



Kazakhstan- EU Weekly Briefing

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Highlights

Middle Corridor

On April 16, 2026, the national railway operator Kazakhstan Temir Zholy (KTZ) reported a significant 34.4% increase in container train traffic along the Middle Corridor for the first quarter of 2026. This surge is largely attributed to the new 'synchronized model' implemented this week, which aligns rail schedules directly with maritime shipping at the Caspian ports of Aktau and Kuryk. Simultaneously, Prime Minister Olzhas Bektenov issued urgent instructions on April 13 to accelerate the digital integration of logistics systems with partners in Azerbaijan and Georgia, aiming to eliminate physical paperwork across the Trans-Caspian route and improve real-time tracking capabilities.

Implications: This operational shift addresses the long-standing 'trust gap' in the Middle Corridor's efficiency. By synchronizing rail and sea schedules, Kazakhstan is effectively reducing transit wait times by an estimated two to three days. For the EU, this transition makes the corridor a predictable, time-sensitive alternative to traditional sea freight, moving the Gateway from a contingency backup to a primary, high-frequency trade artery for European retailers and manufacturers.



Credit: railways.kz

Highlights

Critical Raw Materials

On April 19, 2026, Kazakhstan deepened its industrial ties with Belgium's Wallonia region, focusing explicitly on the extraction and high-tech processing of critical minerals. The agreement prioritizes collaborative metallurgy and chemical engineering, aiming to leverage Walloon advanced technologies to create value-added chains within Kazakhstan. This move reinforces Kazakhstan's role as a primary source of strategic resources, particularly uranium and rare earth elements, which are essential for the European green transition and the fulfillment of the EU Critical Raw Materials Act.

Implications: By partnering with localized European industrial hubs like Wallonia, Kazakhstan is establishing direct industrial pipelines that bypass broader bureaucratic hurdles. This ensures that the minerals moving through the Gateway are processed to EU technical standards before they leave Kazakh soil. For the EU, this secures supply chain autonomy; for Kazakhstan, it signals a transition from being an exporter of raw ore to becoming a high-tech industrial player in the global market.



Credit: Kazakh MFA Press Service

Highlights

Trade

This week, trade discussions focused on the expansion of industrial cooperation beyond the traditional energy sector. Following high-level talks on April 17, 2026, Kazakhstan was highlighted as a 'proven partner' for resource security in the current geopolitical climate. The focus has shifted toward industrial diversification, with Belgian and other EU firms being encouraged to establish pharmaceutical and engineering facilities in Kazakhstan's special economic zones. These efforts are tied to the Enhanced Partnership and Cooperation Agreement (EPCA), which is being utilized this week to harmonize Kazakh technical standards with the requirements of the EU Single Market.

Implications: The diversification of trade into pharmaceuticals and engineering indicates that the Gateway is becoming a two-way industrial street. For the EU, this reduces reliance on volatile global markets by establishing a stable, standard-compliant manufacturing hub in Eurasia. For Kazakhstan, this diversification provides the necessary technological transfer to insulate its domestic economy from future energy price shocks and fosters a more resilient economic foundation.

Digitalization

As part of the ongoing 'Year of Digitalization and AI,' the Ministry of Energy announced on April 17, 2026, a new program to train AI engineers and 'white hat' hackers specifically tailored for the energy sector. This week's initiative involves creating 'digital twins' of the national power grid and using computer vision for autonomous drone inspections of transmission lines. This digital push is designed to secure the energy infrastructure that powers the Middle Corridor's electric rail lines and ensures the transparency of cross-border trade data via AI-powered risk assessment platforms.

Implications: High-speed trade requires high-security energy. By training cybersecurity specialists and AI engineers, Kazakhstan is effectively 'future-proofing' the Gateway against digital sabotage and operational failures. The implication for the EU is a significantly more reliable corridor where AI-driven predictive maintenance prevents the types of infrastructure delays that have historically hampered Eurasian transit, ensuring the Gateway remains a 'Smart' trade route.

Kazakhstan-Centric Trends: Developments on the Ground

This week, **Kazakhstan's economic performance and structural direction developed across multiple government meetings and an international assessment.** First-quarter GDP grew by 3%, driven by non-resource sectors, with construction, transport, and manufacturing leading. Manufacturing exceeded mining in GDP share for the second year, while oil's contribution continued its long-term decline, confirming a shift away from resource dependence. Energy output was constrained by disruptions at the Caspian Pipeline Consortium and Tengiz, with oil and gas production at 80.2% of last year's level. At the same time, renewables expanded by 15%, and refinery and petrochemical capacity upgrades are progressing, with polypropylene output set to increase. Transport and logistics remain a key growth pillar, supported by rising rail volumes and expansion of the Trans-Caspian corridor. The IMF projects 4.6% growth for 2026 despite a weaker global outlook, though inflation at 10.7% remains a concern.



Credit: primeminister.kz

Kazakhstan-Centric Trends: Developments on the Ground

Trend Analysis:

Manufacturing surpassing mining for a second year reflects sustained investment in refining, petrochemicals, and industrial capacity now translating into measurable output. Refinery expansions and polypropylene scaling follow a clear strategy of capturing more value domestically rather than exporting crude. At the same time, transport sector growth, especially along the Trans-Caspian corridor, supports a parallel strategy of monetizing geography as a logistics and production hub. While CPC and Tengiz disruptions present short-term constraints, the government's response, accelerating refinery expansion, advancing the Kashagan gas processing plant, and expanding renewables, suggests these shocks are reinforcing, rather than reversing, diversification. The IMF's relatively strong growth outlook signals external recognition that this rebalancing has reached a credible stage.

Why it Matters:

Short-term disruptions at CPC and Tengiz pose execution risks for European energy diversification efforts relying on Kazakh crude. More structurally, refinery expansion and petrochemical scaling position Kazakhstan as a supplier of higher-value processed products, aligning with EU industrial supply chain priorities and reducing exposure to pipeline disruptions. Meanwhile, rising throughput along the Trans-Caspian corridor, supported by digital integration with Azerbaijan and Georgia, strengthens connectivity between Central Asia and European markets.

What to Watch:

Key indicators include the resolution timeline for CPC and Tengiz disruptions; progress in refinery expansion and polypropylene output; bottlenecks in transport infrastructure, notably the Bakhty-Ayagoz rail line and Aktau-Baku shipping capacity; commissioning of the Kashagan gas processing plant; and inflation dynamics relative to the IMF's 10.7% projection.

News Sources

- 1) Kazakhstan Boosts Container Train Traffic Along Middle Corridor ([The Times of Central Asia](#))
- 2) News Digest: Foreign Media on Kazakhstan's Investment Push, Middle Corridor, and More ([Astana Times](#))
- 3) Kazakhstan forges stronger economic ties with Belgium's Wallonia region ([Kazinform](#))
- 4) Kazakhstan to Train "White Hat" Hackers and AI Engineers for the Energy Sector ([The Times of Central Asia](#))
- 5) Transport, Storage Sector Expands 12.8% in Q1, But Growth Loses Steam ([Astana Times](#))
- 6) Kazakhstan plans to increase oil refining volumes at existing refineries ([Gov.kz](#))
- 7) Kazakhstan Shows Resilience as IMF Cuts Global Growth Forecast to 3.1% ([Astana Times](#))
- 8) Kazakhstan Expands Energy Sector While Advancing Renewable Capacity ([Astana Times](#))
- 9) Kazakhstan's Economy Grows 3% in Q1, Driven by Non-Resource Sectors and Investment Activity ([Astana Times](#))
- 10) Kazakhstan Scales Up Eurasian Transit Ambitions with \$26.5B Transport Sector ([Astana Times](#))



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