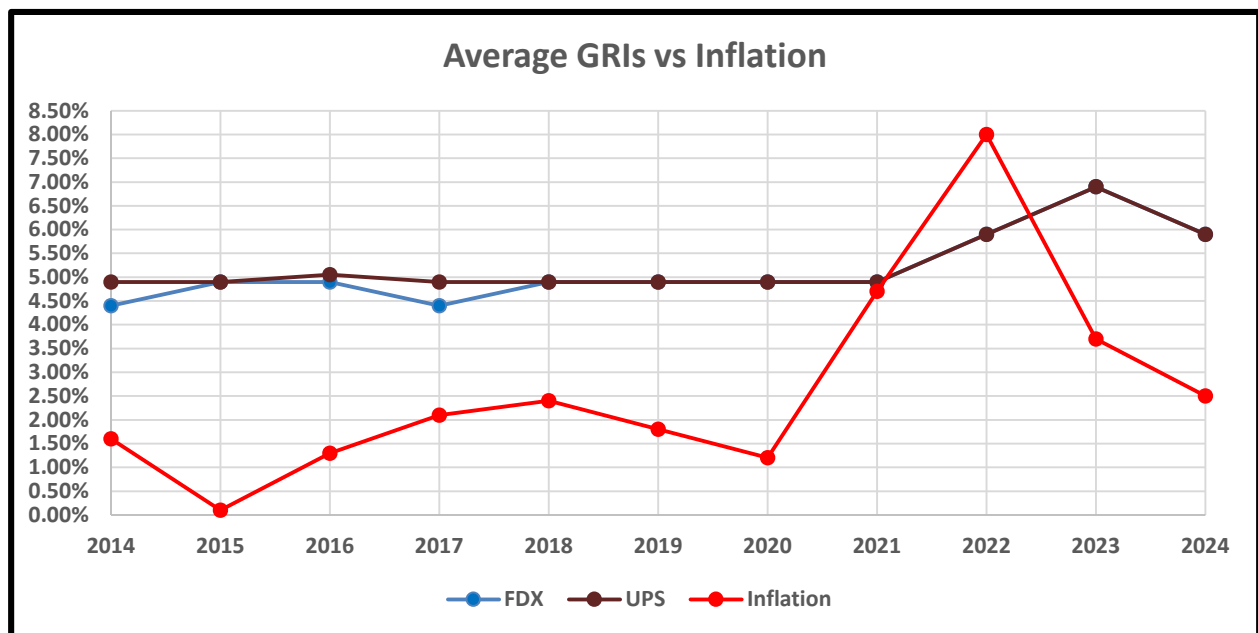


September 19, 2023

Effective January 1, 2024, FedEx shipping rates will increase by an average of 5.90%.

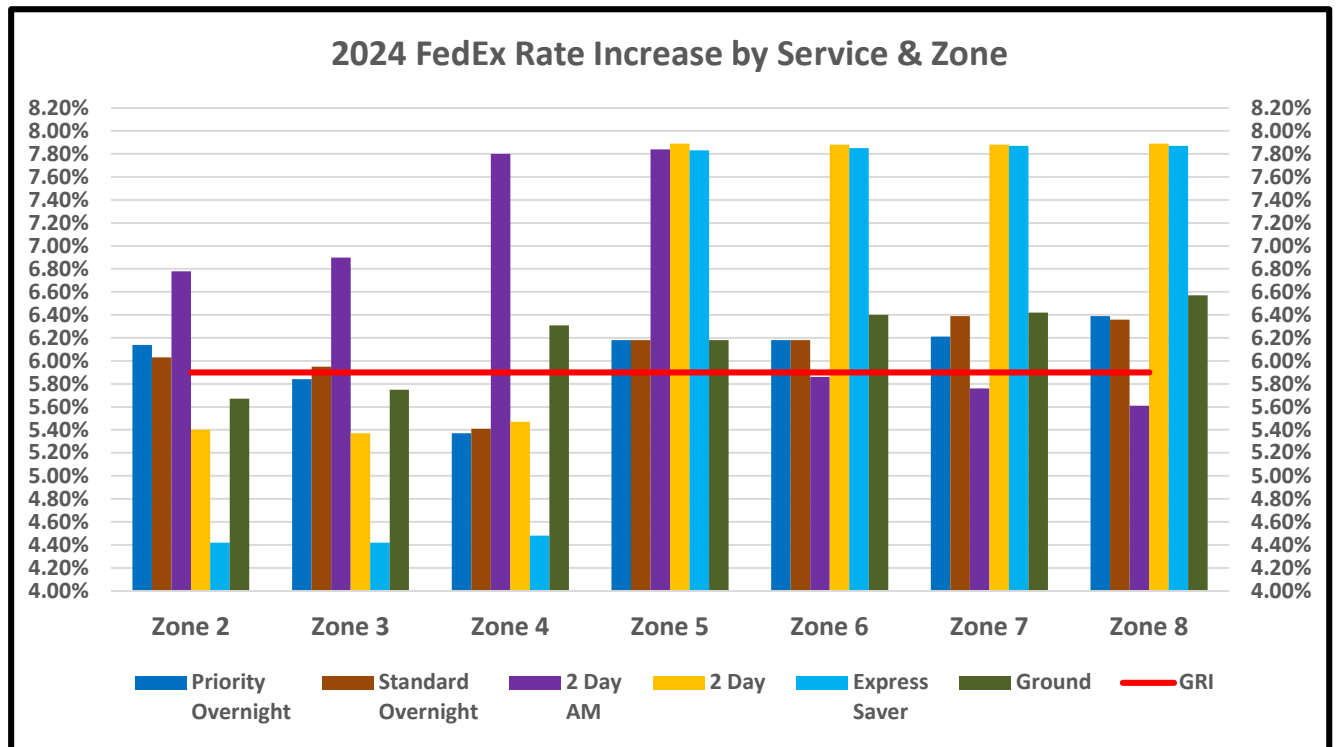
It is important to note that there is often a discrepancy between the announced increase and the impact the increase has on individual shippers. In other words, each shipper's increase is different and when surcharges are factored in, the shipment increase from the previous year, is usually higher than the published number. In this white paper, we will examine the 2024 FedEx increase by Service Level, Weight, and Zone.

Before diving into the increases, we must first examine a major contributing factor: Inflation. It's important to note how closely the GRI has moved with inflation over the years. The 2023 GRI of 6.9% was the highest published GRI by both carriers in history. This aligns with the high 8.0% inflation rate for 2022. As we see inflation starting to trend back to 2021 levels, so do the GRIs. Hence, the reason why the 2024 GRI is less than the 2023 GRI.

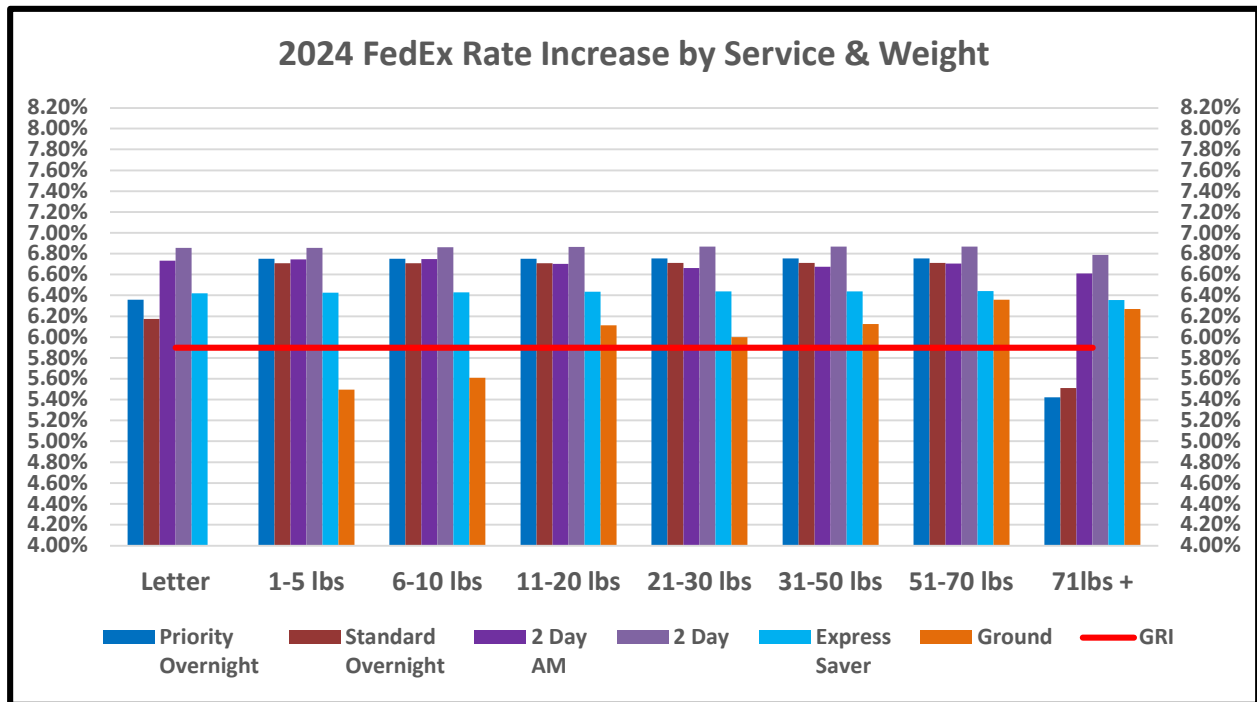


As you'll see in this next graph, FedEx continued the trend of its deferred products (2 Day and Express Saver) receiving the largest impact, particularly in the longer zones (5-8). 2 Day AM took the largest

increase with an average of 6.8% across Zones 2-8. Express saver took less than 5.9% in Zones 2-4, but nearly 8% in Zones 5-8, for an overall average of 6.4%. The average increase for Ground was 6.2%, with the lowest increase in Zone 2 and highest in Zone 8.



Looking at the weight classes, the only services that took less than 5.9% were Ground 1-10 lbs. and both Overnight products at 71lbs +. The average Letter increase was 6.5%, with 2 Day nearly at 6.85%. The Express package weights are consistent across all weights and services, with an average increase of 6.7% up to 70lbs. The average increase for Ground was inline with the GRI, right at 6.0%. Customers shipping packages in the 51-70lbs weight break can expect an increase of 6.36%, while light weight shippers should see an increase of 5.5%-5.6% at 1-10lbs.



Those customers shipping lightweight packages will be happy to know that the Ground minimum charge is increasing by only 5.9% from 2023 to \$10.70. This is two percentage points less than the increase they took in 2023.

