

# Super League: A comical communications own goal, Eric Reguly writes ■ B2

**REAL ESTATE**  
National Bank CEO urges action to address root cause of hot market ■ B3

**GLOBE INVESTOR**  
A lot is going right for stocks. So Why are some investors worried? ■ B8

## Macklem eyes the other side of the crisis

BoC governor faces a balancing act between letting inflation run hot and ensuring an inclusive recovery

MARK RENDELL  
DAVID PARKINSON

Thirteen months into a pandemic and 11 months into Canada’s top central banking job, Tiff Macklem can almost see the other side of the crisis.

The Canadian economy powered through a second round of lockdowns earlier this year. COVID-19 vaccinations are picking up pace. The end of the central bank’s extraordinary supports to help see the country through the pandemic is now in sight, albeit on a still-distant horizon.

“We still have considerable ways to go. But it’s working,” Mr. Macklem told The Globe and Mail in an interview this week. “Canadians are finding new ways to work. They’re finding new ways to shop. Businesses are finding ways to serve customers.”

Since becoming Bank of Canada governor last June, Mr. Macklem’s main job has been guiding the economy through waves of COVID-19 infections, lockdowns and business closings. That largely meant continuing the emergency stimulus measures launched by his predecessor, while promising not to raise interest rates for several years. Now, with the bank formally acknowledging this week that the economy is much further down the path to recovery than it had previously estimated, the governor enters a delicate phase of policy making. As he begins to unwind the massive monetary stimulus the bank has put in place to prop up the economy and accelerate the recovery, he must weigh that task against both rising inflation expectations and a desire not to leave COVID-19’s economic casualties behind.

■ MACKLEM, B7



Bank of Canada Governor Tiff Macklem says he’s aiming for a broad-based recovery that brings those hurt most by the pandemic back into the work force. FRED LUM/THE GLOBE AND MAIL

MARKETS

▲ S&P/TSX	19,102.33	+70.69
▲ DOW	34,043.49	+227.59
▲ S&P 500	4,180.17	+45.19
▲ NASDAQ	14,016.81	+198.40
▲ DOLLAR	80.07/1.2489	+0.07/-0.0011
▼ GOLD (oz.)	US\$1,777.80	-4.20
▲ OIL (WTI)	US\$62.14	+0.71
■ GCAN 10-YR	1.51%	Unchanged

COMPANIES

FIRST QUANTUM .....	B12
GAP .....	B2
INTELGENX TECHNOLOGIES .....	B12
INTUITIVE SURGICAL .....	B9
KANSAS CITY SOUTHERN .....	B9
KNOLL .....	B9
NETFLIX .....	B9
NEW GOLD .....	B4
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## Inside a family-owned Italian company crucial to vaccine supply

ERIC REGULY  
EUROPEAN BUREAU CHIEF  
MONTERIGGIONI, ITALY

A lot of languages are being spoken in the aircraft-hangar-size factory in Tuscany that makes Marchesini Group vaccine-filling machines. One of them is Russian.

Several young Russian technicians are gathered at a table next to the gleaming machine that will soon be delivered to the Scientific Research Institute of Vaccines and Sera in St. Petersburg.

The entire unit is the length of a bus and worth between €5-million and €10-million (Marchesini will not reveal the exact price), and the Russians are analyzing its performance data. They need to make sure the stainless-steel wonder works perfectly before it is disassembled and carted north by truck.

“This is the same kind of machine that is used to produce the Sputnik V vaccines in Russia,” said Massimo Pannini, the plant director for Marchesini’s Corima Division, the group’s vaccine-machine subsidiary.

■ MARCHESINI, B4

## To meet climate goals, ill-equipped businesses must do the heavy lifting

JEFFREY JONES


OPINION

Prime Minister Justin Trudeau went into this week’s global climate summit armed with ambitious new emission-reduction targets. Corporate Canada will have to shoulder much of load, and as things stand, the private sector is not ready.

At the virtual meeting of leaders hosted by U.S. President Joe Biden, Canada said it hopes to cut greenhouse-gas emissions by 40 per cent to 45 per cent from 2005 levels by 2030. That “stretch” target is up from the 36 per cent announced by the Liberals in last week’s federal budget. The budget number was accompanied by \$8.75-billion in spending over the next five years on 43 different green programs, including the Net Zero Accelerator, a fund dedicated to “decarbonizing” large emitters.

Here’s where the struggle lies. Canada’s ambitions are lower by percentage than the U.S., Britain and EU, which have also upped their respective games.

■ JONES, B6



SPORTS

**HOCKEY** Maple Leafs keep churning through saviours, Cathal Kelly says ■ B13

**SOCCER** Fans still upset about short-lived European Super League ■ B13

**ATHLETICS** The Harry Jerome Classic will look different this year ■ B23

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# Marchesini: System can produce up to 600 vaccine-filled vials or syringes a minute

■ FROM B1

For obvious reasons, it's a hot seller, and Marchesini can't keep up with demand. The company is one of the world's top five makers of vaccine-packaging equipment – two of which are Italian, three German. It is but one example of Italy's low-profile fleet of family-owned engineering companies, laden with patents, that have become pocket-sized global players in high-value industries. They are the equivalent of Germany's private technology- and export-oriented *mittelstand* firms.

"Marchesini is really world-class," said Pierre Morgon, the CEO of Swiss vaccine consultancy MRGN Advisors.

Another Italian company doing roaring business amid the pandemic is the 72-year-old Stevanato Group, which is pumping out tens of millions of the aseptic glass vials that will contain finished vaccines. Demand for its products is so high that it is considering an initial public offering, breaking a long-standing tradition among the Italian *mittelstand* of relying on private financing, generally bank loans, to fund their growth.

Stevanato declined to comment on rumours of an imminent IPO. Reuters recently reported that an IPO could value the company as high as US\$5-billion and that Bank of America and Morgan Stanley would handle the listing. Stevanato last year signed an agreement with CEPI – the Gates Foundation-backed Coalition for Epidemic Preparedness Innovations – to make 100 million 20-dose glass vials.

Marchesini's "machine" is somewhat of a misnomer. The completed product is a series of machines that form a self-contained, fully automated assembly line – a miniature factory, in effect – capable of spitting out 400 to 600 vaccine-filled vials or syringes a minute.

The vial machine, like the one going to St. Petersburg, is designed not just to ensure amazing speed but also extreme cleanliness – life-saving products such as vaccines can be rendered useless or dangerous by the slightest bit of contamination. The air that circulates in the line goes through HEPA filters, and the internal air pressure is slightly positive to prevent outside contaminants from blowing in.

The vials are washed with distilled water before flowing into a sterilizing tunnel, where they are roasted at 320 degrees for seven minutes to destroy any traces of bacteria. Cooling is the next stage, after which the vials are filled with the vaccine liquid, sealed with tamper-proof caps and labelled so they can be traced. "The goal along the whole process is to protect the product," said Mr. Pannini, 56, a chemical engineer from nearby Siena.

The machines can take a year or more to make, though the factory has added about 30 workers, taking the total to 150, to try to compress the assembly time to eight months or so.

The company's customers are some of the world's top vaccine manufacturers, generally working as contractors to the big pharma firms. They make all sorts of vaccines, not necessarily the COVID-19 variety. One disclosed client is Russian biotech company Biocad, which is using a Marchesini line to produce the Sputnik V vaccine. Another is Montreal's Omega Laboratories.

Marchesini's main business is actually not vaccine machines, though that enterprise does not stray far from its industrial DNA. The company sells a vast array of packaging machines for the pharmaceutical and cosmetics industries, all of which are made in Italy. At last count, Marchesini had 2,000 employees and annual sales of €430-million (\$650-million), up from



Plant director Massimo Pannini stands on a walkway overlooking the vast factory in Tuscany where Marchesini Group's Corima Division is working to make machines for packaging vials of COVID-19 vaccines. PHOTOS BY FABRIZIO TROCCOLI/THE GLOBE AND MAIL



A specialized technician, above, assembles an intricate part of the one of the complex machines that will be used to fill aseptic glass vials with COVID-19 vaccines, below.



€270-million (\$407-million) in 2015. Almost 90 per cent of its products are exported with the help of 14 foreign subsidiaries.

Marchesini was founded in 1974 by the late Massimo Marchesini in Pianoro, near Bologna in north-central Italy. A mechanic, he created various machines – primitive by today's standards – that filled vials, sachets and tubes. They were a hit in the rapidly industrializing country, and by 1980, he had invented a continuous-motion cartoning machine for the pharmaceutical industry; its design was inspired by the mechanics of motorcycle manufacturing.

The Marchesini Group was formally launched in 1989 and, through organic growth and acquisitions, greatly expanded its product line and geographic reach. Its cosmetics business fills and packages everything from lipstick to body cream. Its pharma machines can make everything from sterilized, prefilled syringes to blister packs for oral medicines and vitamins.

While the company considers itself "a family of dedicated craftsmen" – as if its employees were still oil-stained garage mechanics – it is pursuing technologies that would have been alien to Mr. Marchesini in the 1970s and 1980s: robotics, artificial intelligence, 3-D printing and Amazon-style automated warehouses. Today, Mr. Marchesini's son Maurizio, who is president, is the ranking family member. In 2016, the family chose an outsider – Pietro Cassani, a career manufacturing and engineering executive – as CEO.

Marchesini is riding high but faces one serious threat: China.

Mr. Pannini said that China, where Marchesini has sold a few machines, is now producing manufacturing lines that look suspiciously like Marchesini's products. The Chinese versions are selling for as little as a third the price of the Italian ones, rattling Marchesini and its European rivals.

"We have to compete on quality, innovation and service," he said. "They have to be our competitive advantages."

## New Gold faces scrutiny over unclear description of COVID-19 outbreak

NIALL MCGEE  
MINING REPORTER

A cryptic choice of words in a news release about a COVID-19 workplace outbreak at a gold-mining company in northwestern Ontario is causing confusion, consternation and criticism.

Toronto-based **New Gold Inc.** said earlier this week that three employees at its Rainy River Mine in Ontario had tested positive for COVID-19 and that an additional seven employees had tested "non-negative" for the deadly virus.

The seven employees were tested with an in-house COVID-19 testing machine, which the company called a "PCR device," and the "non-negative" tests need to be confirmed with the local health authority.

The release appears to suggest

that the employees tested "provisionally positive," for the virus, a plainer and more common verbiage.

Richard Leblanc, professor of law, governance and ethics at York University, found the "non-negative" phraseology extremely confusing.

"I am not clear what it means," he said. "I also do not know what the term 'PCR device' means."

John Ing, a veteran gold analyst with Maison Placements in Toronto, was also thrown aback.

"It's a phrase that I've not actually seen after 13 months of this," he said. "You're either positive, or you're not," he said.

Mr. Ing was also mystified as to why New Gold would appear to be using imprecise language about COVID-19, given that Ontario is facing a brutal third wave, with particular attention being

The seven employees were tested with an in-house COVID-19 testing machine, which the company called a 'PCR device,' and the 'non-negative' tests need to be confirmed with the local health authority.

paid to workplace outbreaks.

"Heightened sensitivity about workplace spread and then to use the phrase non-negative," he said. "It's very unusual."

New Gold chief executive officer Renaud Adams declined an interview request for this story, and did not address questions about why the company didn't use clearer language to describe the test results, such as presumed positive.

While obscure, the term "non-negative" isn't completely out of left field.

Dr. Kit Young Hoon, medical officer of health with the Northwestern Health Unit, the jurisdiction in which the Rainy River mine is located, said that manufacturers of COVID-19 testing equipment sometimes use non-negative to describe a positive result that must be verified.

She also said that early on in

the pandemic, there was debate about whether non-negative should be used more widely. "There was some discussion about what was the best terminology, whether it was non-negative, or preliminary positive, or presumed positive," she said. "In the end there was a shift away from non-negative."

Under Canadian securities laws, companies have an obligation to be "plain" in their disclosures around a material news item.

Philip Anisman, a securities lawyer, and former member of the Ontario Securities Commission, said that one confusing word in a news release isn't a deal breaker though. As long as the context is clear, the company is legally on side.

"You do have to look at it in the context of the complete press release," he said.

### HONDA AIMS FOR ONLY GREEN VEHICLES BY 2040

TOKYO Honda Motor Co. is aiming to increase its ratio of electric vehicles (EVs) and fuel cell vehicles (FCVs) to 100 per cent of all sales by 2040, chief executive Toshihiro Mibe said on Friday.

The company expects EVs and FCVs to account for 40 per cent of sales by 2030 and 80 per cent by 2035 in all major markets, including North America and China.

Honda's announcement of its electrification strategy comes after Prime Minister Yoshihide Suga vowed Japan would aim for a 46-per-cent cut in emissions by 2030.

The target set by the government is "feasible," Mr. Mibe said. REUTERS

DILBERT

