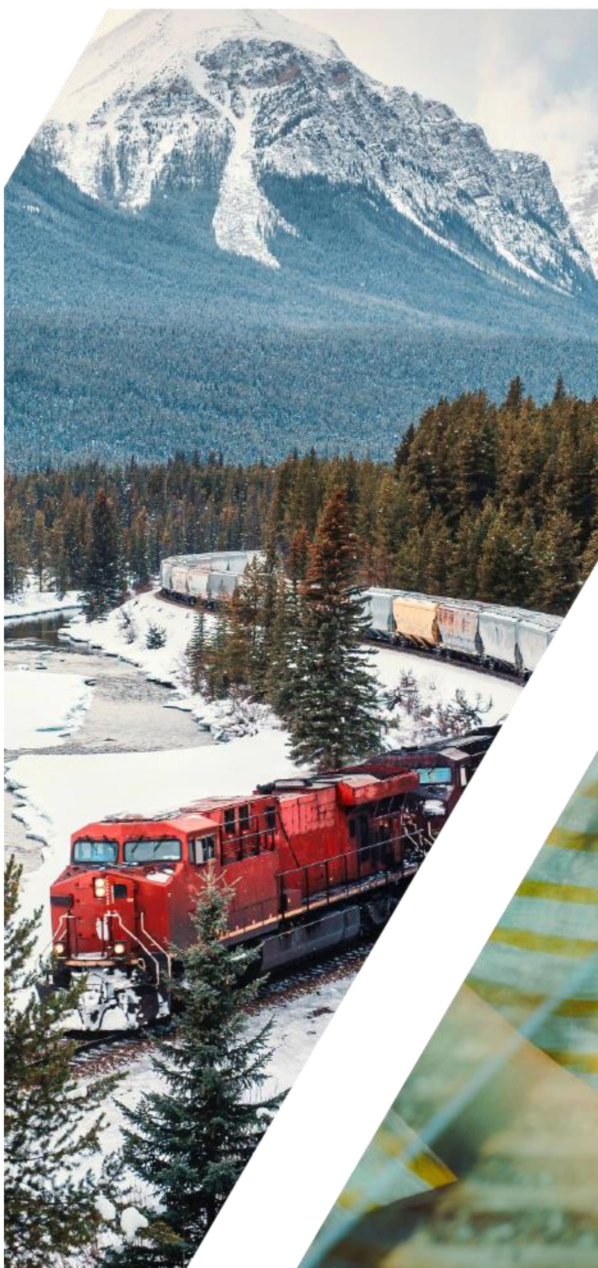
Railway Association of Canada

RAC QUARTERLY REPORT

Quarter 3 - 2025

January 12, 2026



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Introduction

The Railway Association of Canada's (RAC) *Quarterly Report* compiles weekly, monthly, and quarterly data from railways and various agencies to provide a timely update on freight and passenger railway performance. Rail industry traffic volumes and performance metrics are strongly linked to the strength of the economy, as well as the performance of the rail industry's supply chain partners. To provide appropriate context, the *Quarterly Reports* begin by providing an overview of recent performance of the Canadian economy and forecast where the economy is heading. The report then narrows in on supply chains before presenting the detailed results for rail.

The consolidation of relevant rail and non-rail data in one report helps the reader to better understand the factors that impact rail performance. These reports serve as a useful resource for professionals working in supply chains and logistics, transportation policy, economic policy, or in any of the economic sectors that are served by rail.

Links to all data sources are included throughout the report. In addition, RAC's quarterly and annual industry performance reports can be accessed on the RAC website; as well as the newly launched *weekly traffic dashboard*.

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Executive Summary

In Q3-2025, Canada's rail industry delivered strong performance despite a challenging trade environment marked by elevated tariffs, economic uncertainty, and shifting supply chains. Railways demonstrated resilience, adaptability, and operational excellence, reinforcing their essential role in supporting Canadian economic growth and trade competitiveness.

Freight volumes remained solid, with total Class 1 rail traffic up year-over-year (revenue ton-miles +3%, carloads +4%). Growth was led by strong performance in intermodal (+11%) and bulk commodities, particularly grain and fertilizers. Railways successfully offset tariff-related softness in sectors such as metals, forest products, and automotive by leveraging their networks' strengths.

Operational performance continued to improve across key metrics. Train speeds increased, dwell times were reduced, and productivity rose as railways benefited from network optimization and system integration. Average terminal dwell fell to 8.55 hours, while longer trains, greater train weights, and improved asset utilization supported greater efficiency.

Despite an uncertain environment and heightened tariffs, railways continued to invest in their networks. Nearly $5 billion was deployed year-to-date to enhance capacity, reliability, and safety. Accident rates continued to decrease.

Overall, Q3-2025 highlights the rail sector's ability to adapt to disruptions and support Canadian exporters. Through strong operational performance, continued investment, and supply chain resilience, Canada's railways continue to move the economy forward.

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State of the Canadian Economy

Rail industry traffic volumes are strongly linked to the strength of the economy. Trends in the key economic indicators outlined below often prove useful in understanding trends in rail traffic. The overall macroeconomic environment, economic outlook, and business and consumer confidence can impact rail traffic of certain commodities more than others.

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.

From June to September 2025, total employment (all industries) decreased by 0.2% (45,900 jobs), driven by consecutive decreases in July (-41,000 jobs) and August (-66,000 jobs) that were only partially offset by gains in September (60,000 jobs). The services sector lost 60,700 jobs, while the goods-producing sector gained 14,700 jobs, almost entirely concentrated in manufacturing (13,900 jobs).

Although tariffs and trade disruptions remained a significant headwind throughout Q3-2025, official statistics for September show growth and resilience.

Manufacturing shipments were up 4.5% in September, compared to June. Products subject to U.S. tariffs generally began to recover from their low points in May and June with shipments now in line with levels from early 2025. Shipments of primary metallic products, which include steel and aluminum (subject to 25% tariffs that were raised to 50% in June) were up 12.6%, and shipments of transportation equipment (which includes auto products subject to 25% tariffs on non-U.S. content) were up 10.9%. These two manufacturing categories accounted for approximately half the total increase in manufacturing shipments.

Canada's trade activity is highly concentrated in the exchange of manufactured products with the U.S., which is by far Canada's largest trading partner. Total trade volumes (all commodities, all trading partners) declined by 0.5% ($0.6B) from June to September, composed of a 5.0% ($3.3B) reduction in imports and an 4.4% ($2.7B) increase in exports. A $2.9B (6.8%) increase to U.S. exports accounted for the majority of export growth, but still represents a $4.2B (-8.5%) reduction from September 2024 levels.

From June to September 2025, GDP increased by 0.6% ($14.8B), with the majority of growth attributable to growth in manufacturing (2.4%, $4.7B), mining (2.0%, $2.4B), and agriculture (5.2%, $2.4B). The transportation and warehousing sector's GDP saw an increase of 0.9%.

From June to September, retail sales decreased by 0.5%, with decreases in 6 of 9 retail categories.

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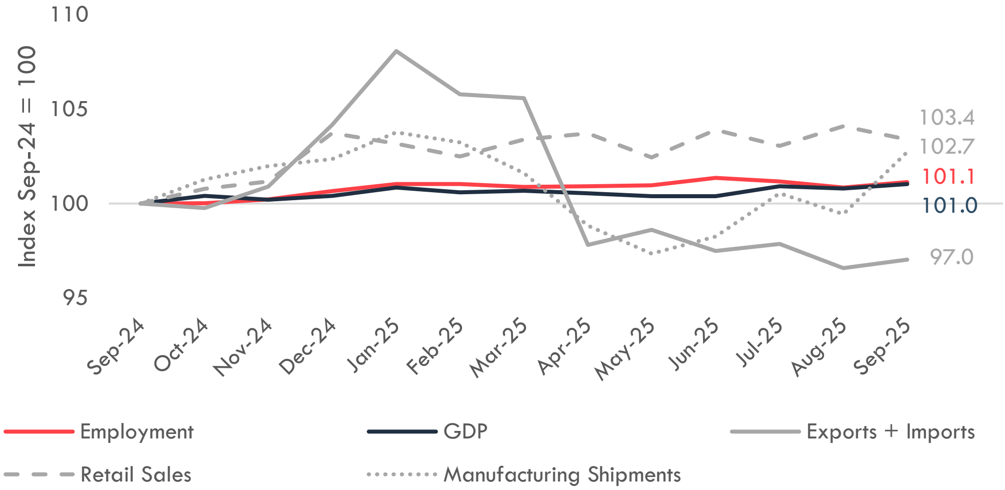
Key Canadian Economic Indicators



Growth of Key Canadian Economic Indicators

	Employment (millions)	GDP ($B, annualized)	Exports + Imports ($B)	Retail Sales ($B)	Manufacturing Shipments ($B)
June 2025	21.06	2,316	126.8	70.1	68.9
September 2025	21.02	2,331	126.2	69.8	72.1
3-month change	**-0.2%**	**0.6%**	**-0.5%**	**-0.5%**	**4.5%**

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.

Economic Outlook

In Q3-2025, Canada's and the U.S.'s GDP increased by 2.6% and 2.7% respectively. Canada's GDP growth was driven by a sharp decrease in imports (substituted for domestically-produced goods), while both household and government consumption expenditures saw small declines. Residential construction continued to recover, but business investment in machinery and equipment remained subdued, suggesting firms are deferring capital spending amid ongoing trade policy uncertainty. A coalition of ten industry associations, of which RAC is a party, is calling on the federal government to implement accelerated depreciation policies to unlock much needed private sector investment.[1]

As of their December forecasts, Canada's large banks are anticipating weak growth through the remainder of 2025, of just 0.8% in Q4. Growth is forecasted to increase in 2026, rising to 1.6% in Q1 and Q2. U.S. growth is expected to slow to 0.6% in Q4-2025 and pick up to 2.0% in Q1-2026.

[1] https://movingeconomies.ca/

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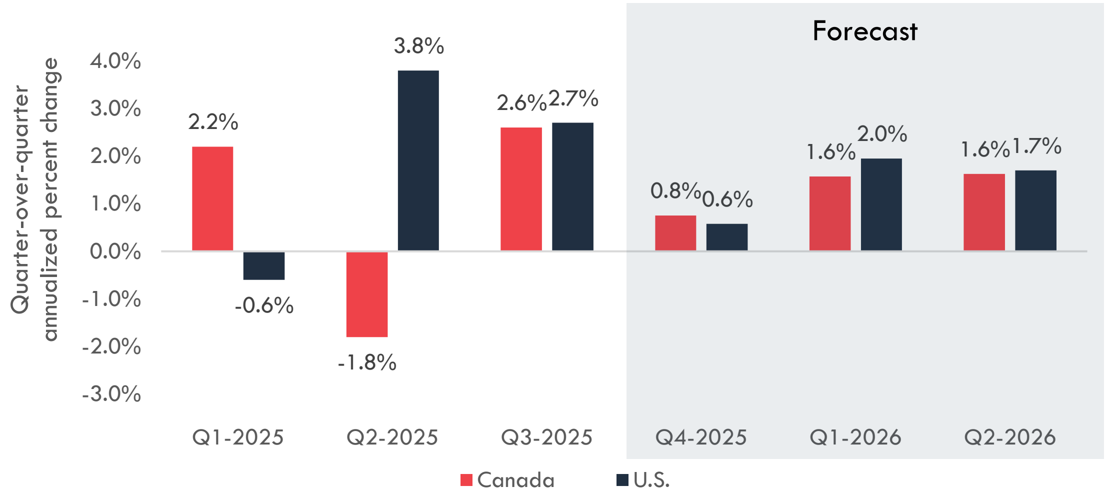
Canadian and U.S. Real GDP Forecast



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

Canadian Class 1s are expecting 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. Despite greater labour certainty this year across the supply chain, headwinds are present. Traffic volumes and the outlook remain strong for several commodities, however, sector-specific tariffs have begun to affect certain lines of business.

In Q3-2025, Canadian exporters faced high U.S. tariffs on steel, aluminum, Canadian auto content, and lumber, among other products; as well as punishing Chinese tariffs on canola.

With high tariffs in place, Canadian railways have been working with their customers to find other opportunities, including intra-Canada moves.

The outlook for bulk commodities remains positive. The 2025 Canadian grain harvest came in strong. Solid production and demand fundamentals will support strength in grain, potash, fertilizers and coal. Soft demand and/or tariffs will continue to impact merchandise volumes (including forest products and metals and minerals). Expectations for energy, chemicals and plastics vary by product. While automotive tariffs are in effect and automotive carloads are relatively flat, RTM growth is being driven through extended length of haul. Lastly, intermodal volumes should continue to compare favourably to 2024, as the industry laps the 2024 labour disruptions.

The economic impacts of the current trade and tariff disruptions highlight the importance of including appropriate context when evaluating the performance of the rail industry and broader supply chains.

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Supply Chains

Canadian rail operations are deeply integrated in complex supply chains with several interdependent partners, including shippers, intermodal facilities, transload centres, auto compounds, the trucking industry, ports, and more. When disruption occurs at one link, the impacts are felt widely and deeply across other transportation service providers, businesses, and consumers.

Labour Disruptions

Canada's supply chains have experienced numerous disruptive work stoppages in recent years. 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. 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. RAC and its fellow *Moving Economies* partners are calling on the federal government to modernize Canada's labour laws.[2] To mitigate economic harm and improve supply chain reliability, the government must establish a clear and transparent process to resolve disputes rapidly.

In Q4-2025, RAC appeared before the Standing Senate Committee on Transport and Communications to share the rail industry's perspective on Canada's growing labour challenges and emphasize the need for a more predictable and durable framework to ensure long-term labour stability and eliminate the negative impacts of work stoppages on the Canadian economy.

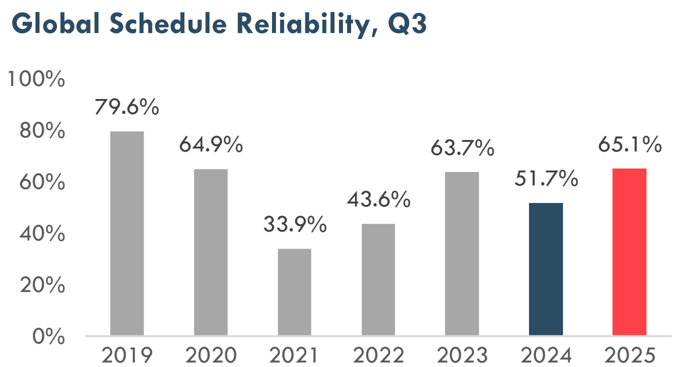
Global Maritime Trade

Conflict around the Suez Canal persists and vessels are re-directing around the southern tip of Africa to avoid the conflict. In Q3-2025, tonnage moving through the canal was down by approximately 60% compared to 2020-2023 levels, most notably impacting container ships.[3]

The Panama Canal, which had drought-related restrictions in place from June 2023 to September 2024, is not expected to have any restrictions in place for the remainder of 2025 and early 2026.[4]

Global Marine Vessels

In Q3-2025, global marine vessel on-time performance[5] was at 65.1%. This is a notable improvement from 51.7% in Q3-2024 but remained highly unfavourable compared to Q3-2019 (pre-COVID-19 pandemic), when schedule reliability was at 79.6%.



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

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2 https://movingeconomies.ca/
3 SCA - Navigation Statistics
4 https://mykn.kuehne-nagel.com/news/article/panama-canal-has-plenty-of-water-10-jul-2025
5 Measured using Sea-Intelligence's Global Liner Performance report, *Global Schedule Reliability*

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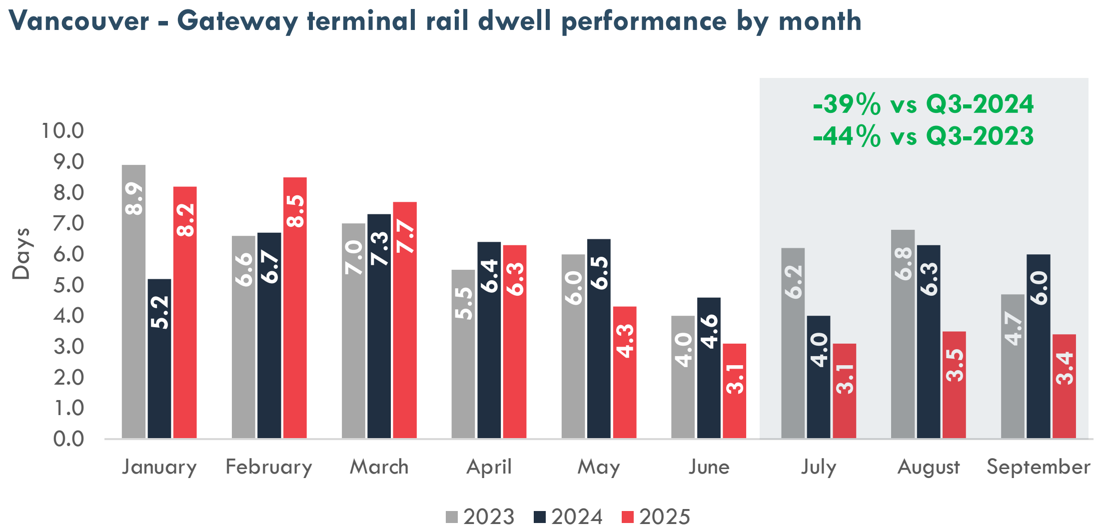
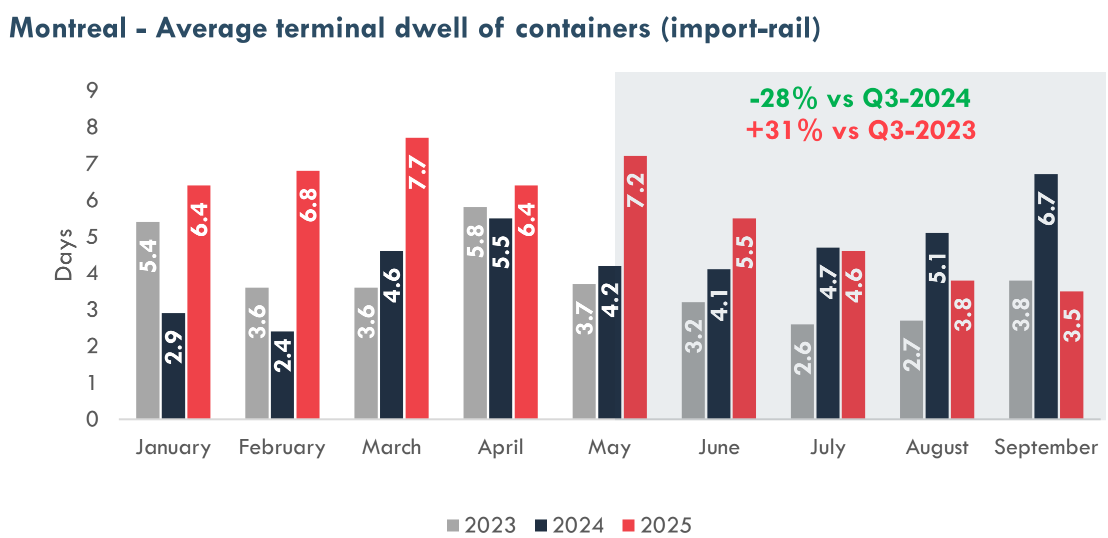
Canadian Ports

Dwell times at the Port of Vancouver were reduced in Q3-2025, with an average of 3.3 days. representing a 39% improvement compared to Q3-2024 and 44% improvement compared to Q3-2023.

Dwell times at the Port of Montreal decreased to an average of 4.0 days, representing a 28% decreased compared to Q3-2024 but a 31% increase compared to Q3-2023.



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



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

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Canadian Railways

In Q3-2025, Canadian Class 1 railways' dwell times averaged 8.55 hours – a 2% decrease compared to Q3-2024. Following the integration of CPKC operating systems in the U.S. and Canada in Q2, efficiency gains are likely to carry through to Q4-2025 through solid improvements to key operating metrics.[6] For further details on railway terminal dwell performance, see Select Key Financial, Operating, and Safety Metrics.

Despite ongoing disruption in the Suez Canal, a critical trade corridor, marine vessel on-time performance and dwell times at Canada's busiest ports are improving. Strength and stability in Canadian supply chains will be essential to navigate the challenges brought on by tariffs.

[6] CPKC Q3 2025 Earnings Call Transcript; *CPKC Weekly Key Metrics*.

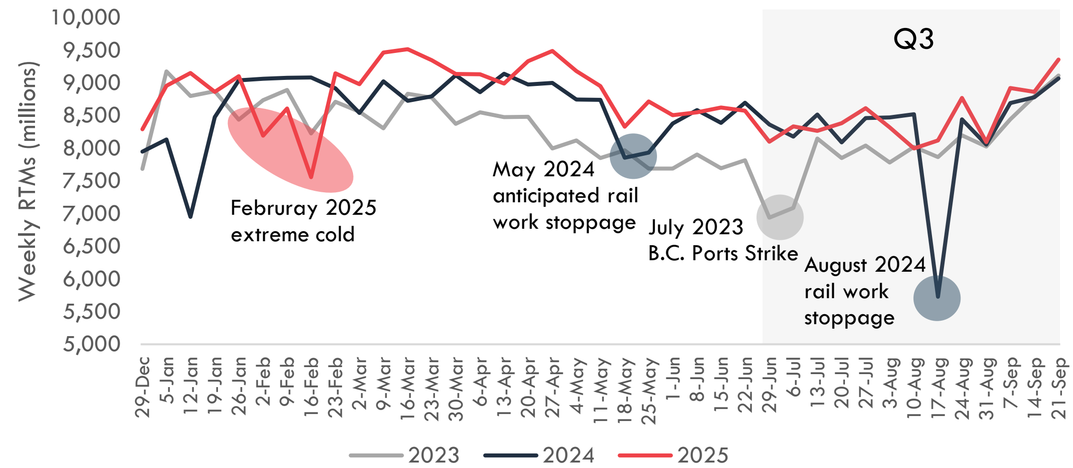
Network-wide Canadian Class 1 Freight Data

This section provides an update on the performance of Canada's Class 1 railways. Each week, Canada's Class 1 railways publicly release a suite of indicators covering traffic volumes, operational performance, and more. In presenting CN and CPKC's network-wide (North America) traffic and performance results in an aggregated format, this section is a useful resource for those interested in monitoring the performance of Canada's large railways. The weekly indicators can also be viewed on [RAC's traffic dashboard](), updated every Tuesday.

Weekly Trend

In Q3-2025, Canadian Class 1 rail traffic, measured in revenue ton-miles (RTMs) – exceeded 2024 levels in 9 of 13 weeks. Class 1s finished the quarter with RTMs up 3% over Q3-2024.

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., "5-Jan" corresponds to the week of Jan 5-11). The week starting January 5, 2025 (for the 2025 series), is compared against the weeks starting January 7, 2024, and January 8, 2023.

Traffic Volumes by Commodity

As shown in the figure and table below, compared to Q3-2024, RTMs were up 3% and carloads were up 4%.

Grain & fertilizers were a major contributor to growth, with RTMs up 3% (+1,027 million RTMs) and carloads up 4% compared to Q3-2024. Both Class 1s posted gains for Canadian grain and U.S. grain. Intermodal led growth, with RTMs up 11% (+2,216 million RTMs) and carloads up 12%.

Automotive carloads were flat but RTMs were up 6% from longer average hauls. 25% U.S. tariffs on the non-U.S. content in autos came into effect on April 3rd, at the beginning of Q2. In Q3-2025, Canada-U.S. auto trade (finished vehicles and parts), using all modes of transportation, was down 9% comparted to Q3-2024.[7]

Coal RTMs were up 3% and carloads were up 5%.

[7] RAC analysis based on data from Trade Data Online.

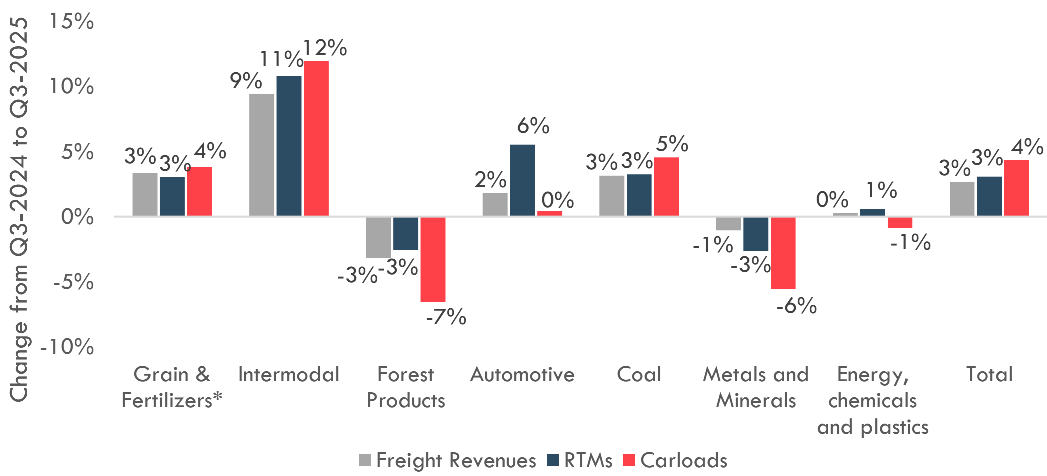
The market for forest products remains soft. The increase in tariffs in July, to upwards of 50%, will present another headwind for the commodity in the remainder of the year. RTMs were down 3% (-194 million RTMs) and carloads were down 7% in Q3-2025.

Metals and minerals volumes, which includes steel, aluminum, and their feedstocks such as iron ore, were down in Q3-2025. RTMs (-3%) and carloads (-6%) were below Q3-2024 levels. Canadian exporters faced U.S. steel and aluminum tariffs, which increased from 25% to 50% on June 3rd. Following this escalation, steel and aluminum exports to non-U.S. markets nearly doubled, and are now up 145% year-over-year in September. Canadian exports of steel and aluminum to the U.S. were still down 36%, with total steel and aluminum exports down 23% year-over-year in September.

Energy, chemicals and plastics RTMs were up 1% and carloads were down 1%. RTMs have largely recovered from their temporary decline in Q2, attributable to extended turnarounds and terminal outages at customer facilities.

On a YTD basis, RTMs trended in the same direction, with gains in grain & fertilizers, intermodal, automotive, and coal, and reductions in forest products, metals and minerals, and energy, chemicals and plastics.

Class 1 Freight Revenues, RTMs, and Carloads by Commodity, Q3



Q3: Canadian Class 1 RTMs (millions), by Commodity

	Q3-2025	Q3-2024	Change (%)	Change (#)
Grain & Fertilizers*	34,943	33,916	3%	1,027
Intermodal	22,706	20,490	11%	2,216
Forest Products	7,353	7,547	-3%	-194
Automotive	2,290	2,170	6%	120
Coal	11,212	10,859	3%	353
Metals and Minerals	11,822	12,140	-3%	-318
Energy, chemicals and plastics	21,062	20,946	1%	116
Total	**111,388**	**108,068**	**3%**	**3,320**

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YTD (Q1-Q3): Canadian Class 1 RTMs (millions), by Commodity

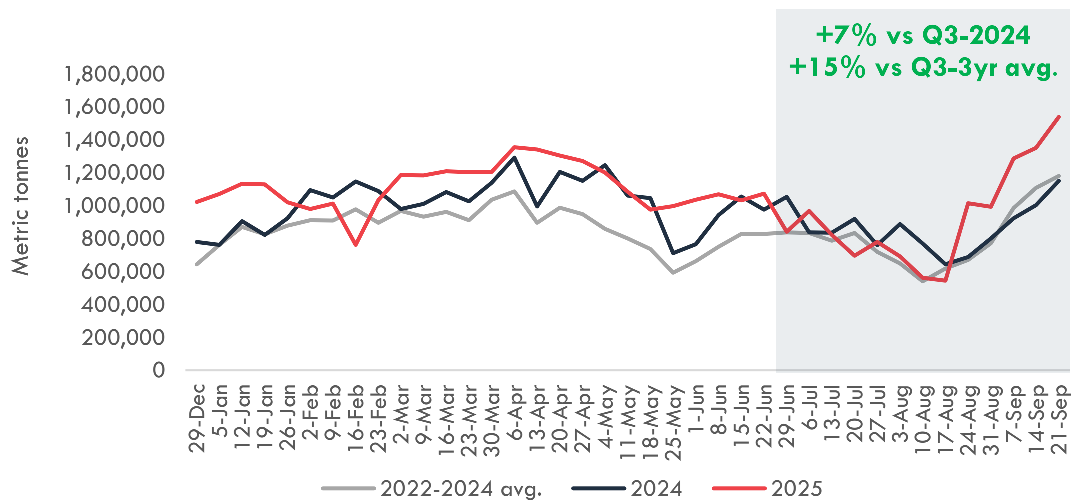
	2025	2024	Change (%)	Change (#)
Grain & Fertilizers*	110,988	105,090	6%	5,898
Intermodal	68,600	64,772	6%	3,828
Forest Products	22,432	23,555	-5%	-1,123
Automotive	6,592	6,071	9%	521
Coal	33,572	31,836	5%	1,736
Metals and Minerals	35,234	36,723	-4%	-1,489
Energy, chemicals and plastics	62,577	63,674	-2%	-1,097
Total	**339,905**	**331,721**	**2%**	**8,184**

Source: CN Quarterly Review; CPKC Earnings Release.
*Includes potash.

Railway grain volumes fluctuate year-to-year. Volumes are strongly linked to the size of the grain crop and when producers and grain companies decide to ship their product. This choice is influenced by changes in market prices for grain. Investments in on-farm storage enable producers to hold onto grain, choosing to sell when the market is most favourable. 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.

Canada's Class 1 railways delivered strong grain performance in Q3-2025. For the quarter, shipments were up 7% year-over-year and up 15% compared to the previous 3-year average. Weekly shipments exceeded the previous 3-year average in 11 of 13 weeks.

Western Canadian Grain Shipments, calendar year



Source: CN Western Canadian Grain Report; CPKC Canadian Grain Performance Scorecard

Following the escalation of tariffs on Canadian exports to the U.S. (and China), Canada's Class 1 railways have been working with their customers to find new opportunities, including intra-Canada moves. While traffic hit by tariffs generally declined, overall freight volumes increased thanks to strength in bulk (grain & fertilizers; coal) and intermodal.

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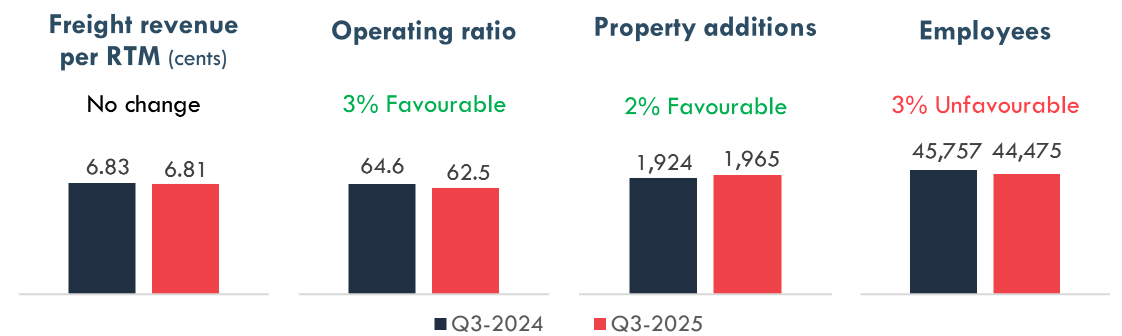
Select Key Financial, Operating, and Safety Metrics

In Q3-2025, performance across key financial, operating, and safety metrics was mostly positive.

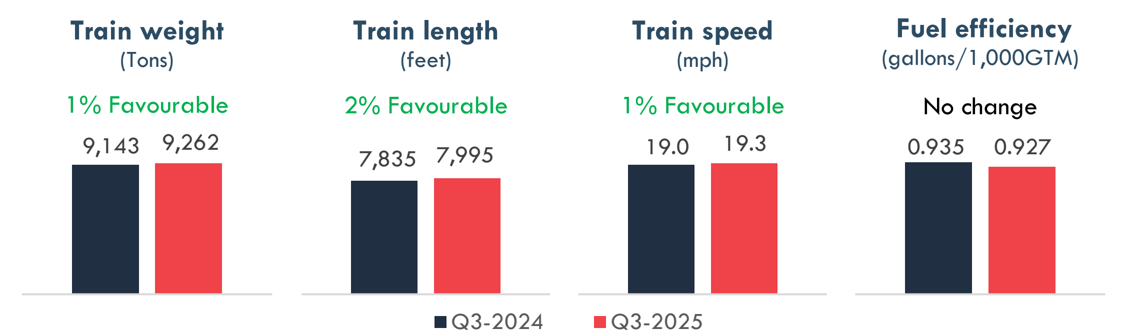
From Q3-2024 to Q3-2025, overall freight revenue per RTM remained flat. Small increases in freight revenue per RTM for a few commodities were offset by decreases in others, including automotive, where RTMs were up 6% while freight revenues were only up 2%. Contributing factors include the removal of the carbon tax, which resulted in lower fuel surcharges, and labor productivity gains through improved operational efficiency, and cost management on purchased services through insourcing and reduced contractor spending. The operating ratio improved by 3% as operating expense per RTM decreased 4% (resulting from a reduction in fuel expense).

Canada's Class 1 railways continued to make significant investments[8] in their networks, investing nearly $2 billion in Q3-2025, bringing the year-to-date total to $4.7B. As per their capital plans, Canada's Class 1 railways plan to invest more than $6.25B in 2025. With 44,475 employees, headcount was 3% below Q3-2024. The 3% lower headcount combined with the 3% increase in RTMs signals an increase in labour productivity compared to last year.



Source: CN Quarterly Review; CPKC Earnings Release.
Note: The operating ratio is calculated as the simple average of CN and CPKC.

In Q3-2025, Class 1 railways' average train weight, train length, and train speeds increased while fuel efficiency remained unchanged. These improvements were supported by new operating systems and greater network fluidity that have contributed to improved productivity.[9] Higher average train speeds reduce car cycle times and enable the supply chain to move more traffic using the same amount of equipment.



Source: CN Quarterly Review; CPKC Earnings Release.
Note: All four metrics are calculated using the simple average of CN and CPKC.

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[8] Property additions include capital investments in track and roadway, rolling stock, buildings, information technology and other assets.
[9] CPKC Q3 2025 Earnings Call Transcript; *CPKC Weekly Key Metrics*.

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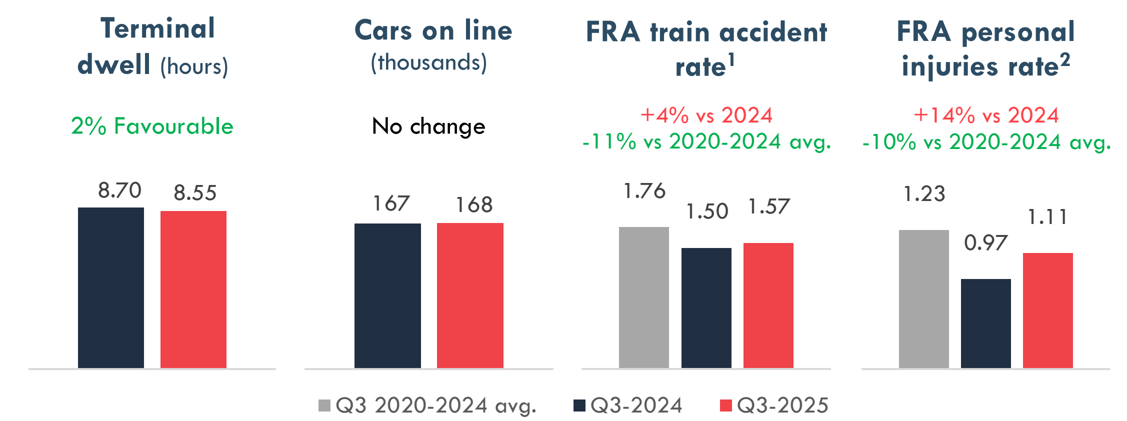
In Q3-2025, railway dwell times averaged 8.55 hours – a 2% decrease compared to Q3-2024.

The average number of rail cars on line was relatively flat compared to Q3-2024. In Q3, grain traffic volumes were up, despite there being 2,623 fewer covered hopper cars on line throughout the quarter. There were several hundred more intermodal, gondola, multilevel, and tank cars on line than in Q3-2024.

In Q3-2025, both the Canadian Class 1 FRA train accident rate and FRA personal injuries rate improved compared to the 2020-2024 average.[10] Over the past several years, Canadian Class 1 railways' safety rates have continued to trend in a positive direction.



Source: CN Quarterly Review; CPKC Earnings Release ; CPKC Unaudited Combined Summary of Supplemental Data; CN Key Weekly Metrics; CPKC Weekly Key Metrics.
Note: Terminal dwell, the FRA train accident rate, and the FRA personal injuries rate are calculated using the simple average of CN and CPKC.
[1] Accidents per million train-miles
[2] Injuries per 200,000 employee hours

In Q3, several performance metrics improved. Canada's Class 1 railways continued to invest at a high level into their networks to serve their customers while building on their impressive safety record.

Productivity (RTM per employee) increased thanks to improvements across several key operating metrics. Q3 showed an increase in average train length and weight, as well as higher throughput from increased train speeds and reduced dwell.

[10] The Canadian Class 1 railways report the two FRA rates for their network-wide operations in their quarterly and annual reports (i.e., the rates are not confined to just U.S. operations).

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Canadian Freight Rail Industry Data

This section provides an update on traffic volumes (by commodity and region), trade, and freight rates. The freight rail industry data in this section overlap with the Class 1 freight data reported above. However, 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. This section of the report is a useful resource for those interested in following the rail industry's contributions to the Canadian economy.

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.

Overall traffic trends by commodity were similar to those observed for the Class 1s network-wide.

Throughout each month of Q3-2025, intermodal traffic was up compared to Q3-2024, largely due to labour disruptions in Q3-2024 that caused traffic diversions and impacted intermodal volumes.

Following year-over-year decreases in non-intermodal carload traffic in Q2-2025, Q3-2025 traffic was up 1%, 4%, and 2% in July, August, and September, respectively (2% for the entire quarter).

Overall, growth was led by intermodal (+13%, 69,673 units), minerals (+6%, 16,189 carloads) and coal (+10%, 8,258 carloads), followed by fuels & chemicals (+2%, 2,738 carloads) and manufactured & miscellaneous (+10%, 1,894 carloads).

Agricultural shipments in Q3-2025 fell by 1%, largely due to a 45% reduction in canola (12,334 carloads), the largest decline across the 60+ commodities in Statistics Canada's data, which faced punishing tariffs from a top customer – China.[11] Canadian exporters of canola oil and canola meal faced 100% Chinese tariffs throughout the quarter, as well as a 75.8% duty on Canadian canola seed introduced in August 2025. Gains in wheat (+15.9%, 8,878) and other cereal grains (+34.7%, 4,669) were not enough to offset these losses.

Carloadings of metals, automotive, forest products, and paper products all decreased in Q3-2025, mostly from reasons explained earlier in the report relating to tariffs, as well as soft demand for some merchandise products. Q3-2025 carloadings of steel[12] were down 25.2% as the increased U.S. steel tariffs of 50% continued to hamper the sector.

Certain commodities continued their YTD trend – increases in intermodal, coal, and manufactured & miscellaneous, while carloads decreased for metals, forest products, paper products, and automotive. Carloads in Q3 for certain commodities saw a departure from their YTD trends, such as agriculture, which declined (by 1%) in Q3 but remains up 6% on a YTD basis. Conversely, food products, fuels & chemicals, and minerals saw an increase in Q3 while remaining down on a YTD basis.

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[11] Percentages are by tonnage. RAC analysis based on Canadian Grain Commission Data.

[12] Statistics Canada category "*iron and steel, primary or semi-finished*".

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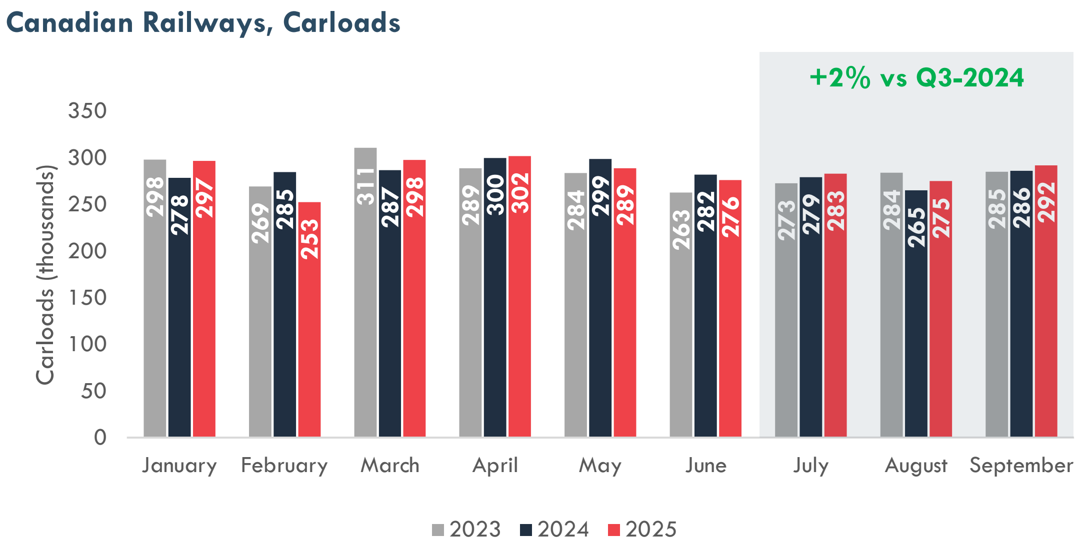
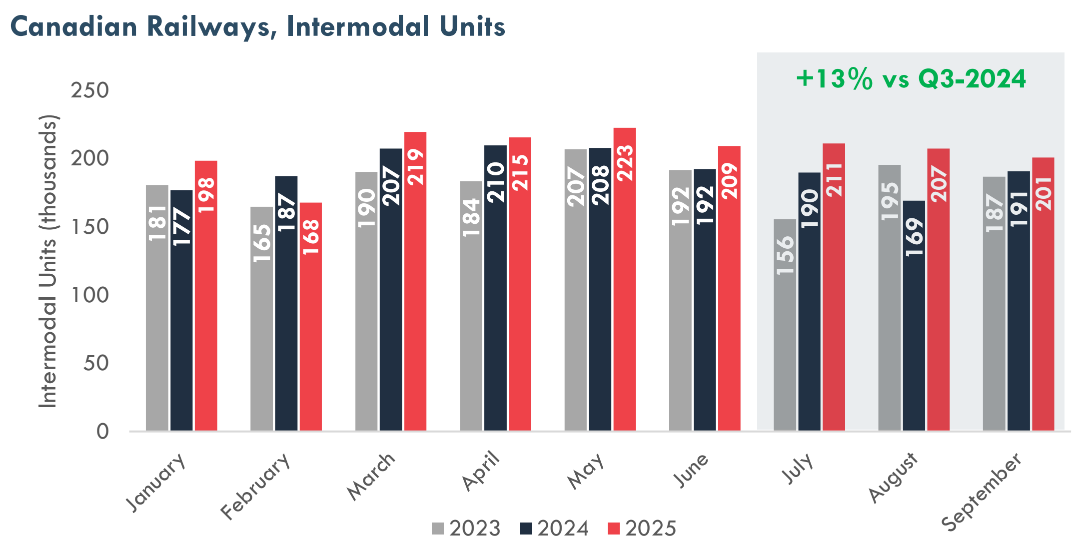


Source: Statistics Canada, [Monthly Railway Carloadings Survey]



Source: Statistics Canada, [Monthly Railway Carloadings Survey]

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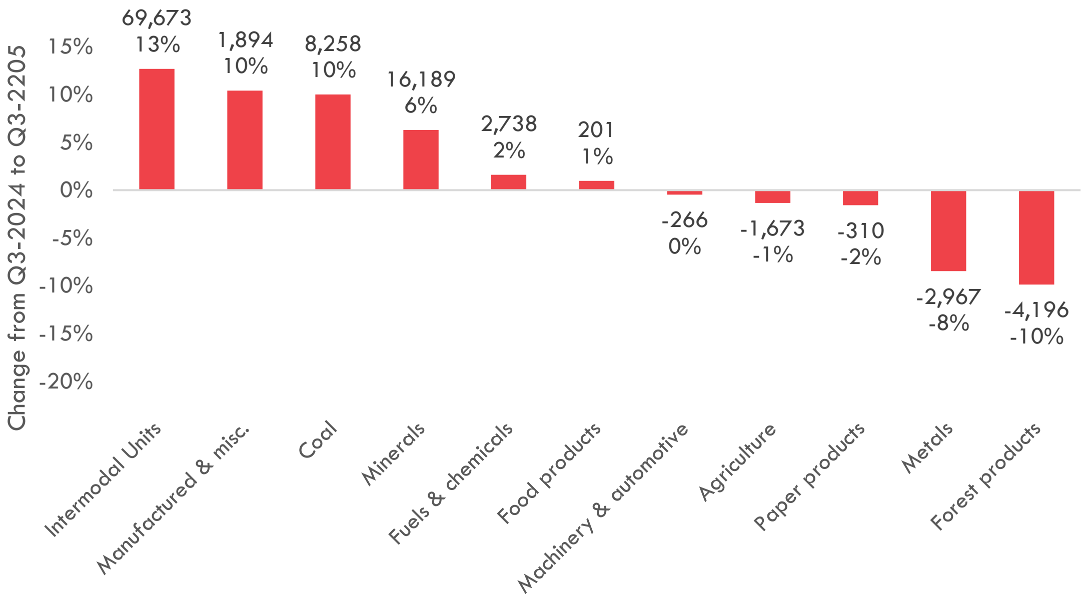
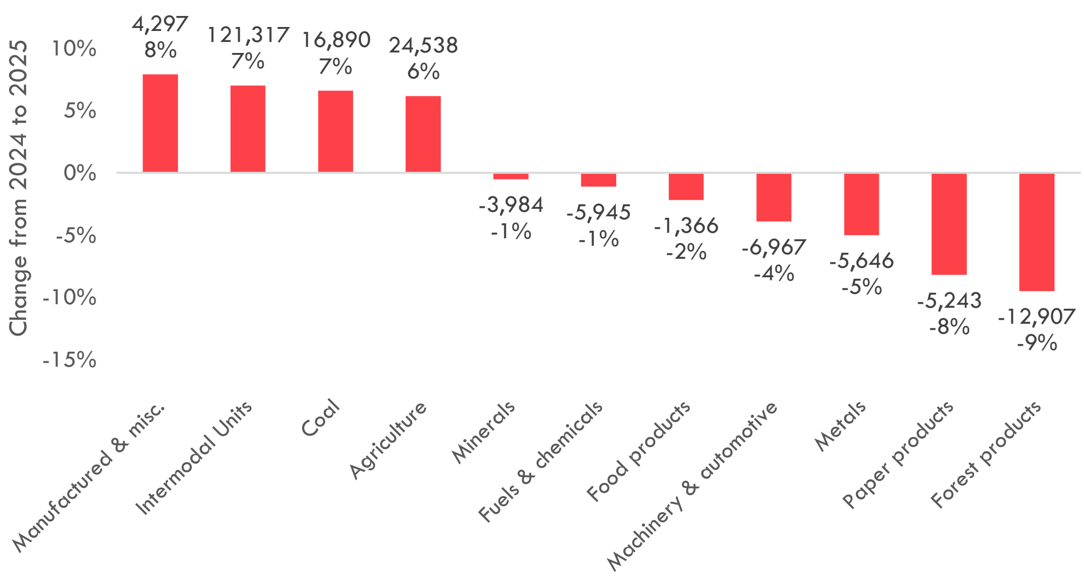
Canadian Railways, Carloads by Commodity & Intermodal Units, Q3



Source: Statistics Canada, [Monthly Railway Carloadings Survey]

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



Source: Statistics Canada, [Monthly Railway Carloadings Survey]

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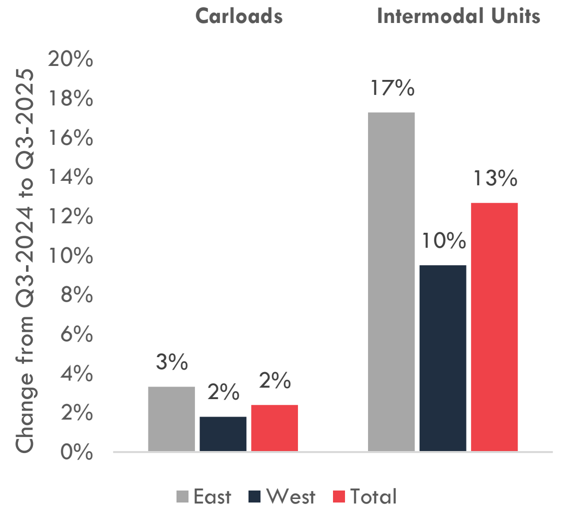
Intermodal traffic increased in both eastern (+17%) and western (+10%) Canada in Q3-2025.

Non-intermodal carload traffic increased by 3% (10,776 carloads) in the eastern region, where the freight portfolio is heavily concentrated in products facing steep U.S. tariffs. Minerals account for 50% of the eastern region's non-intermodal carloadings, followed by automotive (11%) and metals (10%).[13] Despite ongoing tariff challenges, the growth was driven by frac sand volumes to the U.S., business expansion in the aggregate space, and an increase in both U.S. domestic steel shipments and trade between Canada and Mexico. Carloads increased by 2% in the western region – gains in coal and fuels & chemicals were able to offset the minor reductions in agriculture, forest products, and paper products.

Canadian Carloads and Intermodal Units by Region, Q3

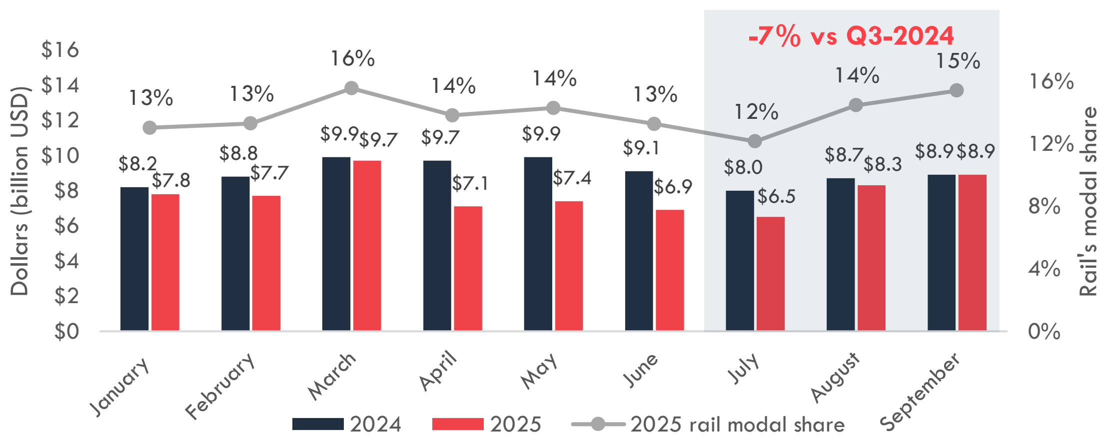


Source: Statistics Canada, Monthly Railway Carloadings Survey

Trade

In Q3-2025, trade by rail with the U.S. was valued at nearly $24 billion USD, down 7% from Q3-2024. A high share of trade by rail value is concentrated in highly tariffed items. These include automotive products (42% of total rail trade value), which faced 25% tariffs on non-U.S. content, and metals (10% of total rail trade value), which faced 50% U.S. steel and aluminum tariffs.[14] Trade by rail volumes have continued to recover from a low point in April 2025, when it was down 27% year-over-year. Compared to the same month in 2024, trade by rail was down 25% in May, 24% in June, 19% in July, 5% in August, but had climbed back to its 2024 level in September.

Rail Merchandise Trade with the U.S.



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

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[13] Shares of total non-intermodal carloadings are based on 2020-2024 data.

[14] Source for automotive and metals' shares of total trade value: RAC calculation based on date from Transport Canada, Transportation Data and Information Hub, 2023 Addendum Tables, *Table RA9*.

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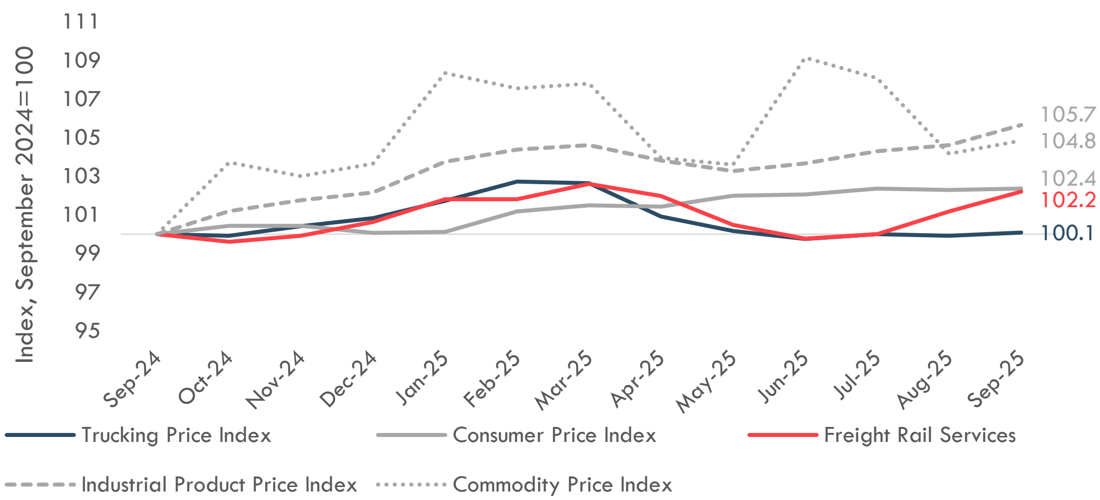
Freight Rates

In September 2025, rail freight rates were 2.2% higher than they were a year prior. Conversely, the commodity, industrial, and to a lesser extent, consumer price indices have risen significantly over the past 12 months. Truck freight rates have remained stable at roughly the same level as September 2024.

Since January 2020 (pre-pandemic baseline, not shown), rail freight rates have increased by 22,7%. This is similar to the growth in consumer prices (20.5%) and trucking rates (23.1%), but much lower than the growth in industrial product prices (32.7%) and commodity prices (47.2%). As a result, Canadian producers today are paying less for rail freight services in relation to the prices of their products. The maintenance of globally competitive rail freight rates is supporting the growth and competitiveness of several Canadian industries.[15]

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]

Through the maintenance of globally competitive freight rates, Canadian railways continued to support the growth and competitiveness of Canadian industries. Working through a period of tremendous trade disruption, in Q3, Canada's railways facilitated nearly $24B USD in trade with the U.S and transported 2% more carload traffic and 13% more intermodal traffic than in Q3-2024.

[15] For a study on rail freight rates, see *International Comparison of Railway Freight Rates*, CPCS, January 2023.

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Canadian Passenger Rail Industry Data

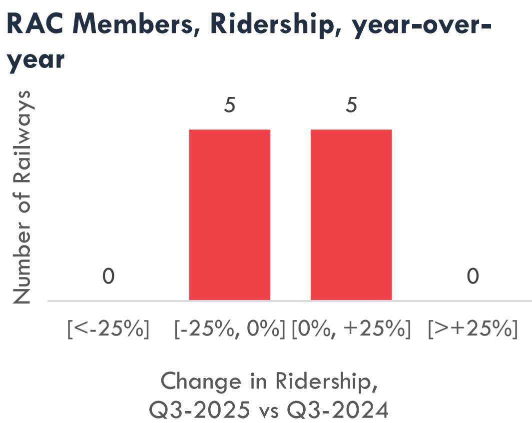
Canada's passenger railways provide an accessible, safe, and environmentally responsible travel option for commuters, intercity travellers, and tourists alike. An increase in passenger rail ridership, as an alternative to personal vehicle travel, reduces congestion on our highways and in our cities, as well as overall emissions and the public costs to maintain road infrastructure.

Despite some positive passenger rail statistics in Q3-2025, following several years of lower-than-normal ridership, government support, at all levels, for passenger rail must remain a top priority.

RAC Member Ridership

This section evaluates the year-over-year trends in passenger rail ridership among RAC members.[16]

In the third quarter of 2025, five out of ten reporting members indicated a year-over-year increase in ridership (of less than 25%), while two members reported a decrease (of less than 25%). Seven members reported ridership levels below pre-pandemic levels (not shown).



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. However, the tides are shifting back toward office work, at least in Ontario. This should be welcome news for transit agencies that have seen their ridership numbers deeply impacted by a reduction in commuters since the onset of the COVID-19 pandemic in March 2020.

In January 2026, employees in the Ontario government and the City of Ottawa will return to the office full-time. Several major private sector employers are also increasing in-office requirements. These measures are expected to support increases in ridership in the new year.

The urban transit ridership data presented below accounts for seasonality, by comparing ridership in each month to the corresponding month in 2019. In September 2025, national ridership was nearly 5% lower than it was in September 2024 (down 18% vs 14% compared to the September 2019 pre-pandemic baseline).

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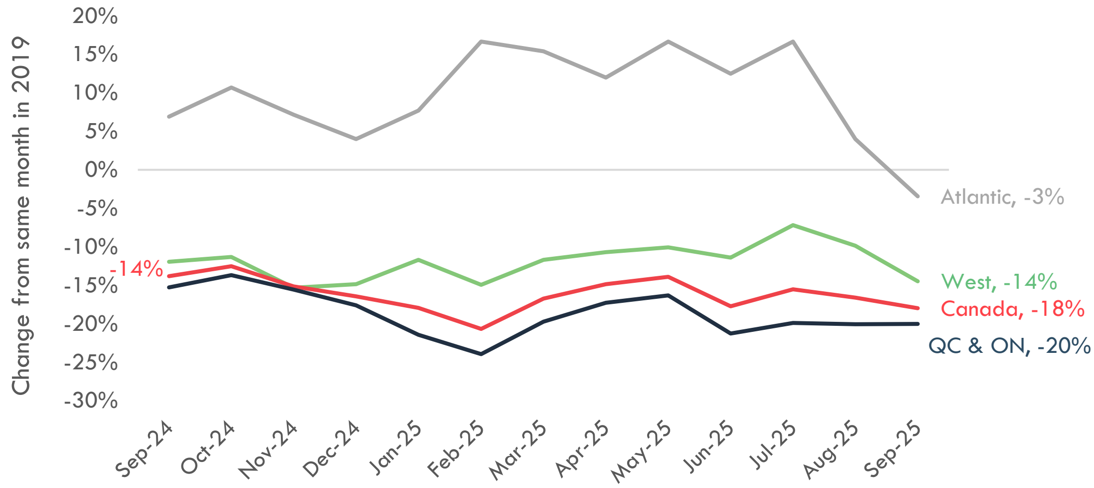
[16] https://www.railcan.ca/membership/member-railways/

Urban Transit Systems Ridership by Region

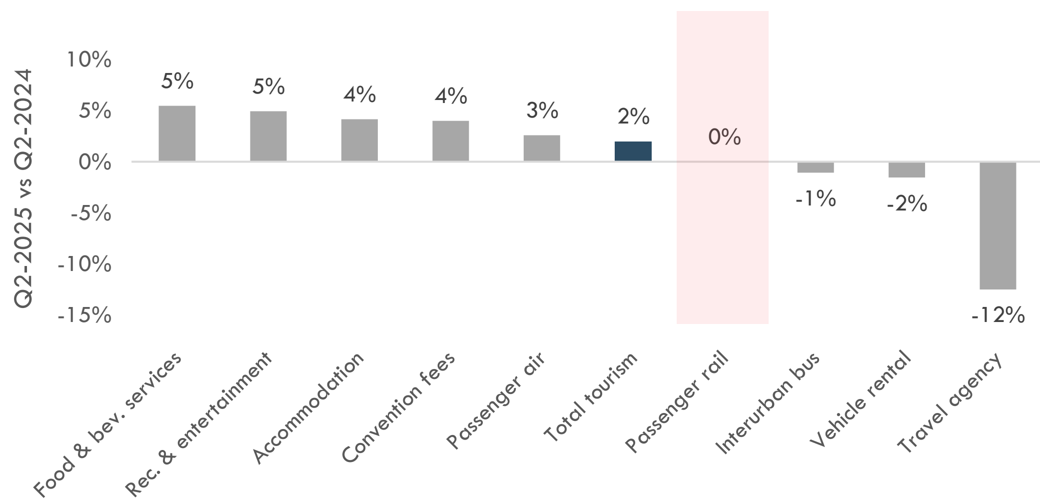


Source: Statistics Canada, [Monthly Passenger Bus and Urban Transit Survey]

Tourism Rail

There is a considerable lag in data on tourism expenditures. The latest available data cover Q2-2025. In Q2-2025, total tourism expenditures increased 2% year-over-year, while passenger rail expenditures remained flat.

Tourism Expenditures, Q2



Source: Statistics Canada, [National Tourism Indicators]

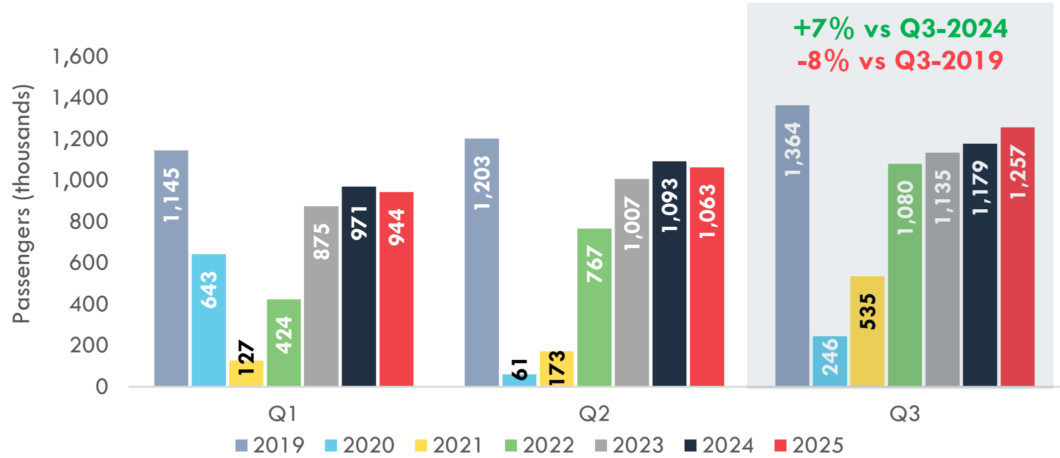
Intercity Passenger Rail

In Q3-2025, VIA Rail carried 1.257 million passengers, a 7% increase compared to Q3-2024. Travel in the corridor was up 5.6% while non-corridor travel was up 23.3%.

This growth in rail travel was supported by the Canada Strong Pass,[17] which provided free or discounted travel on VIA Rail for children and young adults aged 24 and under.

[17] https://www.viarail.ca/en/offers/canada-strong-pass

VIA Rail Ridership, Quarterly



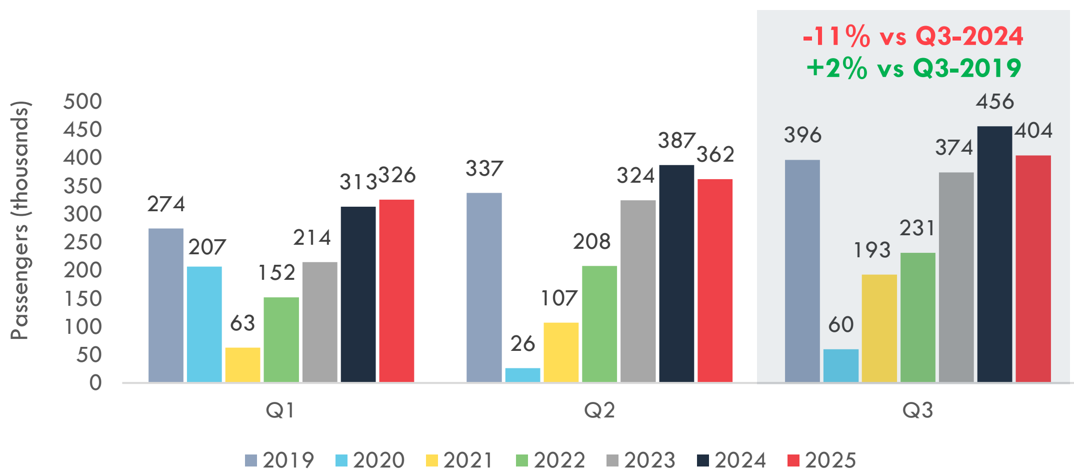
Source: VIA Rail, Quarterly and Annual Reports

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 within either country.[18]

Amtrak ridership on routes with segments in Canada decreased 11% in Q3-2025 to 404 thousand passengers but remained 2% above pre-pandemic (Q3-2019) levels. Statistics Canada and U.S. Customs and Border Protection data show that the number of individuals crossing the Canada-U.S. land border was much lower than in Q3-2024.

Year-over-year reductions in ridership on the Cascades (British Columbia, Washington, Oregon) and Maple Leaf (Ontario, New York) routes were partially offset by increases on the Adirondack route (Quebec, New York).

Amtrak Ridership on Routes with Segments in Canada, Quarterly



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

18 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.

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Canadian Rail Industry Safety Performance

Safety is the Canadian rail industry's number one priority. Over the past several years, Canada's railways have continued to improve their safety performance, achieving significant reductions in derailments and accidents involving dangerous goods. Here, we highlight the most recent accident statistics from the Transportation Safety Board (TSB). The accident data cover the Canadian operations of federally regulated freight and passenger railways.

This section of the report serves as a useful resource for practitioners and policy makers engaged in transportation safety, while also serving as an educational tool to inform the public.

Accidents per million train-miles: In Q3-2025, the accident rate improved by 9% year-over-year and by 15% compared to the 2020-2024 average. The improvement in the rate is attributable to accident reductions across nearly all categories, despite an increase in train miles.

Main-track derailments: In Q3-2025, there were 12 main-track derailments, 3 more than in Q3-2024 but 2 fewer than the 2020-2024 average.

Dangerous goods: The number of accidents involving dangerous goods in Q3-2025 decreased by two (10%) year-over-year and was flat compared to the 2020-2024 average. None of the 19 accidents in Q3-2025 involved a release of product.

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. Educational programs, spearheaded by Operation Lifesaver, focus on safe behaviours around rail infrastructure. Additionally, communications are ongoing with municipalities about the importance of enforcing proximity guidelines when approving development around railways. In December 2024, the Government of Quebec introduced regulatory setbacks from rail for sensitive use developments, with the objective of enhancing safety and livability.[19] This is a positive development that the RAC would like other provinces to consider.

In Q3-2025, the number of crossing accidents decreased compared to Q3-2024 and the 2020-2024 average. On a year-to-date basis (January-September), crossing accidents decreased compared to 2024 but remain above the 2020-2024 average. Trespassing accidents decreased compared to Q3-2024 but remain elevated compared to the 2020-2024 average. In Q3-2025, there were 28 trespassing accidents resulting in 20 fatalities and 6 serious injuries. On a year-to-date basis (January-September), there have been 75 trespassing accidents, which is equal to 2024 but a significant increase from the 2020-2024 average of 55. 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.

Safety is the Canadian rail industry's number one priority – reinforced by the continuous reduction in the accident rate in Q3-2025.

Crossing and trespassing safety – a shared responsibility among railways, municipalities, law enforcement, and others – remain key issues. The Government of Quebec's introduction of regulatory setbacks from rail is a positive development to improve safety that other provinces should consider.

[19] https://www.quebec.ca/habitation-territoire/amenagement-developpement-territoires/amenagement-territoire/orientations-gouvernementales

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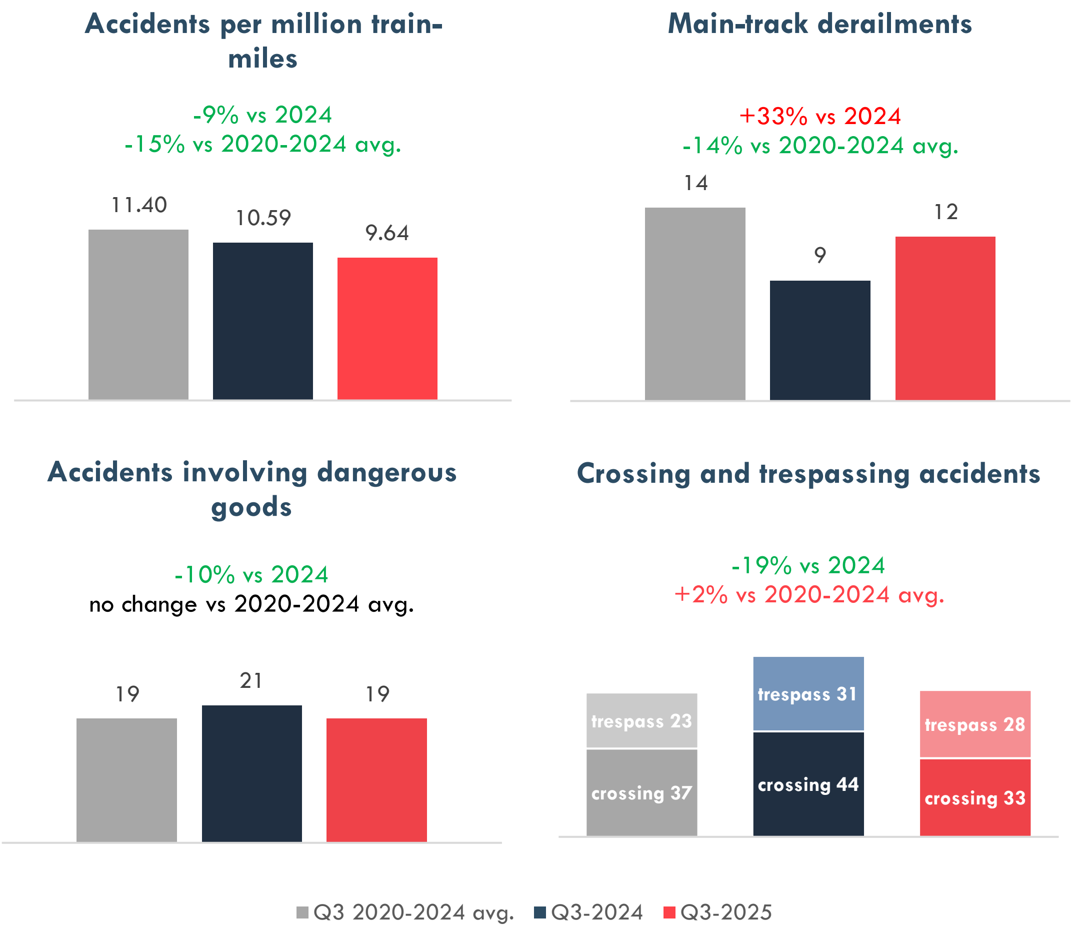

Source: Transportation Safety Board, [Monthly rail transportation occurrence statistics]
Note: The TSB data are preliminary and subject to year-end validation and reconciliation.

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