

Amazon takes on UPS, FedEx with new logistics platform

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Dhaka: Amazon has launched Amazon Supply Chain Services (ASCS), expanding its logistics network to third-party businesses in a move widely seen as a direct challenge to established express carriers UPS and FedEx.

The new offering enables any business to move, store, and deliver goods ranging from raw materials to finished products, leveraging the same logistics infrastructure Amazon built for its own retail operations.

Major corporations including Procter & Gamble, 3M, Lands' End, and American Eagle Outfitters are among the first companies to sign up for the service.

Following the announcement, share prices at both UPS and FedEx dropped by around 10% each, reflecting investor concern over the

competitive threat posed by Amazon's expanded logistics ambitions.

ASCS bundles freight, distribution, fulfillment, and parcel shipping under one platform.

The freight component draws on Amazon's multimodal transportation network spanning ocean, air, ground, and rail, backed by a fleet of 80,000 trailers, 24,000 intermodal containers, and 100 aircraft.

Additional features include time-sensitive shipment handling, simplified booking, customs clearance, and end-to-end shipment visibility.

The distribution and fulfillment arm allows businesses to import overseas inventory, store it in bulk, position stock closer to demand points, and fulfill customer orders across multiple sales channels.

The parcel service offers two-to-five-day delivery speeds with seven-day-a-week coverage, including pickups from warehouses or third-party providers and doorstep delivery.

"These services were originally developed to power Amazon's own retail operations and to support independent selling partners worldwide," the company said. Over the past three years, hundreds of thousands of Amazon sellers have already relied on the network to move hundreds of millions of packages.

Peter Larsen, vice president of Amazon Supply Chain Services, said the company is confident it can extend the same cost efficiency, reliability, and speed it built for Amazon customers to any business.

However, industry analysts caution that widespread adoption is far from certain. Cirrus Global Advisors noted the logistics capabilities underpinning ASCS have existed for years, and the real challenge lies in persuading rival retailers to entrust their supply chain operations to Amazon.

"Amazon becomes disruptive to the broader logistics ecosystem only if enterprises meaningfully shift volume into its network. That transition is not guaranteed," said Derek Lossing of Cirrus Global Advisors.

Lossing added that concerns over data access and competitive neutrality will remain central for large retailers and brands, and that capacity prioritization in a shared network — particularly during peak periods —

could influence long-term viability.

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