Teneo

Buy European: Businesses Face Changing EU Market Access Rules

Teneo Insights | September 2026



“Buy European” or “Made in Europe” calls have moved from political slogans to become one of the defining debates around the EU’s future economic model.

The question is no longer simply whether Europe should do more to support its own industry. There is now broad political consensus across the EU that it should. The harder debate is over how far European preference should go, who should benefit from it and how to balance greater sovereignty with Europe’s traditionally open economic model.

On 9 September, the European Commission is expected to publish its revision of the Public Procurement Act (PPA), aimed at strengthening the EU’s economic security by making “Made in Europe” a more systematic feature of public procurement while also simplifying the complex procurement rules. If European preference becomes embedded in the horizontal procurement framework, it could gradually shape purchasing decisions across a much wider part of the European economy.

The Quest to Define European Preference

The first piece of legislation connected to the “Made in Europe” debate was the Industrial Accelerator Act (IAA).[1] The Commission proposed the IAA in March 2026 as part of its effort to rebuild European industrial competitiveness. Its focus is deliberately concentrated on sectors where concerns around high energy costs, foreign competition and strategic dependencies have become particularly acute: energy-intensive industries, net-zero technologies and the automotive sector.

The proposal combines faster permitting with measures designed to create demand for European low-carbon products and to ensure that certain foreign investments deliver more value in Europe. The PPA reform will move a step further by providing a horizontal legal toolbox for how public authorities purchase goods and services in accordance with European preference.

This fits into a wider push for economic sovereignty, driven by a combination of the energy shock following Russia’s full-scale invasion of Ukraine, growing Chinese dominance in strategic clean-tech supply chains and a more interventionist industrial policy in the U.S. Together, these developments have made European policymakers much more conscious of the risks associated with relying on third countries for critical technologies and industrial capacity. However, Europe’s largest economies disagreed on how to approach the issue.

[1] Single Market Economy, Regulation of the European Parliament and of the Council, March 2026

From Country of Origin to "Partner Origin"

France had pushed for a more restrictive European preference based on reciprocity, while Germany had favoured a broader "Made with Europe" approach that protects European production without discriminating against key trading partners. At their 17 July Ministerial Council, France and Germany made a significant step toward bridging their divide. In a joint declaration, they linked greater flexibility on automotive CO2 regulation with European-content requirements.[2] This mirrors the broader political bargain currently emerging across the EU: stronger support for European production in exchange for more flexibility in parts of the green regulatory framework.

Member States, in their negotiations on the IAA, are looking at the concept of "partner origin." The Commission would be required to establish lists of partner countries for specific products, based on the EU's commitments under the World Trade Organisation Government Procurement Agreement and relevant free trade agreements. It could subsequently add or remove countries based on reciprocity, dependencies or security-of-supply concerns. This suggests a more managed form of openness in which access increasingly depends on the EU's relationship with the country concerned and the strategic importance of the product. For businesses, this creates an additional layer of uncertainty, as preferential access could vary by product and change over time.

Business Implications

For businesses, the debate is becoming increasingly relevant regardless of whether they describe themselves as European. Foreign investment is likely to become more conditional in strategic sectors. The IAA will place additional scrutiny on certain large investments in areas including batteries, electric vehicles, solar technologies and critical raw materials, particularly where investors are linked to countries that dominate global production. The PPA will impact procurement behaviour across Europe with effects across a wide range of sectors.

Depending on how far European preference criteria go, they could significantly affect foreign suppliers' access to European markets. Together, the IAA and PPA represent a coordinated shift from procurement as a purchasing function to procurement as a strategic industrial policy instrument. The emerging system may therefore prove more nuanced than simply protectionist, as some trading partners could retain privileged access while others face increasing restrictions.

Furthermore, recent developments show how Europe's green agenda is being recalibrated under competitiveness pressure. Climate objectives remain firmly embedded in both the IAA and PPA. But the willingness to adjust timelines, requirements and automotive rules when they conflict with cost or industrial competitiveness is becoming increasingly visible.

[2] Conclusion of the 26th Franco-German Ministerial Council | É

Next Steps

The coming weeks will provide a clearer indication of where the debate is heading. The PPA proposal on 9 September will show how far the Commission is prepared to embed European preference into the wider rules governing public spending. It will also indicate whether the "partner origin" logic emerging from the member states becomes part of a wider EU model for balancing preference with international openness.

Meanwhile, the ongoing negotiations between the EU member states and within the European Parliament on the IAA are likely to determine whether European preference remains a targeted tool for a few strategic sectors or becomes a broader feature of EU industrial policy.

The political targets remain ambitious. The European Commission wants the legislative process of the IAA finalized by the end of 2026.[3] Given the number of issues still unresolved, this looks increasingly unrealistic. The debate over how open Europe wants to remain and on what conditions is set to continue well into 2027.

Authors



Benoit Cormier
Managing Director



Otto Laird
Director



Julia Brandkamp
Associate Consultant

[3] Commission Europa, One Europe, One Market Roadmap

Teneo
The Global CEO Advisory Firm

Teneo is the global CEO advisory firm.

We partner with our clients globally to do great things for a better future.

Drawing upon our global team and expansive network of senior advisors, we provide advisory services across our five business segments on a stand-alone or fully integrated basis to help our clients solve complex business challenges. Our clients include a significant number of the Fortune 100 and FTSE 100, as well as other corporations, financial institutions and organizations.

Our full range of advisory services includes strategic communications, investor relations, financial transactions and restructuring, management consulting, physical and cyber risk, organizational design, board and executive search, geopolitics and government affairs, corporate governance and ESG.

The firm has more than 1,800 employees located in 50+ offices around the world.

teneo.com

© 2026 Teneo. All rights reserved. This material was produced by Teneo for use solely by the recipient. This communication is intended as general background research and is not intended to constitute advice on any commercial investment or trade matter or issue and should not be relied upon for such purposes. The views expressed here represent opinions as of this date and are subject to change without notice. The information has been obtained from sources believed to be reliable but no guarantees can be given as to its accuracy, completeness or reliability. AI-enabled tools may have been used in the preparation of this report to assist with data analysis, content structuring, and editorial refinement. Where used these tools did not operate autonomously and did not replace expert judgment. All outputs were reviewed, validated, and finalized by the report authors, who retain full accountability for the accuracy and integrity of the work. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic or otherwise, without the prior consent of Teneo.