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**Multinational Enterprises  
in the Finnish  
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## Foreword

The economy is undergoing a new phase of globalization. The features of the current phase include increasing globalization of knowledge-intensive activities like R&D and headquarters. Knowledge-intensive activities are assumed to have significant positive spillovers to the rest of the economy, which explains the growing interest of policy-makers.

Compared to most other small economies, the internationalization of Finnish companies started relatively late. As late as the 1970s, Finnish companies' international activities consisted mainly of exports. Only a few companies had sales offices abroad, and even fewer production units. During the past two decades, the situation has, however, changed dramatically. Today, the large Finnish corporations are among the most internationalized in the world.

The 1990s saw a surge of foreign direct investment (FDI) in Finland. The value of outward and inward FDI increased significantly faster than foreign trade. R&D also started to become global. During the first decade of the 21<sup>st</sup> century Asian countries, India and China in particular, have become important target countries of FDI, including R&D investment.

All studies reported in this volume have been carried out as part of the MEFIS (Multinational Enterprises in Finnish Innovation System) program. MEFIS was a joint research project of ETLA, VTT – Technical Research Centre of Finland, Helsinki School of Economics (Department of Organization and Management), and Finpro in 2001 – 2003. During the MEFIS project nearly 20 research reports and discussion papers were published. MEFIS, in turn, is part of The Research Programme for Advanced Technology Policy (ProACT) initiated and funded in collaboration with the Ministry of Trade and Industry and the National Technology Agency, Tekes. We would like to thank the Ministry of Trade and Industry for their financial support. It has been a great pleasure to discuss the research findings in numerous workshops organized by ProACT.

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