



Kazakhstan-EU Weekly Briefing

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Highlights

Middle Corridor

The Trans-Caspian International Transport Route (TITR) reached a critical milestone this week as the European Commission released its comprehensive meta-study on February 11, mapping specific investment gaps across the corridor. For the first time, the "vision" of a Middle Corridor is being replaced by a punch-list of railway "missing links" and port bottlenecks. The study suggests that with targeted investment, trade volumes could triple by 2030, transforming the route into a permanent competitor to northern transit paths.

On the ground, this strategy took a physical turn with the continuation of dredging operations at the Port of Kuryk. By deepening the channel to five meters, Kazakhstan is addressing a major logistical pain point, falling Caspian Sea water levels, to ensure larger vessels can navigate year-round. This technical upgrade was a central theme at the "C5+1" ministerial meeting in Berlin on February 11. German President Frank-Walter Steinmeier and Foreign Affairs Minister Johann Wadepuhl signaled that the Middle Corridor is now a strategic necessity for European industrial survival, emphasizing a "Green Bridge" concept that utilizes modernized, low-emission rail networks to move goods between Asia and Europe.

Critical Raw Materials

The partnership regarding Critical Raw Materials (CRMs) shifted focus this week from simple extraction to the complex world of governance and standards. The official launch of the "Secure CRM" project on February 9, which is a joint three-year initiative by the EU and the UN, aims to harmonize Kazakhstan's regulatory frameworks with European ESG (Environmental, Social, and Governance) standards. This is a profound shift; by aligning mining laws, Kazakhstan is effectively making its mineral sector investible for European institutional capital.

The strategic importance of this was underscored by the implementation of the 2025-2026 CRM Roadmap. Kazakhstan currently provides the EU with 19 of the 34 materials deemed "critical" but the dialogue this week centered on moving up the value chain. At the Berlin summit, officials pushed for local value-added projects, such as domestic processing and refining facilities for lithium and graphite. This approach ensures that the minerals powering Europe's green transition are processed within Kazakhstan, fostering a more balanced and durable economic partnership rather than a one-way resource drain.



Highlights

Trade and Digitalization

Trade relations this week were characterized by a push for “seamless” connectivity through digital innovation. A major highlight was the integration of AI-driven logistics initiatives, which have now begun real-time diagnostics of Kazakhstan’s national road network to optimize transit flows. By pairing these tools with EU-supported digital customs systems, the goal is to create a paperless transit environment that reduces the administrative friction historically associated with Central Asian trade.

Digitalization is also playing a key role in geopolitical trust-building. During talks in Berlin and Brussels, officials discussed how digital tracking and AI-enhanced monitoring can prevent the evasion of sanctions, ensuring that the surge in trade volume along the Middle Corridor remains transparent and compliant with international law. Furthermore, the link between digitalization and energy was made explicit this week with new discussions on “Green Hydrogen” exports. The infrastructure required for these exports will rely on digital twin technologies and advanced grid management, positioning Kazakhstan as an important digital energy partner for the EU.

EU-Centric Trends: Brussels' Point of View

On 6 February 2026, the European Commission published a meta-study identifying priority investments to strengthen the Trans-Caspian Transport Corridor linking Europe with Central Asia via Türkiye and the South Caucasus. The document maps key infrastructure gaps in rail, ports, border procedures, energy links, and digital connectivity. This positions the corridor as a reliable alternative route to Asia under the EU's Global Gateway agenda. In parallel, the 6th EU-Central Asia Civil Society Forum took place in early February, while the European Court of Auditors released a report highlighting EU vulnerabilities at the processing stage for lithium, gallium, magnesium, and rare earth elements

Trend Analysis:

These developments show Brussels moving from political signalling toward practical corridor planning. The Commission's study provides the technical investment roadmap, and the civil society forum builds political and governance support, while the Court of Auditors' report reinforces the industrial urgency behind diversification. We should note that the EU is increasingly treating transport, energy, and digital links as a single integrated connectivity system. This shows a more strategic and long-term approach to secure supply chains between Europe and Central Asia.

Why it Matters:

For the EU, the Trans-Caspian corridor is becoming central to efforts to diversify trade routes and reduce vulnerabilities in energy and critical raw materials supply. Stronger connectivity with Central Asia could support its green transition and industrial resilience. For Kazakhstan and the wider region, the initiative increases their importance as transit and resource partners within the EU's Global Gateway strategy.

What to Watch:

Key indicators will be whether the Commission's findings translate into concrete Global Gateway financing decisions, particularly for rail, port, and digital customs projects along the corridor. Progress on energy interconnection plans and follow-up from the civil society track will also show how quickly Brussels moves from assessment to implementation.

Kazakhstan-Centric Trends: Developments on the Ground

At the expanded government meeting held on 10 February 2026, President Tokayev presented a broad governance agenda aimed at stabilising inflation, modernising tax and customs systems, and boosting productivity through AI. The government and the National Bank were instructed to reduce inflation within three years, with a projected CPI of 9-12% in 2026. Politically, Tokayev reaffirmed the transition from a super-presidential model toward a presidential republic with a stronger parliament under the new Constitution.

Trend Analysis:

Kazakhstan is entering a new phase of state capacity strengthening built around six pillars: disinflation, digital enforcement, AI-driven productivity, value-chain upgrading, logistics redirection, and institutional stabilisation. The strategy links macroeconomic stabilisation with technological governance tools. Digital tax and customs systems are expected to reduce the leakages. AI is being embedded into tax control and industrial planning. The National Bank's inflation corridor and the target of full electronic customs by 2027 form the operational backbone of this shift. At the same time, the government is prioritising movement up the value chain, going from raw materials to processed outputs like rare earth concentrates and battery precursors.

Why it Matters:

If implemented effectively, these reforms could strengthen Kazakhstan's position as a reliable partner for the EU. Lower inflation and stronger institutions improve the country's investment profile. Digitalised logistics and customs systems can make the Trans-Caspian route more transparent and efficient. The push toward higher-value processing in critical raw materials, hydrogen, and petrochemicals aligns with EU demand for diversified supply sources. However, structural constraints persist, such as limited domestic oil refining capacity and the energy deficit. These remain key bottlenecks that could slow industrial expansion. Yet, progress on macroeconomic stabilisation may give way for engagement with major European financial institutions.

What to Watch:

Watch for the government's inflation-reduction plan and whether CPI stabilises within the projected band. Monitor quarterly progress on digital customs and tax enforcement, especially the share of electronic declarations. In the industrial sphere, follow developments in the critical raw materials sector, EU strategic agreements, and ESG compliance. And last, track the implementation of governance reforms: legislative transparency, and procurement modernisation under the EPCA.



News Sources

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- 2) Kazakhstan, Germany Push Deeper Economic and Energy Cooperation at C5+1 Meeting in Berlin ([Astana Times](#))
- 3) Central Asia Emerges as a Key Supplier of “Green” Minerals: UN and EU Launch Major Project ([nCa](#))
- 4) Middle Corridor's greater efficiency set to speed up and stabilize EU imports ([Trend.az](#))
- 5) Foreign Ministers of Central Asian Countries Meet with the Federal President of Germany ([MFA Kazakhstan](#))
- 6) UN, EU Launch Central Asia Critical Raw Materials Project ([Business Turkmenistan](#))
- 7) EU study maps investment needs to rebuild trade routes between Europe and Central Asia via the Caucasus ([European Commission](#))
- 8) 6th EU–Central Asia Civil Society Forum takes place in Bishkek ([OANA](#))
- 9) Special report 04/2026: Critical raw materials for the energy transition – Not a rock-solid policy ([European Court of Auditors](#))
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- 11) Strong Connectivity Infrastructure Key to Digital Economy, Says Minister ([Astana Times](#))
- 12) Kazakhstan Aims to Attract Quality Investments to Drive High-Tech Growth ([Astana Times](#))
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- 14) Foreign Capital Inflows Exceed \$58 Billion, Says Prime Minister ([Astana Times](#))
- 15) Kazakhstan to host Central Asia’s first ecological summit ([Eurasian Star](#))
- 16) Up to \$1 Billion Annually: Kazakhstan and the World Bank Prepare a New Partnership Strategy ([DK News](#))
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- 18) Kazakhstan launches new investment cycle ([Jibek Joly/Silk way](#))
- 19) Kazakhstan’s constitutional reform truly acquired nationwide character – President ([QazInform](#))
- 20) Kazakhstan’s new taxes target ‘excess profits’ in uranium and gold ([Kursiv.kz](#))
- 21) Kazakhstan Advances Plans to Modernize Coal-Fired Power Sector ([Astana Times](#))

