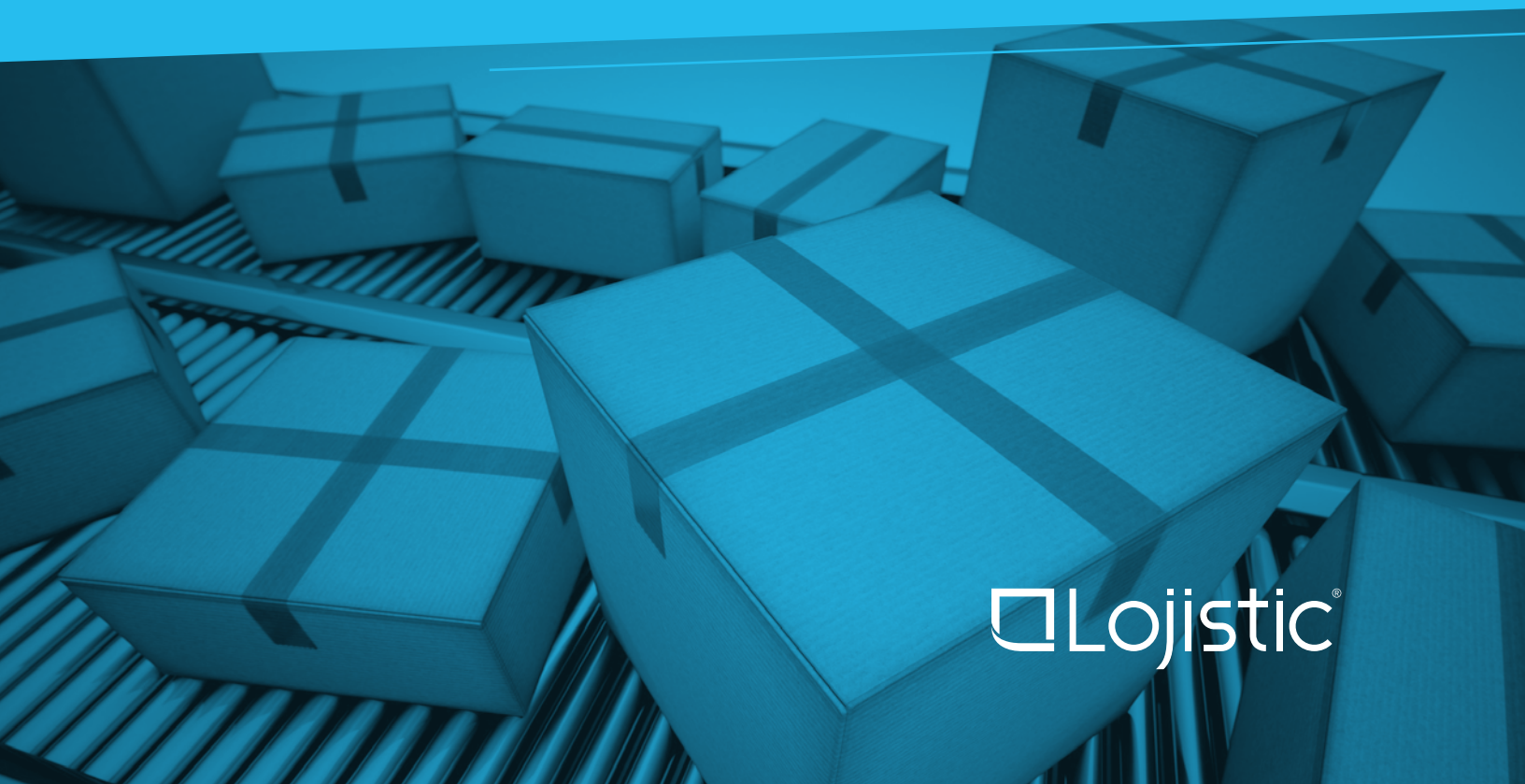
2023

ANNUAL CARRIER
GENERAL RATE INCREASE



Lojistic®

Dear Shipper,

Over the past decade (2013 - 2023) UPS and FedEx ground tariff rates have increased **76.6%** while air tariff rates have increased by **74.1%** with FedEx and **77.3%** with UPS. This report contains the comprehensive details of each annual rate increase since 2013 and includes valuable insights to help determine the impact to your company.

GROUND SHIPPING RATES

↑ 76.6% *

HAVE INCREASED
OVER THE PAST DECADE

AIR SHIPPING RATES

↑ 75.7% *

HAVE INCREASED
OVER THE PAST DECADE

UPS

Effective Date:
December 27, 2022

Avg. Air Increase
6.9%

Avg. Ground Increase
6.9%

FedEx

Effective Date:
January 2, 2023

Avg. Air Increase
6.9%

Avg. Ground Increase
6.9%

How will the increased rates, surcharges and fees affect your profitability in 2023?

Whether your business is large or small, it can be difficult to clearly define how increased shipping prices have cut into your bottom line over time. Our complete UPS and FedEx price report will help you better understand how carrier rate spikes create exponential cost increases for every company that ships with them. This information will help guide your strategy to reduce your shipping costs, offset the impact of carrier price increases and grow your company's margins.

Creating your free Lojistic account is the first step to mitigate growing shipping expenses. The Lojistic platform identifies and quantifies your cost reduction opportunities. Lojistic also offers further expertise in parcel and freight carrier audit solutions and parcel shipping contract negotiation, which will deliver refunds from the carriers for overcharges or late shipments and savings over your current carrier rates via contract negotiation.

We're here the help you send costs packing in 2023.



Jared Fisher
Co-Founder & Executive Vice President

*combined UPS & FedEx average

Lojistic

2023 General Rate Increase

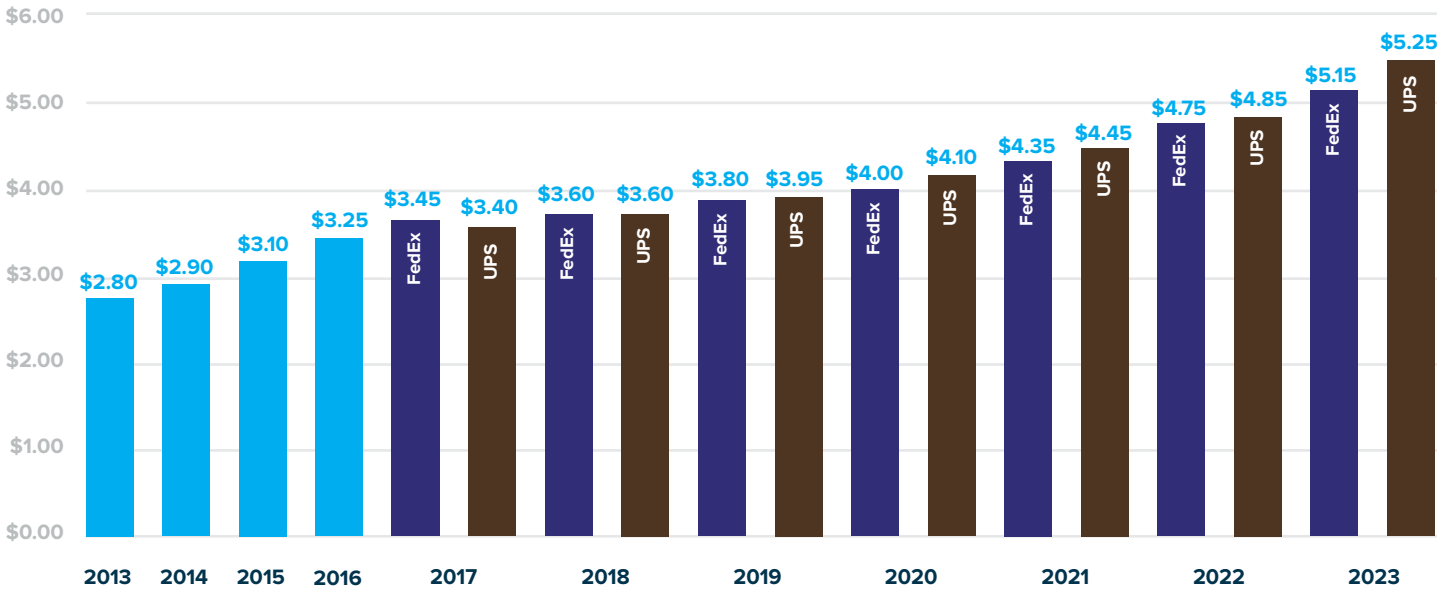
AIR PRICE INCREASE YEAR TO YEAR

UPS		FedEx	
6.9%	2023	6.9%	2023
5.9%	2022	5.9%	2022
4.9%	2021	4.9%	2021
4.9%	2020	4.9%	2020
4.9%	2019	4.9%	2019
4.9%	2018	4.9%	2018
4.9%	2017	3.9%	2017
5.2%	2016	4.9%	2016
4.9%	2015	4.9%	2015
4.9%	2014	3.9%	2014
6.5%	2013	5.9%	2013

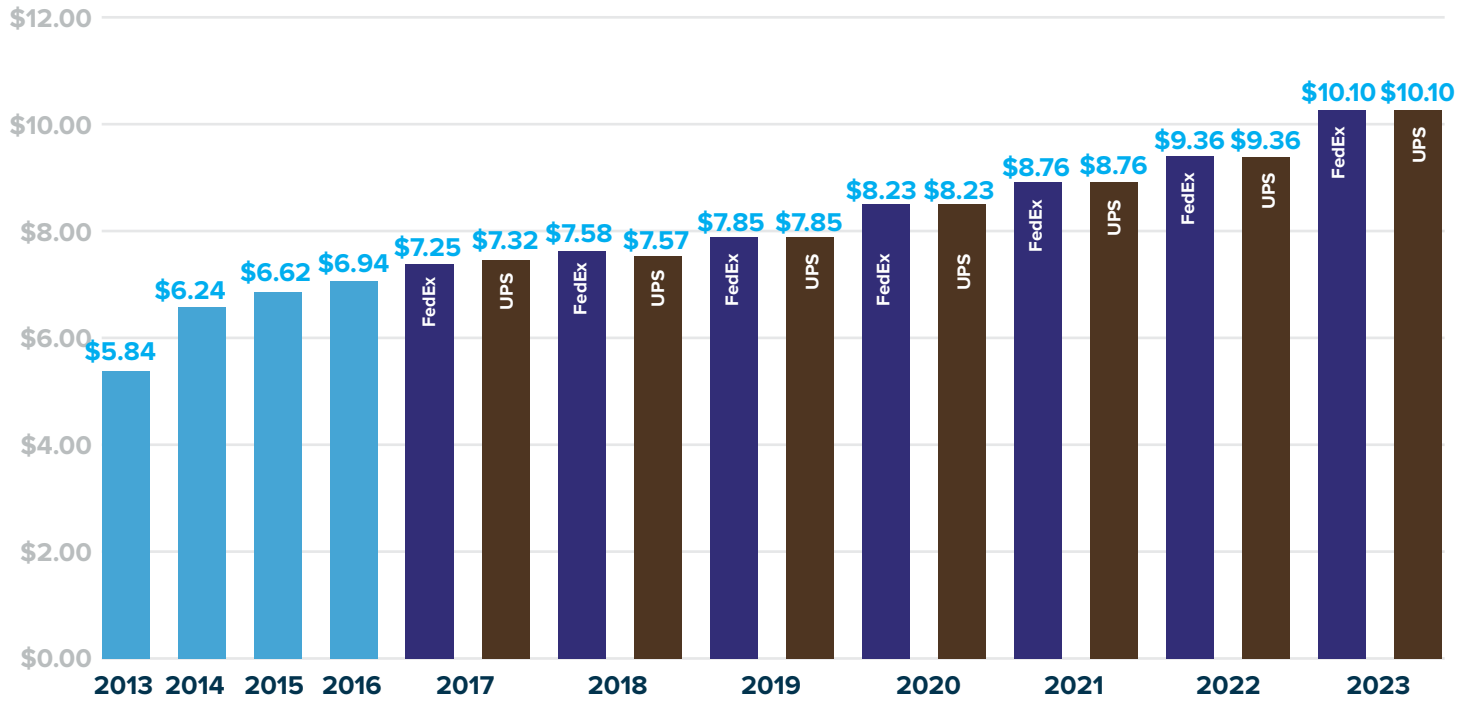
GROUND PRICE INCREASE YEAR TO YEAR

UPS		FedEx	
6.9%	2023	6.9%	2023
5.9%	2022	5.9%	2022
4.9%	2021	4.9%	2021
4.9%	2020	4.9%	2020
4.9%	2019	4.9%	2019
4.9%	2018	4.9%	2018
4.9%	2017	4.9%	2017
4.9%	2016	4.9%	2016
4.9%	2015	4.9%	2015
4.9%	2014	4.9%	2014
5.9%	2013	5.9%	2013

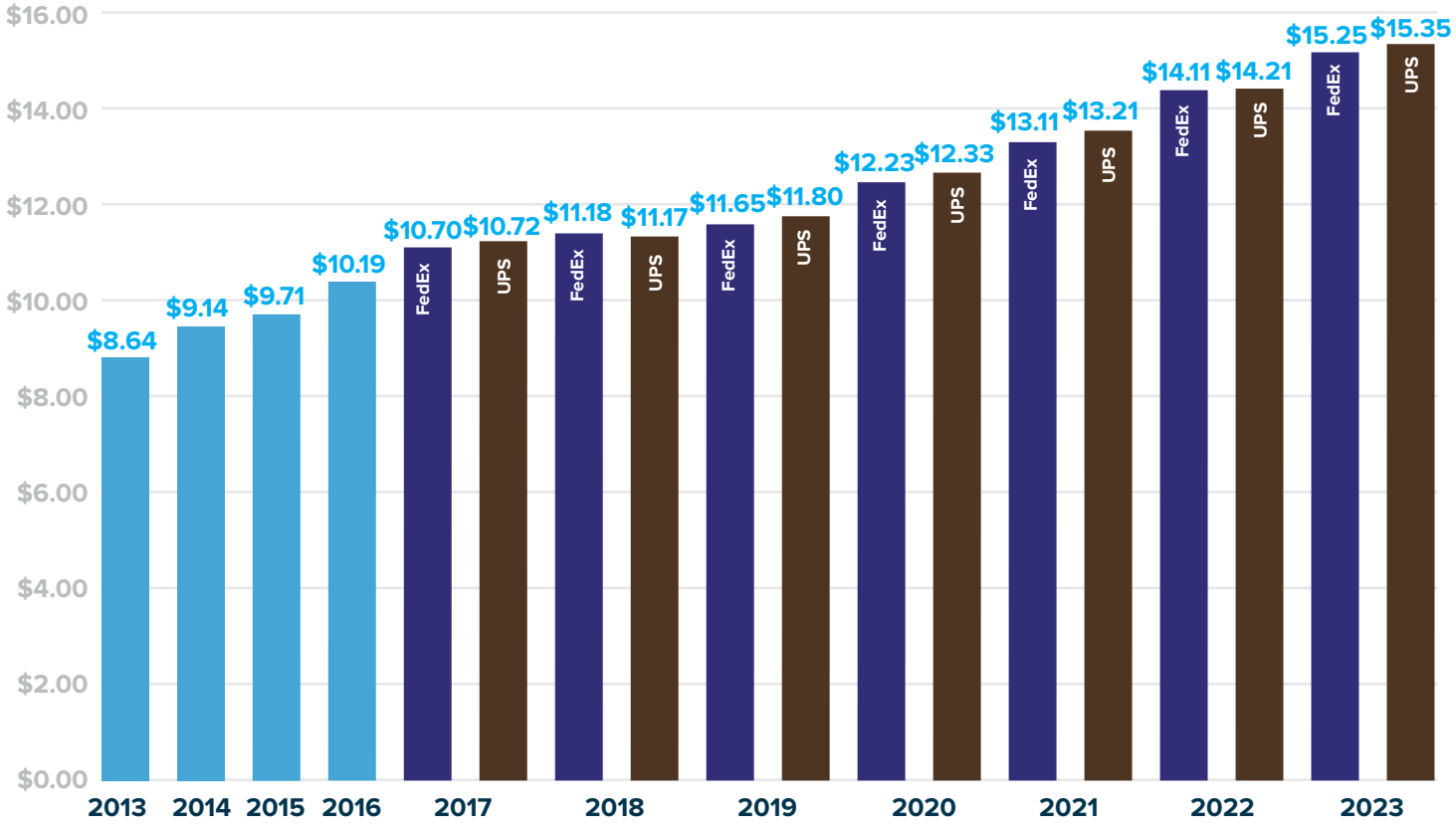
GROUND RESIDENTIAL FEE



GROUND COMMERCIAL MINIMUM CHARGE



GROUND RESIDENTIAL MINIMUM CHARGE (INCLUDES RESIDENTIAL FEE)



The past few years have been interesting in the parcel shipping world. UPS and FedEx both posted record profits in 2020. And unfortunately for the businesses that rely on one or more of these carriers, that trend continued throughout 2021. In 2022, the story was a bit different. The carriers saw volumes decline as global demand declined. They responded by increasing fuel surcharges to record levels, which helped boost their declining profits. Continuing this trend of introducing increases when profits are down, both UPS and FedEx have announced the largest year-over-year increase in their history.

The 2023 General Rate Increase (GRI) is 6.9% for both UPS and FedEx and applies only to the weight/zone rates for their Air, Ground, and International services. The GRI will be made effective December 27, 2022, for UPS and January 2, 2023, for FedEx.

The advertised 6.9% increase can be misleading, as it's an average. A shipper's actual increase will vary according to weight/zone characteristics and service levels used. Additionally, the 6.9% increase does not factor in the increases to all accessorial surcharges, which are typically higher than the 6.9% average.

Here are some of the key takeaways from the 2023 GRI

As we've seen over the last few years, both carriers continue to focus on margin improvements, especially on the short-zone, lighter weight packages. This is evident in the 7.9% increase for Ground, Zone 2, 1 lb. shipments (increasing from $9.36 to $10.10). Last year's minimum increase was 6.8%, for reference.

Nearly all surcharges are increasing by more than 7%, and many are increasing by double digits. The biggest offenders are additional handling (11.5% - 18.8% increases) and oversize/large package (17.2% - 22.8% increases).

UPS has rebranded Peak/Demand surcharges to "Demand" surcharges. They did a similar rebrand last year, but the underlying prediction is that Demand surcharges are likely permanent.

Three-day rates have increased by approximately 10% with both carriers. This is a lesser used service, but this increase will have a big impact for some shippers.

Late fees for both carriers have increased. Make sure that you are paying on time. Lojistic offers a free service – ReadyPay – which can help eliminate or reduce late fees.

UPS - Effective December 27, 2022

UPS Ground:
Ground rate increase announced at 6.9%
Ground Commercial Minimum Charge: Increase of $0.74 (7.9%) from $9.36 to $10.10
Ground Residential Minimum Charge: Increase of $1.14 (8.02%) from $14.21 to $15.35

UPS Air & International:
Air & International rate increase announced at 6.9%

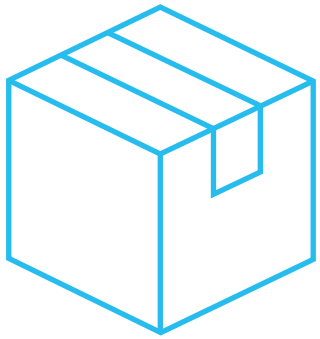
Surcharge & Accessorial Changes:
These changes apply to some of the more commonly seen surcharges and accessorial fees:
- Air Residential: Increase of $0.50 (9.35%) from $5.35 to $5.85
- Ground Residential: Increase of $0.40 (8.24%) from $4.85 to $5.25
- DAS Commercial Ground: Increase of $0.30 (8.82%) from $3.40 to $3.70
- DAS Commercial Air: Increase of $0.15 (4.2%) from $3.55 to $3.70
- DAS Commercial Ground Extended: Increase of $0.40 (9.75%) from $4.10 to $4.50
- DAS Commercial Air Extended: Increase of $0.25 (5.88%) from $4.25 to $4.50
- DAS Residential Ground: Increase of $0.50 (10.4%) from $4.80 to $5.30
- DAS Residential Air: Increase of $0.35 (6.7%) from $5.20 to $5.55
- DAS Residential Ground & Air Extended: Increase of $0.65 (10%) from $6.50 to $7.15
- Remote Area Surcharge (US 48): Increase of $1.05 (8.75%) from $12.00 to $13.05
- Delivery Confirmation Signature Required: Increase of $0.45 (7.62%) $5.90 to $6.35
- Delivery Confirmation Adult Signature Required: Increase of $0.50 (6.99%) from $7.15 to $7.65
- Address Correction Fee: No increase - $19.50
- Large Package Surcharge (International): Increase of $35.00 (17.24%) from $145.00 to $170.00
- Over Maximum Limits Charge: Increase of $125.00 (12.2%) from $1,025.00 to $1,150.00

Additional Handling Surcharge (Weight):
- Zone 2: Increase of $3.75 (14.85%) from $25.25 to $29.00
- Zone 3-4: Increase of $4.00 (14.54%) from $27.50 to $31.50
- Zone 5+: Increase of $4.00 (13.11%) from $30.50 to $34.50

Additional Handling Surcharge (Length & Width):
- Zone 2: Increase of $3.75 (17.46%) from $15.75 to $18.50
- Zone 3-4: Increase of $3.00 (17.14%) from $17.50 to $20.50
- Zone 5+: Increase of $3.00 (14.63%) from $20.50 to $23.50

Large Package Surcharge (Commercial):
- Zone 2: Increase of $25.00 (22.72%) from $110.00 to $135.00
- Zone 3-4: Increase of $25.00 (20.83%) from $120.00 to $145.00
- Zone 5+: Increase of $25.00 (17.85%) from $140.00 to $165.00

Large Package Surcharge (Residential):
- Zone 2: Increase of $25.00 (18.5%) from $135.00 to $160.00
- Zone 3-4: Increase of $25.00 (17.24%) from $145.00 to $170.00
- Zone 5+: Increase of $30.00 (18.18%) from $165.00 to $195.00



FEDEX - Effective January 2, 2023

FEDEX Ground:
Ground rate increase announced at 6.9%
Ground Commercial Minimum Charge: Increase of $0.74 (7.9%) from $9.36 $10.10
Ground Residential Home Delivery Minimum Charge: Increase of $1.14 (8.07%) from $14.11 to $15.25

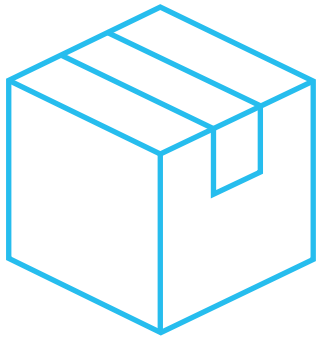
FEDEX Air & International:
Air & International rate increase announced at 6.9%

Surcharge & Accessorial Changes:
These changes apply to some of the more commonly seen surcharges and accessorial fees:
- Express & Ground Residential: Increase of $0.50 (9.4%) from $5.30 to $5.80
- Home Delivery Residential: Increase of $0.40 (8.42%) from $4.75 to $5.15
- DAS Commercial Express: Increase of $0.15 (4.22%) from $3.55 to $3.70
- DAS Commercial Express Extended: Increase of $0.25 (5.88%) from $4.25 to $4.50
- DAS Commercial Ground: Increase of $0.30 (8.8%) from $3.40 to $3.70
- DAS Commercial Ground Extended: Increase of $0.40 (9.75%) from $4.10 to $4.50
- DAS Residential Express: Increase of $0.35 (6.73%) from $4.70 to $5.20 to $5.55
- DAS Residential Home Delivery: Increase of $0.50 (10.4%) from $4.80 to $5.30
- DAS Residential Express & Ground: Increase of $0.50 (10.4%) from $4.80 to $5.30
- DAS Residential Extended (Express & Ground): Increase of $0.65 (10%) from $6.50 to $7.15
- Address Correction Fee: Increase of $1.50 (7.69%) from $19.50 to $21.00
- Ground Unauthorized Charge: Increase of $125.00 (12.19%) from $1,025.00 to $1,150.00
- Delivery Signature (Signature Required): Increase of $0.45 (7.6%) from $5.90 to $6.35
- Delivery Confirmation Adult Signature Required: Increase of $0.50 (6.99%) from $7.15 to $7.65

Additional Handling Surcharge (Dimensions):
- Zone 2: Increase of $2.75 (17.46%) from $15.75 to $18.50
- Zone 3-4: Increase of $3.00 (17.14%) from $17.50 to $20.50
- Zone 5-6: Increase of $3.00 (15.38%) from $19.50 to $22.50
- Zone 7+: Increase of $3.50 (16.27%) from $21.50 to $25.00

Additional Handling Surcharge (Weight):
- Zone 2: Increase of $3.75 (14.85%) from $25.25 to $29.00
- Zone 3-4: Increase of $4.00 (14.5%) from $27.50 to $31.50
- Zone 5-6: Increase of $4.00 (13.55%) from $29.50 to $33.50
- Zone 7: Increase of $4.50 (14.28%) from $31.50 to $36.00

Oversize Charge Ground:
- Zone 2: Increase of $25.00 (22.72%) from $110.00 to $135.00
- Zone 3-4: Increase of $25.00 (20.83%) from $120.00 to $145.00
- Zone 5-6: Increase of $25.00 (18.5%) from $135.00 to $160.00
- Zone 7+: Increase of $25.00 (17.24%) from $145.00 to $170.00



Oversize Charge Home Delivery:
- Zone 2: Increase of $25.00 (18.5%) from $135.00 to $160.00
- Zone 3-4: Increase of $25.00 (17.24%) from $145.00 to $170.00
- Zone 5-6: Increase of $30.00 (18.75%) from $160.00 to $190.00
- Zone 7+: Increase of $30.00 (17.64%) from $170.00 to $200.00

Use Lojistic To Control And Reduce Shipping Costs



Create Your Free Lojistic Account

- Offset Carrier Rate Increases
- Improve Your Current Carrier Contract
- Reduce Carrier Fees
- Eliminate Overspend

CREATE ACCOUNT / LOG IN >>

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