



# The 1<sup>ST</sup> UNICEB 2017

Garuda Plaza Hotel Medan, December 12th 2017



## GOVERNMENT ROLE IN USE OF E-COMMERCE APPLICATION IN SMALL AND MEDIUM INDUSTRIES (SMEs)

(*STUDY: SMALL AND MEDIUM INDUSTRIES (SMEs) IN MEDAN*)

**POLTAK EVENCUS HUTAJULU**

Polytechnic of Chemical Technology Industry Medan

Email : Pol\_evencus@yahoo.co.id

### ABSTRACT

Small and medium industries (SMEs) have been recognized to contribute to the growth of the world economy. Similarly in Indonesia where the development of small and medium industries (SMEs) has increased significantly. From the data of the Ministry of Industry in 2016, SMEs grew to reach 165,983 units or an increase of 4.5 percent compared to 2015. While in 2017, the number of SMEs targeted to reach 182,000 units by absorbing 400,000 workers. Therefore, the contribution of small and medium industries SMEs for economic growth is enormous. The level of understanding of Information and Communication Technology (ICT) relates to the use of E-Commerce applications in electronic trading transactions. E-Commerce provides the flexibility and ability to respond to new opportunities and innovations. This research aims to determine what are the factors that can affect small and medium industries (SMEs) in using e-commerce applications in SMEs in Medan with attention the government support including IT Infrastructure, regulation, business environment, government funding, human capital development & skills and information. Currently e-Commerce has emerged as a new way to help influence small and medium industries (SMEs) to compete in local and international markets and expected to contribute to the economic growth. The sample used is small and medium industries (SMEs) in Medan by field of survey study. Testing is done by using Partial Least Square (PLS) method with Smart PLS 3.0 software. Based on the results of data processing can be seen that the significant role of government influence on the use of e-commerce applications in SMEs in Medan is IT Infrastructure, regulation and information.

**Keywords : E-Commerce, Government Role, SMEs**

THE  
*Character Building*  
UNIVERSITY