, eligibility should depend on the origin of the goods and services rather than company ownership.
- **Compliance:** Technical and financial support programmes should support SME compliance, involving local and regional business intermediaries.
- **Permitting procedures:** Definition of binding maximum deadlines for the finalisation of permit-granting procedures, avoiding unintended consequences for procedures not in scope.
- **FDI:** Consider lowering the investment threshold from €100 to €50 million and reduce approval conditions.
- **Acceleration Areas:** Voluntary set up, with an explicit requirement on SME participation.

General comments

The Industrial Accelerator Act (IAA) is a legislative proposal designed to strengthen Europe's industrial base through demand and supply side measures. The Act covers a part of the manufacturing industry focusing on energy intensive industries, the automotive value chain and net-zero technologies with the aim to foster the clean industrial transformation.

SMEUnited welcomes the Commission aim to foster European competitiveness, improve the growth conditions of European enterprises, advance the green transition and reduce strategic dependencies.

We highlight that SMEs represent 80 to 99% of the companies operating in the sectors covered by the proposed scope of the IAA¹, mostly through the integration into value chains. Including SMEs and crafts in this legislative proposal is therefore a necessary condition for restoring long-term economic resilience and sovereignty.

SMEUnited would like to put forward the following general elements for consideration:

- There is a need for a broad strategy to strengthen Europe's competitiveness, especially focusing on the increase in trade agreements, investments, innovation, the creation of a stable and innovation-friendly framework conditions ensuring planning security, and a significant reduction in the regulatory burden for companies. The IAA proposal, if properly designed and implemented, is only one element in the ecosystem, and the contribution of private measures should also be taken into account.
- The measures proposed should not disproportionately interfere with market functioning or become an obstacle to investment decisions. Fair competition on a global level must be kept upright.
- The text should provide sufficient legal and regulatory clarity. SMEs are disproportionately impacted by regulatory ambiguity, as they lack human and financial resources as well as specialised legal advice on compliance. In particular, the text would benefit from clarifications on definitions and their implementation, with the aim to ensure proportionality, reduce compliance costs, and increase predictability.
- The text lacks an SME perspective and risks ringfencing its benefits among the largest and most structured industrial sectors, while the industrial competitiveness depends on the strength of its entire production system. The text should therefore:

¹ Annex 6: SME check: COMMISSION STAFF WORKING DOCUMENT IMPACT ASSESSMENT REPORT Accompanying the document Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing a framework of measures for the acceleration of industrial capacity and decarbonisation in strategic sectors and amending Regulations (EU) 2018/1724, (EU) 2024/1735 and (EU) 2024/3110

- explicitly recognise the role of SMEs in the supply chain ensuring they are considered as full beneficiaries of the measures introduced.
- identify targeted actions and/or a horizontal mechanism to ensure proportionality of the measures under the IAA. We call for the systematic consideration of the specific situation of SMEs through the application of the SME test in the design and implementation of all the provisions. Such an approach would be consistent with the European Small Business Act and the recommendations of the Draghi Report.
- the text assumes that businesses are already ready to innovate, collaborate and build networks, which is not the case for all today. This requires the involvement of intermediary actors, such as regional associations, that can support groupings, networks and organised sectoral bodies to allow SMEs to comply with IAA measures.
- the evaluation of the IAA foreseen in Article 28 shall explicitly include an analysis of the SME participation in the mechanisms provided for and the effectiveness of the administrative simplification measures for SMEs.

Overall objective

Any definition of an overall objective should not lead to disproportionate costs for business and consumers nor to an inefficient allocation of public and private resources.

Such an objective should be consistent with the targets defined under the Clean Industrial Deal. Moreover, depending on the scope and the sectors to be covered by the IAA, the proposed target may prove either excessively or insufficiently ambitious. For example, achieving the 20% objective could be particularly challenging if the scope of the IAA is limited to strategic sectors which currently represent only around 15% of the EU's manufacturing output.

Scope

SMEUnited understands the rationale of focusing on strategic sectors and in particular those that are mostly subject to publicly subsidised international competition with non-reciprocal market access. This said, the sources of competition can vary over time and we need to ensure that equivalent advantages are provided to different sectors on the basis of forward-looking, fair and transparent criteria. We therefore propose to define into the text of the Regulation the criteria for the identification of the sectors to be covered, giving particular importance to:

- **Strategic relevance:** the importance of the critical infrastructure for the EU economy; the technological sovereignty the EU wishes to achieve; the desired level of resilience, the decarbonisation implementation gap.
- **Dependency and exposure:** the third-country dependency; the value-chain complexity; the level of subsidised competition, the non-reciprocal market access and circumvention risks.
- **European capability and spillover potential:** the economies of scale that can be exploited; the stage in the learning curve; the potential spillover effects within the specific sector and across sectors.
- **Suitability of IAA instruments:** whether public procurement, auctions, public support schemes are appropriate tools in relation to sourcing and investment decisions.
- **Proportionality:** the disproportionate effects on SMEs, supply, prices increase, trade restrictions or retaliatory measures; the maturity of EU supply and its capacity to meet demand; the sector's readiness to implement the measures proposed and phase-in needs.

Against this background the Commission shall justify and regularly update the sector selection through Delegated Acts.

Based on the considerations outlined above, we call for due consideration to be given to the following sectors, which could be brought within the scope of the Regulation, either through their direct inclusion from the outset or through a gradual, phased-in approach reflecting their level of vulnerability, as assessed against the criteria identified above:

- **Agrifood, including processed meat products,** because of its central role in sustainability and food security, and therefore in the resilience of the EU economy, further to its significant contribution to employment. The sector is currently subject to large competitive pressures and distortions.
- **Metal structures and prefabricated constructions,** because it is part of the steelmaking value chain; its concentration of SMEs; its enabling function for transport, real estate and services; as well as its role in decarbonisation through circular and sustainable construction, the development of dismountable and reversible solutions, and material reuse.
- **Recycling (especially the recovery of sorted materials),** because of its critical contribution to the decarbonisation agenda and strategic autonomy of EU's raw materials.
- **Building plastics, medical plastics and composites,** because it is a cross-cutting enabler for construction, automotive, healthcare and packaging; its concentration of industrial SMEs across the EU territory subject to third country competitive pressures; and the critical contribution of medical device plastic components for EU's strategic

autonomy. Windows and door profiles, pipes and fittings, and thermic insulation contribute to the decarbonisation agenda.

- **Textile**, because of its concentration of SMEs, its value chain complexity with high value added; its central role in decarbonisation supporting the transition towards more sustainable, traceable and circular production processes; as well as its central role in terms of employment and quality of European manufacturing.
- **Metallurgy**, because of its strategic autonomy contribution and interdependence of value chains.
- **Cardboard**, because of its contribution to strategic autonomy through the use of recycled fibres and therefore reducing dependency from third country raw materials; its role as enabler of other sectors like food, healthcare, logistics and e-commerce; and its contribution to decarbonisation through recycling and fibre reuse.
- **Manufacture of wood and cork products except furniture**, because it is an EII and plays a significant role in the bioeconomy and decarbonisation of the construction sector.

Other critical sectors that should be considered in scope for their significant role for the EU's strategic autonomy and their function as enablers for other sectors, are:

- **raw materials,**
- **deployment of innovative technologies; AI; robotics; Quantum technologies,**
- **production capacity critical to security and defence; Mechanical engineering; Industrial repair and maintenance.**

Within the selected sectors, the entire value chain has to be covered, otherwise there is a risk that lead market instruments address only the final products, neglecting supply, infrastructure or key components. The aim is not to have a broad expansion of the sectors covered, but to have an evidence-based and sector-specific application of the industrial policy benefits to outweigh potential costs, such as higher prices, loss of international competitiveness or additional bureaucracy. This transparent approach would also support a balanced trade policy whereby third countries can assess effects on their respective industries.

Alignment with other pieces of legislation

The Act is rather complex due to the many references to other existing or upcoming legislative acts. We highlight in particular the need for consistency in terms of definitions and provisions, with:

- the Environmental Omnibus, for the permitting processes,
- the Ecodesign Regulation, for the classification system,

- the FDI Screening Regulation, for the interplay between the two screening frameworks,
- the Net Zero Industry Act, for the interplay with Net-Zero Acceleration Areas,
- the Carbon Border Adjustment Mechanism,
- the Critical Raw Material Act (CRMA),
- the EU's trade agreements and international commitments (e.g. WTO).

Permitting procedures

We support measures taken to simplify and smoothen permitting procedures, as per Article 4 (Single Access Points) and 5 (Permit-granting procedure), with binding timelines and digitalisation, provided that these do not create unintended consequences by lengthen procedures for projects that are not in scope. The IAA should be accompanied by a general improvement of permitting procedures for all businesses.

We propose the following improvements:

- The permitting acceleration measures should be designed so that not only narrowly defined core sectors benefit, but also functionally relevant industrial projects along strategic value chains. This particularly concerns upstream and downstream production stages, industrial suppliers, recycling and circular economy activities, and other industrial projects insofar as they are essential for the resilience, decarbonisation, and scaling of strategic industries. Where such elements are necessary for the realisation of an industrial project and are not already covered by other EU instruments such as the NZIA or the CRMA, the IAA permitting rules should provide coordinated timelines and the broadest possible inclusion within the accelerated permitting framework.
- Member States shall establish binding maximum deadlines –on the lines of the CRMA and the NZIA- for the finalisation of the permit-granting procedures: e.g. 12 months for general industrial manufacturing projects; 6 months for the extension of existing industrial installations that already have prior authorisations; 3 months for SME manufacturing projects with a total of less than EUR 5 Mio.
- The Single Access Point must not become an additional administrative layer. Instead, it should function as a genuine one-stop shop that receives applications digitally, automatically forwards them to the competent authorities, provides transparent information on procedural status, reuses existing data, and eliminates duplication of submissions by following the once-only principle.

- The permitting regime must remain compatible with federal administrative structures and take into account national characteristics. The coordinating authority foreseen under Article 5 should bundle procedures and coordinate deadlines without unnecessarily overriding existing substantive competences or creating additional coordination loops.
- Only where authorities have adequate qualified personnel, appropriate IT systems, and specialised know-how in complex industrial, environmental, energy, and infrastructure permitting procedures can faster timelines be achieved. The resourcing of competent authorities should therefore be explicitly anchored in the legal act as a key implementation requirement of the IAA. Responsibility should not be left to Member States in purely abstract terms. The European Commission should support Member States through harmonised guidance, digital standards, model procedures, training programmes, and technical assistance for implementation.

Demand side measures

Definitions

The text is rather complex because of the many references to Delegated Acts. This prevents companies from having visibility on the consequences of the provisions, on the concrete content of the requirements and on the ability to secure adequate supply meeting those requirements. We support instead the definitions to be shaped directly in the text of the Regulation.

We support the broad² definition of 'Union origin', with the inclusion of Free Trade Agreements, Customs Union and General Agreements on Public Procurement, while ensuring that proper reciprocity and strict circumvention and exclusion tools will be part of the framework (see section UO/LC requirements for details).

Classification system

We see the potential for the introduction in Article 10 of a voluntary classification system (EU label) based on GHG intensity of ETS industrial products. We call for such a classification system not to be defined by the Commission through subsequent Delegated Acts. An EU label, even though voluntary in nature, can be an important tool that improves

² Les Entrepreneurs, U2P and CMA France do not support the broad definition of 'Union origin' and advocate for a shift in approach from opt-out to opt-in. Under the opt-in approach, as a first step, the scope would be limited to the EU, the EEA, the United Kingdom and Switzerland. Subsequently, the targeted inclusion of other trusted partner countries could be considered on a case-by-case basis, taking into account industrial realities, value-chain dependencies and levels of competition.

competitiveness and should therefore be defined in the text of the Regulation. It should also be easily implementable by SMEs without additional regulatory burden. We call for the European Commission to provide clear and SME-friendly guidelines on how to implement it across the EU and to clarify the link with the classification systems under Construction Products Regulation and Ecodesign Regulation, avoiding overlaps.

Union origin (UO) / Low carbon (LC) requirements

SMEs account for the vast majority of European businesses and are deeply integrated into international supply chains benefiting from predictable market access and diversified sourcing opportunities. We are therefore concerned that the requirements can imply:

- An increase in regulatory burden for SMEs with a subsequent reduction of SME participation in competitive tendering. We understand the principle of self-declaration and ex-post controls, and we call to explicate how these principles will be implemented, the extent, frequency and sourcing of ex-post controls and the requests for documentation production, and if any reporting requirements are foreseen. We call to avoid creating a parallel origin verification system detached from existing customs rules. Instead, existing origin proofs and suppliers' declaration and customs data shall be recognised as valid proof when possible. Moreover, the Commission and Member States shall establish technical and financial support programmes (including under the MFF) to support SMEs comply with the UO/LC requirements, including through SME specific measures such as a simplified self-declaration mechanism for companies with less than 250 employees, free technical assistance for LC content certification, and standardised digital tools for UO verification.
- An increase in costs for input sourced, reduced number of suppliers and supply bottlenecks, and retaliatory measures. For only a few sectors (e.g. plastic processing) that are hit by concomitant falling demand, rising costs, foreign competition and plant closures, the cost of inaction is potentially higher than cost of implementing UO/LC.
- Possible circumventions of the rules by third countries, which calls:
 - For the setting up of audit mechanisms that has to be transparently fleshed out in the text of the Regulation and would strengthen the requirements for reciprocity (Article 8-9).
 - For the introduction of an early-warning and exclusion mechanism enabling partner countries to be removed from the scheme where proven circumvention practices are identified (see also paragraph 'Powers of European Commission').
- Uncertainty on the extent to which tax incentives or tax reliefs subject to state aid are covered in scope and to which extent these are compatible with Member States competence in taxation.

Powers of the European Commission

The EU must be able to respond swiftly to a lack of reciprocity, discriminatory procurement or subsidy, circumvention or a risk to supply security. At the same time, we consider the current design of the delegation of powers to the Commission for adjusting the equivalence status of third countries via Delegated Acts as too far-reaching. The substantive conditions for exclusion of a third country should be specified in the Regulation itself, adding to legal certainty for companies and countries.

Before adopting an exclusion decision, Member States, affected economic stakeholders, and trading partners should be mandatorily consulted, and the Commission should provide a justification which is factual, proportionate, and in compliance with existing FTAs. Changes should be accompanied by appropriate transition periods and should, as a general rule, apply only to future tenders, funding procedures, or investment decisions in order to safeguard legal certainty, preserve continuity in procurement markets, and a smooth implementation for business and contracting authorities. For urgent cases, an accelerated procedure should remain possible; however, it should be linked to a sunset clause and should not allow for an automatic extension. Any extension should only be possible on the basis of an impact assessment and a renewed justification of necessity.

Public procurement – Article 11

Article 11.1, as currently drafted, relies on a criterion based on the nationality or origin of the company to exclude certain operators from public procurement, targeting in particular subsidiaries of companies from third countries that have not concluded a reciprocity agreement with the European Union. This would lead to a situation where a foreign company legally established in the territory of the European Union, carrying out its activities and employing staff there, could be excluded from public procurement solely on the basis of its ownership structure, regardless of any consideration of the actual origin of the goods or services it provides. Therefore, SMEUnited proposes to retain as the determining criterion not the origin of the company, but the origin of the goods and services supplied, thus avoiding the unnecessary exclusion of economic operators that are nonetheless fully established and active on the European internal market.

Regarding the threshold for invoking the exemption in public procurement in Article 11 and public support schemes in Article 12.3.b, we call, for consistency, for applying a 25% threshold for additional costs in both cases. A strict monitoring and sanctioning mechanism should be available to avoid misuse of this exemption.

The Commission shall establish clear guidelines for the definition of the cost-based exemptions, clarifying whether the cost differences are measured on a products or project level, and the monitoring mechanism. Business organisations should be involved in monitoring compliance.

We notice that certain sectors (e.g. plastic processing) can face cost differences with imported products that can reach up to 60%. Where this is based on unfair competition practices, we call for the application of Trade Defence Instruments.

Public aid schemes – Article 12

Public aid schemes tend to disproportionately benefit large companies, with increased capacity to meet administrative requirements and mobilise cofinancing. We call for reserving a share of 25% of the budget for SME beneficiaries.

Foreign Direct Investments measures

Foreign direct investments bring not only capital but also knowledge, technological know-how and innovation impulses to Europe, provided they are embedded in European value chains and innovation ecosystems. This is particularly true in emerging clean-tech value chains where there is a risk that Europe attracts investments limited to the assembly phase or other low value-added production steps, while technology- and knowledge-intensive segments remain executed abroad. We therefore consider that the EU needs to remain an attractive investment target.

We share the view that there is a need to exercise a certain degree of control over FDI, be it from China or other jurisdictions. That said, where an FDI is the result of a circumvention of Trade Defence Instruments against unfair trade practices and trade distortions, we call as a priority for such instruments to be improved and made more rapidly deployable where necessary.

We acknowledge that an investment of EUR 100 Mio most often corresponds to a site employing several hundreds of workers, and is above the average amount of the vast majority of FDI. A threshold of EUR 50 Mio would be closer to the median FDI.

We are concerned that burdensome conditionalities in the implementation of the framework can deter investment appetite or increase retaliatory measures. The FDI approval process has therefore to be swift, transparent, risk-based, proportionate and based on ex-post monitoring and enforcement. We also call for the Commission to periodically assess whether the FDI approved effectively contributed to the integration of local SMEs into the supply chain.

To reduce compliance burden, we call for:

- Reducing the conditions that have to be fulfilled for an FDI to be approved from four to two (Article 18.2)
- Removing the requirement of having at least 50% Union workers (article 18.2.e).

- The introduction of a tacit approval mechanism in Articles 20-21 in case the deadlines foreseen are not respected by the competent authorities, to avoid a slowdown in investment decisions.

We also call for clarification on the following elements:

- How will the provisions apply if an FDI happens in phases, but initially does not reach the chosen threshold? Will there be a clear anti-splitting rule, where several investment steps part of the same economic project, carried out by the same investor or corporate group, concerning the same site, product, value-chain segment or industrial objective, and taking place within a defined reference period, are aggregated for the purpose of determining whatever the threshold is met?
- How will compliance be verified? China has effective mechanisms through capital flows controls for example through the prohibition of repatriation of dividends. We suggest involving business organisation in the verification process in Article 18.
- How can diversion of manufacturing investments to neighbouring countries, like Morocco, be avoided?

The link between the IAA FDI provisions and the FDI Screening Regulation would benefit from further clarification. The latter is indeed primarily designed to safeguard security and public order, rather than to maximise the industrial policy benefits of investments for the internal market, as aimed under the IAA FDI provisions. However, we call for a clarification in the text of the link, conceptually and operationally, between the two frameworks taking into account the need to align them in such a way that no unnecessary bureaucratic double regime is created. Conceptually, the IAA should not establish a second general screening mechanism or a separate purely national economic investment control. In the same vein it should avoid national divergent implementations. From an operational point of view we call for clarification on process, format and timing of how an FDI will be treated that is at the same time subject to both frameworks.

Lastly, we are critical of proposals granting the European Commission the authority to take over the screening of foreign investments from national authorities and call for the principle of subsidiarity to be upheld, especially for the local and context knowledge possessed at national level. The role of the Commission should be primarily of facilitating cooperation and information sharing between national authorities, with a residual possibility to intervene when decision-making between national authorities is unsuccessful after a predetermined period of time.

Industrial Acceleration Areas

We understand the rationale of the Commission whereby the creation of industrial acceleration areas can represent an opportunity for strengthening local industrial ecosystems, foster territorial cooperation and promote circular economy models. However, it

must be kept in mind that industrial value chains are complex and are generally splattered across different regions worldwide. We are sceptical of the current format proposed for the following reasons:

- It creates de facto an unlevel playing field between these areas and the rest of the industrial ecosystem, increasing fragmentation. The way these areas are thought seems to favour precisely those areas that are already developed, increasing local/regional divergences further. Broad improvements for all businesses are needed, be it in underdeveloped regions or in territories with mature industrial fabric but at risk of losing competitiveness, and this should be addressed at European scale in respect of EU's cohesion policy.
- It creates de facto a risk of indirect exclusion of SMEs, as the working of Article 26 on 'taking into account SME participation' is not sufficiently demanding. We highlight the fact that SMEs are rarely geographically mobile as they are tied to their local and regional area and their customers and will thus face natural limitations in joining these areas.
- The experience with Net Zero Acceleration Areas has so far delivered limited tangible benefits. Regions seeking designation do not automatically gain from faster permitting procedures when equivalent provisions already exist under national law. Furthermore, other anticipated added value such as access to finance, state aid approvals, and accelerated administrative processes have not fully materialised.
- Were the idea of acceleration areas to remain in the text, we call for:
 - Making them voluntary
 - Include an explicitly requirement for SME participation, not only ensuring SME access and geographical mobility support, but also participation in their governance and development structures through their most representative organisations.
 - Include in Article 25 among the conditions for Member States to be considered when designing such an area, that Member States should prioritise territories with capabilities in more than one strategic sector, as well as existing ecosystems based on value-chain logic, for example by re-using industrialised brown sites. Proximity of education systems, such as schools and universities, beyond pure research centres, should also be taken into account, as this helps early education-work linkages.
 - Include in the enabling conditions in Article 26 that Member States have to take when setting up these areas, also an adequate access to transport, logistics and network infrastructure including e-charging infrastructure for

industrial and commercial vehicles and access to water and other needed natural resources.

- Improve the access of SMEs, that usually lack bargaining powers with suppliers, to the critical raw material joint procurement mechanism. We call for Article 26(f) to explicitly mention that it has to be ensured that SMEs and SMCs can access it without disproportionate administrative burden through simplified forms and dedicated financial assistance.
- Most of the compliance burden in acceleration areas is meant to be borne by large companies, but where there is a need for SMEs to demonstrate compliance with conditions, we call to always provide for the possibility to use standardised self-declarations to reduce administrative costs.
- Clarify the differentiation between Net Zero Acceleration Areas and Industrial Acceleration Areas, and ensure this does not create additional bureaucratic lawyers.

Annex II and III

SMEUnited would like to draw attention to the following distorting effects related to Annex II and III. See selected examples below.

Construction

The potential distorting effects of UO/LC requirements are particularly evident in sectors such as construction, which are characterised by complex supply chains and a heavy reliance on basic inputs, making them particularly vulnerable to the indirect impacts of industrial policies. The most significant provisions are set out in Annex II and in Articles 10, 11 and 12 of the Regulation, which introduce LC requirements for certain construction materials used in public procurement. These provisions are set to affect, albeit indirectly, the way in which materials are procured. In the initial phase of the Regulation's implementation, in fact, although the European market for construction materials is particularly well-developed, a reduction in competition on the supply side could lead to a rise in prices.

We support the sector's decarbonisation measures, but consider it essential that implementation be accompanied by measures proportionate to the characteristics of micro and small enterprises. In particular, it is necessary to provide standardised templates for demonstrating compliance, simplify documentary requirements, allow businesses to rely on suppliers' declarations, introduce effective price revision clauses in public procurement contracts, and ensure effective access for MSMEs to tender procedures.

Automotive/Car repairers

The IAA is also of particular importance to the automotive sector, as it forms part of the broader European regulatory framework aimed at promoting the uptake of low- and zero-emission vehicles, particularly in light of the revision of CO₂ targets for passenger cars and light commercial vehicles and the forthcoming regulations on *corporate fleets*. In particular, the provisions set out in Annex III and in Articles 13, 14 and 15 define the UO requirements applicable to certain categories of electric vehicles, externally chargeable hybrid electric vehicles and fuel cell vehicles in the context of public procurement and specific public support schemes. These requirements concern, amongst other things, the assembly of the vehicle within the European Union, the proportion of components of European origin, batteries, and key electronic systems. Taken together, these provisions should promote the uptake of low-emission vehicles and increase the importance of European-sourced components throughout the entire supply chain.

Although primarily aimed at car manufacturers, these provisions will also have significant implications for vehicle repair businesses. The gradual uptake of electric and increasingly digitalised vehicles will require independent garages to invest in staff training, the purchase of new equipment, the upgrading of diagnostic tools and the adaptation of safety standards.

At the same time, the growing digitalisation of vehicles makes the issue of access to technical data even more crucial. In the absence of effective and non-discriminatory access to technical information, diagnostic tools, spare parts and software updates, there is a risk that the position of manufacturers' official networks will be progressively strengthened, leading to a reduction in competition in the maintenance and repair market.

The path of progressive decarbonisation should not penalise independent operators. It is therefore necessary to guarantee the full right to repair, fair access to vehicle data and provide support measures for the investment and training required so that SMEs can continue to operate under conditions of effective competition.

Transport and logistics

The measures set out in the IAA will also have indirect effects on transport and logistics companies. Although SMEs in the sector are not the primary targets of the regulation's provisions, the combination of UO requirements, public support for vehicles and future regulations governing *corporate fleets* is set to progressively affect the demand for transport services, favouring the uptake of low- or zero-emission corporate fleets. Consequently, large companies, contracting authorities and public administrations may increasingly require their suppliers and subcontractors to use low-emission vehicles as a condition for market access. At the same time, should public incentives be limited to vehicles complying with UO

requirements, SMEs could face a reduced availability of eligible models and, at least initially, higher purchase costs.

The transition also presents significant challenges in terms of fleet renewal, the availability of vehicles suited to different operational needs, the installation of charging infrastructure at depots, the management of charging times and the adaptation of business organisation. Added to this is the risk that the higher costs arising from the transition will be passed down the supply chain by large clients without the necessary adjustment to payment terms.

It is necessary to support the transition with measures that are genuinely accessible to SMEs, providing incentives not only for the purchase of vehicles but also for the installation of charging infrastructure, the adaptation of depots, staff training and appropriate financial instruments, whilst ensuring that the increased costs arising are recognised in contractual agreements with major clients.