

The EU – Kazakhstan Cooperation

A Growing Partnership

The EU and Kazakhstan have been partners since the country's independence, sharing a dialogue which has continually expanded. In the early years of cooperation this dialogue was initially focussed on trade and investment, but since 2002 many important issues have been included, such as Energy, Transport, as well as Justice and Home Affairs.

The Partnership and Cooperation Agreement

The Partnership and Cooperation Agreement is the main agreement underpinning the EU's partnership with Kazakhstan, which entered into force in 1999. You can read the text of the agreement here: [Partnership and Cooperation Agreement](#)

The Agreement sets out areas of cooperation as well as responsibilities to be fulfilled for both the EU and Kazakhstan. The EU has similar agreements with other countries in the region. This type of agreement covers a wide range of areas of cooperation between the EU and its partner countries. The main task of this co-operation is to harmonise Kazakhstan's legislation with European legislative norms and standards as well as to promote bilateral trade and investments. Regular meetings are being held between the two partners in the format of Cooperation Councils at the level of Ministers and Cooperation Committees at the level of senior civil servants. There are also regular subcommittee meetings between EU and Kazakhstan representatives on different issues. At these meetings, issues of common interest are discussed and plans are made for further developing of the EU's cooperation with Kazakhstan, including provision of a technical assistance.

Other agreements between the EU and Kazakhstan

In addition to the Partnership and Cooperation Agreement, there are other agreements on the areas of mutual interest, including steel and textiles trade, nuclear safety and nuclear fusion. The Agreement between the European Coal and Steel Community and Kazakhstan on trade in certain steel products entered into force in 1999. It regulates the trade aspects and conditions of steel products between the two parties. You can read the text of the [Steel Agreement](#) here. There are also three nuclear-related agreements signed between Kazakhstan and the European Atomic Energy Community (EURATOM):

- [Agreement on Cooperation in Nuclear Safety](#) (signed in July 1999 and entered into force in June 2003)
 - [Agreement for Cooperation in Nuclear Fusion](#) (signed in November 2002 and entered into force in April 2004)
- On 31 August -1 September 2006 the first meeting of the Coordination Committee of the Agreement for collaboration in fusion energy research between Euratom and the Republic of Kazakhstan took place in the National Nuclear Centre, in Almaty. The parties established formally the collaboration. Read [Press Release](#) for more information. The 2nd meeting of the Coordination Committee is scheduled for September 2008.
- [Agreement for Cooperation on the Peaceful Use of Nuclear Energy](#) (signed in 5 December 2006)

EU Strategy in the region

The EU has its own detailed cooperation strategy towards the Central Asian region. This document determines what form cooperation will take, analyses the political and economic situation of the region, and takes into account the specific characteristics of each country. The last Strategy was adopted in June 2007.

For technical assistance, there are multi-annual Indicative Programmes and yearly Action Programmes, which go into more detail about what sectors and programmes will be financed by the EU, and indicate the budget. Please see the '[EU Assistance](#)' section for more information.

Economy, trade and investment

A Growing Economy

Kazakhstan has rich oil and gas resources, creating a thriving economy. Since 1999, the country has enjoyed sustained economic growth due to increasing Foreign Direct Investments in the energy sector, as well as significant export volume growth. Since 2000, the average annual GDP growth of Kazakhstan is about 7%, climbing to 10.6% in 2006.

Foreign Direct Investment

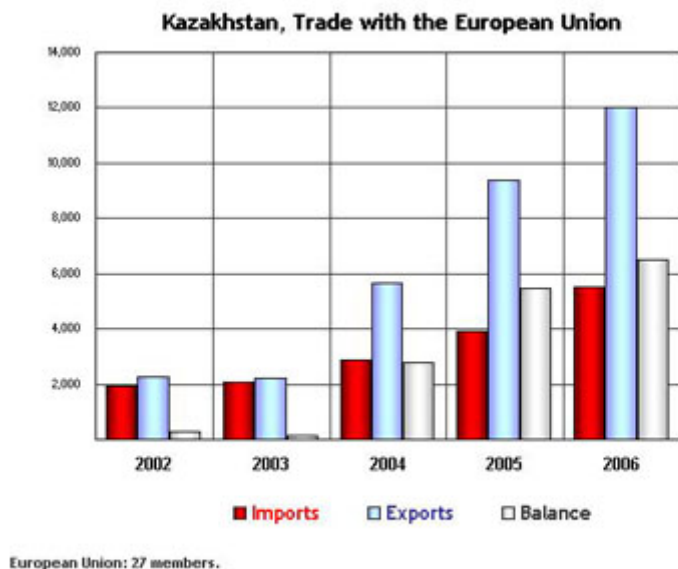
The overall picture of foreign investment in Kazakhstan is quite positive. The EU as a whole is the first foreign investor in Kazakhstan, accounting for 40.8% of the country's total Foreign Direct Investment in 2004. Two thirds of this investment is coming from mining and extraction, and a quarter is for services in geological exploration.

Besides oil and gas, the EU investments are directed to a large range of sectors, including agriculture, food-processing, engineering, construction, services, banking and transport.

The Foreign Direct Investments stocks per end of 2007 coming from the EU countries made ca. 54% of all FDI investment stocks in Kazakhstan.

Trade in Kazakhstan

The EU is the first trading partner of Kazakhstan whilst Kazakhstan is 39th partner of the EU. EU trade with Kazakhstan is increasing rapidly, as is Kazakhstan's trade with the rest of the world. The EU imports continue to be dominated by energy products (over 75 per cent of the total). The main EU exports are machinery, vehicles, and chemicals. Many of the exports are supplies for European oil and gas companies.



WTO Accession

Accession to WTO is a priority for Kazakhstan's government. Becoming a member of the WTO will allow Kazakhstan to participate in global trade on equal terms. The European Union encourages and supports Kazakhstan's accession to WTO and continues to take measures to encourage EU trade and investments in Kazakhstan, in particular by supporting economic and legislative reforms through technical assistance. See for more detailed information on bilateral trade the [Commission's external trade website](#) .

Success stories

In Kazakhstan, the Commission has reached very positive results in many projects, including those implemented in the sectors of public administration reform, promotion of local governance, small and medium business development and support to civil society. Important regional Justice and Home Affairs programmes from which Kazakhstan benefits are the Border Management Initiative for Central Asia (BOMCA) and the Central Asia Drugs Action Plan (CADAP), which are two major EC contributions to regional stability and the fight against drug trafficking and hence, indirectly, terrorism.