Railway Association of Canada

RAC QUARTERLY REPORT

Quarter 4 - 2024

March 31, 2025

Contents

99 Bank Street, Suite 901, Ottawa, ON K1P 6B9 T +1 (613) 567-8591 F +1 (613) 567-6726 railcan.ca

Introduction

The Railway Association of Canada's (RAC) Quarterly Report compiles weekly, monthly, and quarterly data from railways and various statistical and regulatory agencies to provide a timely update on the state of the economy, the transportation sector, and freight and passenger rail operations.[1] Links to all data sources are included throughout the report. In addition, RAC's quarterly and annual reports can be accessed on the RAC website.

Comments on this report may be addressed to: Jonathan Thibault, Manager, Economics, Data and Research, *JThibault@railcan.ca*, 613.564.8104.

Executive Summary

Canadian Economy

Trade war negatively impacting North American economies in 2025.

From Q2-2024 through Q4-2024, both Canadian and U.S. GDP growth remained above two percent. Heading into 2025, growth is expected to slow.

In March 2025, the Organisation for Economic Co-operation and Development (OECD) significantly downgraded its forecasts (compared to its December 2024 report) for North American economies, with the trade war largely to blame. The OECD downgraded its 2025 GDP growth forecasts for Canada from 2.0% to 0.7%, for the U.S. from 2.4% to 2.2%, and for Mexico from 1.2% to -1.3%.

Freight Rail

Freight volumes impacted by labour disruptions at ports and the early arrival of cold weather.

Early in Q4-24, freight traffic was moving well following the recovery from the August 2024 work stoppage at CN and CPKC. Then in November, labour disruptions at the ports of Vancouver, Prince Rupert, and Montreal significantly impacted the transportation supply chain. Compared to November 2023, non-intermodal carload traffic decreased 3% while intermodal traffic, which was more heavily impacted by the labour disruptions, fell 15%. A swift recovery in December was hampered by the early onset of cold weather – requiring adjustments to operations, including shortening train length, to ensure safety and regulatory compliance.

Compared to Q4-23, total Canadian intermodal traffic[2] was down 5% and non-intermodal carloads were flat. Carload increases were led by agriculture (+22,628 carloads, 15%), supported by strong gains in canola, wheat, other cereal grains, and vegetables. Food products posted a small, 575 carload (3%) increase. Carloads decreased for the other eight commodity groupings. Minerals experienced the most significant decrease in carloads (-8,351), driven almost entirely by a 7,480 carload (11.0%) reduction in potash. However, Q4-24 was the second best Q4 on record for potash carloads,[3] second only to Q4-23.

On an annual basis, Canadian railways finished 2024 with non-intermodal carload traffic equal to 2023 levels, and intermodal units up 2%.

---

[1] Much of the data in this report are measured against the same period in previous years, for year-over-year comparisons' sake. However, in some cases, data are compared to earlier periods to provide context relative to pre-pandemic activity levels.
[2] Measured in units. Source: Statistics Canada, *Monthly Railway Carloadings Survey*.
[3] Source: RAC Analysis based on Statistics Canada, *Monthly Railway Carloadings Survey*.

99 Bank Street, Suite 901, Ottawa, ON K1P 6B9 T +1 (613) 567-8591 F +1 (613) 567-6726 railcan.ca

In Q4-24, Canadian Class 1 freight traffic (CN and CPKC, network-wide), measured using revenue-ton miles (RTMs), decreased by 1% compared to the same period last year. On an annual basis, 2024 RTMs were up 2%, led by an increase in grain & fertilizers.

In Q4-24, Canadian Class 1 freight railway performance remained consistent with Q4-23 across most metrics. One metric improved – property additions,[4] which increased by 2% to $1.7B in Q4. On an annual basis, property additions increased by 12% to $6.4B. The average Class 1 operating ratio worsened by 1%, as expenses increased while freight revenue per RTM remained flat. Lastly, the disruptions at the ports in November followed by cold weather in December (compared to December 2023) contributed to a 3% increase in average railway terminal dwell times in Q4-24. On an annual basis, dwell times were reduced by 3%.

Supply Chains

End-to-end supply chain fluidity impacted by labour disruptions, weather, drought and conflict.

In October, before the labour disruptions at several Canadian ports, railway terminal dwell times were shorter than they were in October 2023 and October 2022. Dwell times then increased during the port disruptions, and it was challenging for railways operating under cold weather restrictions to clear the backlogs through the remainder of the quarter. Overall, Q4-24 railway dwell times averaged 8.65 hours (a 7% increase compared to Q4-23). Dwell times at the Port of Vancouver and Montreal progressively worsened throughout the quarter. Compared to Q4-23, dwell times at the Port of Vancouver were up 33% (increasing from 4.2 to 5.5 days) and dwell times at the Port of Montreal more than doubled (increasing from 3.3 to 7.7 days).

Internationally, disruptions at two major canals continued to affect the performance of global supply chains. In the Americas, restrictions on the number of daily vessel transits at the Panama Canal remained in place, while in the Middle East, vessels continued to re-direct around the southern tip of Africa to avoid conflict around the Suez Canal. Global vessel schedule reliability decreased from 61.0% in Q4-23 to 53.1% in Q4-24 and the average delays for late vessel arrivals increased from 5.1 to 5.5 days. Both performance metrics remain highly unfavourable compared to Q4-19, when schedule reliability was near 80% and delays for late vessel arrivals was around 4 days.

Passenger Rail

Year-over-year increases in ridership continue.

In Q4-24, 56% of RAC reporting members indicated that ridership was higher than it was in Q4-23. On an annual basis, 70% of reporting members indicated that 2024 ridership was higher than 2023.

Both major intercity railway companies – VIA Rail and Amtrak – reported gains in ridership. Q3-24[5] VIA Rail ridership was up 4% from Q3-23. On a Q1-Q3 YTD basis, ridership was up 7% over 2023. In Q4-24, ridership on Amtrak's routes with segments in Canada increased 14%. On an annual basis, ridership was up 23% compared to 2023.

In December 2024, urban transit ridership was 14% below pre-pandemic levels.

Canada's tourism sector made small gains in Q3-24,[6] as total tourism expenditures increased by 2% compared to Q3-23. Expenditures on passenger rail services increased by 11%, tied with interurban bus (+11%) and behind only vehicle rentals (+13%).

[4] Property additions include capital investments in track and roadway, rolling stock, buildings, information technology and other assets.
[5] Third quarter 2024 data was the latest available as of March 25, 2025.
[6] Third quarter 2024 data was the latest available as of March 25, 2025.

99 Bank Street, Suite 901, Ottawa, ON K1P 6B9 T +1 (613) 567-8591 F +1 (613) 567-6726 railcan.ca

Rail Safety

Mixed Q4 results to finish off an exceptionally strong 2024.

Safety remains the industry's number one priority, and the annual data for 2024 illustrates this.

In 2024, the Canadian Class 1 *Federal Railroad Administration (FRA)* personal injuries rate improved by 18% compared to the 2020-2023 average any by 6% compared to 2023. The train accident rate improved by 20% compared to the 2020-2023 average and by 4% compared to 2023.

The *Transportation Safety Board (TSB)* data also show significant improvements in 2024. The accident rate improved by 15% compared to the 2019-2023 average and 4% compared to 2023. The number of main-track derailments was down 33% compared to the 2019-2023 average and 13% compared to 2023. The number of accidents involving dangerous goods decreased by 18% compared to the 2019-2023 average but increased by 1% compared to 2023.

Crossing and trespassing remain key issues of concern. Q4-24 statistics were in line with historical averages, but there was a spike in crossing and trespasser accidents earlier in the year. 2024 crossing and trespassing accidents were up 20% compared to the 2019-2023 average and 13% compared to 2023. The issues are multifaceted and will take a concerted effort from railways, municipalities, and the public, among others, to achieve the mission to get to zero.

In the fourth quarter of 2024, the Canadian Class 1 *Federal Railroad Administration (FRA)* personal injuries rate was on par with Q4-23, but showed a 13% improvement compared to the 2020-2023 average.[7] The Q4-24 train accident rate was up 3% compared to Q4-23, but was 12% below the 2020-2023 average.

RAC analysis of the *Transportation Safety Board (TSB)* Q4 data shows mixed results, depending on the indicator and whether comparing to the 2023 or 2019-2023 average.

[7] 2020 is the earliest year for which data are available.

99 Bank Street, Suite 901, Ottawa, ON K1P 6B9 T +1 (613) 567-8591 F +1 (613) 567-6726 railcan.ca

State of the Canadian Economy

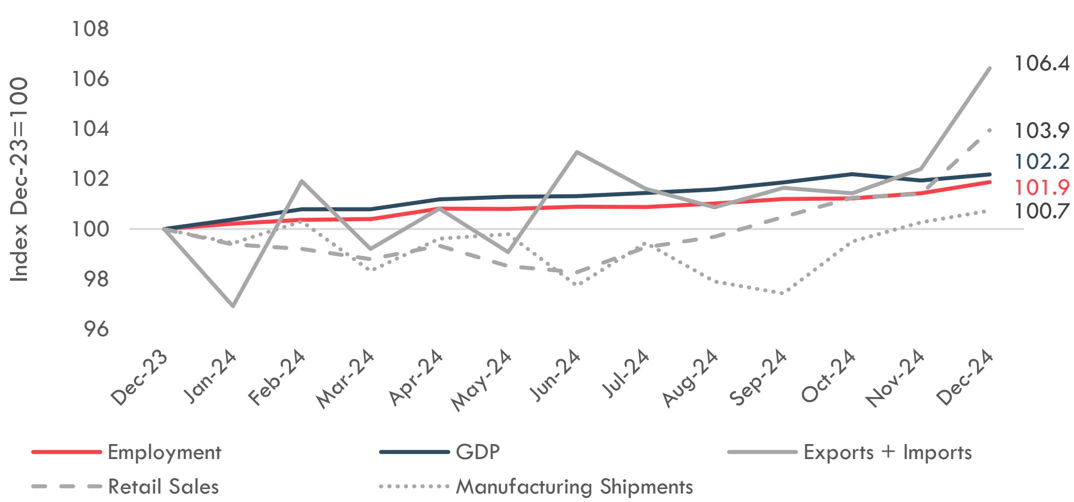
Data for all key economic indicators are provided on a seasonally adjusted basis. Therefore, the most recent data are analyzed against the past several months, rather than against the same quarter of the previous year. Comparing December 2024 against September 2024, all key indicators – employment, GDP, trade, retail sales, and manufacturing shipments – improved.

From September 2024 to December 2024, total employment (all industries) increased by 0.7% (138,100 jobs), from 20.78 million to 20.92 million.

Over the same three months, GDP increased by just 0.3%, from $2,276B to $2,283B. Changes in GDP were positive in 10 out of 20 sectors, led by increases (in absolute dollar terms) in retail trade (+2.2% or $2.6B), real estate and rental and leasing (+0.7% or $2.0B), and mining, quarrying, and oil and gas extraction (+1.7% or $2.0B). The transportation and warehousing sector's GDP decreased by 0.7% ($746M), driven by the Canadian Union of Postal Workers strike, which began on November 15, 2024, and was suspended on December 17, 2024. In absolute dollar terms, the manufacturing sector experienced the largest decrease in GDP (-0.8% or -$1.7B), as 12 out of 18 manufacturing industries contracted.

From September 2024 to December 2024, two-way trade increased by 4.7% (from $129.0B to $135.1B), retail sales increased by 3.4% (from $67.3B to $69.6B), and manufacturing shipments increased by 3.4% (from $69.4B to $71.8B). On the surface, these figures appear very strong, however, they are denoted in current Canadian dollars. From September to December, the Canadian dollar depreciated 5.1% against the U.S. dollar. The rapid devaluation of the Canadian dollar during this period contributed to the growth of these three indicators.

Key Canadian Economic Indicators



Growth of Key Canadian Economic Indicators

	Employment (millions)	GDP ($B, annualized)	Exports + Imports ($B)	Retail Sales ($B)	Manufacturing Shipments ($B)
September 2024	20.78	2,276	129.0	67.3	69.4
December 2024	20.92	2,283	135.1	69.6	71.8
3-month change	**0.7%**	**0.3%**	**4.7%**	**3.4%**	**3.4%**

Source: Statistics Canada, Labour Force Survey; Gross domestic product at basic prices; Canadian International Merchandise Trade; Retail trade sales by industry; and Monthly Survey of Manufacturing
Note: Data are seasonally adjusted. The GDP index is an index of Real GDP in chained (2017) dollars. The indices for trade, retail sales, and manufacturing shipments are in nominal dollars.

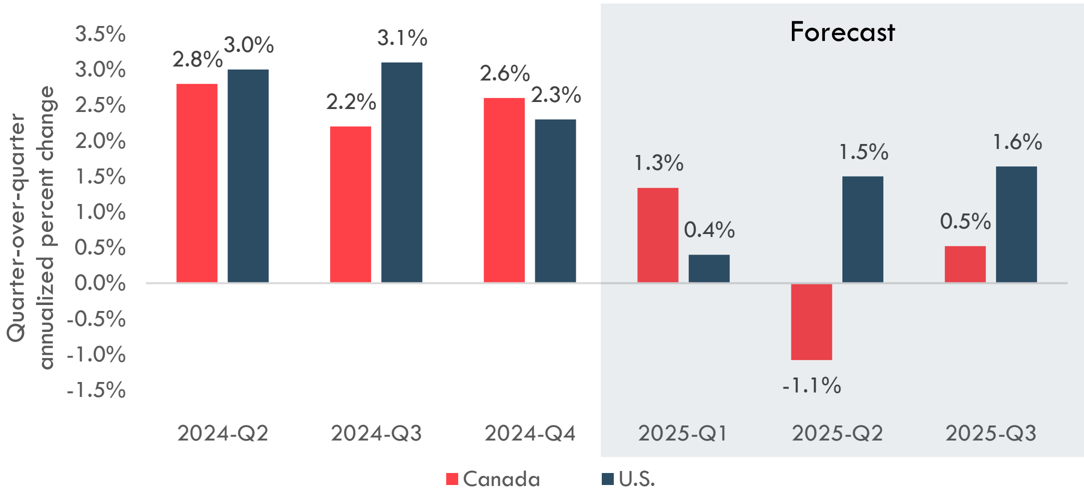
99 Bank Street, Suite 901, Ottawa, ON K1P 6B9 T +1 (613) 567-8591 F +1 (613) 567-6726 railcan.ca

Economic Outlook

From Q2-2024 through Q4-2024, both Canadian and U.S. GDP growth remained above two percent. Heading into 2025, growth is expected to slow for both economies.

Canada's large banks are forecasting Canadian growth of a little over one percent in the first quarter of 2025, before contracting 1.1% in Q2 then enjoying a small rebound of 0.5% in Q3.

Canadian and U.S. Real GDP Forecast



Source: RAC analysis based on TD, Scotiabank, CIBC, RBC, and BMO forecasts. The figures presented are the average of the five banks' latest forecasts.

In March 2025, the Organisation for Economic Co-operation and Development (OECD) significantly downgraded its forecasts (compared to its December 2024 report) for North American economies, with the trade war largely to blame.[8] The OECD downgraded its 2025 GDP growth forecasts for Canada from 2.0% to 0.7%, for the U.S. from 2.4% to 2.2%, and for Mexico from 1.2% to -1.3%. Reducing Canada's GDP growth by 1.3 percentage points (from 2.0% to 0.7%) translates into an impact of roughly $40B to 2025 national GDP, or about $100 million per day.[9]

In March 2025, the OECD downgraded its 2025 GDP growth forecast for Canada from 2.0% to 0.7%, with the trade war largely to blame. This reduction translates into an impact of roughly $40B to 2025 national GDP, or about $100 million per day.

Canadian Class 1 are forecasting low to mid-single digit RTM growth in 2025, weighted towards the second half of the year, as the industry laps the 2024 labour disruptions. There is greater labour certainty heading into 2025 across the supply chain, with several new agreements with four-year terms. However, the evolving trade war introduces significant risk to growth and could impact traffic levels of certain commodities more than others.

The traffic forecast for bulk commodities, including grain, coal, fertilizers and potash, is relative neutral overall.

The outlook for energy, chemicals and plastics is positive, with strength in natural gas, refined fuels, alternative fuels (e.g., ethanol, renewable diesel), chemicals, and plastics. The outlook for

---

[8] OECD, OECD Economic Outlook, Interim Report, March 17, 2025.
[9] RAC calculation based on data from Statistics Canada, Gross domestic product, expenditure-based.

99 Bank Street, Suite 901, Ottawa, ON K1P 6B9 T +1 (613) 567-8591 F +1 (613) 567-6726 railcan.ca

metals and minerals is more neutral, where continued strength in frac sand could offset uncertain demand for metals and minerals. Forest products will continue to be impacted by a soft market.

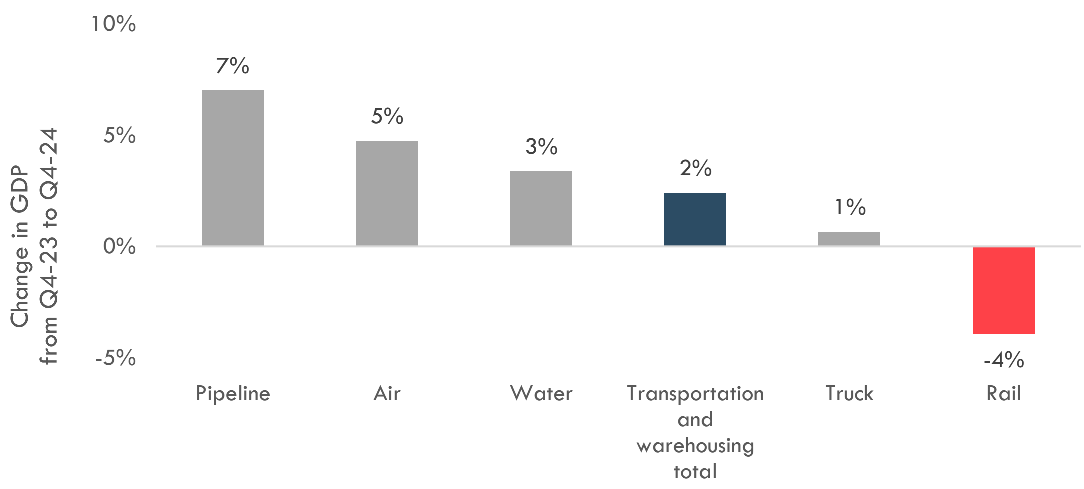
International and domestic intermodal volumes are expected to increase, as railways continue to improve their service offering and lap the 2024 labour disruptions. The outlook for automotive is uncertain and could be deeply impacted by tariffs.

There is greater labour certainty heading into 2025 across the supply chain, with several new agreements with four-year terms.

Rail and Other Modes of Freight Transportation

Compared to Q4-23, GDP for the overall transportation and warehousing sector was up 2%. GDP increased for pipeline (+7%), air (+5%) water (+3%), and truck transportation (+1%), while rail industry GDP decreased by 4%. Labour disruptions at Canadian ports in November, the early onset of cold winter weather in December (for example, CN had zero days operating under tier restrictions in November and December 2023 compared to 28 days in November and December 2024),[10] and a reduction in automotive production and trade contributed to the GDP reduction in rail industry GDP in Q4-24.

Modal Comparison of GDP, Q4



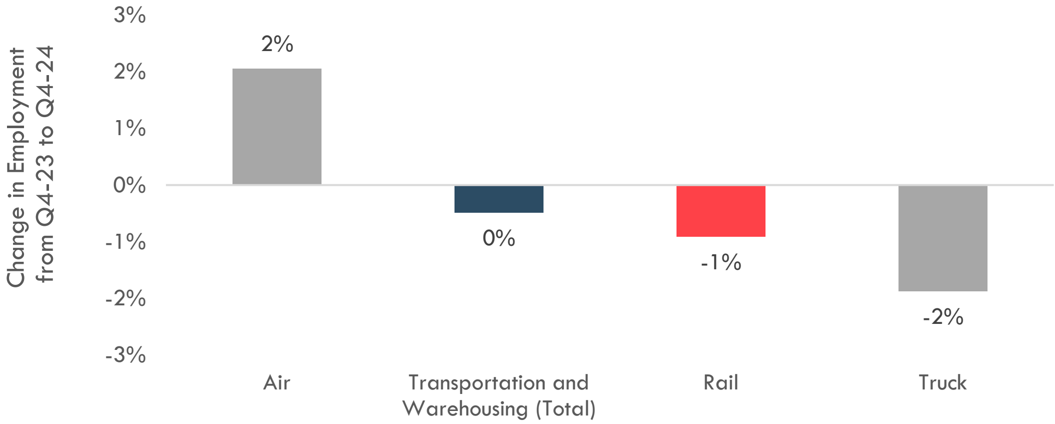
Source: Statistics Canada, [Gross Domestic Product by Industry](#)
Note: Data are seasonally adjusted.

Employment data is not available for the pipeline or water transportation sectors. For the sectors in which data is available, Q4 employment was up for air transportation (+2%), while it decreased for rail (-1%) and truck (-2%). Employment in the total transportation and warehousing sector was flat.

[10] Canadian National Railway Co., *Q4 2024 Earnings Call,* January 30, 2025.

99 Bank Street, Suite 901, Ottawa, ON K1P 6B9 T +1 (613) 567-8591 F +1 (613) 567-6726 railcan.ca

Modal Comparison of Employment, Q4

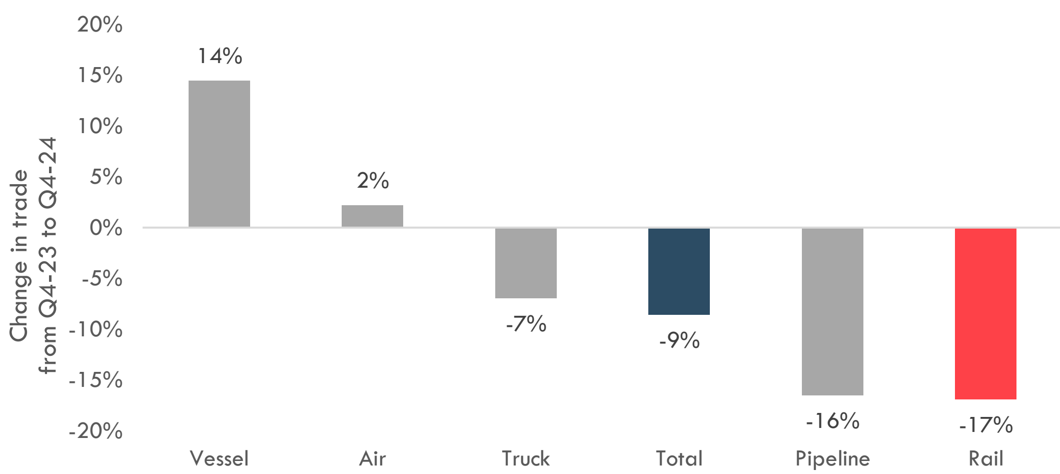


Source: Statistics Canada, [Survey of Employment, Payrolls and Hours](#)
Note: The Survey of Employment, Payrolls and Hours does not provide information on employment for the marine or pipeline sectors.
Note: Data are seasonally adjusted.

Trade volumes between Canada and the U.S. were down 9% in the fourth quarter of 2024 compared to the same period in 2023. Trade increased by marine vessel (+14%) and air (+2%), while other modes experienced declines, including truck (-7%), pipeline (-16%) and rail (-17%).

More than one-third of Canada-U.S. trade by rail (in terms of product value, not volume) is concentrated in automotive products, which helps explain the significant reduction in trade by rail value. In Q4-2024, U.S. automotive production was down 19% year-over-year.[11] Most of the reduction in trade by rail with the U.S. was an outcome of reduced exports, and to an even greater extent, reduced imports, of passenger cars and light trucks.[12]

Modal Comparison of Trade with the U.S., Q4



Source: U.S. Bureau of Transportation Statistics, [News and Statistical Releases: North American Transborder Freight Data.](#)

---

[11] RAC analysis based on data from the Federal Reserve Bank of St. Louis, [Domestic Auto Production](#).
[12] RAC analysis based on data from Statistics Canada. [Table 12-10-0177-01](#) Canadian international merchandise trade by mode of transport, customs-based, monthly (x 1,000)

99 Bank Street, Suite 901, Ottawa, ON K1P 6B9 T +1 (613) 567-8591 F +1 (613) 567-6726 railcan.ca

Network-wide Canadian Class 1 Freight Data

The Class 1 data cover CN and CPKC's network-wide operations across North America.

Weekly Trend

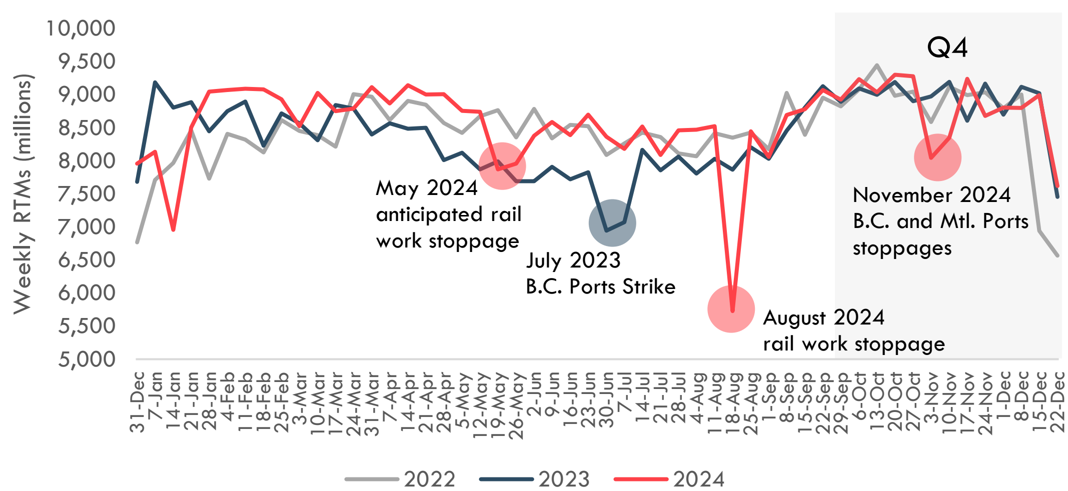
Rail traffic continued to climb following the August 2024 rail work stoppage – with RTMs at or above 2023 levels in each of the first five weeks of Q4. Then in November, labour disruptions at the ports of Vancouver, Prince Rupert, and Montreal negatively impacted rail freight volumes. Compared to the week starting October 27, 2024, Class 1 network-wide RTMs dropped 13% the week of November 3 and remained down 10% the week of November 10.

Following the ports disruptions, a rapid clearing of the backlogs was hampered by the early onset of cold winter weather, forcing railways to operate under cold weather restrictions and shorten trains to ensure safety and regulatory compliance. Class 1s finished the quarter with RTMs

Class 1 RTMs were at or above 2023 levels in each of the first five weeks of Q4, before the November labour disruptions at the ports and early onset of cold winter weather (compared to 2023) that followed.

down 1% compared to Q4-23.

Canadian Class 1 Revenue Ton-miles



Source: [CN Key Weekly Metrics](); [CPKC Weekly Key Metrics]()
Note: The dates indicate the first day of the week (e.g., "7-Apr" corresponds to the week of Apr 7-13). The week starting December 31, 2023 (for the 2024 series), is compared against the weeks starting January 1, 2023, and January 2, 2022.

Revenues, Revenue Ton-miles, and Carloads

As shown in the figure and table below, compared to Q4-23, RTMs were down 1% while total carloads were down 4% (indicating an increase in the average length of haul). On an annual basis, 2024 RTMs were up 2% compared to 2023.

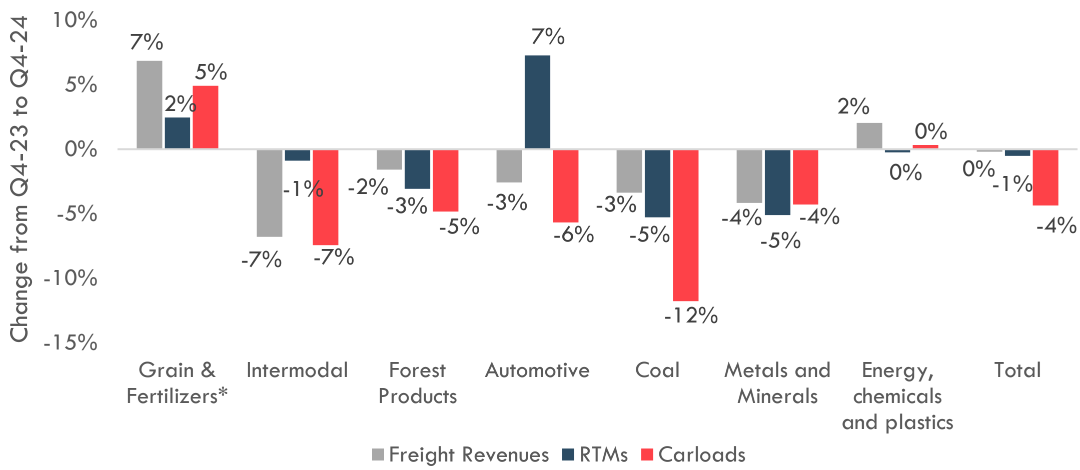
Thanks to longer average hauls, automotive RTMs increased by 7% (+140 million RTMs) despite a 6% reduction in automotive carloads. The only other commodity category to enjoy an increase in RTMs was grain & fertilizers, increasing by 2% (982 million RTMs). Within this commodity

99 Bank Street, Suite 901, Ottawa, ON K1P 6B9 T +1 (613) 567-8591 F +1 (613) 567-6726 railcan.ca

group, potash volumes declined while shipments of grain, particularly Canadian grain, increased. Both railways set records in Q4 and on a combined basis, transported 15% more Western Canadian grain than in Q4-23. RTMs decreased for all other commodity categories, with decreases led by coal (-5% or -627 million RTMs) followed by metals and minerals (-5% or -608 million RTMs).

On an annual basis, 2024 RTMs were up 2% compared to 2023. Increases were led by grain & fertilizers (5% or 6,835 million RTMs), followed by energy, chemicals and plastics (6% or 4,721 million RTMs), intermodal (4% or 2,955 million RTMs), and automotive (12% or 894 million RTMs). Coal experienced the largest drop (-8% or -3,679 million RTMs), followed by metals and minerals (-2% or -1,045 million RTMs) and forest products (-3% or -971 million RTMs).

Class 1 Freight Revenues, RTMs, and Carloads by Commodity, Q4



Q4: Canadian Class 1 RTMs (millions), by Commodity

	Q4-24	Q4-23	Change (%)	Change (#)
Grain & Fertilizers*	40,754	39,772	2%	982
Intermodal	20,636	20,823	-1%	-187
Forest Products	7,631	7,872	-3%	-241
Automotive	2,062	1,922	7%	140
Coal	11,216	11,843	-5%	-627
Metals and Minerals	11,283	11,891	-5%	-608
Energy, chemicals and plastics	21,693	21,744	0%	-51
Total	**115,275**	**115,867**	**-1%**	**-592**

Year (Q1-Q4): Canadian Class 1 RTMs (millions), by Commodity

	2024	2023	Change (%)	Change (#)
Grain & Fertilizers*	145,844	139,009	5%	6,835
Intermodal	85,408	82,453	4%	2,955
Forest Products	31,186	32,157	-3%	-971
Automotive	8,133	7,239	12%	894
Coal	43,052	46,731	-8%	-3,679
Metals and Minerals	48,006	49,051	-2%	-1,045
Energy, chemicals and plastics	85,367	80,646	6%	4,721
Total	**446,996**	**437,286**	**2%**	**9,710**

Source: CN Quarterly Review; CPKC Unaudited Combined Summary of Supplemental Data.
Includes potash.

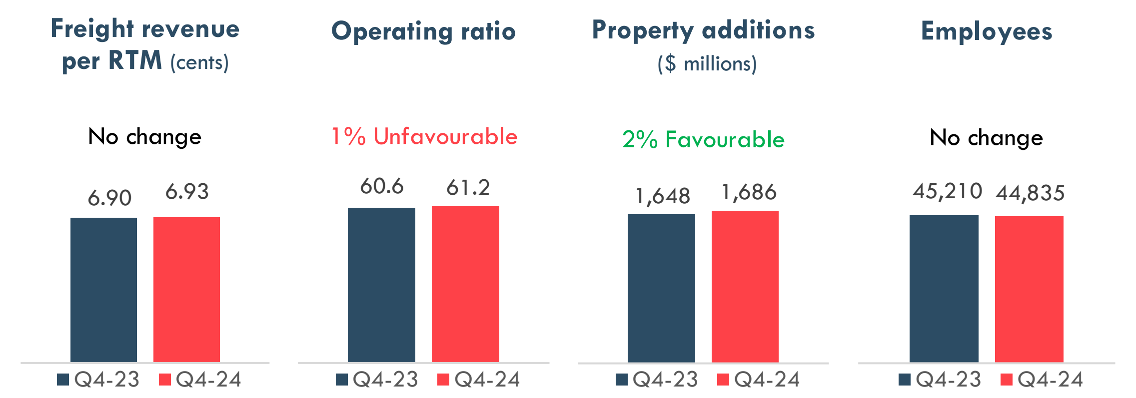
99 Bank Street, Suite 901, Ottawa, ON K1P 6B9 T +1 (613) 567-8591 F +1 (613) 567-6726 railcan.ca

Select Key Financial and Operating Metrics

In Q4-24, seven key metrics remained unchanged (changing by less than 1.0% year-over-year), while one metric improved and two changed unfavourably.

From Q4-23 to Q4-24, overall freight revenue per RTM remained flat. Freight revenue per RTM decreased for automotive (-9%) and intermodal (-6%), while increases for other commodities were between one and four percent. The average Class 1 operating ratio worsened by 1%, as operating expenses per RTM increased by close to 2%.

Canada's Class 1 railways continued to make significant investments[13] in their networks, investing an impressive $1.7 billion in Q4-24 – a 2% increase compared to the same period last year. On an annual basis, property additions increased by 12% to $6.4B. Employment remained flat in Q4 at around 45,000 employees.



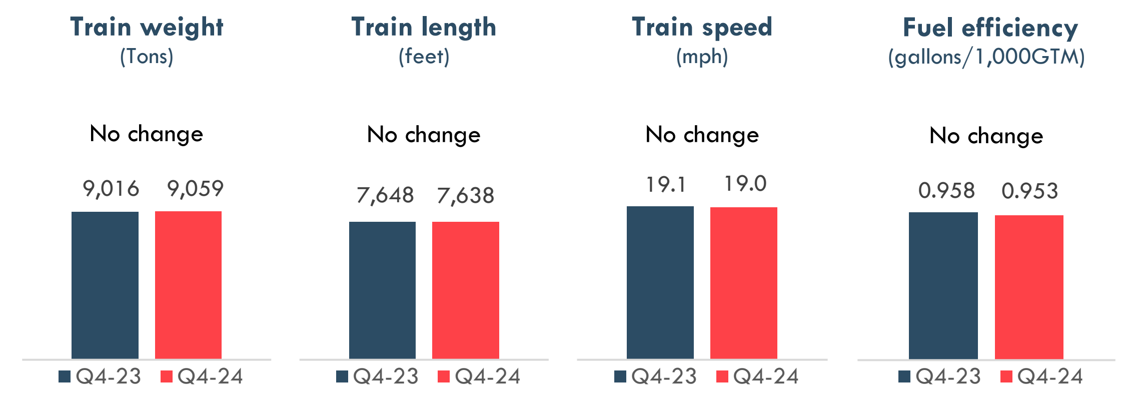
Source: CN Quarterly Review; CPKC Unaudited Combined Summary of Supplemental Data.
Note: The operating ratio is calculated as the simple average of CN and CPKC.

In Q4-24, Class 1 railways' average train weight, train length, train speed, and fuel efficiency were the same as they were last year. In each of the first eight weeks of the quarter, average train speeds were faster than in Q4-23. Winter weather arrived earlier this year (average December temperatures across Canada were several degrees lower than in December 2023),[14] and railways' winter operating plans were activated. Train lengths and speeds were reduced to ensure safety and compliance with rules.

In each of the first eight weeks of the quarter, average train speeds were faster than in Q4-23. Winter weather arrived earlier this year and railways' winter operating plans were activated.

[13] Property additions include capital investments in track and roadway, rolling stock, buildings, information technology and other assets.
[14] RAC Analysis based on Environment and Natural Resources Canada, Monthly Climate Summaries.

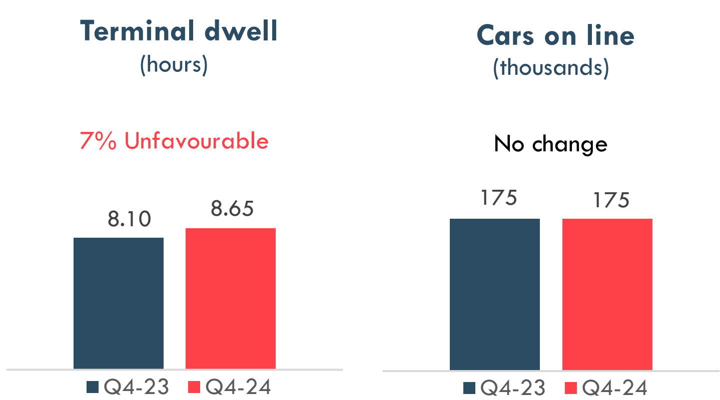
99 Bank Street, Suite 901, Ottawa, ON K1P 6B9 T +1 (613) 567-8591 F +1 (613) 567-6726 railcan.ca



Source: CN Quarterly Review; CPKC Unaudited Combined Summary of Supplemental Data.
Note: All four metrics are calculated using the simple average of CN and CPKC.

Through the first four weeks of Q4-24, before the labour disruptions at the ports of Vancouver, Prince Rupert, and Montreal began, railway terminal dwell times were shorter than they were in Q4-23. Dwell times then increased during the ports disruptions and late in the year as railways operating under cold weather restrictions worked to clear the backlogs (for example, CN had zero days operating under tier restrictions in November and December 2023 compared to 28 days in November and December 2024).[15] On an annual basis, railway dwell times were reduced by 3%.

The average number of rail cars on line was the same as it was a year prior. Compared to Q3-24, there were approximately 1,600 more covered hopper cars on line to support a very strong fourth quarter (calendar year) for grain. In 12 out of 13 weeks of the quarter, Class 1 shipments of western Canadian grain were higher than in Q4-23, finishing the quarter with volumes up 15%. There was a small reduction in the number of gondolas, intermodal, multilevel, and box cars on line.



Source: CN Quarterly Review; CPKC Unaudited Combined Summary of Supplemental Data; CN Key Weekly Metrics; CPKC Weekly Key Metrics; CPKC Earnings Review Presentation
Note: Terminal dwell is calculated using the simple average of CN and CPKC.

[15] Canadian National Railway Co., *Q4 2024 Earnings Call,* January 30, 2025.

Canadian Freight Industry Data

The freight industry data in this section have strong overlap with the Class 1 freight data reported above. The Class 1 data cover CN and CPKC's operations across North America, whereas this section is specific to Canadian operations and include data from all freight railways, including shortlines.

Carloads & Intermodal Units

Statistics Canada reports monthly carloadings for over 60 commodities (which are categorized into 10 commodity groupings in this report), as well as intermodal units.

A month-by-month analysis helps explains the trends in Canadian rail freight traffic in the Q4-24. Early in the quarter, traffic was moving well following the recovery from the August 2024 work stoppage at CN and CPKC. Compared to October 2023, non-intermodal carload traffic was up 2% and intermodal units were up 4%. Then the labour disruptions in early November at the ports of Vancouver, Prince Rupert, and Montreal impacted the fluidity of Canada's transportation supply chains. Compared to November 2023, non-intermodal carload traffic decreased 3% while intermodal traffic dropped by 15%. A smooth recovery in December was hampered by the early onset of cold winter weather (compared to December 2023). Compared to December 2023, non-intermodal carload traffic was flat and intermodal traffic remained down 3%.

Evaluating the quarter in its entirety, Q4-24 non-intermodal carloadings were flat compared to Q4-23. Carloads increased for just two of the commodity groupings.

The agriculture commodity grouping led growth in both percentage and absolute terms, with a gain of 22,628 carloads (15%), compared to Q4-23. Within the agricultural commodity grouping, the largest contributor to growth was canola (+9,828 carload or 42.2%), followed by increases in wheat (+7,727 carloads or 10.7%), other cereal grains (+2,734 carloads or 20.9%), and fresh, chilled, or dried vegetables (+1.793 carloads or 18.1%). The Food Products commodity grouping posted a 575 carload (3%) increase.

Carloads decreased for the other eight commodity groupings. Fuels & chemicals were relatively flat (decreasing by less than one percent). Increases in hydrocarbons (including LPG) and plastic and rubber were offset by decreases in shipments of other refined petroleum and coal products, other basic chemicals, and fuel oils and crude petroleum.

In carload terms, the minerals commodity grouping experienced the most significant reduction, 8,351 carloads (-3%), driven almost entirely by a 7,480 carload (11.0%) reduction in potash. However, Q4-24 was the second best Q4 on record for potash carloads, second only to Q4-23. Carloadings across all forest and paper products were down. Carloadings across all metal products were down, except nickel ores and concentrates, which increased by 15.3%.

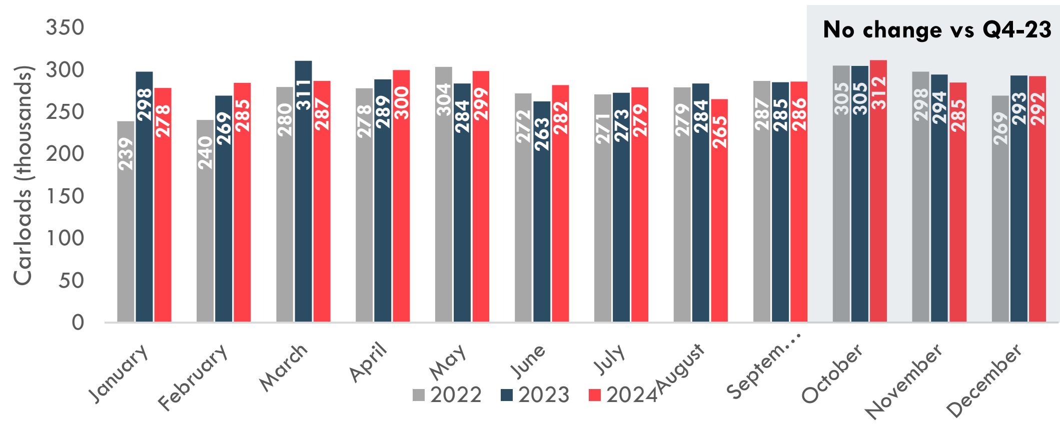
In the fourth quarter of 2024, intermodal traffic was down 5% compared to 2023. As described earlier, intermodal traffic was down 15% in November, negatively impacted by the labour disruptions at the ports of Vancouver, Prince Rupert, and Montreal.

Turning to the annual results, Canadian railways finished 2024 with non-intermodal carload traffic equal to 2023. Gains in agriculture (+36,687 carloads or 7%), fuels & chemicals (+24,767 carloads of 4%), and food products (+2,599 carloads or 3%), were offset by reductions in the other seven non-intermodal commodity categories.

Intermodal finished the year up 2% (49,579 units) compared to 2023. 2024 was a challenging year, with the uncertainty around the rail work stoppage and ultimately a stoppage in August, and then the port stoppages in November and cold weather (compared to 2023) in the later part of the year. However, the overall year compared favourably to a weak 2023, which was deeply impacted by the 13-day B.C. ports strike in July 2023 and ongoing traffic diversions to U.S. ports.

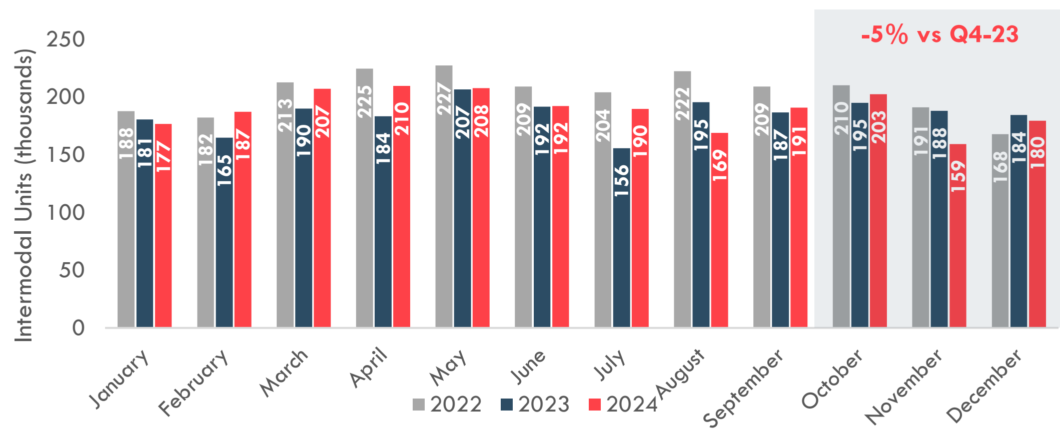
99 Bank Street, Suite 901, Ottawa, ON K1P 6B9 T +1 (613) 567-8591 F +1 (613) 567-6726 railcan.ca

Canadian Railways, Carloads



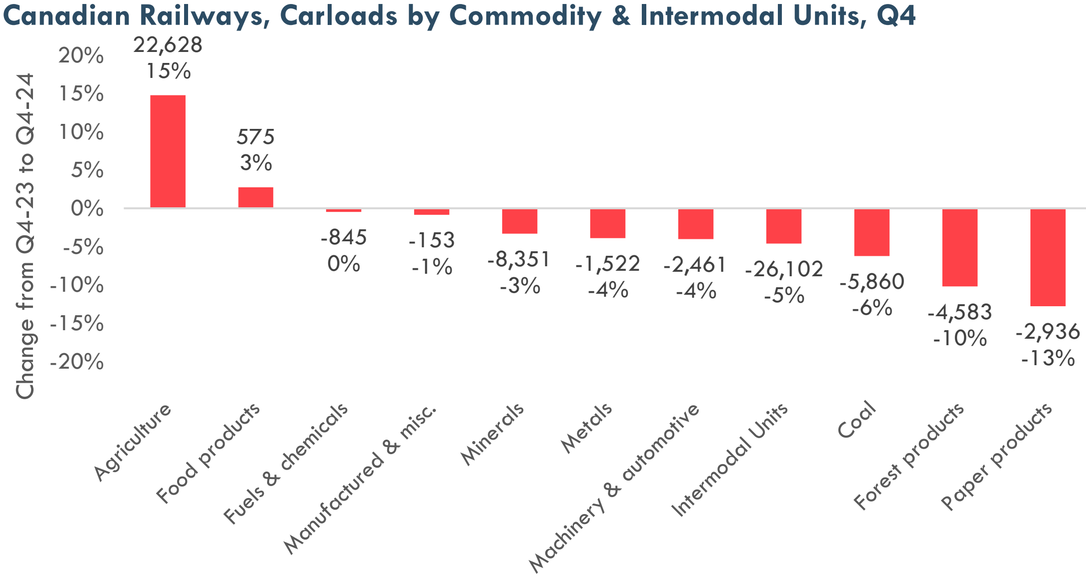
Source: Statistics Canada, [Monthly Railway Carloadings Survey]

Canadian Railways, Intermodal Units



Source: Statistics Canada, [Monthly Railway Carloadings Survey]

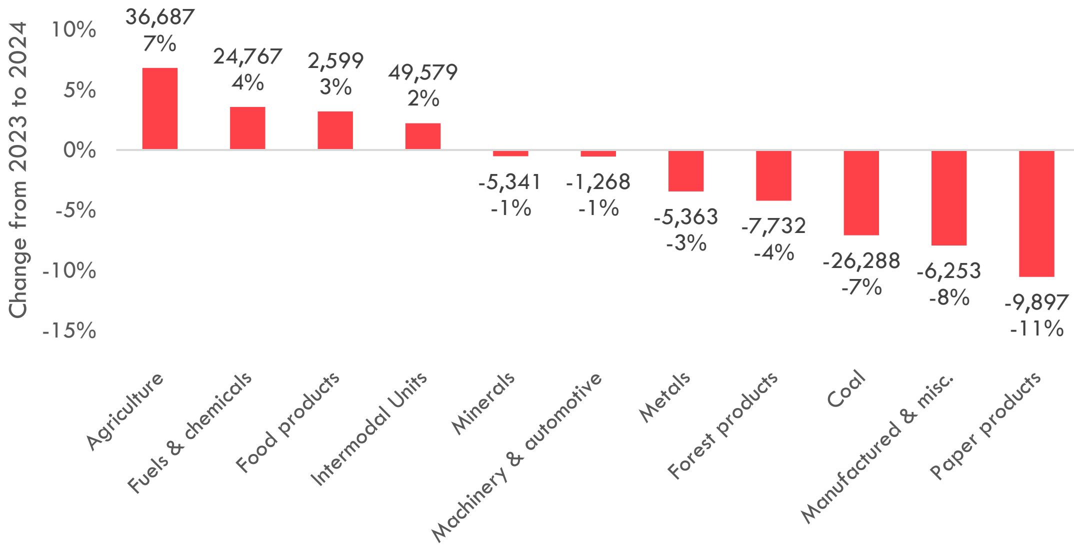
Canadian Railways, Carloads by Commodity & Intermodal Units, Q4



Source: Statistics Canada, [Monthly Railway Carloadings Survey]

99 Bank Street, Suite 901, Ottawa, ON K1P 6B9 T +1 (613) 567-8591 F +1 (613) 567-6726 railcan.ca

Canadian Railways, Carloads by Commodity & Intermodal Units, (Jan-Dec)



Source: Statistics Canada, Monthly Railway Carloadings Survey

In Q4-24, intermodal traffic decreased in Eastern and Western Canada, as both regions were impacted by labour disruptions at ports in November and temperatures in December were several degrees lower than in the previous year. For the year, intermodal traffic in the East was down 5% while it increased 8% in the West, comparing against a weak 2023 which suffered from the 13-day B.C. ports strike in July.

In the East, the 2% decrease in non-intermodal carloads in Q4-24 was led by reductions in forest products and paper products, followed by notable decreases in metals, machinery & automotive, and coal. For the year, the 3% drop was led by a 11,242-carload reduction in minerals, followed by decreases greater than 5,000 carloads in paper products, machinery & automotive, metals, and manufactured & miscellaneous. Fuels & chemicals was the only commodity grouping that did not decline.

In the West, non-intermodal carloads were flat in Q4-24. The strong gains in agriculture were enough to offset decreases across most other commodity categories. For the year, the overall 2% increase in carloads was driven by strong gains in agriculture (+37,647 carloads) and fuels & chemicals (+24,189 carloads). Coal (-24,661 carloads) and forest products (-7,315 carloads) experienced the most significant decreases.

CDN Carloads and Intermodal Units by Region, 2024 vs 2023

	Q4	Year
Eastern Division		
Carloads	-2%	-3%
Intermodal Units	-4%	-5%
Western Division		
Carloads	0%	2%
Intermodal Units	-5%	8%
Total		
Carloads	0%	0%
Intermodal Units	-5%	2%

Source: Statistics Canada, Monthly Railway Carloadings Survey

99 Bank Street, Suite 901, Ottawa, ON K1P 6B9 T +1 (613) 567-8591 F +1 (613) 567-6726 railcan.ca

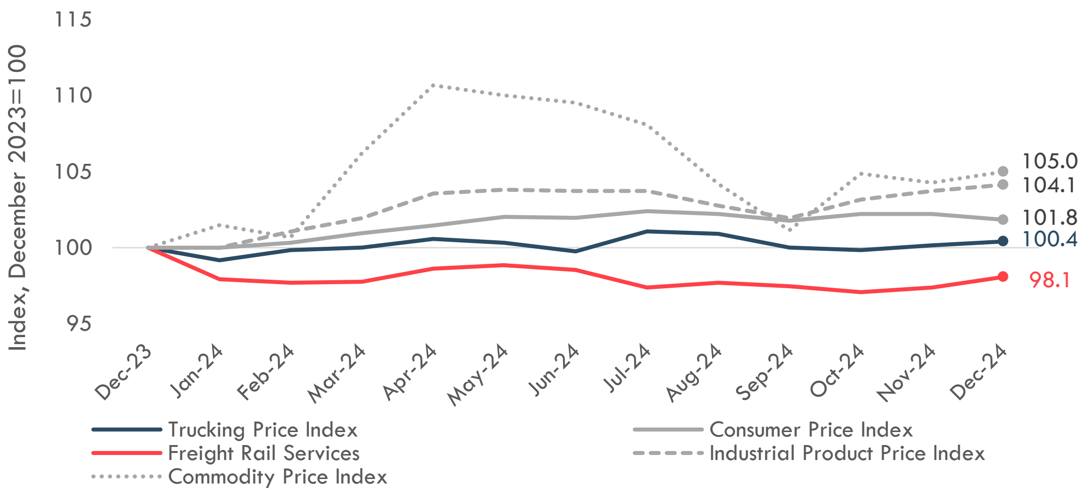
Freight Rates

Over the past three months (from September 2024 to December 2024), Canadian rail freight rates, trucking rates, and the consumer price index have all remained relatively flat (increasing by less than 1%), while industrial product prices edged up 2.1% and commodity prices increased by 3.8%.

Over the past year (from December 2023 to December 2024) all indices shown below increased by between 0.4% and 5.0%, except Canadian rail freight rates, which decreased by 1.9%. As a result, compared to December 2023, Canadian producers were receiving higher prices for their products while enjoying lower rail freight rates.

In December 2024, compared to December 2023, Canadian producers were receiving higher prices for their products while enjoying lower rail freight rates.

Price Index of Rail Services vs Other Price Indices



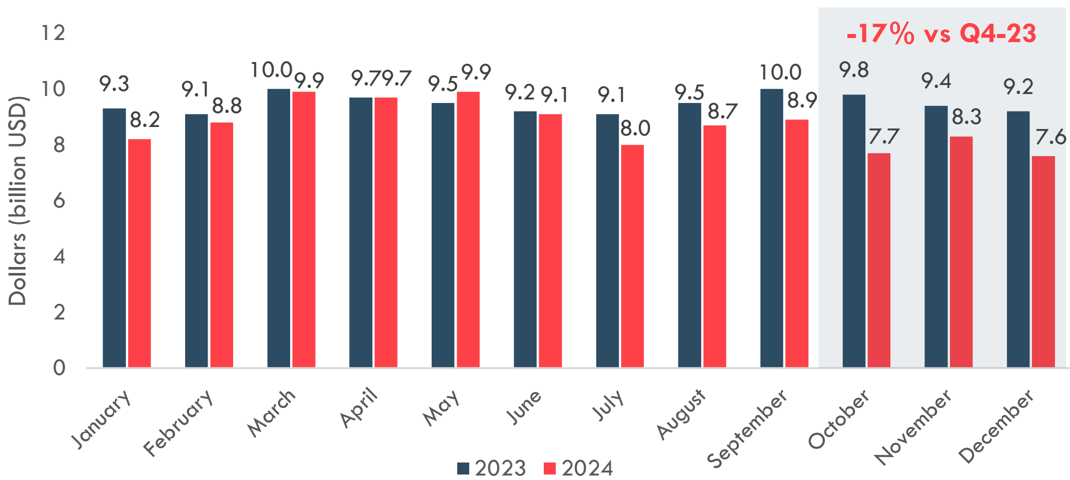
Source: Statistics Canada, Freight Rail Services Price Index, Industrial Product Price Index, For-hire Motor Carrier Freight Services Price Index, and Consumer Price Index. Bank of Canada, Commodity Price Index

99 Bank Street, Suite 901, Ottawa, ON K1P 6B9 T +1 (613) 567-8591 F +1 (613) 567-6726 railcan.ca

Exports

In Q4-24, trade by rail with the U.S. was 17% below Q4-23 levels (measure by dollar value, not tonnage). As described *earlier* in the report, much of the decrease was related to a reduction in automotive trade, which makes up more than one-third of Canada-U.S. trade (value) by rail.

Rail Merchandise Trade with the U.S.



Source: U.S. Bureau of Transportation Statistics, News and Statistical Releases: North American Transborder Freight Data.

Railway grain volumes fluctuate year-to-year and are strongly linked to the size of the grain crop and when producers and grain companies decide to ship their product, which is significantly influenced by changes in market prices for grain. Through investments in on-farm storage, producers are able to hold back grain shipments, choosing to sell when the grain market is most favourable for them. Demand to ship grain is not consistent on a weekly basis. Typically, demand peaks in the fall and is followed by lower demand later in the crop year.

As outlined in their grain plans, Canada's Class 1 railways have dedicated annual capacity to ship approximately 70 MMT of grain. This is well-above annual shipper demand of around 53 to 55 MMT in recent years, resulting in more than 20% of perishable capacity going unused.[16]

Canada's Class 1 railways delivered exceptionally strong grain performance in Q4-2024. CPKC set weekly records for grain weeks 11 and 14, and CN set an all-time weekly record of 836,000 metric tonnes in week 10.

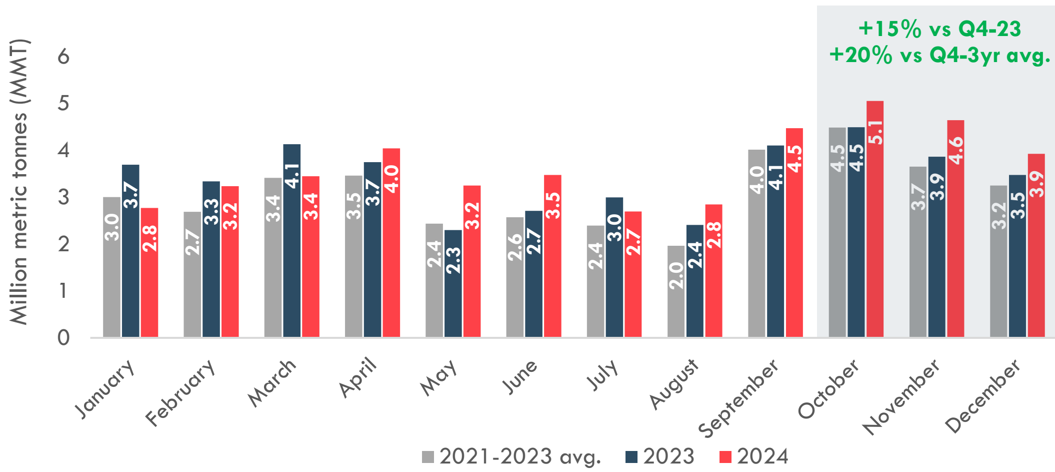
In Q4-24, grain shipments were up 15% year-over-year and up 20% compared to the previous 3-year average. On a weekly basis,[17] compared to both Q4-23 and the Q4-three-year average, shipments were up every single week except the week of September 29 to October 5, which experienced lingering impacts from the grain workers labour disruption at the Port of Vancouver the week prior.

Canada's Class 1 railways delivered exceptionally strong grain performance in Q4-2024 – shipping 15% more grain than in Q4-2023. CPKC set records for grain weeks 11 and 14, and CN set an all-time weekly record of 836,000 metric tonnes in week 10.

[16] In 2022-2023, 21% of Class 1s' dedicated grain capacity went unused and in 2023-2024, 25% went unused.
[17] See CN's *Western Canadian Grain Report* and CPKC's *Grain Performance Scorecard*.

99 Bank Street, Suite 901, Ottawa, ON K1P 6B9 T +1 (613) 567-8591 F +1 (613) 567-6726 railcan.ca

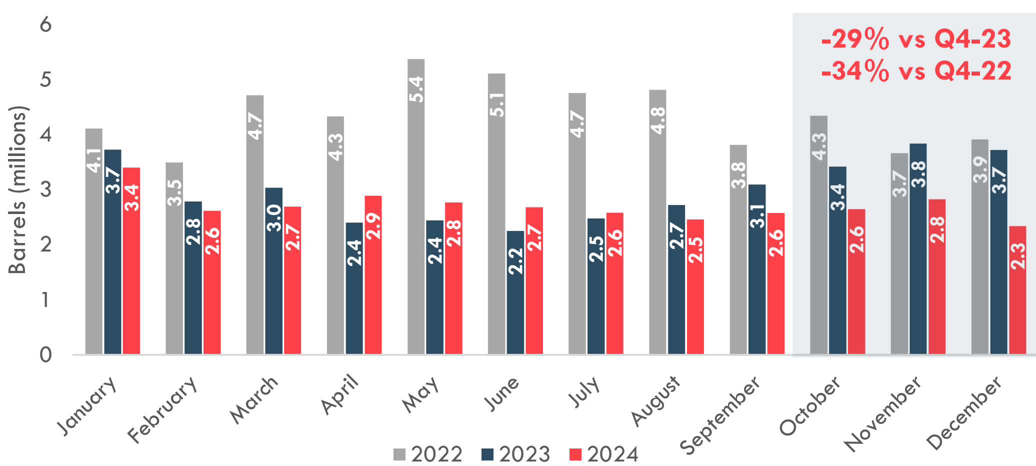
Grain in Hopper Cars Destined for Western Ports



Source: Quorum Corporation, *Canadian Grain Monitor, Monthly Report*, *GMP Data Table 2B-1 M*

Fourth quarter exports of crude oil by rail were down by about one-third compared to both last year and 2022. As per Canada's Energy Regulator, "Crude oil is increasingly being exported by pipeline or marine instead of rail, after additional pipeline capacity was brought online in recent years."[18]

Canadian Crude Oil Exports by Rail



Source: Canada Energy Regulator, Canadian Crude Oil Exports by Rail

[18] Canada Energy Regulator, *Market Snapshot, Canada's crude-by-rail exports hit 8-year low, while total crude exports reach record high*, March 5, 2025.

99 Bank Street, Suite 901, Ottawa, ON K1P 6B9 T +1 (613) 567-8591 F +1 (613) 567-6726 railcan.ca

Supply Chains

Modern supply chains are complex and, when disruption occurs at one link, the impacts are felt widely and deeply across other transportation providers, shippers, suppliers, and consumers.

Labour Disruptions

In recent years, Canada's supply chains have experienced numerous disruptive work stoppages. The compounding effect of recurring labour uncertainty, including work stoppages, or the mere threat of work stoppages, negatively impact businesses, consumers, and Canada's reputation as a reliable trading partner. The *Canada Labour Code* should be amended to grant the federal cabinet authority to compel binding arbitration instead of requiring a Ministerial reference to the Canada Industrial Relations Board (CIRB) once a stoppage begins. This would ensure workable and timely solutions can be deployed to keep the country's supply chains moving, protecting Canadians and the national economic interest.

In 2024, more than 1.3 million days of work were lost in the transportation and warehousing sector resulting from work stoppages, the highest level since 1966.

In the fourth quarter of 2024, the negative impacts of labour disruptions on Canadian supply chains were significant.

Early in the quarter, following the recovery from the August 2024 work stoppage at CN and CPKC, freight traffic was moving well. Then, on September 24, approximately 650 workers[19] at bulk grain terminals at the Port of Vancouver went on strike. The strike ended after four days, as the Vancouver Terminal Elevator's Association and Grain Workers Union reached a tentative deal that will run through December 31, 2027. The agreement was ratified in early October. The disruption in late September delayed the return of empty grain hopper cars for loading in the country in the following week.

In early November 2024, there were labour disruptions at the ports of Vancouver, Prince Rupert, and Montreal, significantly impacting the fluidity of Canada's transportation supply chain. Compared to the week starting October 27, 2024, Class 1 network-wide RTMs dropped 13% the week of November 3 and remained down 10% the week of November 10. Canadian intermodal shipments were particularly impacted – decreasing by 15% compared to November 2023.

The September and November disruptions added to the series of events that have disrupted Canada's supply chains in recent years – further eroding the country's reputation as a reliable trading partner. In 2024, more than 1.3 million days of work were lost in the transportation and warehousing sector resulting from work stoppages, the highest level since 1966.

Challenges in Global Maritime trade

Disruptions at two international canals continued to affect the performance of global supply chains. In the Americas, restrictions on the number of daily vessel transits at the Panama Canal remained in place; while in the Middle East, vessels continued to re-direct around the southern tip of Africa to avoid conflict around the Suez Canal.

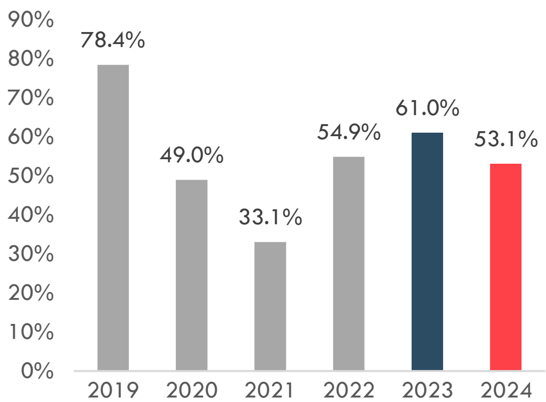
[19] Grain Workers Union Local 333, a member of the International Longshore and Warehouse Union Canada.

99 Bank Street, Suite 901, Ottawa, ON K1P 6B9 T +1 (613) 567-8591 F +1 (613) 567-6726 railcan.ca

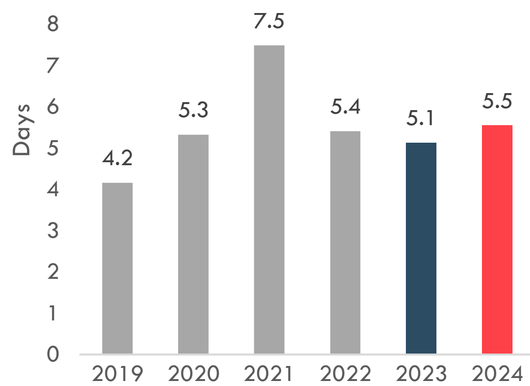
Global Marine Vessels

In Q4-24, global marine vessel delays and on-time performance worsened. According to Sea-Intelligence's *Global Liner Performance report, Global Schedule Reliability* decreased from 61.0% in Q4-23 to 53.1% in Q4-24; and the *Global Average Delays for Late Vessel Arrivals* increased from an average of 5.1 days in Q4-23 to 5.5 days in Q4-24. Both performance metrics remain highly unfavourable compared to the 2019 (pre-COVID-19 pandemic period), when schedule reliability was near 80% and delays for lay vessel arrivals was around 4 days.

Global Schedule Reliability, Q4



Global Average Delays for Late Vessel Arrivals, Q4

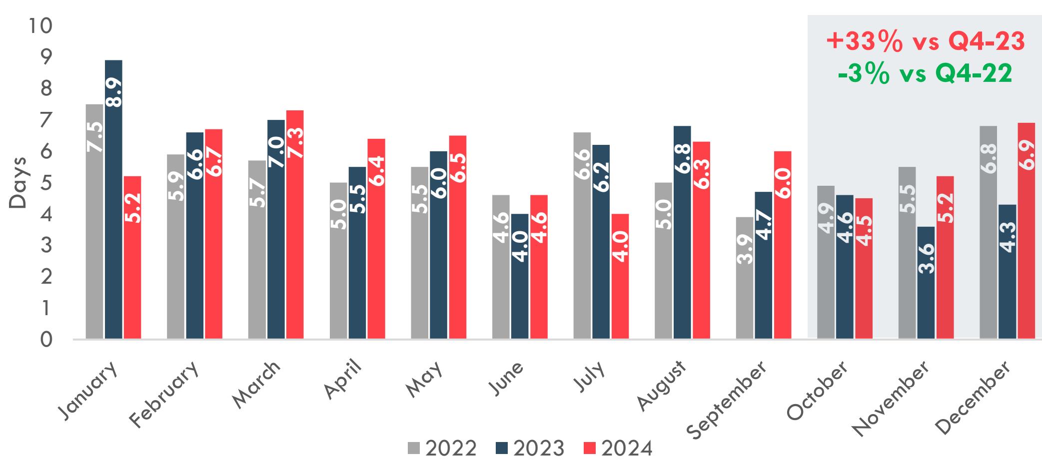


Source: Sea-Intelligence, Global Liner Performance (GLP) report

Canadian Ports

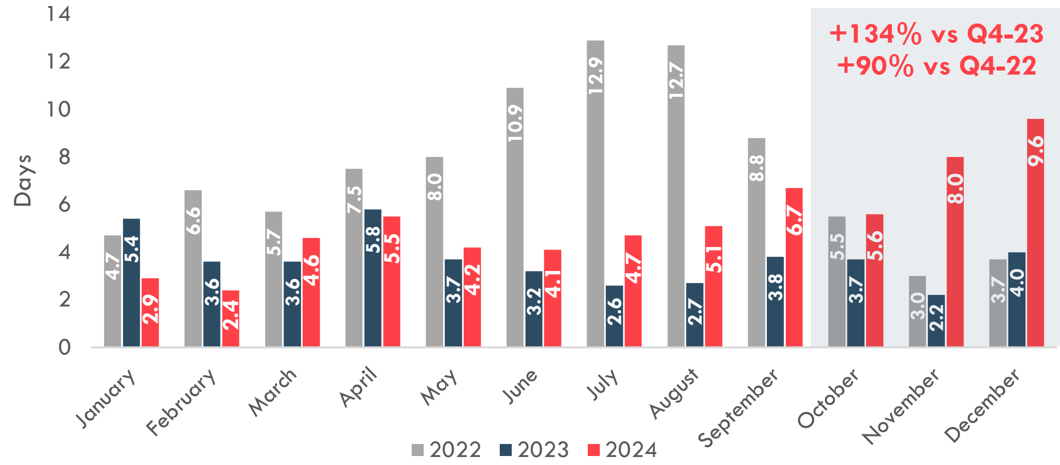
Dwell times at Canada's major ports, including Vancouver and Montreal, progressively worsened throughout the quarter. The labour disruptions at these major ports in early November contributed to worsening performance. Compared to last year, Q4 dwell times at the Port of Vancouver were up 33% and dwell at the Port of Montreal more than doubled, almost reaching 10 days in December.

Vancouver - Gateway terminal rail dwell performance by month



Source: Port of Vancouver, Supply chain performance, Container terminal rail performance

Montreal - Average terminal dwell of containers (import-rail)

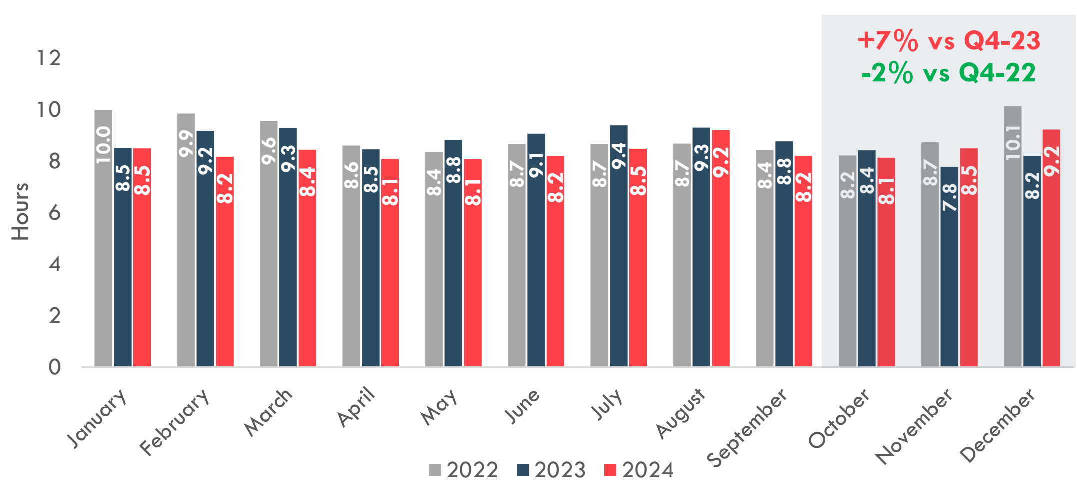


Source: Port of Montreal, [Performance Reports, Monthly Intermodal Scorecard]

Canadian Railways

In October 2024, before the labour disruptions at several Canadian ports, railway terminal dwell times were shorter than they were in October 2023 and October 2022. Dwell times then increased during the port disruptions late in the year as railways operating under cold weather restrictions worked to clear the backlogs through the remainder of the quarter. Overall, Q4-24 railway dwell times increased by 7% compared to Q4-23, but were 2% shorter than in Q4-22. On an annual basis, railway dwell times were reduced by 3%.

Canadian Class 1 Railways - Average Terminal Dwell



Source: CN Key Weekly Metrics; CPKC Weekly Key Metrics; CN Quarterly Review; CPKC Unaudited Combined Summary of Supplemental Data.

Note: The average terminal dwell time is calculated as the simple average of CN and CPKC. Weekly data have been converted into monthly data. The conversion is not exact as some months are allocated 4 weeks of data and others are allocated 5 weeks of data, and the start dates of the weeks vary across years. The year-over-year comparisons for the quarter as a whole use data from CN and CPKC's quarterly reports and may not align precisely with the constructed monthly data presented in the figure.

Passenger Rail Data

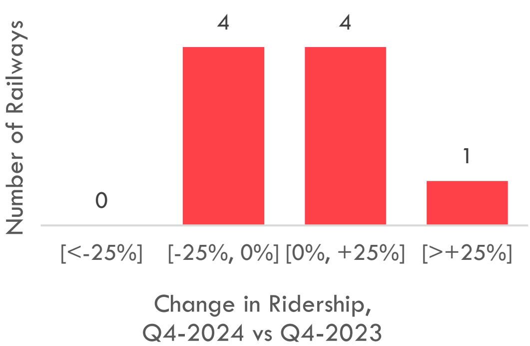
RAC Member Ridership

This section evaluates the year-over-year trends in passenger rail ridership among RAC members.[20]

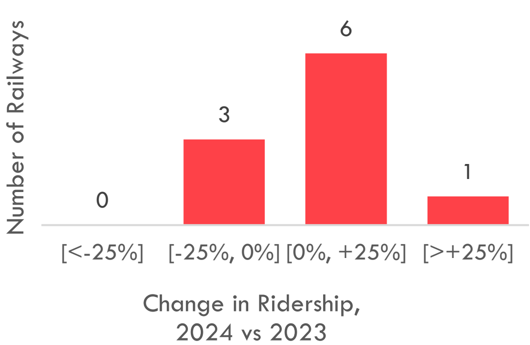
In the fourth quarter of 2024, five out of nine reporting members indicated that ridership was greater than it was in Q4-23. One member reported an increase exceeding 25%, four members reported increases smaller than 25%, and four reported a decrease of less than 25%.

For the year, seven out of 10 reporting members indicated that ridership increased compared to 2023.[21] One member reported an increase exceeding 25%, six members reported increases smaller than 25%, and three members reported a decrease of less than 25%.

RAC Members, Ridership, Q4



RAC Members, Ridership, Annual



Public Transit and Commuter Rail

Over the past several years, urban transit ridership, and commuter rail ridership in particular, has adjusted to fundamental structural shifts in commuting patterns and the proliferation of remote and hybrid office work arrangements.

Using Statistics Canada data, the recovery in nation-wide commuting is shown below (data cover the month of May in each year).[22] In 2023, compared to a 2016 (pre-pandemic) baseline,[23] the total number of Canadians commuting to work increased by 4% to 16.5 million. Commuting by personal vehicle increased by 7%, outpacing the total 4% increase, thereby raising personal vehicle's share of total commuters from 79.5% to 81.5%. In 2024, the number of commuters by bus achieved its 2016 level. Passenger rail and active transportation (walking and cycling) both remained down 9%. Passenger rail ridership was strongly impacted early in the pandemic (down 59% in May 2021 compared to May 2016). Year-over year ridership has been climbing at a strong pace (e.g., +33% from May 2023 to May 2024), working to overcome the challenge that many rail commuters work in office environments, where remote or hybrid work arrangements are more common.

---

[20] https://www.railcan.ca/membership/member-railways/

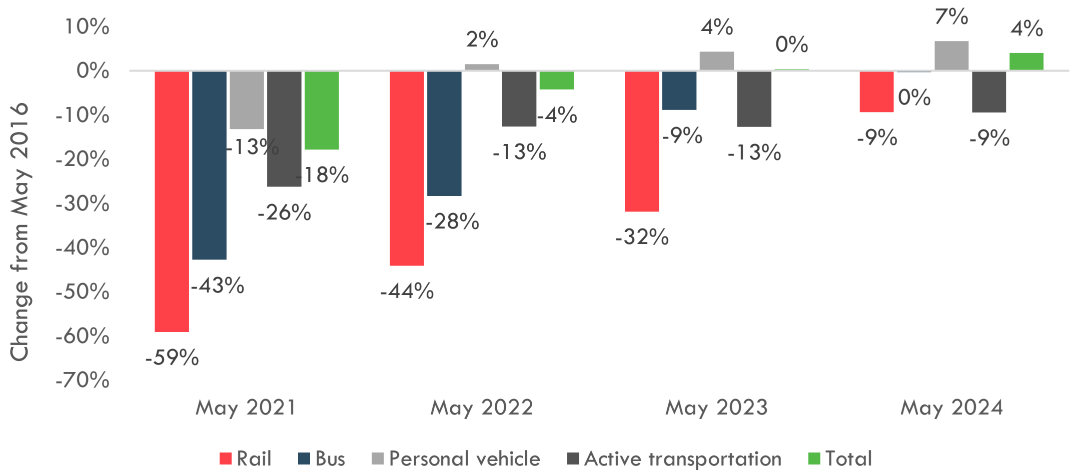
[21] Data for one of the 10 members is evaluated on a Q1-Q3 YTD-basis, as Q4 data was not available as of March 25, 2025.

[22] Source: Statistics Canada, Census of Population for May 2016 and May 2021 and supplements to the Labour Force Survey for May 2022, May 2023, and May 2024.

[23] A more recent baseline (2017, 2018, or 2019) is not available.

99 Bank Street, Suite 901, Ottawa, ON K1P 6B9 T +1 (613) 567-8591 F +1 (613) 567-6726 railcan.ca

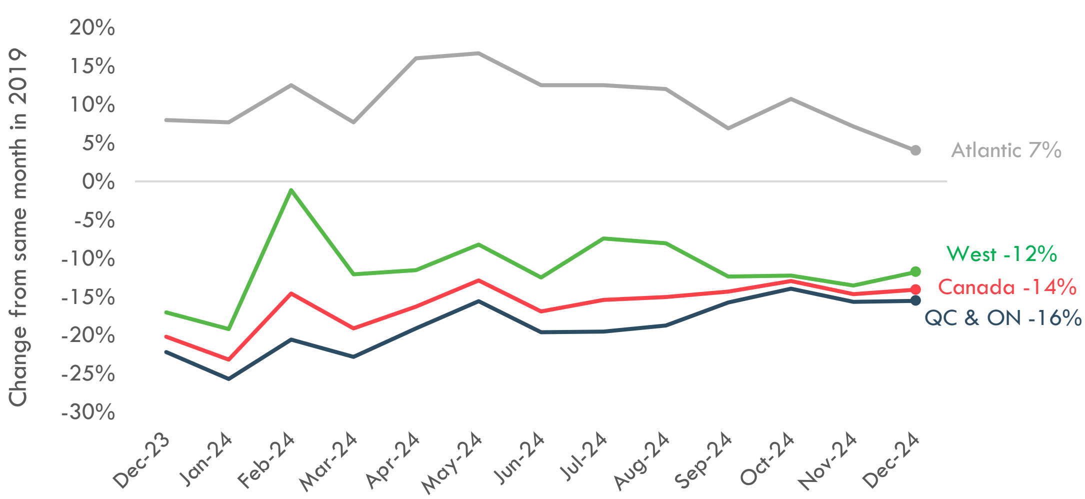
Commuting to work by mode



Source: RAC analysis based on Statistics Canada data.
Note: *Data is for the month of May for all years. Personal vehicle includes commuting by car, truck or van, as either a driver or passenger; rail includes subway, elevated rail, light rail, streetcar, and commuter trains; active transportation includes walking and cycling. Not included in the analysis is an "other" category, consisting of motorcycle, scooter or moped; passenger ferry; and other methods. The "other" category accounts for just over 1% of total commuters.*

The urban transit ridership data presented below accounts for seasonality, by comparing ridership in each month to the corresponding month in 2019. In December 2024, ridership was sitting 14% below pre-pandemic levels.

Urban Transit Systems Ridership by Region



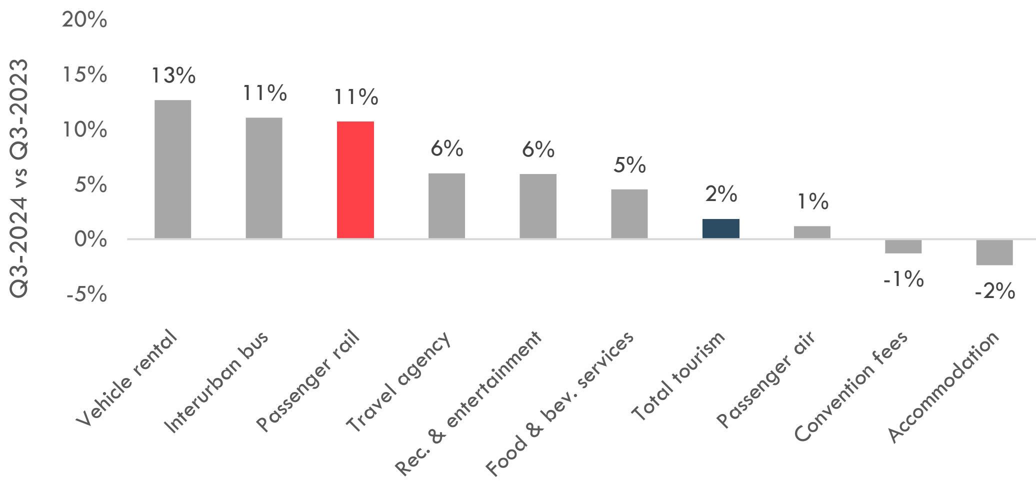
Source: Statistics Canada, [Monthly Passenger Bus and Urban Transit Survey]

99 Bank Street, Suite 901, Ottawa, ON K1P 6B9 T +1 (613) 567-8591 F +1 (613) 567-6726 railcan.ca

Tourism Rail

There is a considerable lag in data on tourism expenditures. The latest available data cover Q3-24. In Q3-24, total tourism expenditures increased 2% year-over-year. The fastest growing categories were expenditures on vehicle rentals (+13%), interurban bus (+11%) and passenger rail services (+11%).

Tourism Expenditures, Q3

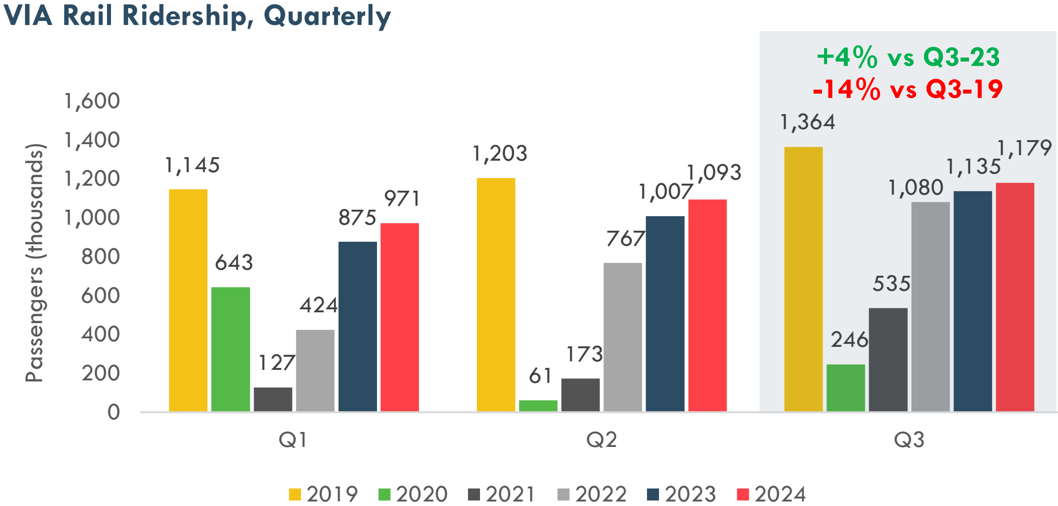


Source: Statistics Canada, National Tourism Indicators

Intercity Passenger Rail

As of March 25, 2025, the latest available data on VIA Rail ridership is for Q3-24. In Q3-24, VIA Rail ridership increased by 4% compared to Q3-23, and was 14% below the pre-pandemic (Q3-19) level. On a YTD basis, ridership was up 7% vs 2023 and sitting 13% below 2019.

VIA Rail Ridership, Quarterly



Source: VIA Rail, Quarterly and Annual Reports

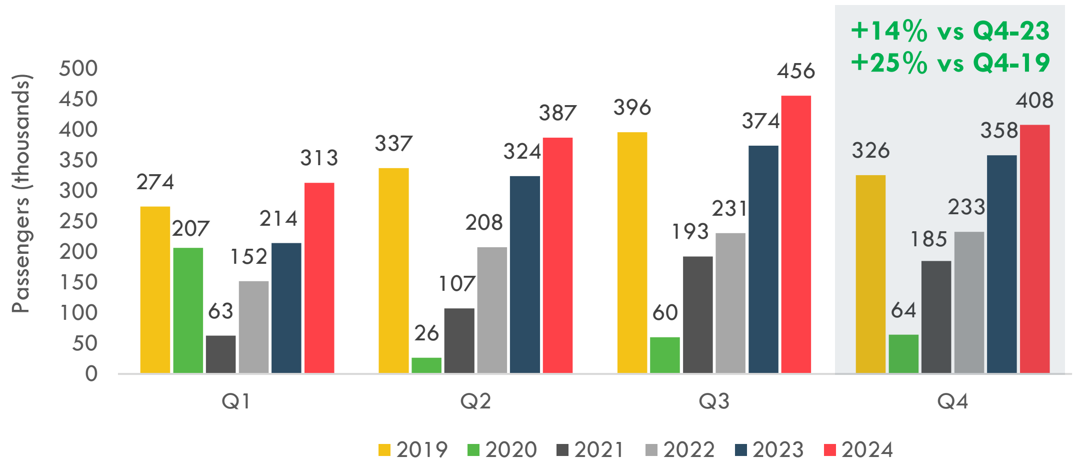
99 Bank Street, Suite 901, Ottawa, ON K1P 6B9 T +1 (613) 567-8591 F +1 (613) 567-6726 railcan.ca

Amtrak has many routes throughout the U.S. and three routes that include a Canadian segment. Ridership on these three routes does not imply that passengers crossed the border, as they may have travelled a particular segment on either side of the border.[24]

Amtrak ridership on routes with segments in Canada continued to climb. In Q4-24, ridership on these routes increased 14% year-over-year and exceeded their pre-pandemic (Q4-19) level by 25%.

On an annual basis, 2024 ridership was up 23% compared to 2023 and 17% compared to 2019.

Amtrak Ridership on Routes with Segments in Canada, Quarterly



Source: Amtrak, [Monthly Performance Reports]
Note: Includes three routes (Maple Leaf; Cascades; Adirondack).

---

[24] For example, the Maple Leaf route extends from New York City to Toronto; Cascades extends from Eugene Oregon to Vancouver; and Adirondack extends from New York City to Montreal.

99 Bank Street, Suite 901, Ottawa, ON K1P 6B9 T +1 (613) 567-8591 F +1 (613) 567-6726 railcan.ca

Rail Safety Data

The RAC tracks Canadian rail safety performance data from the Federal Railroad Administration (FRA) and the Transportation Safety Board (TSB). Safety remains the industry's number one priority and the annual data for 2024 reflect this.

Federal Railroad Administration Safety Data

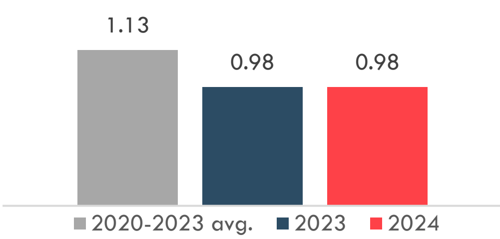
On an annual basis, the Canadian Class 1 FRA personal injuries rate improved by 18% compared to the 2020-2023 average any by 6% compared to 2023. The train accident rate improved by 20% compared to the 2020-2023 average and by 4% compared to 2023.

In Q4-24, the Canadian Class 1 FRA personal injuries rate improved by 13% compared to the 2020-2023 average and was flat compared to 2023. The train accident rate improved by 12% compared to the 2020-2023 average and increased by 3% compared to 2023.[25]

Quarterly

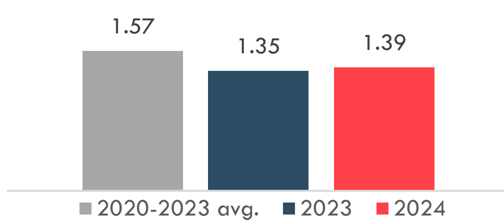
FRA personal injuries rate¹, Q4

0% vs 2023
-13% vs 2020-2023 avg.



FRA train accidents rate², Q4

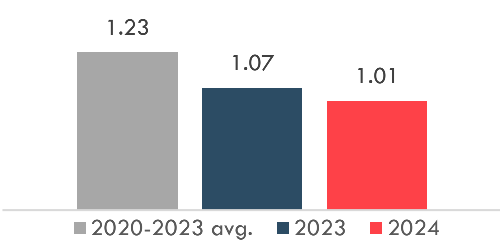
+3% vs 2023
-12% vs 2020-2023 avg.



Annual

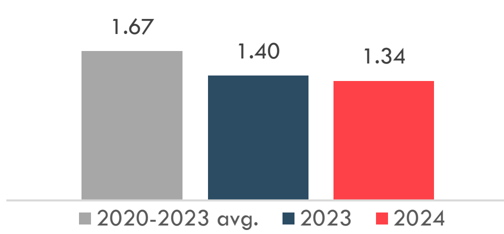
FRA personal injuries rate¹, year

-6% vs 2023
-18% vs 2020-2023 avg.



FRA train accidents rate², year

-4% vs 2023
-20% vs 2020-2023 avg.



Source: CN Quarterly Review; CPKC Unaudited Combined Summary of Supplemental Data
Note: The rates are calculated using the simple average of CN and CPKC.
[1] Injuries per 200,000 employee hours
[2] Accidents per million train-miles

[25] 2020 is the earliest year for which data are available.

99 Bank Street, Suite 901, Ottawa, ON K1P 6B9 T +1 (613) 567-8591 F +1 (613) 567-6726 railcan.ca

Transportation Safety Board Data

This section analyzes the most recent data from the Transportation Safety Board, which provides railway occurrence statistics of all federally regulated railways in Canada.

On an annual basis, compared to the 2019-2023 average, the accident rate improved by 15%, main-track derailments were down 33%, and the number of accidents involving dangerous goods decreased by 18%.

Accidents per million train-miles: In Q4-24, the accident rate improved by 4% compared to the 2019-2023 average, but increased by 16% compared to Q4-23. The largest contributor to the increase compared to Q4-23 was an increase in rolling stock collisions with abandoned vehicles and objects. Many of these occurrences are outside of the direct control of railways. For example, these accidents include situations in which rolling stock collides with vehicles abandoned on railway tracks, rocks, or even animals such as moose. These accidents also include motor vehicles that ran off the road and collided with the rolling stock at areas other than crossings. On an annual basis, the accident rate improved by 15% compared to the 2019-2023 average and 4% compared to 2023.

Main-track derailments: In Q4-24, there were 17 main-track derailments, four more than the 2019-2023 average and 7 more than in Q4-23. In Q4-24, most main-track derailments involved fewer than 6 cars. On an annual basis, the number of main-track derailments was down 33% compared to the 2019-2023 average and 13% compared to 2023.

Dangerous goods: The number of accidents involving dangerous goods in Q4-24 decreased by 22% compared to the 2019-2023 average and 25% compared to 2023. On an annual basis, accidents involving dangerous goods decreased by 18% compared to the 2019-2023 average but increased by 1% compared to 2023.

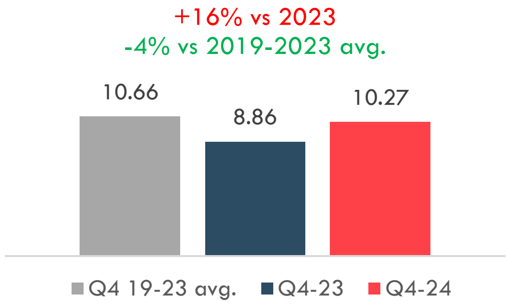
Crossing and trespassing: Crossing and trespassing remain key issues of concern. Railways expend great effort to inform the public about the dangers of proximity to tracks and moving equipment. Additionally, communications are ongoing with municipalities about the importance of enforcing proximity guidelines when approving development around railways. Similarly, educational programs, spearheaded by Operation Lifesaver, focus on safe behaviours around rail infrastructure. In addition to these industry efforts, there is an important role for municipalities, community-based social services and the public in reducing crossing and trespasser incidents.

In Q4-24, the number of crossing and trespassing accidents was on par with Q4-23 and up 4% compared to the 2019-2023 average. There was a spike in crossing and trespasser accidents earlier in the year, particularly in Q2 and Q3. On an annual basis, accidents in this category were up 20% compared to the 2019-2023 average and 13% compared to 2023. An increase in encampments along or near rail lines, engagement in risky (and illegal) behaviours for social posts or leisure, and struggles with mental health are just some of the factors behind the disconcerting rise in trespassing. The issues are multifaceted and will take a concerted effort by industry and community stakeholders to achieve the mission to get to zero.

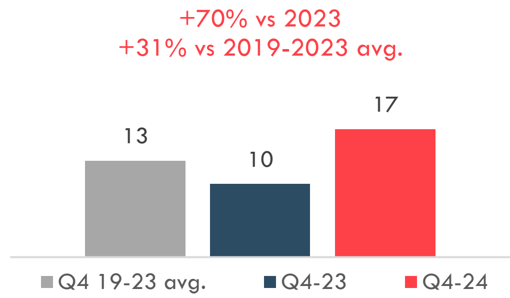
99 Bank Street, Suite 901, Ottawa, ON K1P 6B9 T +1 (613) 567-8591 F +1 (613) 567-6726 railcan.ca

Quarterly

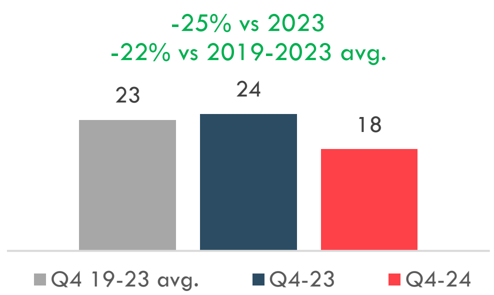
Accidents per million train-miles



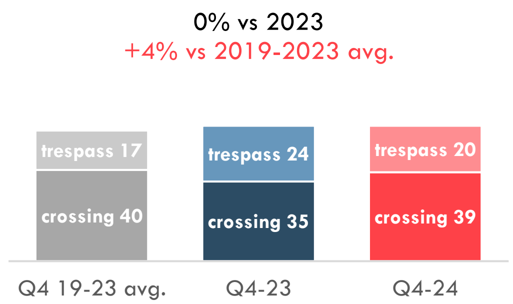
Main-track derailments



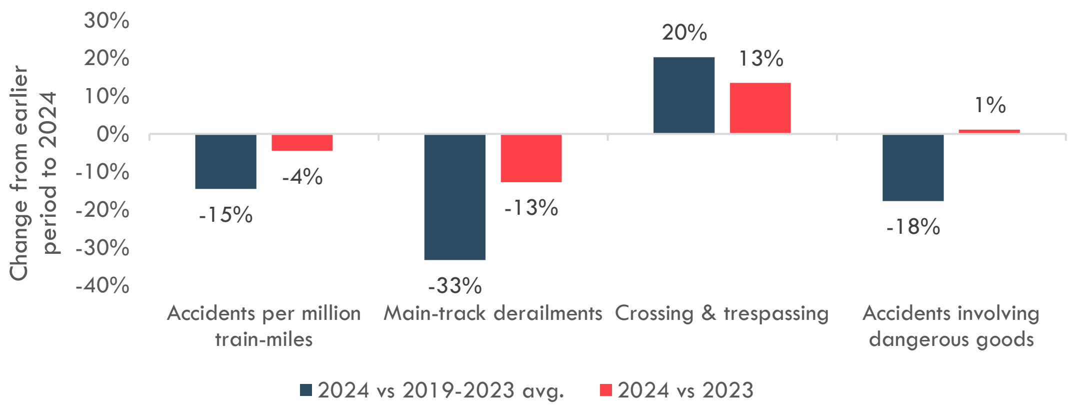
Accidents involving dangerous goods



Crossing and trespassing accidents



Annual



Source: Transportation Safety Board, [Monthly rail transportation occurrence statistics]
Note: The TSB data are preliminary and subject to year-end validation and reconciliation.

Railway Association of Canada
99 Bank Street
Ottawa, ON K1P 6B9
www.railcan.ca

2024_Q4_Rev.1

Railway Association of Canada