



Elon Musk: Canada Is Ground Zero for His Next Big Project

Description

Elon Musk is betting big on satellite internet. And Canada is ground zero for his investments.

Last year, Musk revealed that he was conducting satellite internet testing in rural New Brunswick. The idea was to find a remote rural community and provide lightning-fast internet of the type that such areas often lack. While most rural areas in Canada have internet access at this point, the service is often slower than in urban areas. Musk believes that he can remedy this problem with satellite internet and chose NB as a major testing ground.

Basically, Musk provided free satellite internet to “[beta test](#)” participants in areas of rural NB. Seeking feedback on Starlink’s service, the test was meant to gather data for a future launch. It was a resounding success. Participants in the beta test noticed that their internet speeds improved. One IT administrator even went so far as to say that it “[changed everything](#)” for him, improving his ability to do business.

These are encouraging early results. And pretty soon, they may begin to pay dividends for Canadian investors.

An up-and-coming Canadian satellite company

Elon Musk’s SpaceX — which owns Starlink — is a private company. Musk has no plans to take it public any time soon. So, unfortunately, you can’t grab a piece of Musk’s Canadian satellite internet investments.

However, you might soon be able to buy shares in a very similar company.

Telesat is a home-grown Canadian satellite communications company that’s scheduled to hit the NASDAQ this year. In November, it announced that it would be going public in the “second or third quarter” of 2021. It’s a satellite communications with a very long history. Initially created in 1969 as a government enterprise, it eventually went private. It’s currently the fourth-largest fixed satellite provider in the world. So far, the company’s financials are a mixed picture, with revenue down but earnings up

in the most recent quarter. It wouldn't be a good stock to rush into without extensive due diligence, but it will be one way to get a piece of satellite tech while Musk's enterprises remain private.

A Canadian telco with loads of potential

If you're looking for a Canadian telco play that absolutely *is* investment worthy, you could consider **Rogers Communications** ([TSX:RCI.B](#))([NYSE:RCI](#)). This isn't a satellite internet company; it's a telco that's undeniably leading the charge with new technology. Thanks to its partnership with **Ericsson**, Rogers was able to roll out 5G faster than any of its competitors. Now, it has Canada's largest 5G network, with infrastructure set up in hundreds of locations.

2020 wasn't Rogers's best year ever. Thanks in no small part to the closure of sports early on in the pandemic, its business took a hit. As a result, revenue declined 7% and earnings declined 22% for the year. In the most recent quarter, Rogers showed early signs of recovering, with earnings down only 4%. These are improved from earlier quarters in 2020 but still down from 2019.

To be sure, RCI.B took some damage because of COVID-19. But it's a solid 5G stock with plenty of potential in the future economic recovery.

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