



## Who Is Stef Wertheimer?

The Israeli industrialist has a unique perspective on how to reduce conflict in the Middle East

by [Stacy Perman](#)

Early on, Stef Wertheimer, the founder of [Iscar Metalworking](#), a manufacturer of industrial precision metal-cutting tools, decided that entrepreneurship was an answer to social and economic problems. In 1937, when he was 11, Wertheimer fled Nazi Germany with his family to what was then British-Mandate Palestine. After leaving school at 14, he made weapons for the Jewish underground before Israel's War of Independence in 1948 and served in the special forces unit Palmach during the war. Four years later, living in the northern town of Nahariya, he started making small industrial tools in his kitchen and delivering them by motorcycle. "There were no jobs, this area was agricultural, and I decided that I had to do something on my own," Wertheimer, now 81, recalls.

When France instituted a weapons embargo against Israel in 1967, Wertheimer was asked by the government to make blades for Israeli fighter jets. It was the beginning of what would eventually become Iscar, which now has operations in 65 countries as well as factories in Asia and Europe. While the private, family-owned company does not disclose its financials, estimates put Iscar's sales between \$1.4 billion and \$2.5 billion—nearly 95% derived from exports.

During the 1980s, Wertheimer spent four years as a member of the Knesset, Israel's Parliament. It was there that he came to the conclusion that he could accomplish more through industry and entrepreneurship than he ever could through government or politics. An early [social entrepreneur](#) (see [BusinessWeek.com](#), 12/14/07), he launched his flagship industrial park, Tefen, based on his belief that creating jobs and economic prosperity in the Middle East would diffuse conflicts. Sitting in his office overlooking the Galilee, he says: "What makes peace? The answer is jobs."

In May, 2006, Wertheimer and Iscar made global headlines when Berkshire Hathaway's ([BRK](#)) [Warren Buffett](#) announced he had acquired an [80% stake in Iscar for \\$4 billion](#) (see [BusinessWeek.com](#), 05/08/06). When Buffett [traveled to the country to visit his new investment](#) (see [BusinessWeek.com](#), 09/18/06) four months later he told the Israeli press: "Iscar and the Tefen Industrial Park should be taken as an example... around the world of what can be done against all odds."

### INVESTING IN A VISION

Says David Rubin, the former Israeli Economic Minister to North America and currently a consultant to Israeli high tech companies: "[Stef]'s industrial parks are probably the largest private contribution to Israeli entrepreneurship ever. Without taking anything from the government, he has invested in his vision for a productive and economically independent society."

Today, Wertheimer spends most of his time on his industrial parks and encouraging young entrepreneurs (his son Eitan Wertheimer now serves as Iscar's chairman). He was a recipient of the Israel Prize—the nation's highest honor—in 1991, and last month he was awarded the Buber-Rosenzweig medal in Germany for his work in advancing peace through entrepreneurship.

Wertheimer says the Buffett deal was important because it meant "that Iscar was a global company, not a local one." Perhaps equally important, he says it will allow him to further invest in developing his vision of peace.

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