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### COMMERCE

### NEWS

**WASHINGTON, D.C. 20230**

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**Minority Business Development Agency Releases Report on Closing Supply Chain Gaps with MBEs**

WASHINGTON, DC(December 18, 2024) – Today, the Minority Business Development Agency (MBDA) released its ***Ways in Which Minority Business Enterprises (MBEs) Can Meet Gaps in the U.S. Supply Chain*** report. This report presents several avenues for MBEs to meet gaps in the U.S. supply chain and discusses opportunities to conduct, commission, and collaborate on new studies with other federal, state, and private institutions on this topic.

This report offers a data-driven snapshot of the MBE supplier landscape, analyzing representation of MBE firms in both manufacturing industries and the service industries that support manufacturing. The data shows there is room to grow representation of MBEs, particularly in manufacturing.

* MBE firms comprise about 22 percent of the service sector firms support manufacturing but represent only about 10 percent of manufacturing firms.
* As a comparison, MBEs comprise about 20 percent of all employer firms.

The report identifies barriers present in supply chains for MBE participation and the ways in which policy makers, technical assistance providers, and large corporations can utilize MBEs to advance the U.S. supply chain.

“MBDA has embarked on a new chapter of our long and proud history to serve and support MBEs,” said **Deputy Under Secretary of Minority Business Development Eric Morrissette**. “The Minority Business Development Act of 2021 empowered our agency to work toward equity among U.S. firms and strengthen our national economy, and we are forever committed to that mission. Together with public and private sector partners, we will continue to address capital access disparities and highlight sources of alternative financing while closing gaps in the U.S. supply chain.”

The report highlights many public and private initiatives directed toward promoting the success of MBEs in supply chain industries and breaking down barriers. Increasing MBE participation in advanced technologies and manufacturing relies on a range of initiatives to ensure MBEs can develop the capacities and skills needed to compete in rapidly changing markets.

The report recommends four potential opportunities through which MBEs can help close supply chain gaps through policy and business plan changes:

1. **Leverage the Large Number of MBEs in High-Tech Manufacturing Support Services:** Assist MBEs to Access Opportunities as Part of the Growth Spurred by Federal Investments, Including the CHIPS Act.
2. **Fostering Inclusive Entrepreneurship In Manufacturing:** Promote Talent Pools of Entrepreneurship; and Support Training Programs and Expand Innovation Incentives.
3. **Expand Corporate Supply Chain Diversity:** Expand and Strengthen Procurement Programs; Build Corporate-MBE Supplier Relationships; and Ensure Stable Cashflow for MBEs.
4. **Provide Support to MBEs in Manufacturing:**  Leverage Business Centers and Networks; Develop Initiatives Helping MBEs Grow in Scale and Size; Foster Networks and Partnerships; and Encourage Community Engagement.

Other suggestions made in the report include addressing unique challenges by MBE demographic groups and expanding qualitative data gathering to learn about the needs of MBEs in manufacturing.

This report was mandated under the Minority Business Development Act of 2021. The Act codified MBDA and many of its existing programs. The report, and details of its findings, can be reviewed at [www.mbda.gov](http://www.mbda.gov).

***About the Minority Business Development Agency (MBDA):***

The U.S. Department of Commerce, Minority Business Development Agency is the only Federal agency dedicated to the growth and global competitiveness of U.S. minority business enterprises (MBEs). For more than 50 years, MBDA’s programs and services have better equipped MBEs to create jobs, build scale and capacity, increase revenues, and expand regionally, nationally, and internationally.

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