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Tourism is one of the factors that become the foundation for improving the economy of a country, including Indonesia. Indonesia itself is known as a country with various beautiful and exotic tourist destinations, ranging from beaches, and national parks, to regional customs. Tourism will have many positive impacts if the government can realize the potential of tourism and develop it. In this case, tourism can provide welfare to the regional economy and the community, especially Micro, Small, and Medium Enterprises (MSMEs) around tourist attraction locations because they are considered to be directly related to and help facilitate tourism activities and tourism actors. Mandeh Village is one of the many natural tourism destinations in the Pesisir Selatan area, West Sumatra, Indonesia, which has been the focus of the local Tourism Office since 2018. This study aims to determine the effect of Mandeh Village tourism development on Micro, Small, and Medium Enterprises (MSMEs) income through tourism potential.

The method used in this research is a qualitative method with descriptive analysis. The population involved in this study were MSME players around the Mandeh Village tourism area. The sampling technique used is simple random sampling with the Slovin formula so that a sample of 100 respondents is obtained using an ordinal measurement scale.

Overall, the results showed that the current development of Mandeh Village tourism objects is in a very good category with a percentage of 85.33%, the income of MSMEs around Mandeh Village tourism objects is currently in a good category with a percentage of 83.33%, and the current tourism potential of Mandeh Village is in a good category with a percentage of 83.33%. In addition, the results showed that Mandeh Village tourism development had a positive and significant effect on MSME income and tourism potential had a positive and significant effect on MSME income, and Mandeh Village tourism development had a positive and significant effect on local MSME income mediated by tourism potential.

Keywords: Tourism development, MSME income, tourism potential