

# Kazakhstan- EU Weekly Briefing

**Issue 25**

**May 4-10, 2026**

# Highlights

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## Middle Corridor

A significant milestone for the Trans-Caspian International Transport Route (TITR) was reached this week with a focused push to integrate Italian logistics expertise into the corridor. Following the Italy-Kazakhstan Supply Chain Forum 2026, Italy has signaled a comprehensive strategy to utilize Hellenic and Caspian ports as primary entry points for European manufacturing. The week's activities centered on promoting the Middle Corridor as a verified global industrial bridge, specifically aimed at eliminating physical bottlenecks to provide a stable, transparent environment for Southern European investment.

**Implications:** This strategic alignment with Mediterranean partners like Italy transforms the Middle Corridor from a regional logistics alternative into a high-capacity industrial lifeline. By involving Italian companies in transport infrastructure and digital solutions, Kazakhstan is importing the technical expertise necessary to meet rigorous EU standards. For the European Union, this provides a more resilient supply chain that is increasingly independent of traditional northern transit routes, effectively lowering the geopolitical risk associated with transcontinental trade.



Credit: Agibai Ayapbergenov Kazinform

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## Critical Raw Materials

Scrutiny of the EU's Critical Raw Materials (CRM) strategy intensified this week following the release of the European Court of Auditors Special Report 04/2026, which highlighted the urgent need for more robust trade data. Within this context, Kazakhstan was reaffirmed as the EU's 'Aladdin's Cave' of minerals, holding 21 of the 34 materials listed as critical, including lithium and rare earths. Strategic discussions this week shifted toward a 'co-development' model, moving beyond extraction to focus on building domestic refining capacity within Kazakhstan to meet the EU's goal of satisfying up to 40% of its strategic material demand from the region.

**Implications:** The transition to a co-development model anchors Kazakhstan as a primary industrial partner in the EU's green transition. By developing domestic refining capacities, Kazakhstan is moving up the global value chain, while the EU secures a 'de-risked' supply of refined materials essential for high-tech sectors like aerospace and defense. This integration effectively counters global processing monopolies, providing the EU with the strategic autonomy required to meet its 2030 climate objectives.

## Trade

Trade highlights this week centered on the record-breaking bilateral trade with Italy, which reached €10.2 billion recently. On the diplomatic front, negotiators in Brussels highlighted the 'steady dynamic' of talks for the EU-Kazakhstan Visa Facilitation and Readmission Agreement. This progress is being utilized under the Enhanced Partnership and Cooperation Agreement (EPCA) framework to ease the movement of business professionals and technical experts, which is seen as a critical 'soft infrastructure' pillar to support the growing trade volume.

**Implications:** The consolidation of trade with large European economies like Italy proves that the Gateway is becoming a primary route for high-value goods. The continued progress on visa facilitation is the essential lubricant that will allow over 4,000 European companies already in Kazakhstan to scale their operations. This mobility is crucial for the 'people-to-people' pillar of the Global Gateway, ensuring that technical and economic cooperation is not hampered by administrative barriers.

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## Digitalization

On May 4, 2026, President Tokayev chaired the second meeting of the AI Development Council, declaring that Kazakhstan must rapidly transition to a fully integrated, data-driven economy. The government highlighted that the KEDEN customs platform has already cut declaration processing times to under one minute. A major highlight of the week was the announcement of the 'Data Center Valley' project in Ekibastuz, which is projected to have a capacity of 1 GW, enabling Kazakhstan to eventually export computing power directly to the global market.

**Implications:** Kazakhstan's aggressive move toward a 'real-time economy' through AI is designed to eliminate the bureaucratic bottlenecks that historically plagued transcontinental trade. By reducing decision-making and customs cycles from days to seconds, Kazakhstan is creating a high-efficiency digital environment that appeals to the EU's strict transparency and ESG mandates. For the EU, this results in a 'Smart Gateway' where cargo is digitally optimized and trackable in real-time.



Credit: Akorda

# Kazakhstan-Centric Trends: Developments on the Ground

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This week, **Kazakhstan advanced economic modernization, investment reform, and AI policy.** The Bureau of National Statistics reported 6.5% real GDP growth in 2025, reaching \$344 billion, driven mainly by domestic consumption and investment. At an AI Council meeting in Almaty, President Kassym-Jomart Tokayev warned that Kazakhstan risks falling into a middle-income trap and announced a new Data Center Valley to support AI and cloud infrastructure. The government is also implementing the Digital Qazaqstan strategy with 20 AI roadmaps across 72 sectors through 2027. On investment governance, investor associations and the Council of Foreign Investors signed a 2026 cooperation roadmap focused on structured investor-government dialogue, AI-based bottleneck analysis, and a national investment report, while the Prosecutor General's Office launched a direct channel for foreign investor disputes. Grain exports rose 18% year-on-year in Q1 to 3.2 million tons, with exports to Central Asia up 48% and food meal exports to China doubling. At the Asian Development Bank Annual Meeting in Samarkand, the bank announced a \$70 billion regional energy and digital infrastructure initiative through 2035, including a feasibility study for a Caspian Sea Green Energy Corridor linking Central Asian renewable energy to Europe.



Credit: gov.kz

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## **Trend Analysis:**

Kazakhstan is treating AI and digitalization as the primary lever for breaking out of resource dependency, and this week's presidential intervention signals that the government considers the current pace insufficient. The Data Center Valley announcement, the mandatory sectoral AI roadmaps, and the instruction to measure digital economy contributions separately within GDP all point toward a shift from declaring digital ambitions to institutionalizing accountability for them. On investment governance, the move from broad investor dialogue formats toward a joint roadmap with specific legislative and analytical commitments reflects a similar pattern: replacing declarative frameworks with measurable ones. The ADB's feasibility study for the Caspian Green Energy Corridor is the most significant external validation yet that Kazakhstan's geographic position could anchor a regional clean energy trade system, not merely a transit route for goods.

## **Why it Matters:**

For EU-Kazakhstan cooperation, the Caspian Sea Green Energy Corridor feasibility study is directly relevant. If viable, the corridor would create a physical infrastructure link for Central Asian renewable power to reach Europe via the South Caucasus and Black Sea, a route that EU energy security planners have discussed but that has lacked a concrete development framework until now. The ADB and AIIB co-financing of the feasibility study gives it institutional weight. On digitalization, the presidential mandate for a unified data infrastructure and measurable AI metrics creates more structured conditions for European technology firms, as fragmented and unmeasured digital ecosystems have historically made it difficult to identify and price market entry points. The investor cooperation roadmap, particularly its commitment to AI-assisted identification of systemic barriers, could meaningfully reduce the administrative friction that EU investors have consistently cited as a deterrent.

## **What to Watch:**

The near-term indicator on AI policy is whether the Data Center Valley moves to a defined site, financing structure, and procurement timeline, as infrastructure announcements at the presidential level in Kazakhstan have historically varied in

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execution speed. On the Caspian Green Energy Corridor, watch the scope and timeline of the ADB-AIIB feasibility study, which will determine whether the concept advances to project design or remains a planning exercise. For the investor roadmap, the credibility test is whether the joint AIQ-KCFI platform produces legislative proposals and a national investment report within 2026 as committed. On grain trade, the 48% growth in Central Asian shipments and the doubling of exports to China are worth tracking through Q2 to assess whether volumes reflect structural demand or seasonal factors.

# News Sources

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- 1) Italy's Strategy in the Caspian Sea Across Azerbaijan and Kazakhstan ([SpecialEurasia](#))
- 2) Kazakhstan Pushes for Full AI Transition to Avoid Economic Stagnation ([Astana Times](#))
- 3) Kazakhstan Accelerates AI Push to Build Digital Economy ([The Times of Central Asia](#))
- 4) Kazakhstan's Tokayev Demands 'High-Quality Datasets' ([Eurasia Review](#))
- 5) Kazakhstan set to introduce AI in industry ([Kazinform](#))
- 6) ADB Sees Central Asia as Key to Regional Power Grid in \$70 Billion Push ([Astana Times](#))
- 7) Kazakhstan Moves Toward More Predictable Investment Environment ([Astana Times](#))
- 8) Kazakhstan Reports Strong Growth in Grain Transportation in Early 2026 ([Astana Times](#))



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