

14. Novozymes South Asia

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CEO: GS Krishnan

Growth Catalyst

Novozymes is one of the biotech-based leaders in enzymes and microorganisms for industry use

Novozymes is continuously expanding its frontiers of biological solutions to improve industrial performance. Headquartered in Denmark, Novozymes is a group company of Novo Nordisk. In India, the company is represented by Novozymes South Asia Pvt Ltd, located in Bangalore. Through its wide network of sales and marketing professionals, Novozymes South Asia is exploring the Indian market for the product range offered by the company. According to industry estimates, the company has clocked sales of nearly Rs 66 crore in India during 2004-05.

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Novozymes produces and sells more than 600 products in 130 different countries, the largest geographical markets being Europe, North America and Asia. Its products play an important role in the production of thousands of products from foods and textiles to cleaning and wastewater treatment. The biotech tools used by the company include gene technology, microbiological techniques and fermentation technology. The company

currently employs more than 3,900 people in 30 countries.

Enzymes and microorganisms for industrial use account for 95 percent and 5 percent of Novozymes' business respectively. The industrial enzymes are divided into three categories: technical enzymes; food enzymes; and feed enzymes. Technical enzymes include products for the detergent industry, the starch, textile, fuel ethanol, pharmaceutical, and various smaller industries. Food enzymes include products for the baking industry, the brewing, beverage alcohol industries and other food industries such as the dairy industry and the oils and fats industry. The industrial microorganisms business area includes sales of microorganisms for aquaculture, wastewater treatment, cleaning and biological plant care.

Novozymes launched six new enzyme products in 2004, three of which are in the field of detergent enzymes. The company also launched its first biopolymer product for the cosmetics industry in 2004. It is currently working on projects in antimicrobial peptides, the development of low-allergenic proteins, and monoclonal antibodies, and is looking for external partners in all three areas.

In the microorganism segment, through a series of acquisitions, Novozymes has become a world leader and will continue to expand in this field by introducing a series of new products and applications. During the year, its microorganisms business focused on integrating the acquired companies and generating organic growth. There were also two minor new microorganism products developed during the year.

The company has an extensive patent portfolio with more than 4200 active patents, patent applications and licensed patents. And it is continuously seeking partners to license or in-license patents within the company's interest areas.

Novozymes spends about 13 percent of its turnover on research and development. And around one tenth of its expenditure on R&D is used in new areas, in line with its strategy of building up new business areas beyond enzymes and microorganisms. In 2004 Novozymes launched its first biopolymer product, a hyaluronic acid called HyaCare for use in face creams and other cosmetic products. Novozymes is now exploring the possibilities of marketing HyaCare in other areas.

In the pharmaceutical industry it has entered in an alliance with the Australian company Meditech, which is researching the use of hyaluronic acid in the treatment of cancer. There has also been an alliance with a Belgian company Solvay Pharmaceuticals, which aims to develop new products for patients whose pancreases cannot produce enough enzymes.