

CHARLIE NEIBERGALL / The Associated Press

Caterpillar is boosting its outlook for the year after rebounding from last year's first-quarter loss with a $233 million profit in the first quarter.

Caterpillar foresees expanding economy

Company reports profit but has only rehired about 2,000 workers

STAFF, WIRE REPORTS

Caterpillar says the global economy is clearly improving, so it's planning to increase production of mining equipment after reporting a strong first-quarter Monday.

The Peoria, Ill., company predicted worldwide growth of about 3.5 percent. But Caterpillar has still only hired back about 2,000 people since eliminating 19,000 full-time jobs and about 18,000 contract and part-time workers last year.

Caterpillar's fortunes are widely followed in South Carolina. Last month, the company said it would hire about 500 workers as it expands its Newberry plant that makes diesel generators.

It has four other state operations: Sumter, core components; Fountain Inn, logistics; Greenville, engines; and Summerville, remanufacturing.



Owens

Caterpillar Chairman and CEO Jim Owens said industry activity and orders are significantly higher than last year and are at record levels in some areas. As a result, Caterpillar is ramping up production.

After the company's earnings report, Caterpillar's shares jumped more than 4 percent to top $70 for the first time since 2008.

Caterpillar expects the most growth this year in developing areas like Asia and Latin America. Its iconic yellow-and-black machinery is sold in so many places and used by so many industries that its results are considered an indicator of the economy's health.

"We're in a revival. There's no doubt about it," Chief Financial Officer Dave Burritt said. "We're heading up, and it's driven by the emerging markets. No doubt."

Caterpillar boosted its profit outlook to between $2.50 and $3.25 per share. That's up from $2.50 per share.