



# Kazakhstan-EU Weekly Briefing

**Issue 11**

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# Highlights

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## Middle Corridor

EBRD and the EU are investing in the logistics of the Caspian corridor. A joint package of €45 million has been announced to expand the cargo capacity of the Aktau seaport, a key hub of the Trans-Caspian route. The project is included in the Global Gateway initiative and aims to increase sustainable transport between Europe and Asia.

Implications: By increasing cargo capacity, the project could boost regional economic activity and attract further EU investment which positions Kazakhstan as a strategic logistics hub. It also signals about the EU's commitment to reduce dependence on traditional northern and southern corridors, promoting sustainable trade infrastructure and diversifying trade.

## Digitalisation

President Tokayev met with leading Kazakh IT and venture entrepreneurs to accelerate the rollout of artificial intelligence across the economy, education, while strengthening Kazakhstan's venture and startup ecosystem. He highlighted the goal of turning Kazakhstan into a fast-scaling platform for global tech companies, praising Higgsfield AI as a homegrown success and stressing the role of local talent. He noted that Kazakh specialists make up the vast majority of the team. The discussions also underlined plans to expand AI skills and deepen public-private partnerships.

Implications: These initiatives show a strategic push to brand Kazakhstan as a regional AI and innovation hub, improving its attractiveness for foreign investors and partners. Stronger venture infrastructure and high-level political backing for AI can support diversification beyond energy and transport, which may help Kazakhstan compete in higher value-added digital sectors, strengthening its long-term economic resilience.

## Trade

Kazakhstan has partially restored oil exports through the Caspian: after a fire at the GTES-4 power plant and the declaration of force majeure in January, Tengizchevroil reported a phased recovery of production at the Tengiz field. Full capacity is expected in early February. Previously, up to 700,000 tons of oil exports through the

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CPC consortium were canceled. At the same time, the EU's Carbon Border Adjustment Mechanism (CBAM) came into force from February 1. Now it requires importers to report about the carbon footprint of products. Kazakh companies producing steel, aluminum, and fertilizers are beginning to adapt to avoid competitive losses in the EU market.

Implications: The partial restoration of Tengiz oil exports signals a near-term recovery in Kazakhstan's energy trade, stabilizing revenues and supply chains for European partners. Simultaneously, the EU's CBAM introduces new compliance requirements for Kazakh producers of steel, aluminum, and fertilizers, making adaptation essential to maintain competitiveness in the EU market. Together, these developments highlight both opportunities in energy exports and challenges in aligning industrial production with evolving EU sustainability standards.

# EU-Centric Trends: Brussels' Point of View

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## 33 Years Anniversary of Kazakhstan-EU Relations

As Kazakhstan marks 33 years of relations with the European Union, cooperation with key EU member states is entering a new phase. Recent high-level engagement with Germany and France shows a focus on moving beyond traditional trade toward technology, green energy, and advanced scientific cooperation. These developments reflect a broader EU approach to deepen practical partnerships with Kazakhstan in priority sectors linked to industrial modernisation and energy transition.

**Trend Analysis:** The EU's engagement with Kazakhstan is becoming more sector-specific and technology-driven. Germany is positioning itself as a long-term partner in industrial modernisation, green energy (hydrogen), and advanced manufacturing. All this supported by large-scale investment projects. At the same time, France is expanding cooperation in nuclear science, signaling growing EU interest in Kazakhstan's nuclear energy, and high-tech capabilities. Together, these partnerships show a shift from basic trade to deeper integration in strategic sectors such as clean energy, critical technologies, and scientific innovation.

**Why it matters:** Stronger ties with leading EU states help Kazakhstan diversify its economy and attract high-quality investment. Cooperation with Germany supports Kazakhstan's goals in green transition and industrial upgrading. Scientific cooperation with France strengthens Kazakhstan's capacity in nuclear research which is important for energy security and innovation. These partnerships increase Kazakhstan's role as a strategic EU partner in Central Asia, supporting its long-term modernization and development.

**What to Watch:** Key developments to monitor include new German-backed projects in green energy and industrial modernization, but also progress on joint financing mechanisms, and follow-up agreements on sustainable agriculture. On the French side, attention should be paid to the launch of joint nuclear research programs and new cooperation formats that link Kazakhstan's scientific institutions with leading EU research centers.

# Kazakhstan-Centric Trends: Developments on the Ground

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## Start of a New Investment Cycle in Kazakhstan

The Kazakh government is shifting from an extractives-focused economy toward a more diversified industrial base. Prime Minister Bektenov announced a new investment cycle targeting 25.2 billion dollars in FDI for 2026, covering 475 projects in petrochemicals, agribusiness, machinery, and digital technology. The Investment Policy Strategy to 2030 was updated to triple total investment volumes, and a new digital project registry with over 1,000 proposals was launched. These steps reflect Kazakhstan's growing role as a regional production and logistics hub, including for companies relocating from Russia.

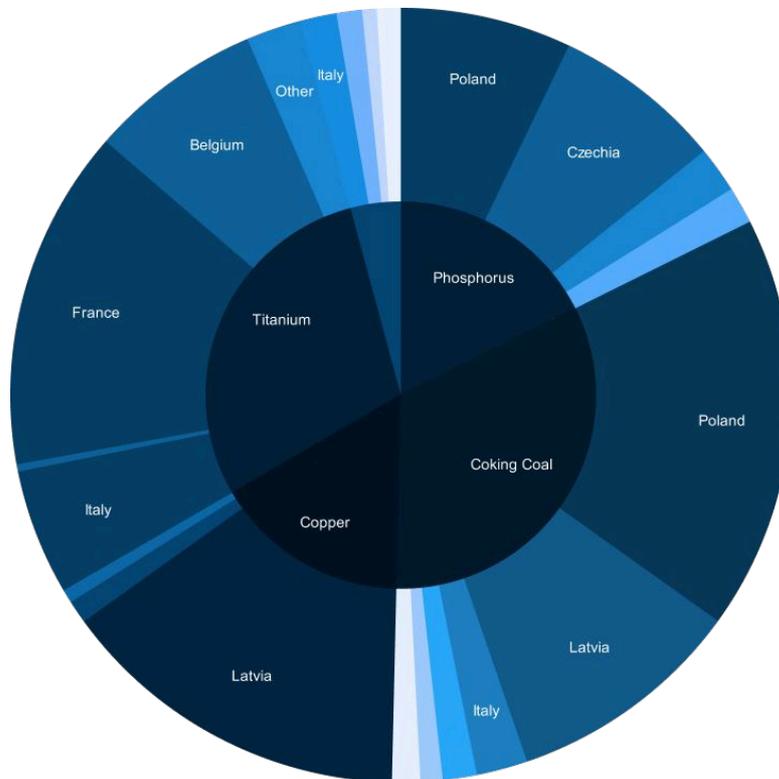
**Why It Matters:** A diversified, investment-friendly Kazakhstan is a more stable and attractive partner for the EU. By boosting non-extractive industries (manufacturing, transport, renewables), Kazakhstan is better positioned to supply the critical raw materials and processed goods sought by European markets under initiatives like the EU-Kazakhstan Enhanced Partnership and Cooperation Agreement. The focus on transparency and rule-of-law in investor treatment aligns with EU expectations, potentially unlocking more European investment into Kazakh projects (from green hydrogen to digital infrastructure). In the long run, a broader economic base will underpin Kazakhstan's societal resilience and its ability to pursue reforms, which the EU has encouraged. The investment surge also supports the Middle Corridor's viability: as more value-added goods are produced in Kazakhstan, Eurasian trade volumes through trans-Caspian routes are likely to grow, benefiting both sides.

**What to Watch:** Implementation will be key. Monitor the conversion rate of announced projects into actual investments - early 2026 will test whether bureaucratic hurdles have truly been lowered. European investors will be watching the fate of major projects (e.g. battery materials plants, renewables farms) for cues on Kazakhstan's openness and regulatory stability.

# Infographics of the Week



Top 10 CRM by share in EU Imports from Kazakhstan (2023)



In 2023, EU-Kazakhstan trade in Critical Raw Materials (CRM) reached 534.87 million USD, with Poland, Latvia, France, Italy, and Belgium serving as the top five European partners. This strategic exchange was driven by key commodities including coking coal, titanium, phosphorus, copper, and aluminium.

# News Sources

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- 1) Kazakhstan targets to triple volume of investments ([QazInform](#))
- 2) Kazakhstan Launches New Investment Drive as PM Demands Faster Project Delivery ([Astana Times](#))
- 3) Kazakhstan has embarked on large-scale reforms ([EUReporter](#))
- 4) EBRD invests almost US\$ 2 billion in Central Asia and Mongolia in 2025 ([EBRD](#))
- 5) CBAM successfully entered into force on 1 January 2026 ([European Commission](#))
- 6) Dispatch from the European Union | January '26 ([Clean Energy Wire](#))
- 7) Kazakhstan and Germany Set Sights on Next Phase of Economic Ties ([Astana Times](#))
- 8) Kazakhstan, Germany pledge stronger cooperation in trade, investment, and culture ([QazInform](#))
- 9) Kazakhstan, Germany Map Out Priorities for Deeper Cooperation ([Caspian Post](#))
- 10) Kazakhstan and France Deepen Scientific Cooperation in Nuclear Research ([Astana Times](#))
- 11) President Tokayev Meets Kazakh IT Entrepreneurs to Discuss AI and Venture Development ([Astana Times](#))

