FEDEX GRI

TransImpact

Breaking Down the 2026 FedEx General Rate Increase

What You Don’t See Will Cost You

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Breaking Down the 2026 FedEx General Rate Increase

Is FedEx trying to pull a fast one? Its 2026 average General Rate Increase (GRI) was announced at 5.9%, the same as it has been in four out of the past five years. But the costs that parcel shippers like you are paying are anything but typical.

The upcoming FedEx GRI, plus the many off-cycle fee and surcharge increases from this year, will continue to push shippers' costs to new highs. Meanwhile, many companies have no idea what to do about it. The carrier is testing your resolve to make sense of its messy, fast-changing rates and take action.

FedEx's 2026 rate hikes will hit hard, but here's your solution. TransImpact's Annual GRI Analysis, powered by our experienced parcel experts and advanced technology, cuts through the massive amounts of shipper data to pinpoint your biggest cost drivers, explain the market forces behind them, and outline urgent actions to protect your margins.

Keep reading for turn-by-turn directions on how to get your parcel operation to its best place before the new increases take effect on January 5, 2026.

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The FedEx 2026 average General Rate Increase was announced at 5.9% and will go into effect on January 5, 2026.

This amount matches the 2025 average General Rate Increase and four of the past five years, the exception being the 6.9% increase in 2023. Keep in mind, it's still tied for the second-highest increase ever and 20% higher than the 4.9% increase once considered "normal" in prior years.

Remember, the 5.9% increase is simply an average and does not apply to accessorials, which are often increased at a higher percentage than the GRI. Most customers' costs will increase by more than 5.9% because of accessorials and depending on their most frequently used services and package mix.

All things considered, the impact will not be the same for any two companies. Again, this year, aggressive surcharge increases are a big part of the carrier's plan to create new revenue.

Be smart. The real impact of the 2025 GRI on our customers shipping with FedEx was 7.2%. Now is the time to prepare for 2026.

How can a 5.9% increase cost you more?

It's easy to understand when you look closer at the individual increases buried in the GRI announcement. FedEx is again raising many fees and surcharges at higher rates compared to base services to jumpstart growth in a multi-year period of flat revenue for the company.

Note: For shippers with rate caps on base transportation, since those caps generally do not apply to surcharges, the carriers are, in effect, circumventing the protection many companies thought would help them.

Here are some of the key points from the 2026 GRI:

6.8%

The most used surcharges will increase by an average of 6.8%.

Package weight is a key factor for most service types, with heavier packages facing higher increases. This increase makes sense when you realize FedEx faces less competition at higher weights.

Domestic Express Priority Overnight and 2 Day Services are seeing much higher increases compared to Standard Overnight and Express Saver. This is possibly because the services rely on aircraft for faster delivery, which creates more expense for FedEx.

5.9%

If the GRI correlated with inflation, as in recent years, the average increase would be closer to 4.9%. However, we believe that because of recent carrier earnings performance, the GRI was pushed up to match the 5.9% figure from last year—**just as TransImpact correctly predicted.**

The GRI announcement is not the only cost increase companies have dealt with in 2025:

There have been multiple off-cycle accessorial increases and rule changes implemented in 2025.

FedEx's fuel surcharge (FSC) tables have been increased multiple times this year, with the added expense of more surcharges becoming FSC eligible.

International demand surcharges have shifted throughout the year across various zones.

Additional zip codes continue to be added to Delivery Area Surcharge (DAS) lists and with other costly zone realignments made during the year.

The parcel market continues to evolve quickly. Things to watch in 2026 include:

Competition for all parcel delivery companies is increasing as Amazon continues to grow its delivery services, while regional carriers and USPS push for market share.

FedEx is looking to spin off its freight division by June 2026. Customers with bundled (freight and parcel) contract incentives could be negatively impacted.

The following 11 illustrations highlight what shippers can expect from the 2026 FedEx GRI.

1 Correlating Inflation to the GRI

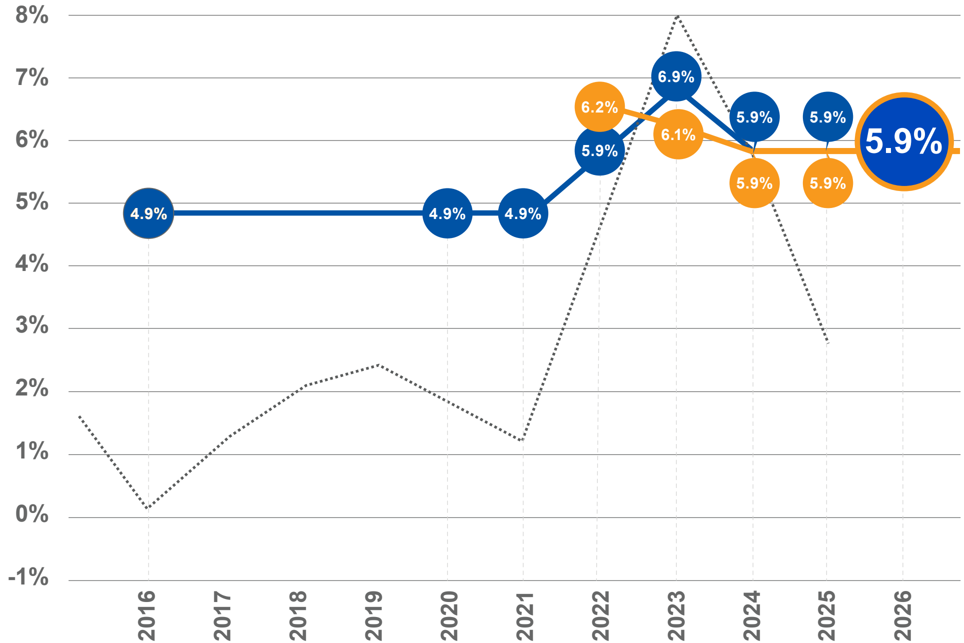
Based on inflation data alone, the General Rate Increase (GRI) would be 4.9%; however, due to market conditions, recent earnings announcements, and FedEx's rate actions in 2025, the GRI was announced at 5.9% **(exactly as we predicted!)**

Year	GRI
2026	**5.9%**
2025	5.9%
2024	5.9%
2023	6.9%
2022	5.9%
2021	4.9%

Our prediction

Actual GRI

Inflation Pct



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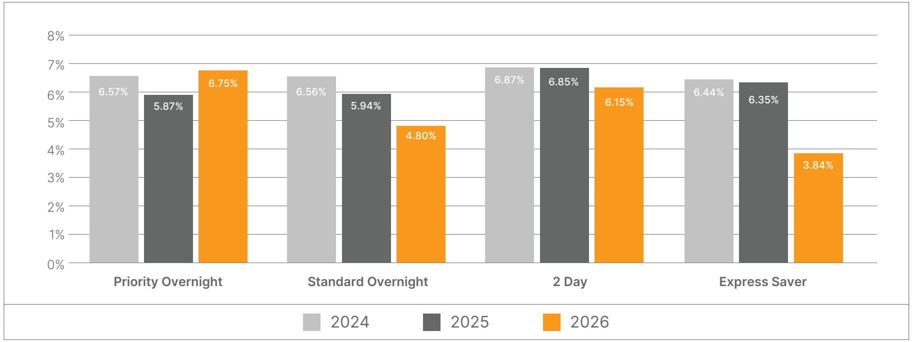
2 Domestic Express Service Increase (3-Year Comparison)

This illustration details the rate increases for Domestic Express Services from 2024 to 2026. Priority Overnight is increasing an average of 6.8% compared to Standard Overnight at 4.8%. Notably, both increased an average of 5.9% last year. 2 Day is increasing an average of 6.2% compared to Express Saver at 3.8%. In 2025, the average increases were closely aligned at 6.9% and 6.4% respectively.



3 Domestic Express Minimums

Domestic Express Minimum increases have softened compared to the average increase over the prior three years. Nonetheless, remember that FedEx agreements include Minimum reductions as a dollar amount. Therefore, **without a rate cap, the original discount agreed to when your contract was signed diminishes over the course of the agreement.**

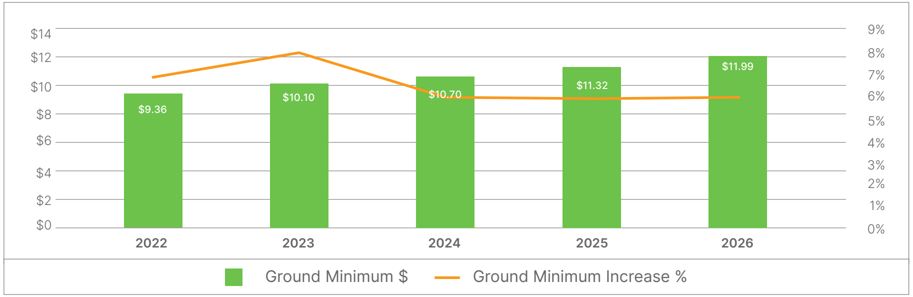
Note: This table illustrates how the service level minimum can be significantly higher for shippers without a rate cap.

FedEx Service	Prior 3 Year Avg Increase	2025 min	2026 min	2026 % Increase
Priority Overnight	7.4%	$42.31	$45.22	**6.9%**
Standard Overnight	7.3%	$38.55	$40.82	**5.9%**
2 Day	6.3%	$25.23	$26.46	**4.9%**
Express Saver	5.5%	$22.95	$23.84	**3.9%**

Example	2025 Rate	2026 Rate	YoY increase
Priority Overnight	$42.31	$45.22	**6.9%**
Contract Min Reduction -$25	$17.31	$20.22	**16.8%**
Assuming 4% Rate Cap	$17.31	$18.00	**4.0%**

4 Ground Minimum Increases

The Ground Minimum for 2026 is $11.99 and has more than doubled since 2012. In recent years, the Minimum increase percentage has been aligned with the average GRI, whereas previously it was common for the Minimum increase to be more aggressive. **This change in FedEx's approach is largely attributable to growing competition from regional carriers.** In a FedEx rate agreement, the ground Minimum reduction is a dollar amount. This makes the actual percentage increase to the ground minimum higher than 5.9% (unless you have a rate cap). **Take note: Up to 40% of TransImpact's customers' packages are impacted by the Minimum, which lowers the effective discount.**



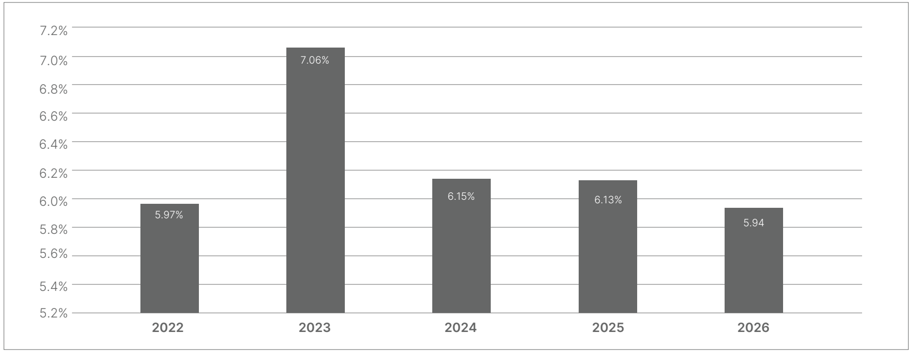
Minimum has increased $2.63 since 2022 (nearly 30%)

	Example	2025 Rate	2026 Rate	YoY increase
	Ground Rate	$11.32	$11.99	**5.9%**
	Contract Min Reduction -$3	$8.32	$8.99	**8.1%**
	Assuming 4% Rate Cap	$8.32	$8.65	**4.0%**

Note: This table illustrates how the service level Minimum can be significantly higher for shippers without a rate cap.

5 Ground Rate Increases by Year

The 2026 average **Ground Service rate increase is slightly lower than 2025.** See Illustration 6 for a more detailed explanation of increases by weight break and zone.



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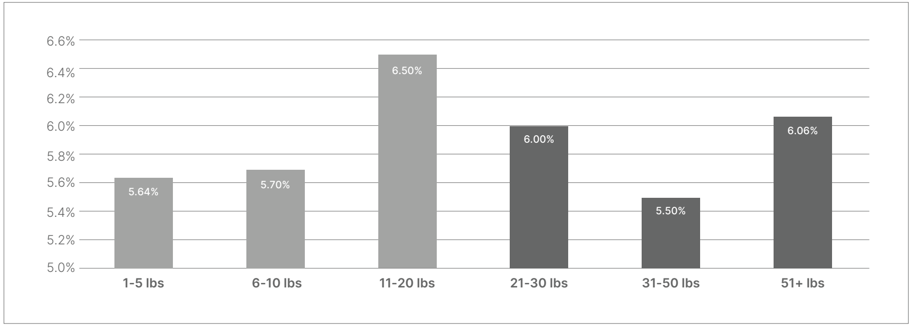
6 Domestic Ground Increase by Weight and Distance

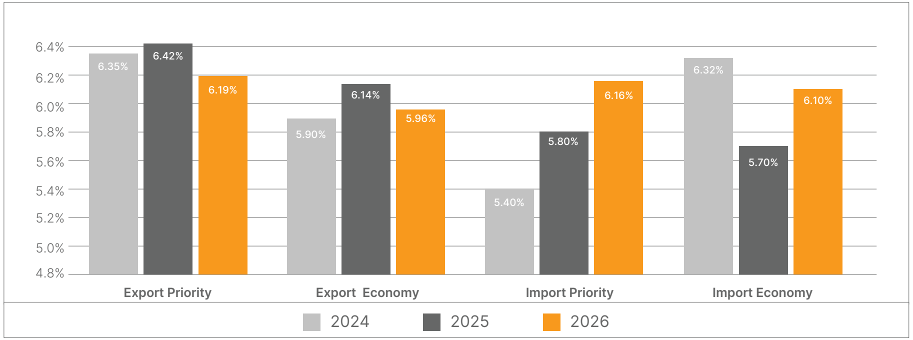
FedEx's most aggressive Ground increases fall into the 11 to 20 lbs. weight break, where it has a competitive stronghold. Increases are lower for the 1 to 10 lbs. weight break, where it faces more competition from regional carriers.
A Ground Services trend from recent years ends in 2026: previously, longer zones saw significantly **higher increases compared to shorter zones.** The difference is 0.3% in 2026, compared to 1.1% in 2025.



7 International Increases by Service

The 2026 FedEx GRI for International Services averages 6.1%. Exports to Hong Kong/Taiwan and China (6.4%) and imports from Japan/Korea (6.8%) face higher-than-average increases.

Important Note: Shippers must prioritize understanding their international shipping footprint and monitor all carrier announcements, because it has **become common for International Demand Surcharges and other fees to shift throughout the year across all regions.**



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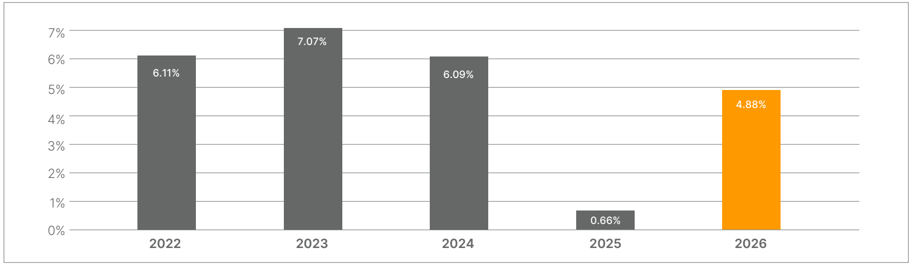
8 Ground Economy Rate Increases by Year

In 2026, FedEx will not increase Ground Economy rates for shipments between 10 to 20 lbs. This is contrary to the higher-than-average Ground Service rate increases in this weight break. In 2025, FedEx did not increase Ground Economy rates for 10+ lbs.

Note that Ground Economy DAS and DAS Extended incurred significant off-cycle increases during 2025. As a result, these charges are now aligned with Express and Ground Home Delivery DAS rates.

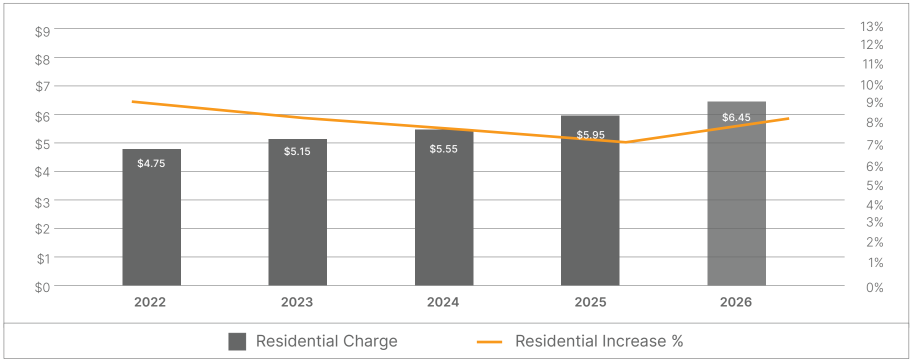


Ground Economy Delivery Area Surcharge (DAS) by Year

Year	DAS	DAS Increase %	DAS Extended	DAS Extended Increase %
2022	$3.60	53.2%	$4.75	**61.0%**
2023	$3.60	0.0%	$4.75	**0.0%**
2024	$3.80	5.6%	$5.05	**6.3%**
2025	$6.20	63.2%	$8.30	**64.4%**
2026	$6.60	6.5%	$8.80	**6.0%**

9 Residential Surcharge Rates by Year

Residential Surcharge is the most common accessorial charge (applied to all residential deliveries except Ground Economy). This charge will be 8.4% higher in 2026 compared to 2025 and 36% higher in 2026 compared to 2022.

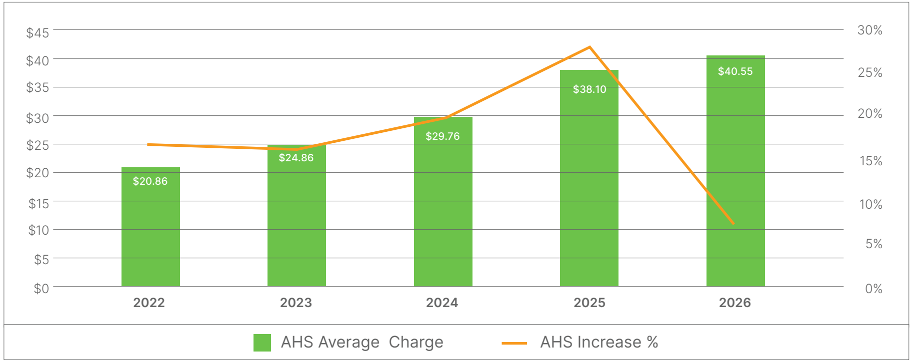


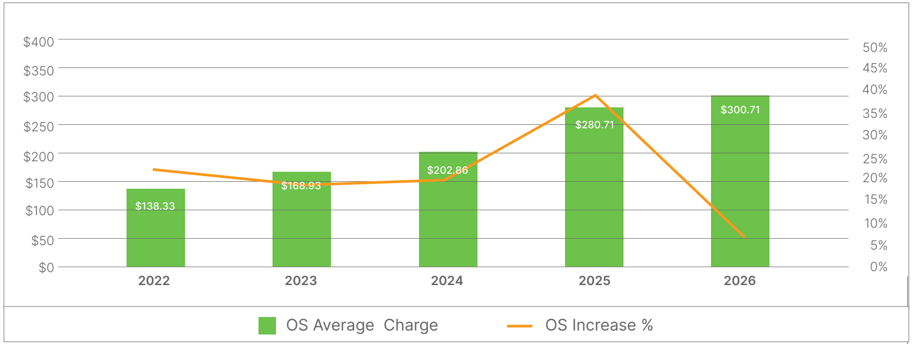
10 Average Additional Handling Surcharge (AHS) & Oversize Surcharge (OS) by Year

Although the AHS and OS increases for 2026 appear lower than the previous four years, note that the 2025 amounts include the mid-year increases by FedEx. **Additional off-cycle increases are likely to occur in 2026.** Since the market for lightweight packages is more competitive, FedEx knows it can continue to aggressively increase surcharges on bulky shipments. Both AHS and OS fees have more than doubled since 2021, which exemplifies FedEx taking advantage of the less competitive parcel market for heavyweight shipments.

These surcharges should be avoided where possible by reviewing product and packaging choices to reduce weight and dimensions where possible or offset through strategic rate negotiation.

Effective January 12, 2026, FedEx will expand surcharge rules: cubic volume will be added to AHS–Dimensions, and both cubic volume and weight will apply to Oversize Surcharge (OS).





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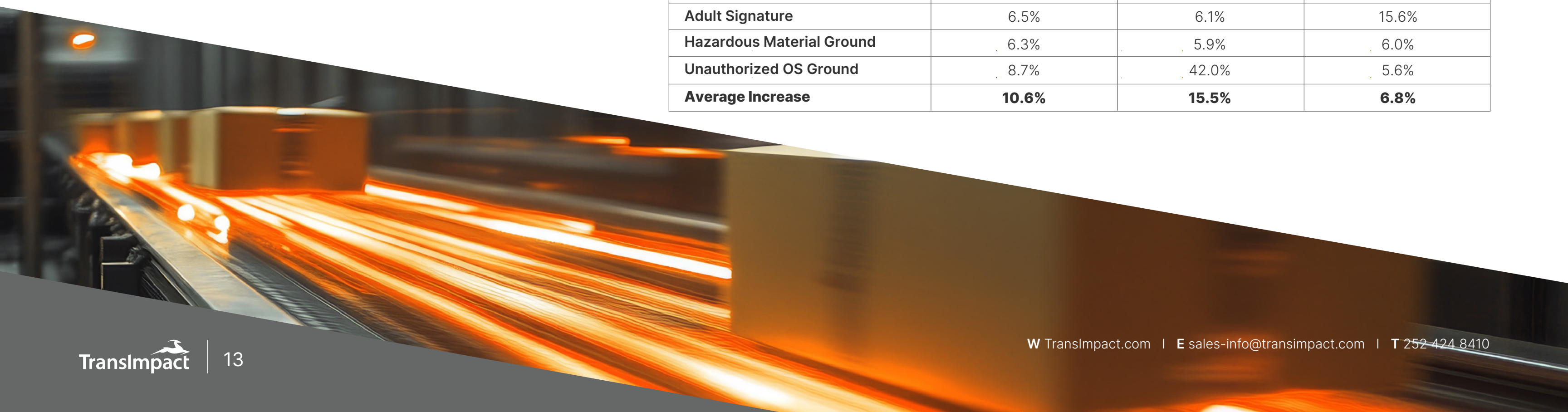
11 FedEx Accessorial Increases

Notably, most common surcharges are increasing by more than 5.9%. To illustrate the significant impact mid-year increases can have on surcharges and fees, the 2025 numbers include off-cycle increases.

FedEx Accessorial	2024 Increase %	2025 Increase %	2026 Increase %
Additional Handling - Dim	19.7%	28.6%	6.4%
Additional Handling - Pkging	19.8%	27.24%	6.5%
Additional Handling - Weight	19.7%	28.0%	6.3%
Oversize Charge - Ground	19.8%	51.1%	7.0%
Oversize Charge - Home Delivery	20.3%	27.6%	7.0%
Residential (HD)	7.8%	7.2%	8.4%
Residential (Express)	6.0%	6.5%	6.1%
DAS Comm Express	6.8%	6.3%	5.6%
DAS Extended Comm Express	8.9%	7.1%	5.7%
DAS Residential Express	5.4%	6.0%	6.5%
DAS Extended Residential Express	7.7%	7.8%	6.0%
DAS Comm Ground	6.8%	6.3%	6.0%
DAS Extended Comm Ground	8.9%	7.1%	5.7%
DAS Residential Ground	7.5%	8.8%	6.5%
DAS Extended Residential Ground	7.7%	7.8%	6.0%
Address Correction	7.1%	6.7%	6.3%
Adult Signature	6.5%	6.1%	15.6%
Hazardous Material Ground	6.3%	5.9%	6.0%
Unauthorized OS Ground	8.7%	42.0%	5.6%
Average Increase	**10.6%**	**15.5%**	**6.8%**



2025 FedEx Headlines

2025 has been another eventful year for off-cycle surcharge updates and general changes for FedEx customers. Fuel surcharge updates, international demand surcharges, and new calculations and rule changes top the list. Be prepared for similar updates to occur regularly in 2026.

Keep watching the TransImpact blog to stay informed about every new development.

FEBRUARY 10

Domestic Express/Ground fuel table update.
FSC increases of 1% for Domestic Express and 1.75% for Ground.

FEBRUARY 10

Ground Economy Delivery Area Surcharge (DAS) update.
Fee increase of 55%.

JUNE 1

Late Payment Fee update.
Fee increases from 8% to 9.9%.

JUNE 2

International Demand Surcharge.
Applicable to shipments from the U.S. to Canada.

JUNE 9

Domestic Express/ Ground/International fuel table update.
FSC increase of 2% for all services.

JULY 14

Additional Handling Surcharge (AHS) & Oversize Surcharge (OS) update.
Increases to both AHS and OS charges take effect.

AUGUST 18

New pickup pricing and rating structure.
Applies to all scheduled and on-demand services.

AUGUST 18

Dimensional rounding rule change.
Every fraction of an inch will now be rounded up.

SEPTEMBER 22

International Demand Surcharge for various zones.
Air export and import.

SEPTEMBER 29

Domestic Demand Surcharges.
Implemented for peak shipping season.

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Here's Your Roadmap to Build Your Most Efficient Parcel Operation in 2026

TransImpact is offering five ways FedEx customers can ship smarter to mitigate a big part of the cost increases in 2026. The parcel experts at TransImpact suggest:

1. **Evaluate the locations of your suppliers relative to manufacturing sites and the locations of distribution centers relative to your end customers.** In addition to weight and package size (areas already thoroughly covered in this report!), shipping costs are also a function of **distance.**

2. **Don't overlook the importance of supply chain planning** in the areas of inventory management and demand when it comes to managing higher parcel shipping costs. Better planning will ensure you have the right products in the right quantities in the right places to minimize shipping distances and **always ensure the lowest cost delivery option can be used.**

3. **Use the data you already have in your parcel shipping operation** to improve day-to-day and longer-term strategic decision making. Advanced BI tools such as **Parcel Spend Intelligence, Parcel Margin Analysis, and Parcel Cost Variance** can provide practical and actionable parcel data analysis, even if you do not plan to renegotiate.

4. **Now is a great time to re-negotiate your rate agreements.** UPS and many regional carriers will soon announce their 2026 GRIs as well. With costs changing, there is an opportunity, and carriers will compete to win your business. And when you do start to negotiate, remember rate caps are critical because even if you have strong discounts in place, you may not fully realize the entire savings when rate increases and minimums come into play. Better yet, **lean on our experts and their market knowledge for help** and advice in the renegotiation process.

5. **Stay educated about rate updates and market conditions.** Off-cycle rate changes can be very impactful and are likely to continue in 2026. Stay updated by reading **TransImpact's Resource page** regularly.

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TransImpact produces two other important GRI-related reports each year. One analyzes the UPS GRI, and the other compares the GRIs from UPS and FedEx. Once UPS announces its 2026 GRI, we'll be creating a detailed and actionable report for the carrier, as well as a comparison analysis of the two GRIs.

So, depending on when you are reading this, keep an eye out for those reports. They'll provide all the key insights you need to understand and avoid the GRIs' full impact on your shipping costs in 2026.

We'll say it again like we do every year: The devil is in the details of the GRI.

Dig deep into this report and your own shipping patterns to understand the specifics of how your shipping costs will increase in 2026. If something doesn't add up, rest assured the parcel experts at TransImpact are here to help. Email sales-info@transimpact.com with any questions you have.

Need Help?

TransImpact can help you understand how the GRIs will impact your shipping budget in 2026, based on your actual shipping activity, and present data-driven new ideas for reducing cost increases. Let our experience and powerful technologies help. Your bottom line will thank you.

FEDEX GRI

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

Click here to request a free, no-obligation rate analysis.

Contact sales-info@transimpact.com for a no-obligation analysis.

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