



# Kazakhstan-EU Weekly Briefing

**Issue 12**

**February 2-8, 2026**



**KAZAKHSTAN-EU  
GATEWAY**

# Highlights

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## Digitalisation

Kazakhstan is moving to scale up AI and data-driven modernization across several strategic areas. By May 1, 2026, it plans to introduce an AI-based water management system to improve monitoring and allocation of water resources, while also developing a comprehensive national map of water and energy assets by the end of 2026. In parallel, EU-supported programming is boosting Kazakhstan's innovation pipeline: the country hosted its first national Act in Space hackathon under the C4CA framework, where young STEM entrepreneurs built satellite-focused prototypes with mentorship from European space experts, and winners will compete in an international finale in Bordeaux. Kazakhstan also used the World Government Summit 2026 to promote an "energy-to-AI" vision, pursuing partnerships and discussions on energy-efficient data centers, signing an MoU with the UAE, and engaging international tech firms. This is supported by high-level talks with Estonia on digital development.

Implications: Together, these initiatives strengthen Kazakhstan's profile as a regional actor in digitally enabled infrastructure, stretching from water and climate-relevant resource governance to satellite applications and computing capacity. For EU-Kazakhstan relations, the water-management and water-energy mapping agenda creates concrete openings in environmental monitoring and sustainable agriculture, while potentially improving the investment environment for agri-industrial value chains connected to Europe. The EU-backed space hackathon deepens cooperation in connectivity and applied Earth-observation innovation, offering a replicable model for public-private-academic partnerships and a pathway to research collaboration. Finally, Kazakhstan's outreach to Estonia and its push for energy-efficient data centers broaden cooperation beyond transport and commodities into data governance, cybersecurity, and secure digital corridors along the Middle Corridor, which aligns Kazakhstan more closely with EU digital resilience and energy-transition priorities.

## Green Energy

### Kazakhstan Approves Second Nuclear Power Plant in Almaty Region

On 26 January 2026, Kazakhstan's government approved construction of a second nuclear power plant in the Zhambyl District of the Almaty Region, formalized by Resolution No. 40 signed by Prime Minister Olzhas Bektenov. The project will be

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# Highlights

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developed with China National Nuclear Corporation (CNNC), while the first nuclear plant in Ulken is being built by Russia's Rosatom with a planned capacity of 2.4 GW (two VVER-1200 reactors). Kazakhstan has also signaled interest in expanding nuclear cooperation with the European Union, including potential collaboration in research, safety standards, and energy diversification.

Implications: For the EU, Kazakhstan's nuclear expansion is strategically relevant to energy security, diversification, and decarbonization goals. Engagement with CNNC and Rosatom underscores Kazakhstan's reliance on external partners, but EU involvement could provide leverage in safety, regulatory alignment, and low-carbon energy cooperation. As Brussels advances its Critical Raw Materials and Green Deal agendas, Kazakhstan's nuclear program offers opportunities for collaboration in technology transfer, nuclear fuel cycle management, and integration into broader EU energy transition frameworks.

## Trade

Reports show that in 2025, the European Bank for Reconstruction and Development (EBRD) signed 18 projects in Kazakhstan worth \$446 million, with nearly half of lending directed to sustainable infrastructure and delivered through partner financial institutions to support SMEs as well as women and youth entrepreneurs. The EBRD also expanded lending via local partners, including three loans totaling €57.6 million to Bank CenterCredit, plus €22.9 million for KMF Bank and €6 million for Arnur Credit under the Youth in Business program. Alongside finance-sector support, foreign direct investment was encouraged through projects with Empire Manufacturing Kazakhstan, a coffee-processing facility, Orzax Central Asia, which is a food supplement plant in Turkistan Region, and Sarens Kazakhstan that focuses on heavy-lifting operations. With EU backing, EBRD financing also strengthened connectivity by expanding cargo-handling capacity at the port of Aktau, which is an important node on the Trans-Caspian route, and modernizing a 234 km section of the Western Europe-Western China highway. Separately, Kazakhstan's transport sector grew 20.4% in 2025, supported by rail +10.2%, pipeline +16.5%, and road freight +32.8%. Rail freight, accounting for 62% of cargo turnover, increased with higher shipments of oil, construction materials, chemicals, and grains, while passenger transport growth slowed and air and rail passenger turnover declined.

Implications: For the EU, the EBRD portfolio directly supports priorities in

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# Highlights

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connectivity, the green transition, and inclusive private-sector growth, while reinforcing Kazakhstan's role in shaping resilient regional economic links. The Aktau port expansion and highway modernization improve the capacity and reliability of the Middle Corridor, strengthening an alternative trans-Caspian trade route between Central Asia and Europe and deepening Kazakhstan's integration into transcontinental supply chains. Increased SME lending, especially for women and youth-led businesses aligns with EU development objectives and can broaden the base of firms able to participate in cross-border trade and services. The presence of projects involving firms linked to Belgium, Türkiye, and Singapore signals continued openness to foreign capital and industrial cooperation, while the freight-led surge in transport underscores Kazakhstan's growing role as a logistics hub; at the same time, weaker passenger dynamics point to an imbalance that EU engagement on financing, standards, and corridor governance could help address to improve long-term resilience of this strategic route.

# Kazakhstan-Centric Trends: Developments on the Ground

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From the perspective of Brussels, the week marking the 33rd anniversary of diplomatic ties with Astana has centered on 'credibility through delivery.' The European Union is moving beyond symbolic roadmaps and is now focused on the practical execution of its Global Gateway strategy. Kazakhstan is viewed as a natural partner for the EU's green transition, particularly as it provides critical raw materials necessary for European industrial resilience. This week's ratification of the readmission agreement with Austria is seen as a major step toward a more structured migration policy, reinforcing the EU's goal of achieving security through comprehensive legal frameworks and deepening strategic interdependence with its Eurasian partners.

**Trend analysis:** The prevailing trend in Brussels is the institutionalization of the Middle Corridor as a primary logistics artery that bypasses traditional northern routes. Following a recent Commission study, the EU has shifted its focus to financing bankable projects in the Port of Aktau and harmonizing digital customs systems. This 'regulatory export' strategy is intended to align Kazakhstan's digital and environmental standards with European norms, creating a seamless trade environment. Furthermore, the ongoing second round of visa facilitation negotiations in Astana signals a pivot toward mobility-based diplomacy, where the EU uses eased travel as a tool to cement people-to-people ties and counter the influence of other major powers in the Central Asian region.

**Why it matters:** For the European Union, this deepened engagement is a critical component of its de-risking strategy. Maintaining a robust relationship with Astana ensures that legitimate energy flows remain secure amidst tightening sanctions on circumvention channels. Geopolitically, a stable and European-aligned Kazakhstan acts as a regional anchor that prevents the total consolidation of influence by rival blocs. By investing in the Middle Corridor and critical minerals, the EU is effectively building a geopolitically resilient bridge that secures its industrial future while promoting a rules-based order in a strategically vital part of the world.

**What to watch:** Watch for the formal announcement of the 'Team Europe' initiative on transport connectivity, expected to specify the next round of infrastructure grants for the Trans-Caspian route. Another key indicator will be the outcome of the visa facilitation talks; success here could pave the way for a broader visa-free regime for short-stay Kazakh citizens, a high-visibility deliverable for European soft power.

# Kazakhstan-Centric Trends: Developments on the Ground

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This week, Kazakhstan has solidified its transition from a resource-dependent economy toward a high-tech industrial and agricultural hub. On February 4, the government officially launched a progressive agro-economy model, backed by a \$2.6 billion investment to build five grain-processing plants for high-value products like amino acids and bioethanol. Simultaneously, Astana is intensifying its regional diplomacy in Europe, highlighted by the opening of a new honorary consulate in Saarbrücken on February 5. This diplomatic expansion accompanies a major surge in energy exports, with January oil deliveries to Germany reaching 310,000 tons, a massive increase that underscores Kazakhstan's growing reliability as a primary non-Russian energy supplier.

**Trend analysis:** The current trend reflects a 'Double-Vertical' integration strategy: moving vertically up the value chain domestically while simultaneously expanding vertical trade routes through non-Russian corridors like the Baku-Tbilisi-Ceyhan (BTC) pipeline. The presidential focus has shifted toward 'precision growth,' with 2026 designated as the year of Digitalization and AI, specifically applied to land management and water conservation. By coupling these digital reforms with a new state guarantee system that covers up to 85% of agricultural loans for farmers, the state is effectively de-risking the private sector to attract European institutional investors. This week's data confirms that Kazakhstan is successfully leveraging its 'Realpolitik Moment' to position itself as a pragmatic power broker that offers both energy security and a modernized, technology-ready industrial base.

**Why it matters:** This week's developments represent a pivot toward strategic autonomy for Astana. By developing a domestic pharmaceutical hub and deep grain processing capacity, Kazakhstan reduces its vulnerability to external supply shocks and dependency on imports from traditional partners. The sharp rise in oil volumes to Germany, transported via the Druzhba and BTC routes, demonstrates Kazakhstan's ability to bypass logistical constraints and serve as a vital energy guarantor for Europe. Strengthening regional ties through the Saarbrücken consulate further integrates Kazakhstan into the European industrial fabric, providing a necessary counterweight to competing regional influences and securing long-term economic stability.

**What to watch:** Key indicators for the coming weeks include the tangible progress of the five newly announced mega-projects in the agricultural sector and the implementation of AI-driven water management systems. Observers should also



# Kazakhstan-Centric Trends: Developments on the Ground

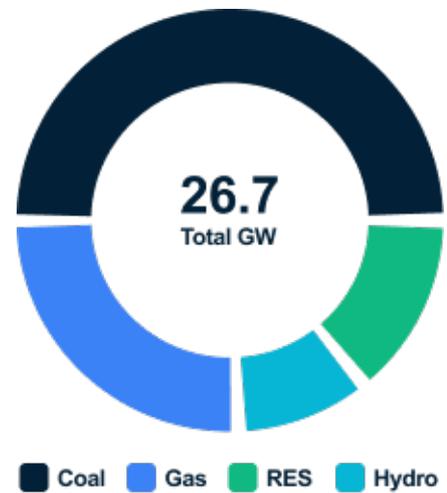
monitor the upcoming 'AI & Digital Bridge' forum and the pharmaceutical forum in Turkestan, which will likely signal the next phase of European capital entry into Kazakhstan's high-tech sectors. Furthermore, the official launch of the 'Smart Cargo' digital platform will be a critical barometer for the efficiency of the Middle Corridor, potentially opening the door for increased non-energy trade volumes between Astana and Brussels.

# Data Spotlight

Kazakhstan is pursuing a comprehensive power sector strategy designed to eliminate its longstanding electricity deficit (by the end of the first quarter of 2027) and create a sustainable surplus by 2029. This follows presidential directives and government planning, with implementation led by the Ministry of Energy. The strategy spans capacity expansion, infrastructure modernisation, diversification of generation sources, and regulatory reforms to attract investment and improve system flexibility.

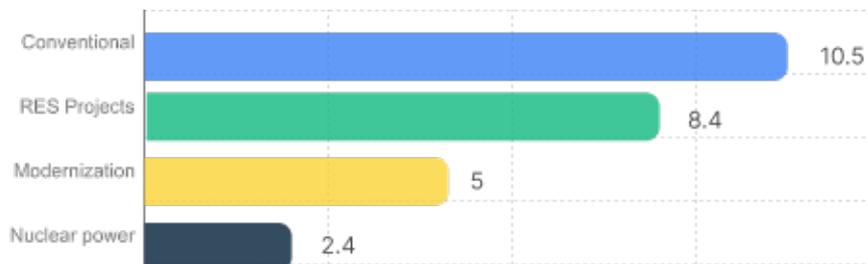
For European stakeholders, this shift signals the stabilization of a key energy partner in Central Asia. The move to surplus by 2029 directly supports the feasibility of the Trans-Caspian Green Energy Corridor (signed at COP-29) and guarantees reliable power for future Critical Raw Materials (CRM) processing ventures, which is a cornerstone of the EU-Kazakhstan strategic partnership.

Kazakhstan's power system currently includes 241 energy sources, with a notable shift towards green energy, with 162 of these belong to renewable energy sources (RES).



By the end of 2025, total installed capacity reached 26.7 GW, a net increase of 1.4 GW year-on-year. While traditional coal (13.8 GW) remains the backbone, the system is diversifying with 3.6 GW of renewables, 6.8 GW of gas generation and 2.5 GW of large hydropower.

## The 2035 Growth Strategy



**Strategic Diversification:** The target 26.3 GW commissioning is split between energy security (Conventional) and environmental commitments (RES). The inclusion of 2.4 GW Nuclear power is a cornerstone for the 2035 baseline stability.

**Modernization Focus:** 5.0 GW is allocated purely for upgrading existing plants. This "rehabilitation" strategy is more cost-effective than new builds and immediately impacts grid efficiency by reducing technical losses.



# Data Spotlight

## The Transition to Surplus (2024-2029)



According to the Ministry of Energy, the timeline is aggressive but structured. 2026 will be a pivotal year with 2.6 GW commissioned. By 2029, a massive 5.7 GW influx will create a surplus of both electricity and regulating capacity, opening doors for export potential.

Over 31% of new capacity is dedicated to load regulation. This includes 5.6 GW of combined-cycle gas turbines (CCGT) and 1.17 GW of hydropower. This flexibility is crucial for balancing the intermittent nature of the 8.4 GW planned renewable energy expansion.

Legacy infrastructure wear has historically been a barrier to efficiency. The government has launched a granular overhaul program. In 2026 alone, major overhauls are scheduled for 9 power units, 55 boilers, and 51 turbines.

### Investment Climate

#### The "Tariff in Exchange for Investment"

The updated program has increased the annual investment recovery limit from 32bn to 428bn Tenge. Crucially, private operators have reinvested 100% of profits into modernization rather than paying dividends.

Impact: Reduces counterparty risk for investors in joint ventures.

#### Green Energy Corridor

The MOU signed at COP-29 (Kazakhstan-Azerbaijan-Uzbekistan) establishes the legal framework for exporting Central Asian green electrons to Europe via the Caspian.

Impact: Direct contribution to EU energy diversification.

#### Reliable Partner Status

By targeting a surplus in 2029, Kazakhstan positions itself not just as a raw material supplier, but as an energy-secure hub for processing.

Impact: Ensures stable power for energy-intensive CRM processing facilities.



# Data Spotlight

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For the EU, Kazakhstan's energy reforms and the Caspian Green Energy Corridor are strategically significant. The corridor directly supports EU diversification goals under the Global Gateway and Green Deal, offering new renewable electricity flows from Central Asia. Kazakhstan's balanced approach - combining conventional, nuclear, and renewable generation - creates opportunities for EU cooperation in clean coal technologies, flexible generation, and energy storage systems. The surplus expected after 2029 positions Kazakhstan as a potential electricity exporter to Europe, reinforcing the Middle Corridor's role not only in transport but also in sustainable energy connectivity. EU engagement in investment, standards, and technology transfer could secure long-term benefits for both sides.

# News Sources

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- 2) Kazakhstan Approves Construction of Second Nuclear Power Plant in Almaty Region ([Astana Times](#))
- 3) EBRD Invests Close to \$450 Million in Kazakhstan as Regional Funding Approaches \$2 Billion ([EBRD](#))
- 4) Kazakhstan's Transport Sector Hit Record 20.4% Growth in 2025 ([Astana Times](#))
- 5) Kazakhstan boosts oil exports to Germany ([Astana Times](#))
- 6) Kazakhstan and Austria strengthen fight against illegal migration ([QazInform](#))
- 7) Kazakhstan to introduce progressive agro-economy model ([QazInform](#))
- 8) Kazakhstan strengthens European ties with new consulate in Saarbrücken ([QazInform](#))
- 9) Kazakhstan as a Pharma Hub: Europe's Interest Is Growing ([DK News](#))
- 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](#))

