



Comparing the 2026 FedEx and UPS General Rate Increases

Your Blueprint to Lower Shipping Costs in 2026

FedEx and UPS have announced matching General Rate Increases (GRIs), repeating the same headline number for the third year in a row.

But don't be fooled by the repeat. The factors driving the 2026 GRIs have changed, and those shifts will push your actual shipping costs higher. The good news? These changes also create new opportunities to save.

The new rates take effect soon, and most shippers will experience an increase above the 5.9% average.

This report breaks down exactly where the biggest cost pressures are hiding. Plus, the steps you can take now to blunt the GRI's impact and protect your margins in 2026.



Table of Contents

Page 5

Highlights from the 2026 GRIs

Market conditions to keep in mind

Page 6

Domestic Services

Rate Comparison by Service

Overnight Service - 1 Day Standard

Minimums

Ground Services

Page 11

International Services

International Express Export & Import Comparison

Page 13

Accessorial Charges

Accessorial Comparison

Fuel Surcharges

Page 16

Conclusion

What to Expect for the Parcel Shipping Market in 2026

What Can You Do Now?



FedEx and UPS rarely offer the full story with their GRI announcements. If they did, the headline increases would be higher than 5.9%.

How so? As we detailed in our UPS 2026 GRI Report and FedEx 2026 GRI Report, the real impact of last year's increases on TransImpact's customers was over 7% despite a similar 5.9% headline. For the average shipper without a plan, it was likely even higher.

This is your blueprint to avoid the worst of the GRIs and to set your parcel operation up for a stronger, more predictable 2026. Our TransImpact parcel experts have compiled this comparison to highlight the key cost drivers across both carriers.

With these insights, you'll be equipped to build a smarter 2026 strategy and minimize the true impact of the GRIs on your bottom line.

Key Highlights

Here are the 2026 GRI highlights and the market factors shaping this year's rates.



Following the trend, FedEx and UPS remain closely aligned on Domestic Services rates, with the exception of 3 Day and Ground Economy/Saver.



On average, FedEx offers a price advantage for international exports, while UPS is cheaper for international imports.



UPS has a slight overall average price advantage on the most billed accessorials.



Competition remains fierce between FedEx and UPS as they fight for market share, creating an ideal opportunity for contract renegotiation.



As a point of contrast, the UPS GRI will go into effect on December 22, 2025, two weeks ahead of FedEx's GRI effective date of January 5, 2026.

There is plenty more to unpack in this year's GRIs. Keep reading to see how the carriers compare—and what these differences mean for your shipping costs.

Note: Throughout this report, the term 'advantage' refers to **a lower price for the comparable product detailed at the weight and zone level, or surcharge.**

A positive percentage indicates FedEx offers a lower cost than UPS by that amount, while a negative percentage indicates UPS is lower.

Comparisons of some common services and surcharges are not explored in detail in this report when the rate differences are negligible. For example, Ground Services show only a 0.6% rate difference between carriers.









Domestic Services

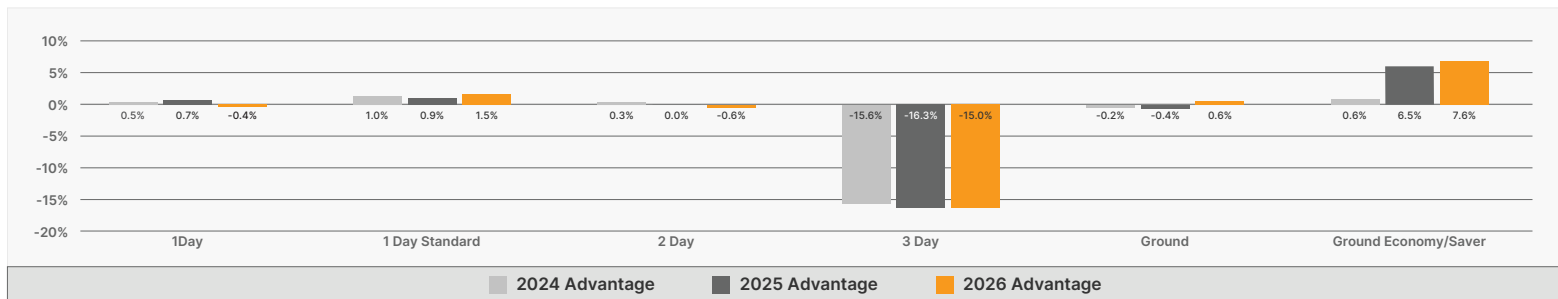
1 Rate Comparison by Service

GRI amounts are influenced by inflation and the carriers' push for revenue growth. In this way, the carriers are aligned, and the cost advantage held by either carrier for individual services has remained relatively stable over the past three years. Ground Economy/Saver is the one notable exception.

For base services, most rate differences will remain similar (1.5% or less) in 2026, with two exceptions. FedEx Express Saver is 15% more expensive than the UPS equivalent, 3 Day Select, and UPS Ground Saver is 7.6% more expensive than the FedEx equivalent, Ground Economy.

	Service	2024 Advantage	2025 Advantage	2026 Advantage
	1 Day	0.5%	0.7%	-0.4%
	1 Day Standard	1.0%	0.9%	1.5%
	2 Day	0.3%	0.0%	-0.6%
	3 Day	-15.6%	-16.3%	-15.0%
	Ground	-0.2%	-0.4%	0.6%
	Ground Economy/Saver	0.6%	6.5%	7.6%

The extreme cost difference between 3 Day services contrasts with the advantage FedEx offers for 1 Day Standard service (highlighted in Illustration 2 below). This can be explained by the different ways FedEx and UPS operate their delivery networks. However, this is shifting. The FedEx network has historically operated as two separate units (Express and Ground), with Express Saver leveraging both. This made 3 Day delivery more expensive to execute compared to UPS. As the FedEx network merges (as planned), future rate differences may be less pronounced.

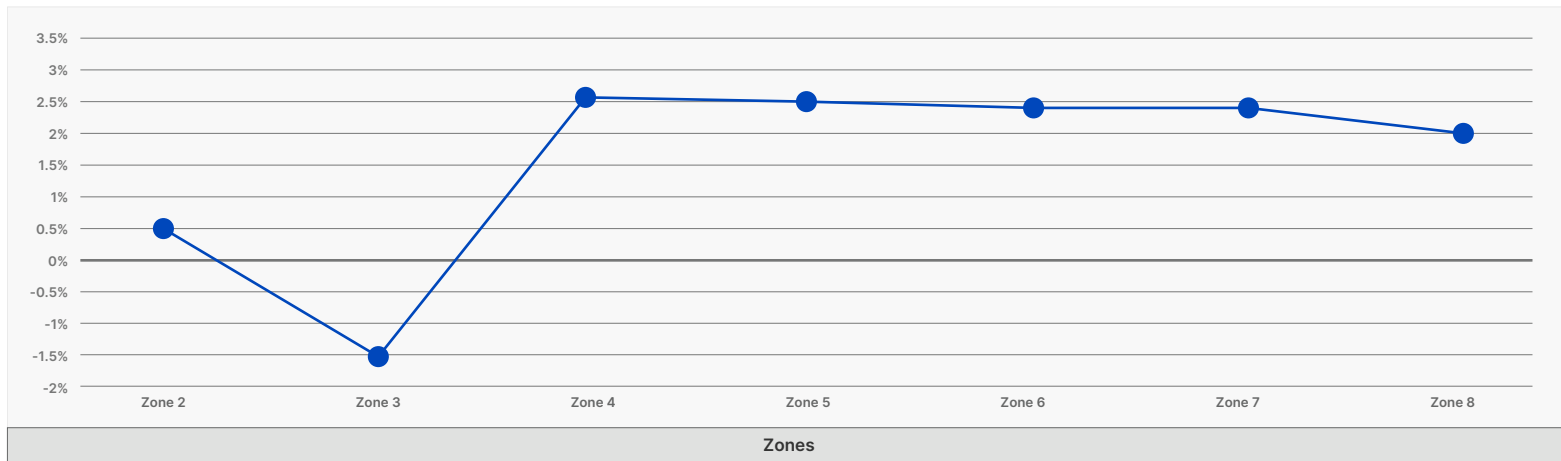


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Overnight Service (1 Day Standard)

The FedEx price advantage for 1 Day Standard comes with **some important caveats**. The advantage occurs mainly for Zone 4+ shipments and is minimal for Zone 2, while UPS holds an advantage for Zone 3.







Zones	2026 Advantage
Zone 2	0.5%
Zone 3	-1.5%
Zone 4	2.6%
Zone 5	2.5%
Zone 6	2.3%
Zone 7	2.3%
Zone 8	2.0%



3 Domestic Minimums

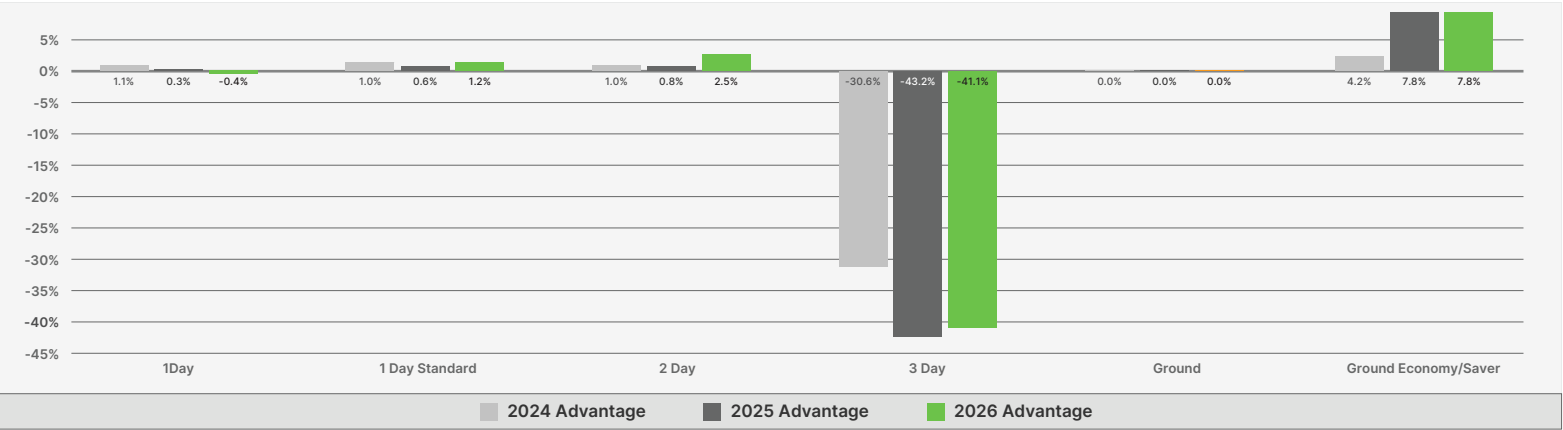
Aside from Express Saver, FedEx Minimums remain generally lower than UPS in 2026. The good news is that overall year-over-year (YoY) Minimum increases have moderated compared to previous years. Minimums are still very impactful to most shippers' costs and should be monitored closely. For TransImpact's clients, up to 40% of packages are impacted by Minimums, which can lower a shipper's effective discount.

Also note that FedEx agreements include Minimum reductions as a fixed dollar amount.

	Service	2024 Advantage	2025 Advantage	2026 Advantage	FDX 2026 Min	UPS 2026 Min
	1 Day	1.1%	0.3%	-0.4%	\$45.22	\$45.06
	1 Day Standard	1.0%	0.6%	1.2%	\$40.82	\$41.31
	2 Day	1.0%	0.8%	2.5%	\$26.46	\$27.13
	3 Day	-30.6%	-43.2%	-41.1%	\$23.84	\$16.90
	Ground	0.0%	0.0%	0.0%	\$11.99	\$11.99
	Ground Economy/Saver	4.2%	7.8%	7.8%	\$11.99	\$13.00

So, without a rate cap, the discount agreed to in your contract diminishes over time. UPS agreements often include Minimum reductions as a percentage.

For more carrier-specific information on Minimums, consult TransImpact's [2026 FedEx](#) and [UPS GRI](#) analyses.




4 Domestic Ground Services

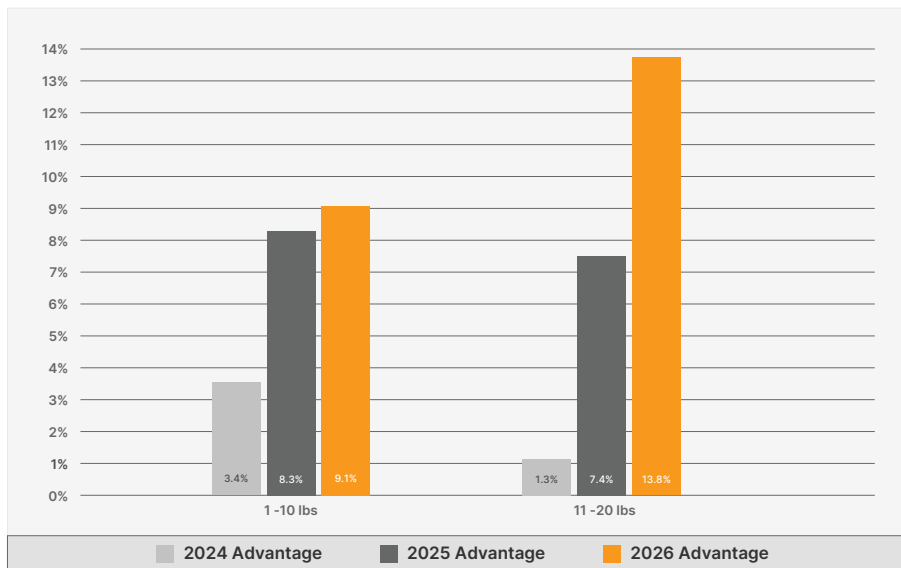
The carriers have largely been aligned for the last few years in Ground Services pricing with minimums continuing to match and rate differences of less than 1%.

In contrast, service equivalents of FedEx Ground Economy and UPS Ground Saver diverge more dramatically in 2026. UPS Ground Saver will become 7.6% more expensive (compared to 6.5% in 2025 and 0.6% in 2024) than FedEx Ground Economy.

Notably, FedEx will not increase rates for shipments in the 10 to 20 lbs. weight break, creating a 13.8% FedEx price advantage for those shipments. Also, there was no increase in Ground Economy rates for shipments greater than 10 lbs. in 2025.

Also important to know is that UPS rebranded its SurePost product to Ground Saver in 2025 while ending its relationship with the USPS. However, there are talks of the two carriers restarting their relationship.

	Weight Break	2024 Advantage	2025 Advantage	2026 Advantage
	1-10 lbs	3.4%	8.3%	9.1%
	11-20 lbs	1.3%	7.4%	13.8%





International Services

International Express Export and Import Comparison

In 2026, the price gap for international shipping will be consistent with 2025. UPS

export rates will be 0.9% higher than FedEx, while FedEx import rates will be 1.4% higher than UPS. Notable regional advantages include UPS being lower for imports from Japan (11.1%) and South Korea (9%).

International shippers should note that International Demand Surcharges (renamed Surge Fees by UPS) can change frequently and at any time during the year. Reviewing your global shipping footprint and monitoring new announcements is key to understanding how your costs are impacted.

Export	2025 Advantage	2026 Advantage
 Belgium	2.5%	2.7%
 Brazil	1.7%	1.4%
 Canada	2.0%	2.1%
 China	-0.6%	-0.2%
 France	2.5%	2.7%
 Germany	2.5%	2.7%
 Hong Kong	-1.9%	-1.6%
 India	1.4%	1.9%
 Ireland	2.5%	2.7%
 Italy	2.5%	2.7%
 Japan	-2.1%	-1.8%
 Korea	0.8%	0.5%
 Malaysia	-0.9%	-1.6%
 Mexico	-1.6%	-1.3%
 Netherlands	2.5%	2.7%
 Saudi Arabia	4.1%	3.7%
 Singapore	-1.9%	-1.6%
 Switzerland	4.0%	3.7%
 Taiwan	-1.9%	-1.6%
 Thailand	-0.9%	-1.6%
 UK	2.5%	2.7%
 Vietnam	-0.9%	-1.6%
Average	0.8%	0.9%

Import	2025 Advantage	2026 Advantage
 Belgium	-0.0%	-0.6%
 Brazil	-2.9%	-2.3%
 Canada	-2.1%	-2.4%
 China	-2.1%	-1.7%
 France	0.0%	-0.6%
 Germany	0.0%	-0.6%
 Hong Kong	2.3%	2.4%
 India	-3.8%	-3.7%
 Ireland	0.0%	-0.6%
 Italy	0.0%	-0.6%
 Japan	-10.4%	-11.1%
 Korea	-8.5%	-9.0%
 Malaysia	-0.6%	-0.3%
 Mexico	6.2%	6.1%
 Netherlands	0.0%	-0.6%
 Saudi Arabia	-8.0%	-8.0%
 Singapore	-0.6%	-0.3%
 Switzerland	-0.4%	-0.2%
 Taiwan	4.6%	4.3%
 Thailand	-0.6%	-0.3%
 UK	0.0%	-0.6%
 Vietnam	-0.6%	-0.3%
Average	-1.3%	-1.4%



Accessorial Charges

6

Accessorial Comparison

Keep in mind that **surcharges are not always applied uniformly by FedEx and UPS, and the rules for their application often change.** This makes frequent monitoring of carrier announcements vital.

Notable differences for the start of 2026 include a 15.4% cost advantage with UPS for Ground and Express Oversize charges, and a 7% UPS advantage for Adult Signature charges.

	2024 Increase %	2025 Increase %	2026 Increase %	FDX 2026	UPS 2026
Residential (HDS)	1.8%	2.5%	0.8%	\$6.45	\$6.50
Residential (Ground)	1.8%	2.5%	0.8%	\$6.45	\$6.50
Residential (Express)	0.8%	0.0%	0.7%	\$6.95	\$7.00
DAS Comm Ground	0.0%	0.0%	1.1%	\$4.45	\$4.50
DAS Extended Comm Ground	0.0%	1.9%	2.6%	\$5.55	\$5.70
DAS Comm Express	0.0%	0.0%	1.1%	\$4.45	\$4.50
DAS Extended Comm Express	0.0%	1.9%	2.6%	\$5.55	\$5.70
DAS Resi Ground	0.0%	-0.8%	-0.8%	\$6.60	\$6.55
DAS Extended Resi Ground	0.0%	0.0%	0.6%	\$8.80	\$8.85
DAS Resi Express	0.0%	-0.8%	-0.8%	\$6.60	\$6.55
DAS Extended Resi Express	0.0%	0.0%	0.6%	\$8.80	\$8.85
Additional Handling - Weight	-4.6%	-4.3%	0.0%	\$58.75	\$58.75
Additional Handling - Length	-5.8%	-5.6%	-0.6%	\$40.75	\$40.50
Additional Handling - Width	-5.8%	-5.6%	-0.6%	\$40.75	\$40.50
Additional Handling - Pkging	-2.0%	-1.6%	0.0%	\$33.75	\$33.75
Oversize Charge - Ground	-3.7%	-4.0%	-15.4%	\$330.00	\$286.00
Oversize Charge - Home Delivery	-2.1%	-2.5%	0.3%	\$330.00	\$331.00
Oversize Charge - Express	-3.7%	-4.0%	-15.4%	\$330.00	\$286.00
Unauthorized OS Ground	0.0%	0.0%	0.0%	\$1,875.00	\$1,875.00
Hazardous Material Ground	0.0%	0.5%	1.3%	\$57.25	\$58.00
Address Correction	-6.7%	-2.1%	-1.0%	\$25.50	\$25.25
Adult Signature	0.0%	0.6%	-7.0%	\$10.00	\$9.35
Direct Signature	0.0%	0.7%	1.3%	\$7.60	\$7.70
AVERAGE	-1.3%	-0.9%	-1.2%		

7

Fuel Surcharges

Fuel surcharges had been aligned for the latter part of 2025, with the carriers diverging as of December 1 for domestic services.

This change is the result of FedEx increasing its fuel surcharge for Domestic Express and Ground. UPS has fuel increases planned for January 5, 2026.

Following the pattern of the past few years, both carriers made multiple adjustments to their fuel surcharge tables in 2025. Expect this pattern to continue in 2026, further complicating fuel budgeting. Our advice is to emphasize negotiating fuel surcharge reductions in your next carrier agreement.

Date	FedEx Domestic Express	UPS Domestic Air	% Advantage
9/15/25	19.00%	19.00%	0.0%
9/22/25	18.75%	19.00%	1.3%
9/29/25	19.00%	19.00%	0.0%
10/6/25	19.25%	19.25%	0.0%
10/13/25	18.75%	18.75%	0.0%
10/20/25	19.25%	18.75%	-2.6%
10/27/25	19.00%	19.00%	0.0%
11/3/25	19.50%	19.50%	0.0%
11/10/25	20.00%	20.00%	0.0%
11/17/25	20.00%	20.00%	0.0%
11/24/25	20.00%	20.25%	1.3%
12/1/25	21.75%	20.25%	-6.9%
12/8/25	20.50%	19.00%	-7.3%

Date	FedEx Ground	UPS Ground	% Advantage
9/2/24	20.50%	20.50%	0.0%
9/9/24	20.50%	20.50%	0.0%
9/16/24	20.50%	20.50%	0.0%
9/23/24	20.50%	20.50%	0.0%
9/30/24	20.25%	20.25%	0.0%
10/7/24	20.25%	20.25%	0.0%
10/14/24	20.00%	20.00%	0.0%
10/21/24	20.25%	20.25%	0.0%
10/28/24	20.50%	20.50%	0.0%
11/4/24	20.75%	20.75%	0.0%
11/11/24	20.75%	20.75%	0.0%
11/18/24	22.25%	20.75%	-6.7%
11/25/24	22.00%	20.50%	-6.8%

What to Expect for the Parcel Shipping Market in 2026

The 2026 GRIs provide a starting point, but significant uncertainty still lies ahead for parcel shippers. Companies will need to stay proactive—mitigating the new GRIs and planning for a dynamic market environment. Here are several trends to watch:



Off-cycle rate changes will

continue. These changes have become commonplace for both carriers. Staying up to date on [carrier announcements](#) is crucial for cost management.



Surcharge rules will keep

evolving. Because surcharges are a useful revenue lever and are often less constrained by contract language, carriers will continue redefining their application. Both FedEx and UPS have already announced updates to Additional Handling and Oversize/Large Package Surcharge rules effective January 2026. Expect continued adjustments to Delivery Area Surcharge ZIP codes and zone realignments as well, as these remain simple mechanisms for carriers to generate incremental revenue.



Fuel surcharge tables will remain

volatile. Shippers should anticipate multiple updates throughout 2026, similar to 2025, with elevated surcharge levels persisting regardless of actual fuel price movement.



International Demand Surcharges (Surge Fees) will remain a key tool.

Carriers will continue using these fees to offset operating costs and manage risks associated with geopolitical conditions.

What Can You Do Now?

As we mentioned earlier, now is the time to take action and set up your 2026 shipping operation for success. With change comes opportunity. Higher rates are never welcome, but the annual GRIs represent a shift that companies can plan for with the right approach. In many cases, GRIs create a fresh start, as the price advantages between carriers can shift based on service, surcharge, and weight.

Above all else, shippers must understand their own shipping patterns to leverage the differences in FedEx and UPS pricing and services. We'll say it again: the carriers are aggressively competing for volume, and now is the time for shippers to capitalize on that dynamic.

Here is what TransImpact recommends:

1

Your parcel shipping operation is unique. The most impactful rate differences (and savings opportunities) depend on the services and lanes you use most. Smart shippers will take advantage of each carrier where it makes the most sense from a cost and delivery standpoint. For some, this means considering a multi-carrier strategy.

2

Developing the insights to employ a multi-carrier strategy can be challenging. But the answers exist within your parcel shipping data. TransImpact has the tools and technology, such as Parcel Spend Intelligence, to help you identify the alternatives and gain the actionable insights needed to optimize your parcel operations for both cost and service.

3

It's a great time to renegotiate your parcel contracts. No matter how recently your current contract was signed, you can leverage FedEx and UPS against one another to secure better pricing. With the right data and expert support, you should expect to mitigate some or all the 2026 GRI—and avoid many of the off-cycle rate changes that are sure to come this year.


Contact TransImpact for help. Our expert Parcel Contract Negotiation services will help you make the most of what is clearly a buyer's market for small parcel shippers.

Protect Your Margins in 2026

Smart shippers know by now that FedEx and UPS don't provide the full picture in their GRI announcements. If they did, the headline increases would be closer to the 7% or more that most companies end up paying.

Whatever the increase you're facing, now is the time for shippers like you to take action and prepare for 2026. Contact TransImpact for a no-obligation review of how the 2026 FedEx and UPS GRIs will affect your parcel costs. **We'll show you how much you can save with an optimized contract and provide a clear path to achieving those results. Email sales-info@transimpact.com to learn more.**

Contact
sales-info@transimpact.com
for a no-obligation analysis of
how much the GRIs will
increase your costs in 2026
and how much you can save
by following our advice.



**Want to see how the UPS and
FedEx GRI will affect your bottom line?**

**Scan the QR code to request a free,
no-obligation rate analysis.**

