**FedEx is officially sounding the alarm bells on Amazon after years of laughing off the retail giant's rapidly building package-delivery empire**

* FedEx's most recent annual report signals the package giant is indeed worried about Amazon.
* The retailer is rapidly expanding its logistics network.
* For years, FedEx CEO and founder Fred Smith has brushed off the idea that Amazon would threaten his business.

Since 2015, Amazon has been building up an internal logistics network so it can deliver its own packages — a move that saves the retail giant money. It costs Amazon $6 to move a single box through its own network, versus $8 to $9 to move through UPS or FedEx, says Morgan Stanley's Ravi Shanker.

Some say Amazon could even open its quickly-scaling package network to handle other customers' goods— ultimately competing with stalwarts like FedEx and UPS.

For years, FedEx CEO and founder Fred Smith has had one word to describe such a scenario: "Fantastical."

"(W)e look at Amazon as a wonderful company and service and they're a good customer of ours," Smith said in a December earnings call. "We don't see them as a peer competitor at this point in time. For many reasons, we think it is doubtful that will be the case."

Goldman Sachs says Amazon's logistics network is hardly a threat to FedEx or UPS. It needs years of new construction and a whopping $122 billion just to catch up.

He added later, "I don't know what I can say other than what I just said. I think the prospects that this company is going to be 'disrupted,' which just occurs over and over again, to quote a previous statement, is fantastical. So I'll leave it at that."

FedEx's latest financial statement shows the company is now humming a different tune

Seven months after scoffing at the idea that Amazon could threaten FedEx, the air cargo giant seems a bit shaken.

In the company's annual report, released on July 16, FedEx mentioned Amazon six times — highlighting it alone in a section called "We face intense competition."

"In addition, some high volume package shippers, such as Amazon.com, are developing and implementing in-house delivery capabilities and utilizing independent contractors for deliveries, and may be considered competitors," the annual statement read. "For example, Amazon.com is investing significant capital to establish a network of hubs, aircraft and vehicles."

Amazon and FedEx had no comment on this story.

It's not the first time FedEx has name-dropped the retailer in its annual report, but the package company has added more color around Amazon's logistics developments than it's done before. It also stopped referring to Amazon as a "current customer" and instead just as a "customer" — perhaps pointing to FedEx Express' dumping of Amazon as an air cargo partner in June.

"(I)f customers, such as Amazon.com, further develop or expand internal capabilities for the services we provide, it will reduce our revenue and could negatively impact our financial condition and results of operations," the annual report read. "News regarding such developments or expansions could also negatively impact the price of our common stock."

Read more: It's becoming clearer than ever that Amazon is developing a 3rd-party logistics service to edge out FedEx and UPS now that Stamps.com has dumped USPS

UPS, the classic rival to FedEx, was mentioned fewer times than Amazon. That's especially striking considering the 111-year-old UPS has 564 cargo jets, thousands of facilities and fulfillment centers around the world, and more than 123,000 vehicles.

Amazon, meanwhile, has a logistics network that's barely four years old. By 2021, it will have 70 planes and one air hub. Amazon would need $122 billion in new investments to catch up to UPS or FedEx, according to a recent Goldman Sachs report.