



Is Suncor Energy Inc. a Must-Buy After Announcing it Will Deploy Autonomous Trucks?

Description

Suncor Energy Inc. ([TSX:SU](#))([NYSE:SU](#)) recently announced that it is planning to deploy over 150 driverless trucks at its mines — a process that it expects will take six years to phase in. The company will be the first to test the autonomous haulage systems (AHS) in a commercial environment, but it said that it wouldn't be compromising safety to do so.

Mark Little, chief operating officer, stated, "Autonomous haulage systems reduce interaction between people and equipment, which decreases incident rates and injury potential — helping us ensure everyone goes home safely at the end of every day." Some of the features the company noted that AHS possesses are obstacle-detection systems as well as prescribed route mapping.

The big question that many are likely asking is how jobs will be impacted by these changes. While the company acknowledged that there could be some jobs eliminated as early as 2019, it also stated that the changes will result in a different set of skills required for positions and that roles would change, suggesting that some positions could be salvaged.

Is this a sign of things to come?

The companies that have been able to survive the downturn in oil prices have had to find ways to innovate and cut costs to stay competitive and turn out a profit amid a lower price of oil. Deploying autonomous trucks is just another way for companies like Suncor and others in the industry to create efficiency and find ways to maximize every dollar and potentially stay profitable during hard times.

The big danger with commodity prices is that companies need to be flexible enough to adapt to adverse conditions, and with many casualties in oil and gas the past few years, that industry is certainly no exception. If Suncor has a successful deployment, you can certainly bet that other oil and gas companies will look to follow suit.

The cruel irony in all of this for operators of heavy machinery in the oil sands is that job losses that hit the industry this time could be permanent and due to technological change that will actually improve

the stability for oil and gas companies, rather than the instability that has typically been responsible for cyclical unemployment.

Why this makes Suncor a good buy today

Over the past six months, Suncor's share price has risen more than 9% as [oil prices have continued to rise](#). The company has managed to do well even amid a low price of oil with Suncor [recording profits of more than \\$1.2 billion in its most recent quarter](#), up from less than \$400 million a year ago.

Add into the mix driverless technologies, less staff, and a higher price of oil, and those results could skyrocket even further. With a dividend of nearly 3%, Suncor provides investors with an opportunity to make a great return on the stock by accumulating dividend income as well as benefiting from long-term capital appreciation as the company continues to innovate and grow.

The changes announced by Suncor coupled with the company's recent performance might make it the best stock to buy in oil and gas.

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