



2 Canadian Companies Poised to Take Advantage of Infrastructure Spending in 2018

Description

With the Government of Canada continuing its plan to implement a sweeping \$120 billion infrastructure spending program and the Trump Administration expecting to unleash infrastructure spending that may surpass \$1 trillion, North America appears primed and ready to invite the world's biggest and best companies to begin bidding on the majority of these very lucrative contracts.

Naturally, investor expectations have honed in on North American companies as the primary potential beneficiaries of the promised increased spending in both Canada and the U.S. In this article, I'm going to discuss two Canadian companies that are poised to take advantage of reduced regulation and increased spending in 2018.

SNC-Lavalin

SNC-Lavalin Group Inc. (TSX:SNC) is perhaps one of the companies with the [most to gain](#) from increased infrastructure spending in North America. SNC-Lavalin is one of the largest engineering and construction companies in North America, and has continued to build its global presence with its recent acquisition of British firm WS Atkins PLC last year. SNC-Lavalin has secured many prominent Canadian infrastructure projects, and with the federal government launching a plan to invest its money in many projects well-suited to SNC-Lavalin's team, the expectation is that SNC-Lavalin may be able to take a bigger chunk of the potential pie than many estimate.

SNC-Lavalin has built a solid long-term track record at various levels of the federal government, and I expect to see multiple headlines in 2018 highlighting the company's success in securing Canadian and American contracts.

Enbridge

While not directly related to the construction sector (you won't see this company putting in a bid for the U.S.-Mexico wall promised by President Trump), **Enbridge Inc.** ([TSX:ENB](#))([NYSE:ENB](#)) is an excellent way to play increased infrastructure spending and regulation reform on both sides of the

border.

However, the Trump Administration's direct impact on Enbridge to date remains questionable when considering which companies have the most to gain from campaign promises of reducing red tape, expediting approval processes for major projects, and providing an oil-friendly outlook (despite NAFTA concerns, which remains a potential headwind for many Canadian exporters), the energy infrastructure business remains a solid play in 2018.

Enbridge has been a [top pick](#) of mine for its long-term fundamentals, which aligns with my 12-month outlook for this company.

Bottom line

With 2018 looking more and more like the year in which infrastructure spending may get ramped up significantly in both Canada and the U.S., having Enbridge and/or SNC-Lavalin in your portfolio is an excellent way to play the regulatory angle on growth this fiscal year.

Stay Foolish, my friends.

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Date

2025/07/01

Date Created

2018/01/03

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