



# **Kazakhstan- EU Weekly Briefing**

**Issue 16**

**March 2-8, 2026**

# Highlights

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## Middle Corridor

The most significant development this week occurred on March 6, 2026, when Kazakhstan and Greece formalized a strategic partnership designed to position Hellenic ports as the primary Mediterranean entry point for the Trans-Caspian International Transport Route (TITR). This agreement emphasizes maritime logistics and the integration of Greek shipping expertise to modernize Caspian Sea operations. By aligning with Greece, Kazakhstan effectively diversifies its European access points, moving beyond the established Black Sea corridors in Romania and Bulgaria.

**Implications:** This pivot enhances the resilience of the Middle Corridor by creating a 'multi-modal southern bridge.' For the EU, integrating Greek maritime infrastructure provides a high-capacity alternative that mitigates the security risks and congestion often found in the Black Sea. It essentially secures a stable 'south-south' trade link that is less susceptible to regional geopolitical volatility, ensuring a more consistent flow of goods into the heart of the Eurozone.

## Critical Raw Materials

As of March 2026, the joint CRM Roadmap has moved into an intensive operational stage, with technical teams from the European Bank for Reconstruction and Development (EBRD) and Kazakhstan's Tau-Ken Samruk accelerating geological exploration for lithium and tungsten. The focus this week shifted notably toward the 'local value-add' model, where the EU provides the technical assistance and ESG framework necessary for Kazakhstan to refine these materials domestically rather than simply exporting raw ore. This aligns with Kazakhstan's ambition to move up the global value chain while supporting Europe's green transition.

**Implications:** This shift signals a move toward deep industrial integration. For the EU, securing a refined supply of lithium is a prerequisite for achieving strategic autonomy in battery production and reducing dependence on external monopolies. For Kazakhstan, this partnership provides the 'gold standard' for sustainable mining, ensuring that its resource wealth translates into long-term technological capacity rather than just temporary commodity rents.

## Trade

Trade facilitation received a massive boost on March 3, 2026, with the signing of a \$5.5 billion investment program between the Asian Development Bank (ADB) and

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the Kazakh government. A significant portion of this funding is dedicated to eliminating physical bottlenecks, such as the \$377 million Saryagash bypass road, which aims to streamline cross-border movement between Kazakhstan and its neighbors. Simultaneously, the conclusion of the second round of EU-Kazakhstan Visa Facilitation talks on March 4 highlights a parallel effort to reduce 'soft' barriers to trade by easing the mobility of business professionals and logistics experts.

**Implications:** The scale of this funding addresses the primary criticism of the Middle Corridor: that it is slower and more expensive than sea freight. By aggressively tackling 'last-mile' infrastructure gaps and simplifying visa regimes, the EU and Kazakhstan are making the route commercially competitive. This transforms the gateway from a purely geopolitical project into a commercially viable trade artery capable of handling high-volume, time-sensitive cargo.

## Digitalization

In the digital sphere, Kazakhstan has spent the week signaling a 'technologically neutral' path that prioritizes rapid adoption over strict regulatory alignment with the EU's AI Act. Reports from March 3 indicate that 75% of Kazakh financial institutions have now integrated AI into their operations, a trend that is being mirrored in the logistics sector to create 'smart borders.' Efforts are currently underway to digitize customs procedures at Caspian crossings to reduce transit wait times to under four hours, supported by the expansion of trans-Caspian fiber-optic cables and regional data centers.



Credit: Gov.kz

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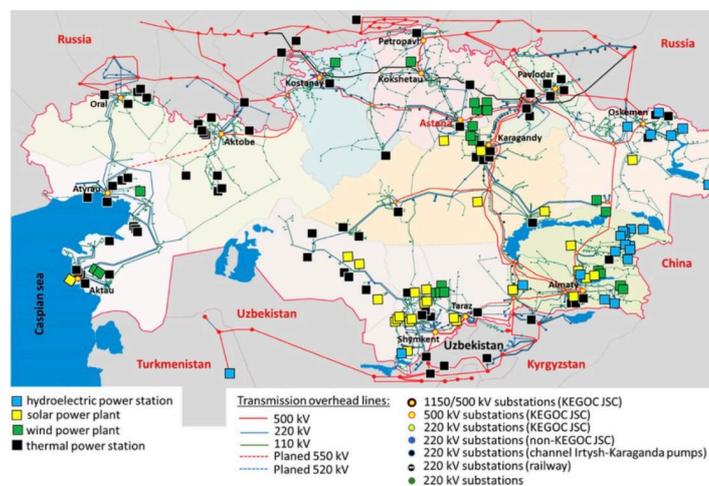
**Implications:** Kazakhstan's pragmatic approach to AI and data creates a high-efficiency digital environment that could outpace traditional European bureaucratic processes. While this poses a challenge for regulatory harmonization between the EU and Central Asia, it provides the 'digital grease' necessary to make the transport corridor function at peak efficiency. The implication for the EU is a need to balance its regulatory standards with the operational speed required to manage a global logistics hub.

# Kazakhstan-Centric Trends: Developments on the Ground

**Kazakhstan is strengthening national resilience in its growth model** through a massive Kazakhstan Electricity Grid Operating Company (KEGOC) modernization plan to add or refurbish over 17,000 km of power lines by 2035, including a 500 kV western grid integration by late 2027. Simultaneously, the Transport Ministry is advancing the Middle Corridor with a three-year, 4.6 trillion tenge highway program while private interest grows through partnerships like Stadler Rail and Kazakhstan Temir Zholy. This infrastructure is underpinned by a new World Bank framework, a \$5.5 billion Asian Development Bank (ADB) program for green connectivity, and a \$1.3 billion Islamic Development Bank (IsDB) commitment for industrial zone upgrades. Economically, the country is shifting toward value-addition as processed agro-exports reached \$3.6 billion and the government targets a 70% processing rate for all outputs. In the resource sector, Shell's new exploration contract and a \$500 million mining pitch at Prospectors & Developers Association of Canada (PDAC) link critical minerals and energy security into a unified modernization strategy.

## Trend Analysis

Kazakhstan is pursuing infrastructure-led strategic autonomy by de-risking its power, transport, and industrial sectors to enable growth based on predictable international standards.



Credit: KEGOC.kz

# Kazakhstan-Centric Trends: Developments on the Ground

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Grid upgrades and regional networks reduce curtailment risks while unlocking renewable energy and balancing options across vast distances. Simultaneously, road and rail expansions on the Trans-Caspian axis compress market transit times through digitalized customs and localized production. The involvement of the World Bank, ADB, and IsDB ensures high-quality execution as targeted incentives shift agriculture and mining from raw exports to high-value processing. This comprehensive approach creates a stable platform that hedges against external shocks by deepening domestic capacity, diversifying trade routes, and increasing overall industrial complexity.

## **Why it Matters:**

EU-Kazakhstan cooperation could accelerate as this week's developments bolster supply-chain diversification along the Middle Corridor and improve grid stability for renewable-powered industry. European firms might find clearer entry points in corridor upgrades, digital customs, and data centers as multilateral co-financing from the World Bank, ADB, and IsDB mitigates project risk. While increased coal demand presents a decarbonization challenge, investments in stronger transmission and HVDC networks create potential pathways to scale renewables and energy storage. Ultimately, these moves offer a platform for EU technology and standards to shape cleaner growth in a strategic corridor vital to Europe's long-term resource and logistics security.

## **What to Watch:**

Key indicators will include the commissioning of the western grid interconnector by 2027 and any tendering for the North-South HVDC spine as a bellwether for renewable integration. On connectivity, monitor the financial close of the Beineu-Saksaulsky route, Middle Corridor throughput metrics, and the progress of rail maintenance localization under the Stadler-KTZ partnership. Watch for the first World Bank disbursements and ADB contract awards for projects like the Saryagash bypass as critical execution tests. In the real economy, success will be measured by the share of processed agri-exports moving toward 70%, the conversion of mining talks into concrete joint ventures, and whether rail infrastructure upgrades keep pace with new industrial demand to translate strategy into bankable capacity.

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# News Sources

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- 2) Kazakhstan, ADB Discuss Strategic Cooperation, Sign \$5.5 Billion Investment Program ([Astana Times](#))
- 3) Kazakhstan Adopts Pragmatic AI Regulation in Financial Sector ([The Times of Central Asia](#))
- 4) Kazakhstan, EU continue negotiations on visa facilitation and readmission ([Kazinform](#))
- 5) ADB outlines priority sectors for Kazakhstan's projects in 2026-2029 ([Trend.az](#))
- 6) Kazakhstan to Link Western Regions to National Grid in Major Network Upgrade by 2027 ([Astana Times](#))
- 7) Swiss Companies Eye Transport and Infrastructure Cooperation with Kazakhstan ([Astana Times](#))
- 8) Kazakhstan's Agricultural Exports Hit \$7 Billion as Processing Sector Drives Growth ([Astana Times](#))
- 9) Kazakhstan, Shell Sign Long-Term Contract for Hydrocarbon Exploration in Aktobe Region ([Astana Times](#))
- 10) Kazakhstan to Secure World Bank Financing for Roads, Rail and Energy Projects ([Astana Times](#))
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- 12) Kazakhstan Establishes Seven International Road Corridors, Plans Major Infrastructure Expansion ([Astana Times](#))
- 13) Kazakhstan, ADB Discuss Strategic Cooperation, Sign \$5.5 Billion Investment Program ([Astana Times](#))
- 14) Kazakhstan Expands Coal Capacity to Secure Energy Supply ([Astana Times](#))
- 15) IsDB to Support Infrastructure of Kazakhstan's Special Economic and Industrial Zones ([Astana Times](#))



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