

Short-Term vs Long-Term Production Forecast Table

Period	Short-Term Forecast (Next 12 Months)	Long-Term Forecast (Next 5 Years)
Time Horizon	Monthly / Quarterly	Annually
Data Used	Recent trends, current inventory, active projects	Historical data, strategic plans, market outlook
Accuracy	High (usually +/-10%)	Lower (trend-based estimation)
Purpose	Operational planning, scheduling, cash flow	Strategic planning, capacity expansion
Update Frequency	Monthly / Quarterly	Annually / Bi-Annually
Uncertainty Factors	Minimal, due to short horizon	Higher, due to market, technology and policy changes

Important Notes

- Short-term forecasts are critical for day-to-day operations and immediate inventory management.
- Long-term forecasts support investment decisions, capacity planning, and strategic goal setting.
- Both types of forecasts should be reviewed and updated regularly to reflect significant market or operational changes.
- Uncertainty increases with the length of the forecast period; always account for risk factors in long-term estimates.
- Coordination between short-term and long-term forecasts ensures business agility and preparedness.