

Once considered the high cost New England state for business, Massachusetts now has taken a number of steps to be viewed as "business friendly" and at least on a par tax-wise with other New England states.

## **BUSINESS OVERVIEW**

Massachusetts has a large international trade service sector including airlines, ocean carriers and related service organizations. A large portion of New England export and import product flows through the state, making Massachusetts a magnet of international traffic.

With this international trade center identity, the state is also the New England center for both U.S. and foreign companies. Many of these companies have sales, service and distribution facilities in the greater Boston area.

There is also a significant service industry in the state including banking and a number of specialized product service companies, many of which support the computer/software industry.

With the largest university system in New England and one of the largest states in the U.S. for research and development grants (both government and private), the technology/research industry is a major employer and revenue source. MIT, Harvard, and the University of Massachusetts are major recipients of research grants.

From the development of the mainframe computer to the introduction of the personal computer, the state has since the early 1970's, seen the growth of thousands of new companies, many spin-offs from other companies. In spite of competition and uncontrolled growth, many of these companies have entered new markets and reengineered their companies for the years ahead. Some of the largest of these companies struggle to survive. Digital, Data General and several other large computer companies continue to eliminate jobs and businesses. Wang and a number of other well known computer companies exist only as a small reorganized shell of their prior boom years.

There are hundreds of computer component and software companies in the state. The largest of these include both divisions of computer system manufacturers as well as special accessory and component companies (highlighted in the commercial electronics section following).

Defence companies in the state include Raytheon (patriot missiles), General Electric (jet engines), Genrad (avionics), M/A Com (communications equipment), Martin Marietta (guidance systems), and GTE (communications systems).