



# The approach to investment

The Strategic Investment Fund is administered on the basis of a number of core principles:

- **The government is not substituting itself for the market.** Investments do not support projects that are ultimately unsustainable in the long term in an open competitive market. They are targeted at specific market failures that are preventing otherwise viable developments. Where possible, the Strategic Investment Fund will reinforce business or expert-led bodies such as the Technology Strategy Board in determining what is commercially viable.
- **The basic criteria for investments are the opportunity that exists in a particular area and the impact that government intervention would have.** Investments are not a reflection of a sector's relative importance to the UK economy, but a reflection of where government investment can have the greatest benefit.
- **The Strategic Investment Fund targets a diverse portfolio of investments across a range of sectors** (Figure 2) but also geographically, to ensure widespread benefits across the economy.