



# Kazakhstan- EU Weekly Briefing

**Issue 28**

**May 25-31, 2026**

# Highlights

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## Middle Corridor

On May 28, 2026, the Trans-Caspian International Transport Route (TITR), or Middle Corridor, received a massive boost in global strategic profile following a newly published infrastructure evaluation outlining its rapid multi-modal emergence. Driven by ongoing geopolitical bottlenecks in the Strait of Hormuz and across traditional northern rail lines, international cargo volumes bypassing Russia have surged. In response to this shifting trade dynamic, national rail operator Kazakhstan Temir Zholy (KTZ) announced an aggressive \$10 billion investment blueprint stretching to 2030. Under this framework, Kazakhstan is fast-tracking the deployment of 900 kilometers of entirely new rail routes this year alone and has actively commissioned six new dedicated cargo vessels to scale up maritime ferry logistics across the Caspian Sea.

**Implications:** The multi-billion-dollar expansion by KTZ proves that the Middle Corridor is solidifying into a permanent, highly bankable trade fixture rather than a temporary workaround to bypass sanctioned territory. By self-funding new rail lines and introducing dedicated Caspian cargo vessels, Astana is dramatically driving down transit friction and freight delivery times. For the European Union, this rapid buildout secures a reliable, high-capacity, and insulated supply gateway that successfully handles rising container traffic while shielding East-West trade from external maritime and pipeline choke points.

## Trade

On May 29, 2026, the Supreme Eurasian Economic Council convened a high-stakes summit in Astana, where Kazakh President Kassym-Jomart Tokayev announced that mutual trade turnover within the regional economic bloc is officially projected to break the historic \$100 billion threshold before the end of the year. This represents a steady 6% expansion over the previous year's performance. Parallel to the trade bloc summit, a major bilateral breakthrough occurred on May 28, 2026, as intergovernmental agreements finalized the core financial terms for constructing Kazakhstan's first nuclear power plant (NPP) near Lake Balkhash. The critical energy asset will be backed by a newly approved state export credit agreement and a joint radiation safety cooperation treaty extending to 2030.

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**Implications:** The simultaneous expansion of regional trade volumes and the finalization of the Balkhash NPP credit framework address the primary constraint on Kazakhstan's long-term economic growth: its severe domestic baseload power deficit. Establishing a stable, high-capacity nuclear grid ensures that the country's industrial zones, processing centers, and heavy export manufacturing facilities can operate continuously without blackouts. This domestic energy security is what will ultimately sustain and power the high-volume manufacturing required to exceed its newly declared \$100 billion cross-border trade targets.

## Digitalization

During the May 28, 2026 intergovernmental meetings in Astana, officials reviewed advanced technological rollouts aimed at modernizing regional logistics networks. A primary highlight of the ministerial briefings was the successful pilot deployment of a continuous, 3,000-kilometer autonomous driverless freight transport corridor. This highly automated network is explicitly integrated into the country's broader industrial portfolio, which features 24 major active projects valued at \$10 billion geared toward advanced downstream raw material processing, high-tech chemical manufacturing, and machine learning infrastructure.

**Implications:** Transitioning to an autonomous, driverless freight corridor across long-distance transit pathways significantly alters the operational math of Eurasian trade. Removing human labor bottlenecks from long-haul trucking drastically drops transit friction, limits border delays, and lowers the baseline transactional costs of moving cargo. When paired with advanced automated processing centers, this technological footprint moves Kazakhstan closer to a highly integrated, smart-hub model that can offer international shipping firms unmatched, data-verified supply chain efficiency.

# EU-Centric Trends: Brussels' Point of View

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On May 29, 2026, Kazakhstan and the European Union officially convened the 23rd meeting of the Cooperation Committee in Political Configuration in Astana. Chaired by Kazakh Deputy Foreign Minister Arman Issetov and Audrone Perkauskiene of the European External Action Service, the bilateral diplomatic forum prioritized the rollout of the EU's Global Gateway initiative. A central focus of the high-level committee was the "growing interest of European businesses in Central Asia as a reliable and strategic transit hub connecting Europe and Asia." Additionally, the 30 May Cooperation Committee explicitly highlighted academic mobility and cooperation between research institutions under Erasmus+ and Horizon Europe, and it separately discussed prospects for facilitating the visa regime for Kazakh citizens. That makes education, research, and travel facilitation part of the same bilateral package rather than stand-alone cultural files

## **Trend Analysis:**

During this 23rd Cooperation Committee, the EU and Kazakhstan prioritized transport and logistics connectivity, green energy, environmental protection, critical raw materials, export growth, Erasmus+, Horizon Europe, and visa dialogue. It also quoted Deputy Foreign Minister Arman Issetov saying bilateral trade hit \$45 billion last year, European capital inflows exceeded \$200 billion between 2005 and 2025, and more than 4,000 European companies operate in Kazakhstan. No particular deliverable or progress regarding visa facilitation was mentioned.

## **Why it Matters:**

The successful convening of the 23rd Cooperation Committee was held in the context of the EU's broader cooperation under the Enhanced Partnership and Cooperation Agreement (EPCA). Kazakhstan's side was chaired by Deputy Foreign Minister Arman Issetov, and the EU side by Audrone Perkauskiene, Deputy Managing Director for Eastern Europe and Central Asia at the EEAS. The main focus on transport and logistics connectivity, green energy, environmental protection, and supplies of critical raw materials remains.

## **What to Watch:**

Qazinform has reported on the 23rd Cooperation Committee. As of 1 June, a press release by the EEAS has not been released yet. Identifying priorities based on this upcoming press release may shine a light on the developments or lack of developments across multiple sectors.

# Kazakhstan-Centric Trends: Developments on the Ground

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This week, **Kazakhstan made significant advancements in regional defense capabilities, high-capacity industrial power architecture, and cross-border tech integration.** In the security domain, the Ministry of Defense successfully finalized a tactical cooperation layout with regional aerospace partners, establishing a unified joint air defense framework to secure sovereign airspace along critical transport hubs. On infrastructure, the government officially locked in the operational blueprints and credit agreements for the \$16.5 billion Balkhash Nuclear Power Plant (NPP), resolving long-standing domestic grid vulnerabilities and laying a stable energy network to power the transition to a high-volume export economy. In the sphere of digitalization, the Ministry of Artificial Intelligence and Digital Development launched a tokenized asset regulatory framework alongside a landmark 3,000-kilometer continuous driverless autonomous freight transport corridor to automate overland customs clearance. On transport and economic metrics, data released for the final week of May shows an uneven expansion: heavy raw pipeline flows and state-controlled rail volumes remained flat due to regional maintenance cycles, while autonomous road freight grew by 12.4%, cloud-network data processing traffic jumped 18.5%, and local trade bloc turnover rose steadily toward an estimated \$100 billion year-end target.

## Trend Analysis

Kazakhstan is moving to institutionalize long-term solutions to structural vulnerabilities that have historically capped its growth. Baseline energy deficits and transport grid bottlenecks are no longer being managed through temporary patches or bilateral workarounds alone; the Balkhash NPP credit agreement introduces massive, unwavering power generation into the domestic framework, while the deployment of an autonomous driverless freight route signals a push to bypass traditional human labor chokepoints entirely. The digital asset and AI rollout follows a similar sovereign logic: rather than deploying technologies informally, the state has established an ironclad regulatory perimeter for tokenized instruments to build legal certainty for global capital before scaling. The late-May transport and economic data reinforces a structural pattern where high-tech, automated infrastructure segments are aggressively absorbing the slack from rigid, legacy commodity transport grids.

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# Kazakhstan-Centric Trends: Developments on the Ground

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## **Why it Matters**

For international partners and institutional investors, the newly active digital asset and tokenized instrument framework is the most directly relevant development this week. The rules establish a highly regulated, state-governed infrastructure that dictates how smart contracts and cross-border digital trade settlements operate domestically, carrying deep implications for global financial institutions and logistics firms planning to scale operations along the Middle Corridor. This structure reflects a sovereignty-first design that external partners must systematically align with in future trade finance discussions. On energy, the multi-billion-dollar nuclear grid agreements position Kazakhstan as a self-sufficient industrial base, which is vital for long-term supply chain resilience. Conversely, the flatlining performance of traditional pipeline routes underscores why Astana is so aggressively forcing investments into non-Russian, multi-modal overland corridors.

## **Key Indicators**

The practical indicator on logistics modernization is whether the newly launched 3,000-kilometer autonomous freight corridor produces measurable reductions in transit friction and border wait times during the upcoming trade season, determining whether driverless networks are scaled across the entire Middle Corridor. On the digital front, watch whether international data hub developers begin active integration within the newly declared 'Data Center Valley' framework, as the pace of onboarding will signal how quickly Kazakhstan can translate its digital banking maturity into regional cloud dominance. On energy and trade, the core question remains whether heavy industrial manufacturing output recovers in the upcoming quarter as the preliminary technical engineering rollout for the Balkhash plant gets underway.

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