

UPS 2023 Rate Increase

SPOILER ALERT: IT'S NOT 6.9% TO YOU!



Executive Summary

What is advertised by UPS on the surface as a 6.9% increase MAY impact your business significantly more if:

- You ship large packages
- A high percentage of your shipments are long zone
- If surcharges comprise a meaningful percentage of your overall shipping spend

For example, some customers who fit the above criteria will experience 10-15% increases above 2022 on like volume. Make sure your 2023 budgets account for this increase - or engage ShipScience to help mitigate the increase.

Noteworthy UPS 2023 increases

- Ground minimum - \$10.10 vs. 2022 \$9.36 = 7.9% increase
 - 2023 \$10.10 vs. 2019 \$7.85 = 28.67% increase
- Late Payment Fee – 8% vs. (2021 & 2022 6%) = 33% increase
- Additional Handling (Dimension, Package, Weight) 2022 v 2023 = 16% average increase
- Address Correction – 2022 v 2023 = 7.7%
- Ground DAS & EDAS – 2022 v 2023 = 8.8 - 10.25%
- Air DAS & EDAS – 2022 v 2023 = 4.2 – 6.7%
- Direct Signature 2022 v 2023 = 7.6%

Noteworthy UPS 2023 increases

- ▶ Ground Unauthorized (1" or 1lb over limit) – 2022 \$1025 v 2023 \$1150 = 12.2% increase
 - ▶ Average cost for **TWO** regional **53' truckloads** – \$1250
- ▶ Ground rate comparisons

	2019			2022			2023			2022 v 2023 increase	2019 v 2023 increase
	Zone 2	Zone 5	Zone 8	Zone 2	Zone 5	Zone 8	Zone 2	Zone 5	Zone 8		
1lb	\$ 7.85	\$ 9.36	\$ 9.80	\$ 9.36	\$ 11.13	\$ 11.84	\$ 10.10	\$ 11.98	\$ 12.74	7.70%	28.92%
10lb	\$ 10.84	\$ 13.76	\$ 17.62	\$ 12.69	\$ 16.28	\$ 20.84	\$ 13.51	\$ 17.50	\$ 22.40	7.23%	26.50%
30lb	\$ 15.86	\$ 24.49	\$ 41.46	\$ 18.44	\$ 28.49	\$ 47.77	\$ 19.45	\$ 30.34	\$ 51.83	7.31%	24.21%

UPS Rate Increase Impact Analysis

Contact ShipScience today for a **free** impact analysis of the UPS rate increase on your business. We'll run your current shipping spend through our rate modelling software and show you exactly how the 2023 increase affects your business.

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