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Industrial Accelerator Act (IAA)

ESMIG position paper

ESMIG supports the objectives of the Industrial Accelerator Act (IAA) to strengthen Europe's industrial competitiveness, resilience and economic security. While grid technologies and technologies to digitalize the grid are not within the scope, the debate on "Made in Europe" criteria is relevant for all sectors, including critical infrastructure sectors.

For digital and connected technologies, such as smart meters, strategic value extends beyond manufacturing location and increasingly depends on factors such as system design, software development, cybersecurity, lifecycle management and ownership and control structures. ESMIG therefore believes that the "Made in Europe" framework should reflect where strategic value is created and support the EU's broader objectives of competitiveness, security and resilience.

ESMIG recommends that the "Made in Europe" framework for critical infrastructure technologies recognise European value creation beyond manufacturing location and place greater emphasis on security, strategic autonomy, ownership and control and resilience.

ESMIG highlights the following considerations:

1. "Made in Europe" must reflect how and where value is created

The IAA introduces new considerations relating to European industrial content and resilience. While these provisions are currently focused on specific industrial sectors, the underlying policy discussion is likely to influence future industrial, procurement and economic security frameworks.

ESMIG believes that any assessment of European value should reflect how modern technology products and systems are developed. In critical infrastructure technologies, such as smart meters, strategic value resides in European control over product and system design (R&D), firmware and software updates, critical and security-relevant components, and full lifecycle management.

These elements represent a larger share of the strategic and economic value of technology than the location of manufacturing or final assembly alone. Consequently, a manufacturing-based assessment may not fully capture the contribution that European companies make in the EU to innovation, security, resilience and industrial leadership of critical products.

A narrow manufacturing-based approach therefore risks misidentifying where value is created, while potentially disadvantaging European companies that innovate, design and manage technologies in Europe but operate global supply chains. At the same time, it may allow non-European suppliers to qualify primarily based on final assembly activities with limited added economic value and creation of local jobs.

2. Security, trust and control should be central considerations

For critical infrastructure, the primary policy objective should be to ensure that technologies remain secure, trusted and resilient throughout their operational lifetime.

This requires looking beyond manufacturing location and considering factors such as ownership and control of the supplier, governance structures, supply chain integrity, protection against non-technical cybersecurity and geopolitical risks, and long-term responsibility for software updates and lifecycle management.

ESMIG therefore believes that the concept of European value should encompass not only where products are manufactured, but also who controls the technology, where strategic decisions are taken and how security is maintained throughout the product lifecycle.

The IAA should closely align with the EU's cybersecurity certification and governance framework, notably the ongoing review of the Cybersecurity Act (CSA2). The IAA should leverage established certification schemes, supplier accountability mechanisms and risk-assessment criteria being developed under CSA2, including on provisions on high-risk third-country suppliers and non-technical risks, ensuring coherence between industrial and cybersecurity policy.

The smart metering sector is an important test case. With around 300 million smart meters projected to be deployed across the EU27+3 (United Kingdom, Norway and Switzerland) by 2030[1], procurement decisions made today could lock in dependencies on potentially high-risk third-country suppliers, with associated non-technical cyber and geopolitical risks, for 15 years or more. For critical infrastructure assets with long operational lifetimes, trust, control and resilience are therefore as important as manufacturing location.

3. Frameworks should strengthen resilience without distorting competition

ESMIG supports measures to strengthen European industrial resilience and reduce strategic dependencies. Nevertheless, any "Made in Europe" framework should be designed to avoid unintended market distortions that could undermine competition, innovation and the timely deployment of critical infrastructure.

A narrow focus on manufacturing location may reduce the pool of eligible suppliers, increase market concentration and raise costs for utilities and public authorities. It could also disadvantage European companies that create substantial value through R&D, software development and system design in Europe while relying on global supply chains.

For critical infrastructure sectors, procurement and industrial policy should therefore strike an appropriate balance between strengthening resilience and preserving open and competitive markets, with market openness based on genuine reciprocal market access for European suppliers in third countries. This is particularly important in the context of smart grid technologies deployment, where significant investments are needed and rapid deployment is essential to support electrification, flexibility and to accelerate the clean energy transition. In this regard, any future "Made in Europe" framework should be coherent with the implementation of the Net-Zero Industry Act (NZIA), including its procurement-related provisions, and build on existing efforts to strengthen Europe's industrial resilience and strategic autonomy.

[1] Berg Insight, Smart Metering in Europe, 19th Edition (Berg Insight, March 2025), https://media.berginsight.com/2025/03/20120551/bi-sm19-ps.pdf

About ESMIG

ESMIG is the European voice of the providers of smart energy solutions. Our members provide products, information technology and services for multi-commodity metering, display and management of energy consumption and production at consumer premises.

Our activities are focused on systems for smart metering, consumer energy management and safe and secure data transfer.

We work closely with EU policy makers and other EU associations to make Europe's energy and water systems cleaner, reliable, more efficient and the European consumer informed, empowered and engaged.