

# Israeli financial tech had record year in 2019: report

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Israel's financial technology industry had a bumper 2019, with investment in this market doubling year-on-year to a record \$1.8 billion, a report said on Wednesday.

Funding rounds continued into 2020 to a value of \$351 million by May but the global lockdowns sparked by coronavirus would dampen funding, according to the report by Start-Up Nation Central, an organisation that promotes Israeli innovation.

"We expect this trend to slow due to the COVID-19 pandemic, although it typically takes time to see a change in private market fundraising," said the report, entitled 'An Outstanding Period for Israeli FinTech with Challenges Ahead.'

"Startup revenues are expected to decrease as corporations are forced to cut down on their innovation budgets."

For firms that survive this initial financial shockwave, however, coronavirus could bring fresh opportunities as businesses adapt to new ways of working.

"The pandemic will boost the usage and adoption of new technologies," the report argued.

"In the long term, the companies that survive the current crisis will see more business opportunities, particularly in the fields of digital payments, fraud prevention, and security," an accompanying press statement added.

Israel's [unemployment rate](#) surged from 3.4 percent in February to a peak of 27 percent in April, then eased slightly to 23.5 percent during May.

The government has eased coronavirus controls in recent weeks, but this has been accompanied by an increase in infections, prompting fears that restrictions may need to be reimposed.

Infections have topped 19,000 in Israel, with more than 300 deaths.

The OECD in its June forecast said Israel is facing a "severe recession", with GDP set to fall by 6.2 percent this year, based on a scenario of the infection rate dropping during the summer.

A second wave of coronavirus cases later in the year could see GDP plummet by 8.2 percent, according to this body.

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