



INDIA:

## Mobile phone accessories company establishes environmental and social standards with suppliers

India's electronics industry is growing rapidly, but companies are not always able to fully exploit its potential due to a lack of qualified workers among producers and suppliers. As part of the develoPPP programme funded by the German Federal Ministry for Economic Cooperation and Development (Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung, BMZ), Salcomp Manufacturing India Pvt Ltd (Salcomp), a mobile phone accessories company, and DEG - Deutsche Investitions- und Entwicklungsgesellschaft mbH therefore initiated a qualification offensive. In addition to training qualified technical staff, the aim was to promote the dissemination of international standards on quality, environment, health and safety (QEHS) in the mobile phone industry. Salcomp thus also strengthened the competitiveness of its Indian suppliers and thus its own position on the world market.

### THE CHALLENGE

India's electronics market is booming and global demand for Indian electronics products is increasing. At the same time, the sector is facing major challenges due to a lack of qualified workers. Suppliers and equipment manufacturers currently must spend a lot of time training new personnel for manufacturing, resulting in significant production backlogs. In addition, QEHS practices in local companies do not meet international standards. Among other things, this has led to higher error rates in production at Salcomp suppliers, weakening the company's productivity. With its initiative to improve standards at suppliers, Salcomp is leading the way, strengthening the industry as a whole. With the initiative, Salcomp can increase the productivity of its Indian suppliers and better exploit the potential that the market offers.

### PROJECT APPROACH

In order to establish international QEHS standards in the supply chain and create more qualified jobs, project partners have implemented the following measures, among others, between 2018 and 2019 with a total project volume of around 350,000 euros:

- Development of a training program on QEHS guidance for 10 selected suppliers.
- QEHS training for selected skilled workers in cooperation with Elektronik Bhaktavatsalam Polytechnic College (BPTC).
- Training course for electronics and machine maintenance for unskilled youth, based on the German model of dual education in cooperation with BPTC.

*"When industry, development cooperation and financiers work together on sustainable development, it's clearly a turnaround toward success."*

**Sasikumar Gendham**, Managing Director  
at Salcomp Manufacturing India Pvt Ltd



## RESULTS

The initiative made it possible to train employees and establish international standards for quality, the environment, health and safety at the suppliers and to certify them accordingly. A large proportion of the young people trained found employment in supplier companies. Salcomp benefited from the reduced error rate in production and the higher productivity of its suppliers, which made its own products more competitive.

122

new qualified jobs

178

young people with one-month training course



QEHs training programme for professionals

## PROJECT PARTNERS

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## QUESTIONS ABOUT DEVELOPPP?

develoPPP is aimed at companies that want to invest sustainably in a developing and emerging country and become operational. Suitable projects can receive technical and financial support of up to 2 million euros. The basic requirement is a long-term business interest in the country that goes hand in hand with a sustainable developmental benefit for the local people. Are you planning to train local professionals or sustainably expand an existing supply chain? Do you have an

innovative business idea that can be expected to have a positive development effect? Then learn more now and become part of the develoPPP success story! Further details on the programme, current project examples and the right contact for your questions can be found at: [www.develoPPP.de](http://www.develoPPP.de).

Information on further BMZ funding opportunities for companies can be found at:

[www.wirtschaft-entwicklung.de](http://www.wirtschaft-entwicklung.de).

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Where business meets development.