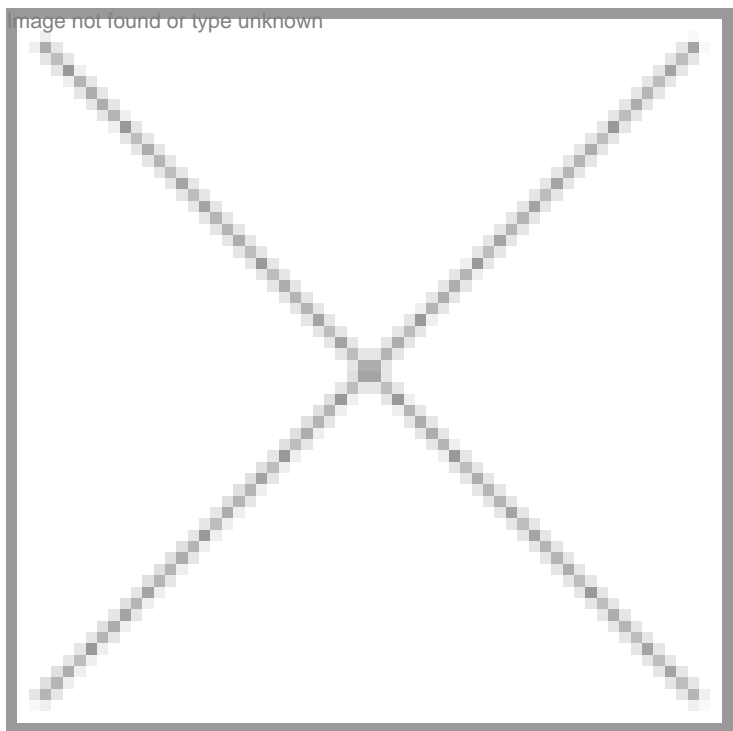


BioIndustrial sector touches Rs 395 cr, registers 5.33% growth

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The BioIndustrial sector is estimated to have touched Rs 395 crore with a growth rate of just 5.33 percent for the year 2006-07 as against the previous year's growth rate of 17 percent. Though the growth rate is negligible, it has been good in terms of volume. The applications of industrial enzymes have been on the rise in India since various industries have been using enzymes.

Revenues from the top five companies accounted for 87 percent of the total market size while the rest of the companies contributed the remaining. Novozymes and Biocon continued to dominate the industrial enzymes market in India with contributions close to 50 percent of the total enzymes revenues. Novozymes is leading the Indian enzymes sector with Rs 100 crore (2006-07) followed by Biocon. The other leading companies in this sector include Advanced Enzymes Technologies, Rossari Biotech, Zytex, Maps India, Lumis Biotech and Textan Chemicals. Novozymes, Advanced Enzymes Technologies and Zytex have registered over 20 percent growth in 2006-07 against the previous year. Rossari registered over 60 percent growth while Biocon registered 12 percent growth over the previous year's sales revenue.

Considering the huge market potential in India, Novozymes is setting up a new laboratory in Bangalore, thereby establishing R&D operations in India for the first time. The new facility will initially focus on optimizing enzyme properties. It is expected to be fully operational from mid 2008.

Similarly Advanced Enzymes Technologies has taken many initiatives, the most crucial one being setting up a manufacturing

facility at Indore at an investment of Rs 15 crore. The company has set aside another Rs 35 crore for its expansion. To create awareness about the benefits of enzymes in different industries, Advanced Enzymes has been participating in seminars and conferences, both in India and abroad. It also has been organizing conferences at different places. This will help in increasing the market potential for enzymes in the country.

There are about 15 companies involved in enzymes business with few into manufacturing. The rest are into the marketing business. Although the sector has been on a growth trajectory with no regulatory issues, it is yet to grab the attention of entrepreneurs. The sector has not seen any new companies during the year. This is because of high initial cost involved in setting up the facility and also lack of skilled people with technical know-how.

Only a handful of companies like Biocon, Advanced Enzymes, Lumis Biotech, Maps India, Textan Chemicals, Rossari Biotech, Fermenta Biotech and Concord Biotech have established manufacturing facilities in India. Biocon, the first enzyme company globally received the ISO 9001 accreditation. The rest are involved in formulation and trading activities.

Indian companies are manufacturing microbial enzymes but still looking at importing glandular enzymes. The companies have been importing enzymes from the US, Canada and China. The companies are now looking at newer areas like food processing, agriculture, animal nutrition, dairy, aquaculture and marine besides the conventional areas such as pharmaceuticals, textiles, breweries, chemicals and tannery. A few other companies like Biocon, Advanced Enzymes, Rossari and Lumis are involved in exporting enzymes to various countries.

The government of India has also been considerate to the sector, as it has been funding projects related to industrial enzymes. This will help the industry grow, launch new products and compete with global players.