

ABSTRACT

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Title : Empirical Study on Factors Affecting Profitability and Business Sustainability of UMKM*

This study analyzes the factors that influence the sustainability of social commerce businesses in Indonesia after the enactment of Permendag No. 31 Tahun 2023. This regulation is a revision of Permendag No. 50 Tahun 2020, which creates an ecosystem that is fairer and healthier which support micro, small, and medium enterprises (MSMEs). The study used an explanatory quantitative method with a focus on local traders and MSMEs in Medan City. Data are obtained through questionnaires and analyzed to identify the effect of difficulty in obtaining commodities, profit levels, and ease of reaching consumers on business continuity. The results show that regulatory revisions have low significant impact on various aspects of business continuity such as operations, profitability, and accessibility to consumers. This study provides recommendations to policymakers to continue supporting MSMEs in adapting to regulatory changes and improving their competitiveness in the digital marketplace.

Keywords : Going Concern, Permendag No. 31 Tahun 2023, Social Commerce, UMKM