



# Kazakhstan- EU Weekly Briefing

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**February 23-28,**  
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# Highlights

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## Middle Corridor

The Trans-Caspian International Transport Route (TITR), or Middle Corridor, saw a significant push toward becoming a permanent Eurasian fixture this week. On February 26, the Kazakh Ministry of Transport announced that cargo shipments via the route are projected to reach 5,2 million tons in 2026, a substantial increase from previous years. A key driver for this growth is the ongoing expansion of the Port of Kuryk, where new dredging and container terminal projects were highlighted as top priorities. Complementing this, Serbian President Aleksandar Vučić's visit to Astana on February 26-27 resulted in a strategic agreement to position Serbia as a primary logistics hub for Kazakh goods entering the European market. This effectively extends the Middle Corridor's influence deeper into Southeast Europe, aligning with the EU's Global Gateway goal of tripling corridor capacity by 2030.

**Implications:** The expansion of the Middle Corridor and the projected growth in cargo volumes signal that Kazakhstan is becoming a more serious transit partner for the European Union. For Brussels, this strengthens efforts to diversify trade routes under the Global Gateway strategy. Serbia's role as a logistics hub could accelerate Kazakh access to EU markets. But at the same time increased traffic may bring higher EU expectations regarding customs transparency and compliance.

## Critical Raw Materials

This week, the EU-Kazakhstan partnership on Critical Raw Materials (CRMs) shifted focus toward localized processing. On February 26, during high-level trade discussions, Kazakh officials reiterated that the country's 2025-2026 CRM Roadmap with the EU is entering its "decisive execution phase." While Kazakhstan already produces 19 of the 34 materials listed under the EU's Critical Raw Materials Act, the conversation this week centered on moving away from a purely extractive model. Discussions in Astana focused on securing European co-financing for "midstream" facilities, specifically for lithium and rare-earth refining, to ensure that the minerals powering Europe's green transition are processed within Kazakhstan. This move is designed to create a "sustainable value chain" that meets the EU's high ESG standards, making Kazakh minerals more attractive to risk-averse institutional investors.

**Implications:** Kazakhstan's move toward domestic processing of lithium and rare earths marks a shift from being only a raw materials supplier to becoming a higher-value partner in Europe's green transition. For the EU, this offers an opportunity to secure more diversified supply chains under the Critical Raw Materials Act.

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However, deeper cooperation will definitely require European financial and technical support to ensure ESG standards are met, otherwise competitors could fill the gaps.

## Trade and Digitalization

Coinciding with the EPCA anniversary, Kazakhstan officially launched its operational plan for 2026: The Year of Digitalization and AI on February 23. This week, the government approved ten key initiatives aimed at modernizing logistics and trade through artificial intelligence. A major highlight is the rollout of "AI-driven diagnostics" for the national transport network, which is being integrated with EU-backed digital customs platforms. These digital tools are now the primary defense against the circumvention of sanctions, providing real-time transparency for goods moving along the Middle Corridor. Furthermore, the memorandum on AI cooperation signed with Serbia on February 27 underscores Astana's ambition to become a regional leader in digital governance, aiming to digitize 90% of trade-related laws and customs procedures by the end of the year to eliminate administrative friction with EU partners.

**Implications:** Kazakhstan's AI-driven modernization of trade and customs systems aligns closely with EU priorities on transparency and sanctions enforcement. If successfully implemented, digital integration with EU-backed platforms could reduce administrative friction and increase trust in the Middle Corridor as a secure trade route. At the same time, closer digital cooperation will raise expectations for regulatory harmonization, data protection standards, and sustained compliance with EU norms.



Credit: Astana Times

# EU-Centric Trends: Brussels' Point of View

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**Kazakhstan Expert Roundtable Flags Risks from EU Methane Regulation:** This week a Kazakh expert roundtable assessed the implications of the EU Methane Regulation for Kazakhstan's oil exports to Europe, identifying significant economic risks if the country cannot document and reduce methane emissions in line with EU standards. Industry and NGO representatives stressed the need to move from approximate calculations to direct measurement under OGMP 2.0-type standards,

introduce Leak Detection and Repair (LDAR) programmes, and build a national monitoring, reporting, and verification (MRV) system across the oil and gas chain. Participants recommended harmonising Kazakh legislation with EU rules and developing a dedicated digital reporting platform so that operators can provide verified, standardised emission data to EU buyers and regulators. In parallel, Kazakhstan's ratification of a bilateral readmission agreement with Austria this week reflects broader regulatory alignment with EU member states in areas beyond energy, particularly migration governance.



Credit: secca.eu

# EU-Centric Trends: Brussels' Point of View

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## **Trend Analysis:**

The roundtable signals that Kazakh industry and civil society are beginning to internalise the compliance requirements of the EU Methane Regulation ahead of its import-related provisions taking effect. The identified gap between current approximate reporting practices and the direct measurement standards required by the EU reflects a structural challenge that will require both regulatory reform and infrastructure investment. The recommendation to develop a digital MRV platform links Kazakhstan's methane compliance pathway to its broader digitalisation agenda, creating a concrete point of convergence between EU green trade requirements and Kazakhstan's domestic digital modernization priorities. Similarly, the migration agreement with Austria indicates Kazakhstan's continued institutional convergence with EU legal standards in cross-border matters.

## **Why it Matters:**

The EU Methane Regulation introduces import-related obligations that will apply to fossil fuel suppliers to the EU market. For Kazakhstan, which has significantly increased oil deliveries to Europe, the ability to provide verified methane data is becoming a market access requirement rather than a voluntary commitment. Non-compliance would expose Kazakh exporters to additional costs or market restrictions, while early alignment could reinforce Kazakhstan's position as a reliable, regulation-compatible energy supplier. The call for legislative harmonisation and a digital reporting platform also creates openings for EU technical assistance and regulatory cooperation. In the same vein, cooperation with Austria on readmission strengthens Kazakhstan's credibility as a rules-based partner capable of meeting EU governance expectations beyond the energy sector.

## **What to Watch:**

Government announcements on legislative alignment with the EU Methane Regulation, LDAR programme roll-out, or MRV system development. Whether the digital reporting platform recommended by roundtable participants receives formal government backing will be an indicator of how seriously Astana is treating compliance as a near-term priority.

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# Kazakhstan-Centric Trends: Developments on the Ground

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**Kazakhstan's Economic Repositioning Boosts Supply Chain Resilience.** Kazakhstan advanced its global economic integration this week across digital infrastructure, critical minerals, and transit capacity. The government progressed the 1 GW Ekibastuz Data Center Valley for large-scale compute operations, signed an updated 2026 - 2027 Critical Minerals Roadmap with the United Kingdom deepening a bilateral partnership first established in March 2024, and commenced construction of a SCAT - Boeing MRO (maintenance, repair and overhaul) facility in Shymkent for heavy aircraft maintenance. Separately, the World Bank and the Asian Infrastructure Investment Bank jointly guaranteed \$1.41 billion for a new rail line on the Trans-Caspian Middle Corridor, while a broader 2026 - 2031 Country Partnership Framework proposing up to \$1 billion annually remains under development pending Board approval.

## **Trend Analysis:**

Kazakhstan is undertaking a structural transition from commodity-export dependency toward a rules-based, high-value economy underpinned by stronger institutions. The World Bank country strategy reflects this trajectory, prioritizing competitive governance frameworks to catalyze private investment. The Ekibastuz Data Center Valley converts domestic energy and land assets into international-grade computing capacity; the Kazakhstan - UK Critical Minerals Roadmap formalizes expanded rare earth cooperation to establish domestic processing capabilities and resilient supply chains; and the Shymkent MRO facility localizes aircraft maintenance to reduce external dependency and cultivate a globally aligned technical workforce. The approved rail guarantee instrument conditions infrastructure financing on institutional reform, linking physical connectivity to measurable governance improvements.

## **Why it Matters:**

Kazakhstan's strategic repositioning carries material implications for European supply chain resilience. The critical minerals partnership may support EU de-risking objectives by diversifying inputs for battery and electronics manufacturing, while the Ekibastuz Data Center Valley could provide compliant, low-latency hosting infrastructure for European firms operating under stringent data governance requirements.

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# Kazakhstan-Centric Trends: Developments on the Ground

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The Shymkent MRO facility may enhance Middle Corridor reliability by improving aircraft availability and cargo predictability for time-sensitive trade flows. Underpinned by multilateral financing conditioned on institutional reform, Kazakhstan is positioned to emerge as a partner capable of meeting the regulatory standards and operational tempo essential to Europe's strategic autonomy across logistics, data, and critical materials.

## **What to Watch:**

Whether the Data Center Valley secures a Western cloud or AI anchor tenant validating regulatory alignment; whether the UK Critical Minerals Roadmap advances toward ESG-certified processing compatible with EU due-diligence rules; whether the Shymkent MRO hub attracts non-regional carriers as a signal of improved aviation governance; and whether World Bank disbursements tied to competition reforms proceed at a pace that can support scaled European investment across digital, mineral, and transport sectors.

# News Sources

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- 2) Digitalization, logistics, agro-industrial complex, AI: Kazakhstan and Serbia entering new level of cooperation ([Kazinform](#))
- 3) Kazakhstan plans 5.2M tons of cargo shipment via Middle Corridor in 2026 ([Report.az](#))
- 4) From Smart Cities to AI Education: Kazakhstan's 2026 Digitalization Projects ([Astana Times](#))
- 5) Azerbaijan, Georgia, and Türkiye convene to advance Middle Corridor's potential ([Trend.az](#))
- 6) How will new EU rules affect oil from Kazakhstan? ([Inbusiness.kz](#))
- 7) Kazakhstan Advances 1 GW Data Center Valley Project in Ekibastuz ([Astana Times](#))
- 8) Kazakhstan, UK Deepen Strategic Partnership with Focus on Critical Minerals, Trade and Education ([Astana Times](#))
- 9) SCAT, Boeing Break Ground on Central Asia's Largest Aircraft Maintenance Hub in Shymkent ([Astana Times](#))
- 10) World Bank Country Manager on New Partnership Framework, Kambarata-1 and Economic Resilience ([Astana Times](#))
- 11) Kazakhstan Ratifies Migration Agreement with Austria ([Astana Times](#))



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