

Shippers anticipate being able to meet holiday demand



FILE - FedEx delivery trucks are parked next to a conveyor belt while being loaded with packages for delivery at the FedEx regional hub at the Los Angeles International Airport in Los Angeles, Dec. 7, 2021. Carriers like the U.S. Postal Service, FedEx and United Parcel Service have capacity to meet projected demand this holiday season, which is cheery news for shippers and shoppers alike. (AP Photo/Jae C. Hong)

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Carriers like the U.S. Postal Service, FedEx and United Parcel Service have capacity to meet projected demand this holiday season, which is cheery news for shippers and shoppers alike.

Like last year, there's expected to be little drama compared to struggles during the pandemic when people hunkered down at home and turned to online shopping while major carriers including the Postal Service simultaneously struggled with absences and a flood of parcel shipments.

Louis DeJoy, postmaster general, said the Postal Service goal is to make peak holiday season delivery "superior and routine."

All told, the parcel industry has a capacity of delivering more than 120 million parcels compared to a projected holiday peak of 82 million per day, slightly less than last year, said Satish Jindel, from ShipMatrix.

But shoppers shouldn't wait to the last minute. "It's not a ticket to procrastination," he said.

This is the all-important season for shoppers, and it accounts for more than half of annual sales for many retailers. [Holiday retail sales are expected to increase between 3% and 4% in 2023](#), according to trade group the National Retail Federation.

And Black Friday, followed by Cyber Monday, are some of the biggest shopping days of the season.

The holidays are also a big moment for carriers.

United Parcel Service is well on its way to hiring 100,000 people to meet the peak, and is "ready again to deliver the reliable service that customers depend on," said Jim Mayer, a company spokesperson.

FedEx is also hiring for some locations but is ready for the season, said Christina Meek, a spokesperson. "Our employees around the world are ready to deliver for this year's peak season," she said.

The U.S. Postal Service, meanwhile, hired 10,000 seasonal workers and completed the installation of about 150 package sorting machines since the last holiday season, which along with other operational improvements will expand its daily capacity to 70 million packages, officials said

FedEx and UPS are projected to have on-time performance in the mid to high 90s, and the Postal Service could reach the mid-90s as well, Jindel said.

Shipping may be less costly for some retailers.

The U.S. Postal Service, for example, opted against holiday surcharges, though FedEx and UPS both imposed surcharges for deliveries between now and January. Nonetheless, Jindel expects there to be about half as many shipments to be subjected to surcharges compared to last year, and some other rates are lower.