

# Kazakhstan- EU Weekly Briefing

**Issue 26**

**May 11-17, 2026**

# Highlights

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## Middle Corridor

Developments along the Trans-Caspian International Transport Route (TITR) reached a major diplomatic milestone during the week of May 11-17, 2026, driven by Turkish President Recep Tayyip Erdoğan's state visit to Astana for the 6th Türkiye-Kazakhstan High-Level Strategic Cooperation Council. During the summit, both nations prioritized the infrastructure acceleration of the Middle Corridor, with President Erdoğan explicitly defining the route as the 'modern version of the Silk Road' whose strategic relevance for supplying energy and high-value cargo to the West is becoming increasingly critical amid rising global instability. This strategic push is reinforced by the presence of over 4,000 Turkish companies actively operating in Kazakhstan, laying a solid foundation for long-term logistics synchronization that aligns directly with the EU's Global Gateway framework.

**Implications:** The high-level endorsement from regional heavyweight transit states significantly upgrades the geopolitical weight of the Middle Corridor. By positioning the TITR as a primary energy and cargo conduit to the West, Astana and Ankara are offering European markets a highly integrated, reliable bypass to traditional northern transit routes. For the EU, the implication is a massive de-risking of its Eurasian supply chains, ensuring that trade corridors are backed by long-term regional



Credit: Akorda

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partnerships and synchronized cross-border infrastructure that can absorb future maritime or terrestrial supply shocks.

## Critical Raw Materials

On May 15, 2026, advanced policy tracking ahead of the upcoming 16th International Astana Mining & Metallurgy (AMM) Congress highlighted a structural realignment in Kazakhstan's minerals strategy. Rather than continuing with simple raw-material exports, the state is strictly enforcing an 'Autonomy-Through-Processing' model, mandating that international partnerships focus heavily on domestic value addition, technology transfers, and sustainable metallurgy. Kazakhstan, which already holds extensive reserves for 21 of the 34 materials listed as critical by the European Union, is leveraging its strategic partnership on raw materials and batteries to position itself as a verified, ESG-compliant alternative to dominant global producers for strategic elements like lithium, copper, rare earths, and tungsten.

**Implications:** The transition away from raw ore exports fundamentally resets the balance of resource diplomacy in Central Asia. By establishing localized refining



Credit: Gov.kz

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complexes, Kazakhstan is moving up the global value chain while ensuring its resource wealth yields long-term technological and industrial capacity. For European automotive and green technology manufacturers, this shift provides direct access to processed, carbon-neutral critical minerals, allowing them to comfortably meet the 65% single-source restrictions mandated by the EU Critical Raw Materials Act while shortening global value chains.

## Trade

Bilateral trade and diplomatic ties received a major institutional push on May 11, 2026, during an official press briefing by the Ambassador of Kazakhstan to Belgium and Luxembourg, Roman Vassilenko. The briefing highlighted that the European Union remains Kazakhstan's largest overall trade and investment partner, with expanding commercial volumes driven by the Enhanced Partnership and Cooperation Agreement (EPCA). Amb. Vassilenko reaffirmed Kazakhstan's pragmatic, multi-vector foreign policy, balancing complex regional dynamics while simultaneously expanding deep economic, connectivity, and regulatory integration with the EU across the logistics, renewable energy, and agricultural sectors.

**Implications:** The explicit restatement of a multi-vector foreign policy in Brussels confirms that Kazakhstan is committed to maintaining an open, legally secure investment environment for Western capital despite broader Eurasian fragmentation. For European institutional investors, this provides the high level of regulatory certainty and political predictability required to back large-scale infrastructure projects. The alignment under the EPCA means that trade is no longer merely a transactional exchange, but a structural synchronization of regulatory and transparency standards.

## Digitalization

On May 15, 2026, speaking at the Informal Summit of the Organization of Turkic States (OTS), President Tokayev announced a sweeping digital agenda designed to integrate regional tech ecosystems. To prevent the region from falling into the middle-income trap, Kazakhstan proposed the creation of a unified Turkic AI Network, a joint IT hub, and a cross-border digital integration framework. This state-level push is anchored by the newly accelerated 'Data Center Valley' project in Ekibastuz, which aims to attract global digital capital and technology champions, alongside the deployment of the upcoming Digital Qazaqstan strategy and new artificial intelligence legislation that aligns directly with Western ethical data

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governance standards.

**Implications:** Kazakhstan is systematically building the digital and computational infrastructure required to operate a smart, real-time global trade artery. By scaling computational capacity through the Data Center Valley and building a unified AI network, the country ensures that the physical movement of containers along the Middle Corridor is matched by automated, AI-optimized customs and logistics tracking data. For the EU, this results in an interoperable, transparent 'Smart Gateway' where administrative and cross-border data processing delays are reduced to minutes, satisfying the digital connectivity goals of the Global Gateway.

# Kazakhstan-Centric Trends: Developments on the Ground

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This week, **Kazakhstan took steps forward in water security, digital currency regulation, and released new transport data.** In the Turkistan Region, Kazakhstan launched a cloud-seeding program jointly with the UAE's National Center of Meteorology, becoming the first country in Central Asia to move artificial rain technology into practical use. The full-scale launch is scheduled for May 17, targeting reservoir replenishment and water supply for agricultural areas. President Tokayev met with the head of the World Meteorological Organization to discuss the initiative and reaffirmed Kazakhstan's push to establish an International Water Organization under the UN. On digital finance, the National Bank approved the regulatory framework for the digital tenge, with rules taking effect July 19. Under the framework, the National Bank will operate the platform directly, issuing digital tenge only against deposited funds. Each user is limited to one digital account, savings accounts are not permitted, and participants must report balances and user data regularly to the operator. On transport, Bureau of National Statistics data for January to April shows a split picture: rail freight fell 1.1% and pipeline volumes dropped 3.3%, pressured by ongoing constraints at the CPC and Tengiz, while road



Credit: Kelly Chen/Pexels

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freight grew 15.5%, maritime cargo rose 4.2%, and air passenger turnover expanded 9.1%.

## **Trend Analysis:**

Kazakhstan is moving to institutionalize solutions to structural vulnerabilities that have become harder to ignore. Water scarcity in the south is no longer being managed through conventional irrigation policy alone; the UAE partnership brings meteorological intervention into the toolkit, and the push for a UN-backed international water body signals Kazakhstan wants governance leverage at the regional level, not just bilateral arrangements. The digital tenge framework follows a similar logic: rather than piloting the currency informally, the National Bank has defined a strict operational perimeter, single accounts, no savings function, mandatory reporting, establishing control architecture before scale. The transport data reinforces a pattern visible since early 2026, where pipeline and rail performance remains constrained by infrastructure bottlenecks while road and air segments absorb the slack.

## **Why it Matters:**

For EU-Kazakhstan cooperation, the digital tenge framework is the most directly relevant development this week. The rules establish a regulated, state-controlled CBDC infrastructure that will govern how digital payments operate domestically, with implications for European financial institutions and fintech firms operating or planning to operate in Kazakhstan. The structure, particularly the single-account rule and mandatory reporting requirements, reflects a sovereignty-first design that EU partners will need to account for in cross-border payment and trade finance discussions. On water, the cloud-seeding program and the UN water organization initiative position Kazakhstan as an active shaper of regional water governance, which is relevant to EU-supported climate adaptation and agricultural programs in Central Asia. The persistent decline in pipeline transport volumes remains a concern for European energy import planning relying on Caspian crude flows.

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## **Key Indicators:**

The practical indicator on cloud-seeding is whether the May 17 Turkistan launch produces measurable reservoir-level results within the agricultural season, which will determine whether the program is scaled to other water-stressed regions as Tokayev instructed. On the digital tenge, watch whether commercial banks and payment operators begin technical integration ahead of the July 19 effective date, as the pace of onboarding will signal how quickly the currency moves from regulatory approval to active circulation. On transport, the key question remains whether rail and pipeline volumes recover in May and June as Tengiz and CPC operational conditions stabilize, or whether the first-quarter softness extends into a structural trend for 2026.

# News Sources

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- 2) Türkiye aims for Middle Corridor benefits with Kazakhstan ([Daily Sabah](#))
- 3) Astana Mining Congress to Highlight Kazakhstan's Role in Critical Minerals ([The Times of Central Asia](#))
- 4) Kazakhstan Ambassador Highlights Regional Cooperation, EU Ties During Luxembourg Visit ([Chronicle.lu](#))
- 5) Tokayev Proposes Turkic AI Network and Digital Integration at Turkic States Summit ([Astana Times](#))
- 6) National Bank of Kazakhstan Sets Rules for Launch of Digital Tenge ([Astana Times](#))
- 7) Kazakhstan's Rail Freight Falls Since January as Road Transport Expands ([Astana Times](#))
- 8) Kazakhstan to Become First Central Asian Country to Launch Artificial Rain Project ([Astana Times](#))



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