



## Canadian National Railway Company: 1 Major Growth Corridor to Be Excited About

### Description

**Canadian National Railway Company** ([TSX:CNR](#))([NYSE:CNI](#)) is one of the best railroads in North America, not just because it has one of the most efficient operations out there, but because it has an incredible rail network which spans all three North American coasts. When CN Rail's vast network, which has access to many major ports, is combined with its efficiency-focused management team, CN Rail has the perfect formula for next-level long-term gains over the long term.

More recently, CN Rail announced that its exclusive access to the Port of Prince Rupert will be a major driver of growth over the next few years. The Port of Prince Rupert opportunity is described by many analysts as being one of CN Rail's "most prized corridors for growth."

After a \$200 million investment by DP World, Prince Rupert now has Canada's second-largest container terminal with the capacity for 1.35 million 20-foot equivalent unit (TEU) containers — up from 850,000 prior to the investment.

### Where is Prince Rupert?

If you're not familiar with the location of Prince Rupert, it's a port city located on British Columbia's north coast. It's ridiculously far from the lower mainland, but it has the closest major North American port to Asia with the deepest natural harbour in North America. As of right now, CN Rail has a mainline that runs to Prince Rupert from Valemount, which joins the CN mainline from Vancouver.

### Why is Prince Rupert a promising growth corridor?

CN Rail expects Prince Rupert to grow to over 10% of its total revenues over the medium term. Prince Rupert is also set to play a major part in CN Rail's 2018-2020 revenue growth opportunity, which it presented at its last Investor Day meeting.

Prince Rupert's port is a major hot spot for shipments coming from and going to Asia. It takes 11 days for a ship to arrive at the Prince Rupert port from Busan, South Korea, and Shanghai, China. It takes 12 days to arrive at the Seattle port and 13 days to arrive at the Los Angeles port.

The Prince Rupert port is a faster, more attractive way to get goods from Asia to almost anywhere in North America. There are also lower dwell times at Prince Rupert, which means major productivity and growth opportunities for both the Port of Prince Rupert and CN Rail, which will be moving a majority of the shipments.

### **Bottom line**

CN Rail is a wonderful business with a wide moat, and with its exclusive access to the Port of Prince Rupert, the closest port to Asia, I believe CN Rail's moat will get even wider and will be filled with water over the next few years as more shipments come in! That's a true long-term durable competitive advantage, so prudent investors should strongly consider adding shares of CN Rail to their portfolios today.

Stay smart. Stay hungry. Stay Foolish.

### **CATEGORY**

1. Investing

### **TICKERS GLOBAL**

1. NYSE:CNI (Canadian National Railway Company)
2. TSX:CNR (Canadian National Railway Company)

### **PARTNER-FEEDS**

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

### **Category**

1. Investing

### **Date**

2025/08/18

### **Date Created**

2017/09/14

### **Author**

joefrenette

default watermark