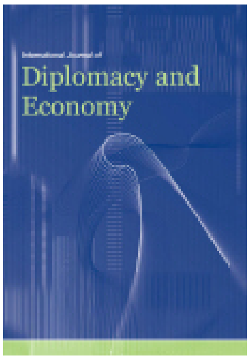


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# Analysis of economic diplomacy between Kazakhstan and Italy: development trends and prospect

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# Analysis of economic diplomacy between Kazakhstan and Italy: development trends and prospect

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**Abstract:** Although economic diplomacy is central to foreign policy, little attention has been paid to how middle and emerging powers manage asymmetric economic relations. This paper examines Kazakhstan–Italy cooperation, focusing on the mechanisms, dynamics and prospects of bilateral economic diplomacy. Using a comparative, mixed-methods design, it examines bilateral agreements, trade and investment flows, and case studies of major Italian companies operating in Kazakhstan over the 2015–2025 period. The findings show that sectoral interdependence shapes diplomatic strategies: Kazakhstan relies on resource-based diplomacy, whereas Italy employs firm-centred economic statecraft supported by institutional engagement. The relationship generates mutual benefits but remains asymmetric because of Kazakhstan's dependence on energy exports and Italian corporate participation. The paper refines the understanding of middle-power economic diplomacy and recommends diversifying cooperation beyond hydrocarbons, strengthening institutional coordination and promoting technology transfer to improve the resilience and long-term effectiveness of bilateral engagement.

**Keywords:** economic diplomacy; geo-economics; Kazakhstan–Italy relations; middle powers; energy cooperation; foreign economic policy; investment cooperation.

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## 1 Introduction

The acceleration of globalisation processes, intensification of geoeconomic contradictions, and transformation of traditional diplomacy in the 21st century have contributed to a significant increase in the importance of economic diplomacy. Under conditions of growing competition among states, such diplomacy occupies a special place within the structure of foreign policy strategies.

Today, economic diplomacy serves as one of the most important instruments of a state's foreign policy, ensuring the realisation of national economic interests through negotiations, the conclusion of agreements, and the promotion of goods and services in international markets.

Throughout the 20th century, economic diplomacy was generally under the purview of the ministries of foreign affairs and trade. However, in the 21st century, the scope of economic diplomacy has expanded considerably due to the growing role of transnational corporations, the increased activity of international economic organisations (such as the World Trade Organization [WTO], Organisation for Economic Co-operation and Development [OECD], and International Monetary Fund [IMF]), and the increasingly visible participation of the private sector in global economic processes.

As a result, modern economic diplomacy has undergone a qualitative transformation – from a supportive instrument of foreign policy to a system-forming element of national development strategies.

The trajectories of this process are clearly reflected in the bilateral relationship examined in this study. The evolving partnership between Kazakhstan and Italy provides a compelling example of this transformation in practice.

Kazakhstan and Italy are two countries with distinct historical backgrounds, economic structures, and geopolitical positions. Nevertheless, both actively employ the instruments of economic diplomacy to strengthen their competitive advantages. In the context of a changing global order-characterised by the energy transition, the digitalisation of the economy, and the emergence of new centres of global growth-a comparative analysis of the experiences of these two countries is of particular relevance.

The development of economic diplomacy between Kazakhstan and Italy should be examined within the broader context of geoeconomic fragmentation, volatility in global energy markets, and the growing importance of industrial policy across Europe and Central Asia. According to the World Bank (2026), Kazakhstan's economy expanded by 6.5% in 2025, driven by robust domestic consumption, large-scale infrastructure investments, investments by state-owned enterprises, and record levels of crude oil production. These factors have reinforced Kazakhstan's position as an important economic partner for European countries, including Italy. At the same time, they highlight the country's continued reliance on state-led investment and the extractive sector as the primary drivers of economic growth.

Relations between Kazakhstan and Italy have traditionally been analysed primarily through the lens of trade and energy cooperation, while relatively little attention has been paid to economic diplomacy as a mechanism for transforming bilateral relations in the context of contemporary geoeconomic competition. In this regard, examining the economic diplomacy underpinning Kazakhstan–Italy cooperation is important not only from an academic perspective but also for understanding the practical opportunities to expand bilateral cooperation in the areas of trade, investment, and technological collaboration.

## 2 Theoretical and conceptual framework of the study

The theoretical framework of this study is grounded in several complementary analytical approaches. Their combined application is necessitated by the fact that one of the defining features of contemporary economic diplomacy is its close interconnection with geoeconomics. In today's international environment, economic and geopolitical interests have become increasingly intertwined, reflecting a growing synthesis between economic statecraft and geopolitical strategy in international relations. Economic diplomacy is increasingly becoming a key instrument of geoeconomics, manifested in the use of tariff barriers, currency regulation, and foreign investment restrictions, as well as in the escalation of major trade disputes.

Researchers such as Bayne and Woolcock (2013) and Michiko Okano-Heijmans (2011) conceptualise economic diplomacy as an instrument for advancing a state's external economic interests through trade, investment, intergovernmental agreements, business forums, and institutional mechanisms.

The theoretical framework of this study is based on several complementary approaches. Edward Luttwak's concept of geoeconomics is employed to analyse bilateral cooperation between Kazakhstan and Italy, viewing it as a means of pursuing the strategic interests of both countries. The theory of complex and asymmetric interdependence developed by Robert Keohane (1984) and Joseph Nye (2011) is used to explain the uneven nature of economic relations between states. The approach proposed by A. Hirschman (1945) provides a basis for examining foreign trade as a potential instrument of economic influence. Finally, the institutional approach developed by Douglass C. North (1990) makes it possible to assess the role of institutions – including agreements, formal rules, and mechanisms of interaction – in reducing uncertainty and fostering a stable environment for long-term bilateral cooperation.

The revival of the concept of 'geoeconomics' in the 21st century reflects states' efforts to reconsider strategies for promoting and protecting their national interests amid growing global economic tensions. Introduced by Edward Luttwak (1990) in the early 1990s, the term has regained relevance due to the fact that economic instruments are increasingly employed as means of political pressure and competitive rivalry.

Contemporary geoeconomics implies influencing the behaviour of other states through the management of trade flows, investment, technology, and supply chains. Luttwak's (1999) geoeconomic framework conceptualises international relations as a sphere in which traditional geopolitics is gradually supplanted by economic competition among states, relying on the instruments of markets, investment, technology, access to resources, and infrastructure projects.

From this perspective, Italy's economic presence in Kazakhstan serves multiple strategic objectives: ensuring energy security, expanding market opportunities for Italian companies, and gaining access to infrastructure and technology projects across Central Asia. For Kazakhstan, cooperation with Italy contributes to the diversification of its external economic relations, attracts European investment and advanced technologies, and strengthens its role as a strategic transit and energy hub linking Europe and Asia. Accordingly, Kazakhstan–Italy relations can be understood as a form of geoeconomic partnership in which both countries seek to maximise their strategic advantages primarily through economic, rather than military or ideological, instruments.

At the same time, the geoeconomic interpretation of Kazakhstan–Italy relations should be complemented by the concept of commercial diplomacy, which clarifies the practical mechanisms through which economic diplomacy is implemented. Tsitsoglou and Zarotiadis (2025) argue that commercial diplomacy should be understood as a micro-level component of broader economic diplomacy, focused on the mobility of goods, services, and capital through state interaction with domestic and foreign businesses. In their conceptual framework, commercial diplomacy is not limited to general foreign economic policy; rather, it includes concrete instruments used by state officials to promote exports, attract inward investment, support outward investment, and facilitate the internationalisation of national firms. The relevance of this methodology to the Kazakhstan–Italy case lies in its ability to account for the diverse drivers of bilateral synergy, ranging from state-level regulatory frameworks to micro-level corporate activities and specialised economic diplomacy.

The concept of complex and asymmetric interdependence provides an important framework for explaining the nature of cooperation in international economic relations. Robert O. Keohane (1998) argues that states establish institutions to reduce uncertainty and enhance the predictability of international interactions. He further emphasises that institutions not only facilitate coordination but can also reshape state interests by reinforcing shared norms and standards. This institutional perspective helps explain how countries with asymmetric economic structures, such as Kazakhstan and Italy, can develop a durable strategic partnership within an increasingly complex and decentralised international system.

The institutional approach (North, 1990) is also applied to analyse the legal and regulatory framework, intergovernmental mechanisms, and outcomes of business forums between Kazakhstan and Italy. Bilateral agreements, memoranda of understanding, trade missions, and intergovernmental commissions are examined as components of an institutional infrastructure that helps reduce uncertainty, formalise the interests of both parties, and create favourable conditions for economic cooperation.

At the same time, this study adopts the critical assumption that the number of signed agreements alone is not a sufficient indicator of the effectiveness of economic diplomacy. Accordingly, the analysis considers not only the quantity of bilateral agreements but also their sectoral focus, practical implementability, and consistency with actual outcomes in trade and investment. This approach enables a more comprehensive assessment of the extent to which institutional arrangements translate into tangible economic cooperation between Kazakhstan and Italy.

Building upon the core tenets of this concept, contemporary scholars further develop the institutional approach by emphasising the role of formal and informal rules in international economic policy. In the context of Kazakhstan–Italy relations, this approach makes it possible to examine intergovernmental commissions, investment agreements, the European Union and international energy organisations as part of the institutional infrastructure of economic diplomacy, shaping a stable architecture of bilateral cooperation. In this regard, Justinek's study is particularly relevant, as it interprets the European Union's economic diplomacy as an instrument of adaptation to the changing global economic environment, with sustainability, digitalisation and economic competitiveness becoming increasingly important priorities (Justinek, 2023).

Albert O. Hirschman's (Hirschman, 1945) approach views foreign trade not merely as a form of economic exchange but also as an instrument of political influence, dependence, and power. Hirschman demonstrates how the structure of international trade is closely linked to a state's national power and how trade dependence may be used as a tool of foreign policy. This perspective provides a useful analytical framework for examining the economic relationship between Kazakhstan and Italy.

Kazakhstan's exports to Italy consist predominantly of low value-added commodities, while Italy exports machinery and equipment, oil and gas technologies, pharmaceutical products, and a wide range of manufactured goods. This pattern of bilateral trade has created a stable framework for economic cooperation but is characterised by a pronounced structural asymmetry. Although Kazakhstan generates substantial export revenues, the predominance of raw material exports reinforces the country's dependence on the extractive sector and on imported foreign technologies, thereby limiting opportunities for technological modernisation and the creation of higher domestic value added.

A similar asymmetry can be observed in bilateral investment relations. Italian foreign direct investment (FDI) in Kazakhstan significantly exceeds Kazakh investment in Italy, with the majority of Italian capital concentrated in the oil and gas sector and other major energy assets. From the perspective of Italian companies, Kazakhstan's strategic importance lies primarily in its abundant natural resources and its role as a reliable supplier of energy resources.

The soft power concept, formulated by Joseph Nye (1990), is another important element of this study's theoretical foundation. Nye emphasises that, in the era of globalisation, the economy has become a crucial channel for the exercise of soft power as economic cooperation, technological exchange, and participation in international development initiatives contribute to a positive image of the state and strengthen partner trust (Nye, 2011). Soft power's economic dimension is reflected in a country's reputation as an investment partner, the quality of corporate governance, and the perception of national companies abroad. Within Kazakh–Italian relations, soft power is expressed through economic cooperation and the activities of Italian brands and major corporations operating in Kazakhstan.

The concept of asymmetric interdependence (Keohane, 1984; Nye, 2011) provides a useful framework for identifying the structural imbalance that characterises Kazakhstan–Italy economic relations. In the sphere of trade, Kazakhstan consistently maintains a trade surplus; however, this surplus is generated primarily by crude oil exports. While

Italy remains an important export market for Kazakhstan, the commodity-based composition of Kazakhstan's exports increases its vulnerability to fluctuations in global energy prices and constrains opportunities for economic diversification. In the investment sphere, the asymmetry is even more pronounced. Italian foreign direct investment (FDI) in Kazakhstan substantially exceeds Kazakh investment in Italy and remains concentrated predominantly in the oil and gas sector.

Thus, the bilateral partnership remains asymmetric: one party primarily serves as a supplier of natural resources and a recipient of capital, while the other derives more stable and diversified economic benefits. This asymmetry increases the vulnerability of bilateral relations to external economic shocks and underscores the need to broaden cooperation beyond the resource sector.

Within Kazakhstan–Italy cooperation, business forums, intergovernmental commissions, memoranda of understanding, and investment promotion initiatives have become important instruments of economic diplomacy (Embassy of the Republic of Kazakhstan in the Italian Republic, n.d.). The empirical evidence suggests, however, that these diplomatic mechanisms have thus far been more effective in establishing an institutional framework and shaping a project-oriented agenda than in achieving a sustained structural transformation of bilateral economic relations.

The above analysis demonstrates the complex balance of competing trends shaping the interaction between the two countries. On the one hand, they are marked by a high level of institutional engagement, stable trade turnover, Kazakhstan's persistent trade surplus, and the significant presence of Italian investors. On the other hand, structural asymmetries remain evident: Kazakhstan continues to export predominantly raw materials while importing advanced technologies, investment flows remain uneven, and Kazakh investment in Italy is comparatively limited.

In this context, the perspective of Akhmaral Kh. Arystanbekova (2018, p.269) is particularly relevant. She argues that in the 21st century, economic diplomacy is increasingly shaped by the growing influence of emerging market economies. From this standpoint, Kazakhstan should not be viewed merely as a resource-dependent economy but rather as a regional actor with significant transit potential, investment attractiveness, and strategic natural resources. Italy, in turn, increasingly regards Kazakhstan not as a peripheral partner but as an important component of its broader Eurasian economic strategy. Consequently, Kazakhstan–Italy cooperation represents an emerging model of economic diplomacy based on partnership between an advanced and an emerging economy, emphasising mutual benefit, strategic complementarity, and long-term cooperation.

## 3 Research methodology

The methodological framework of this study combines comparative, institutional, structural-dynamic, and interdisciplinary approaches. This combination of methods is justified by the need to examine Kazakhstan–Italy economic cooperation not merely through statistical indicators of trade and investment, but also as the outcome of economic diplomacy, which shapes the institutional conditions governing bilateral interaction.

The methodological foundation of this research aligns with the logic established by Mavlanov (2023), utilising a synthesis of systemic, historical, and comparative analyses alongside statistical and content-based methods. This framework is particularly conducive to examining the evolution of economic diplomacy, as it facilitates the identification of structural patterns and the interpretation of empirical data within a strategic foreign policy context.

The research adopts a mixed-methods case study design, in which Kazakhstan–Italy economic diplomacy is examined as a distinct bilateral case within the broader context of Eurasia's geoeconomic transformation, Europe's energy security, and Kazakhstan's efforts to diversify its external economic policy. The primary period of analysis covers 2015–2025, allowing for an examination of a decade-long evolution of bilateral trade, investment, and institutional engagement. Within this period, four analytical phases are distinguished:

- 2015–2019: the pre-pandemic period of relatively stable cooperation;
- 2020: the crisis phase associated with the COVID-19 pandemic and disruptions to global supply chains;
- 2021–2023: the period of post-pandemic recovery and adaptation to the changing sanctions environment and energy market conditions;
- 2024–2025: the phase marked by intensified bilateral political and economic dialogue and the expansion of the cooperation agenda.

The research design consists of several sequential stages. First, a theoretical and conceptual operationalisation of the key analytical categories – economic diplomacy, geoeconomics, asymmetric interdependence, and institutional mechanisms – is undertaken. Second, an empirical database is compiled, incorporating data on bilateral trade, foreign direct investment (FDI), commodity composition, investment projects, and institutional events. Third, quantitative analysis is conducted to examine the dynamics of exports, imports, total trade turnover, trade balance, growth rates, Italy's share in Kazakhstan's foreign trade, the composition of bilateral trade, and FDI trends. Fourth, a qualitative institutional analysis is carried out, focusing on bilateral agreements, memoranda of understanding, joint declarations, intergovernmental commissions, business forums, and official state visits. Fifth, a case-based analysis is undertaken of the activities of major Italian companies operating in Kazakhstan – including Eni, Saipem, Danieli, and others – as practical examples of the implementation of economic diplomacy. Finally, the findings from the quantitative and qualitative analyses are synthesised to compare institutional activity with actual economic outcomes and to identify the principal trends, structural constraints, and future prospects of Kazakhstan–Italy economic diplomacy.

The study draws upon a broad range of primary and secondary sources. The empirical evidence includes official statistical data from the Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan, the National Bank of the Republic of Kazakhstan, the Ministry of Foreign Affairs of the Republic of Kazakhstan, and the Ministry of Foreign Affairs and International Cooperation of Italy. It also incorporates reports and statistical databases published by major international organisations and analytical institutions, including the World Bank, United Nations

Conference on Trade and Development, Organisation for Economic Co-operation and Development, International Monetary Fund, European Bank for Reconstruction and Development and Italian Trade Agency. In addition, the study draws on academic literature addressing economic diplomacy, geoeconomics, asymmetric interdependence, international investment, and Kazakhstan–Italy bilateral relations.

The authors also compiled and analysed a structured dataset covering the period 2015–2025, including: Trade flows (exports, imports, total trade turnover, and key commodity groups);

– Foreign direct investment (inward and outward);
– Indicators of investment projects;
– Other variables influencing economic diplomacy.

Additionally, the authors analysed publications from indexed academic databases addressing the concepts and instruments of economic diplomacy, the effectiveness of bilateral relations, and related thematic areas.

This study had a comparative research design involving a systematic comparison of the models of economic diplomacy of Kazakhstan and Italy across several parameters:

– Institutional structure and distribution of competences;
– Key instruments and formats of economic diplomacy;
– Sectoral priorities of bilateral trade and investment;
– Dynamics of trade and investment flows over a ten-year period (2015–2025).

The said design made it possible to identify similarities and differences between the economic diplomacy models of the two countries and identify the factors influencing the effectiveness of their interaction.

The comparative approach is applied across several analytical dimensions. First, it enables a comparison of trade and investment cooperation, demonstrating that bilateral trade between Kazakhstan and Italy is considerably more intensive than bilateral investment activity, although both remain heavily dependent on the oil and gas sector. Second, the study compares reciprocal foreign direct investment (FDI) flows, revealing a pronounced asymmetry in bilateral investment relations. Third, institutional outcomes – including bilateral agreements, business forums, and memoranda of understanding – are compared with actual economic indicators, making it possible to distinguish between declaratory institutional activity and measurable economic performance.

The structural-dynamic approach is employed to examine changes in trade, investment, and institutional cooperation over the period 2015–2025. This method identifies four major stages in the evolution of bilateral relations: the relatively stable pre-pandemic period (2015–2019), the downturn associated with the COVID-19 pandemic in 2020, the recovery phase during 2021–2023, and the renewed intensification of cooperation in 2024–2025. Such a temporal framework facilitates an analysis of the evolution of bilateral relations under the influence of major external factors, including the COVID-19 pandemic, changes in global energy market conditions, the international sanctions environment, the global energy transition, and the growing geoeconomic significance of Central Asia.

The study adopts an interdisciplinary approach that integrates perspectives from international political economy, foreign policy analysis, institutional theory, and the concept of economic diplomacy. This interdisciplinary framework reflects the premise that Kazakhstan–Italy cooperation cannot be adequately explained solely through foreign trade statistics. Instead, the research combines insights from international relations, political economy, geoeconomics, and institutional economics to situate bilateral relations within the broader context of Europe's energy security, Kazakhstan's diversification of its external economic policy, the sanctions-driven transformation of global energy markets, and the global transition toward a low-carbon economy.

Statistical analysis, supported by computer-based data processing techniques, is used to evaluate the dynamics of bilateral trade and investment between Kazakhstan and Italy over the ten-year study period. The qualitative conclusions presented in the study are grounded in empirically verified statistical trends.

The case study method is employed to examine the practical implementation of economic diplomacy across specific sectors. The selected cases include major Italian companies and investment projects in Kazakhstan, such as Eni, Saipem, Danieli, and other firms operating in the energy, engineering, manufacturing, transport, food processing, and technology sectors. Cases are selected according to four criteria: the scale of economic presence, sectoral significance, the degree of linkage to instruments of economic diplomacy, and their contribution to the development of bilateral cooperation. This approach makes it possible to demonstrate how intergovernmental agreements, business forums, and investment facilitation mechanisms are translated into concrete economic projects.

Overall, the proposed methodological framework is designed to strengthen the analytical rigor of the study by directly linking theoretical concepts with empirical evidence. Taken together, these methodological approaches enable the research to move beyond a descriptive presentation of facts toward a comparative, critical, and theoretically grounded interpretation of Kazakhstan–Italy economic diplomacy.

## 4 The Kazakhstan–Italy Economic Partnership, 2015–2025: structure, dynamics and development

### *4.1 Constraints the institutional and treaty-based framework of Kazakhstan–Italy cooperation*

Kazakhstan, endowed with significant natural resources and a strategic position between Europe and Asia, pursues a foreign economic policy aimed at economic diversification, attracting investment, and expanding international transport and logistics linkages. Kazakhstan conducts multivector economic diplomacy based on its unique competitive advantages and long-term strategic planning. Acting as a link between Europe and Asia, Kazakhstan actively develops its transit potential within initiatives such as the Belt and Road Initiative. Possessing substantial reserves of oil, gas, and uranium, the country utilises the energy factor as a key instrument for attracting foreign investment and building stable partnerships. Membership in the Eurasian Economic Union (EAEU) and the World Trade Organization (WTO) enables Kazakhstan to harmonise trade rules and function as a bridge between different economic blocs. The implementation of the

'Kazakhstan–2050' strategy and the transition to a green economy are aimed at reducing dependence on raw materials. Accordingly, economic diplomacy focuses on attracting technologies and investment in non-resource sectors. Kazakhstan is consistently strengthening its image as a reliable transit and energy hub of Eurasia, which constitutes a cornerstone of its dialogue with the EU.

Italy, as one of the EU's leading economies, prioritises industrial exports, innovative technologies, development of small and medium-sized enterprises, and sustained participation in international economic organisations and global value chains. In our view, Italy structures its economic diplomacy by combining pan-European priorities with the protection of national economic interests. Italy's foreign economic policy is inseparably linked to EU policy, which provides access to extensive markets while simultaneously imposing certain obligations. A key intangible asset is the global recognition and prestige of the 'Made in Italy' brand in high-technology industries, fashion, design, and agri-food production. A network of trade promotion institutions, such as ICE – the Italian Trade Agency for the promotion abroad and internationalisation of Italian companies – actively works to protect and expand the presence of Italian firms in global markets.

Following the acquisition of national independence in 1991, Kazakhstan and Italy began developing bilateral relations. This partnership strengthened mutual cooperation not only in the fields of politics and security, but also with a particular focus in the fields of energy and trade, driven by the complementarity of their economies. Italy expressed strong interest in Kazakhstan's oil and raw materials, while Kazakhstan sought access to technology, equipment, investment, and know-how to consolidate its newly acquired economic and political independence and fully develop its vast onshore and offshore oil and gas reserves (Kazakhstan i Italiya, 2025).

The legal foundation of economic cooperation between Kazakhstan and Italy is based on a series of bilateral agreements and treaties. Bilateral trade and economic relations formally began on 22 September 1994 in Rome, where the two governments established the principal directions of cooperation through the signing of several key documents, including the *Agreement between the Government of the Republic of Kazakhstan and the Government of the Italian Republic on the Promotion and Reciprocal Protection of Investments*, among others (Serikbayeva, 2012).

Between 2015 and 2025, Kazakhstan and Italy established a substantial legal and institutional framework for economic cooperation, comprising approximately 150 bilateral documents covering a wide range of economic sectors and policy areas (Table 1). The analysis of this documentary corpus is based on official sources from the Ministry of Foreign Affairs of the Republic of Kazakhstan and the ATRIO archive of international treaties maintained by the Ministry of Foreign Affairs and International Cooperation of Italy.

The present study also examines the Memorandum of Understanding and Cooperation on Climate Change Vulnerability, Risk Assessment, Adaptation and Mitigation signed in Astana on 4 September 2017 between the Ministry for the Environment, Land and Sea of the Italian Republic and the Ministry of Energy of the Republic of Kazakhstan. Under the Memorandum, the parties agreed to implement joint projects, facilitate expert exchanges, organise official delegations and training activities, jointly conduct seminars, conferences, and meetings, and encourage the reciprocal participation of experts in relevant initiatives and projects.

**Table 1** Number of bilateral agreements between Kazakhstan and Italy by year

| *Year* | *General Agreements* | *Joint Projects* | *Investment Agreements* | *Trade Agreements* | *Sectoral Agreements* | *Finance / Insurance* | *Oil & Gas / Energy* | *Agro-Industry* | *Manufacturing* | *Renewable Energy* | *Logistics* | *Water Resources* | *Total* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2025 | 3 | 4 | 3 | 1 | 8 | 2 | 2 | 0 | 2 | 1 | 0 | 1 | 27 |
| 2024 | 1 | 6 | 3 | 1 | 8 | 3 | 2 | 0 | 1 | 3 | 0 | 0 | 28 |
| 2023 | 2 | 1 | 1 | 1 | 2 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 8 |
| 2022 | 1 | 2 | 1 | 0 | 3 | 0 | 0 | 1 | 1 | 1 | 0 | 0 | 10 |
| 2021 | 0 | 1 | 1 | 0 | 2 | 0 | 1 | 0 | 0 | 1 | 0 | 0 | 6 |
| 2020 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2019 | 1 | 2 | 1 | 0 | 4 | 0 | 3 | 0 | 0 | 1 | 0 | 0 | 12 |
| 2018 | 1 | 3 | 2 | 1 | 5 | 2 | 1 | 1 | 1 | 0 | 0 | 0 | 17 |
| 2017 | 1 | 2 | 2 | 1 | 4 | 0 | 2 | 1 | 1 | 0 | 0 | 0 | 14 |
| 2016 | 1 | 2 | 2 | 1 | 4 | 0 | 2 | 0 | 1 | 0 | 0 | 0 | 13 |
| 2015 | 1 | 2 | 2 | 1 | 4 | 0 | 3 | 0 | 1 | 0 | 0 | 0 | 14 |
| Total | 12 | 25 | 18 | 7 | 44 | 7 | 16 | 3 | 8 | 7 | 1 | 1 | 149 |

*Source:* Compiled by authors based on data from Italian Trade Agency, n.d.; Government of the Republic of Kazakhstan, n.d.

From the perspective of economic diplomacy, this Memorandum represents an example of soft bilateral economic diplomacy, whereby Italy employs cooperation on environmental and climate-related issues as a means of maintaining and expanding its economic and political presence in Kazakhstan. For Kazakhstan, the agreement serves as an instrument for diversifying its external economic relations while facilitating access to European technological expertise, institutional knowledge, and policy experience without incurring significant political costs. More broadly, the Memorandum illustrates how contemporary economic diplomacy increasingly extends beyond trade and investment to encompass cooperation in climate governance, sustainable development, and technological innovation, thereby strengthening the institutional foundations of long-term bilateral partnership.

This body of bilateral agreements has created a stable institutional foundation for the further development of trade, investment, energy cooperation, and sector-specific partnerships between the two countries. From the perspective of institutional theory, these legal instruments reduce uncertainty, establish formal rules for bilateral interaction, and provide mechanisms for coordinating the economic interests of both parties. At the same time, as argued throughout this study, the existence of an extensive contractual framework should not be interpreted as conclusive evidence of the effectiveness of economic diplomacy. Its practical significance ultimately depends on the extent to which these institutional arrangements are translated into measurable outcomes in trade, investment, technological cooperation, and the implementation of joint projects.

The analysis indicates that economic diplomacy between Kazakhstan and Italy has been effective in expanding the bilateral institutional framework and diversifying the areas of cooperation. The classification of bilateral agreements by thematic categories makes it possible to identify the principal priorities of economic cooperation and to trace the evolution of bilateral relations over the period under review.

The dynamics of agreement-making reveal several distinct stages in the development of Kazakhstan–Italy cooperation. During 2015–2019, bilateral institutional activity remained relatively stable, with an average of 13–14 agreements concluded annually. This consistency reflects the existence of a well-established framework for bilateral political and economic engagement.

The year 2020 represents a clear interruption to this trend, as no new bilateral agreements were concluded. This decline can reasonably be attributed to the global disruptions caused by the COVID-19 pandemic, which significantly reduced international mobility, diplomatic exchanges, and business activity.

Between 2021 and 2023, agreement-making activity began to recover gradually, although the pace remained moderate: 6 agreements were concluded in 2021, followed by a combined total of 18 agreements in 2022 and 2023. This period can therefore be characterised as a transitional phase, during which both countries progressively resumed their economic diplomacy and bilateral engagement following the easing of pandemic-related restrictions.

The most significant expansion of bilateral cooperation occurred during 2024–2025. In these two years, 27 and 28 agreements were concluded, respectively, bringing the combined total to 55. This figure accounts for approximately 37% of all agreements concluded over the entire period under review. Compared with 2023, when only eight agreements were concluded, the number recorded in 2024 increased by more than threefold. This sharp increase indicates not only a quantitative expansion of bilateral institutional activity but also a qualitative strengthening of the economic agenda, suggesting that Kazakhstan–Italy cooperation has entered a more intensive phase of development.

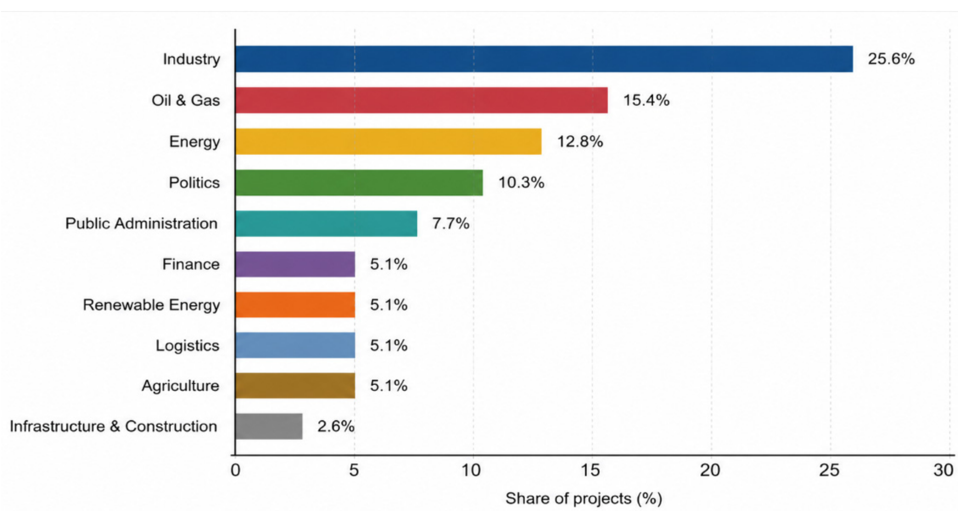
The structural analysis presented in Figure 1 shows that sectoral agreements occupy the central position, comprising 44 documents, or approximately 32% of the total. This indicates that cooperation between Kazakhstan and Italy is not limited to diplomatic interaction, but also has a clearly applied economic character, as both parties develop cooperation in specific sectors of the economy.

The second most significant category is joint projects, represented by 25 agreements. This indicator reflects the practical orientation of bilateral relations and the transition from general declarations to the implementation of concrete initiatives. Investment agreements rank third, with 18 documents, confirming the importance of the investment component in the economic interaction between the two countries.

The oil, gas and energy sector traditionally remains an important area of cooperation, accounting for 16 agreements. This confirms Italy's role as one of Kazakhstan's significant partners in the field of energy and the import of energy resources. At the same time, in recent years the bilateral agenda has expanded through new areas, primarily renewable energy, as well as financial and insurance cooperation. Renewable energy accounts for 7 agreements, as does the financial and insurance sector. This demonstrates the gradual diversification of economic diplomacy and a shift from a predominantly resource-based model of interaction towards a more modern agenda that includes the green economy, sustainable development, financial instruments and investment support for projects.

The areas of logistics and water resources are represented by individual agreements, indicating that these spheres remain insufficiently developed within the bilateral agenda, despite their strategic importance for Kazakhstan, especially in view of the country's transit potential and the growing role of transport corridors between Europe and Asia.

**Figure 1** Structure of Kazakhstan–Italy bilateral agreements (Italian Trade Agency, n.d.; Government of the Republic of Kazakhstan, n.d.) (see online version for colours)



Overall, the analysis demonstrates that Kazakhstan–Italy cooperation evolved through several distinct stages during the period 2015–2025. These include the establishment of a stable institutional and contractual framework in 2015–2019, a temporary decline in 2020, a gradual recovery during 2021–2023, and a marked intensification of bilateral engagement in 2024–2025. Throughout this period, bilateral economic diplomacy focused primarily on sectoral cooperation, joint projects, investment promotion, and energy collaboration. At the same time, the emergence and growing prominence of areas such as renewable energy, finance, and insurance indicate a gradual modernisation of bilateral economic relations and an expansion of cooperation beyond the traditional energy agenda.

Nevertheless, the structure of bilateral agreements also reveals important limitations. Despite clear signs of diversification, a substantial share of cooperation remains concentrated in the energy sector, industrial development, and investment projects. New areas of cooperation – including renewable energy, finance, insurance, logistics, and water resource management – remain comparatively underrepresented. These findings suggest that the transition from a traditional resource-based model of cooperation toward a broader and more diversified economic partnership is still in progress.

The quantitative analysis therefore confirms that economic diplomacy between Kazakhstan and Italy is both multidimensional and dynamic. It combines the consolidation of long-established cooperation in the energy sector with an increasing emphasis on identifying new opportunities for collaboration in non-resource-based and technology-intensive industries.

Furthermore, Italy's economic diplomacy in Kazakhstan is implemented not only through official governmental channels but also through quasi-institutional and business-oriented organisations. Together, these actors constitute a multi-level institutional framework for promoting Italy's economic interests and strengthening the long-term resilience of the bilateral partnership. To facilitate bilateral cooperation, the two countries established the Intergovernmental Working Group on Industrial and Economic Cooperation and Exchange, as well as the Kazakhstan–Italy Parliamentary Friendship Group. Within the framework of the intergovernmental mechanism, specialised working groups operate in areas including the economy, industry, investment, technology, and other priority sectors, providing institutional platforms for policy coordination and the implementation of joint economic initiatives.

From the perspective of economic diplomacy, these structures perform the following functions:

- Strategic coordination, including the formulation of the cooperation agenda;
- Institutional support for projects;
- Reduction of political and legal risks through direct dialogue with public authorities;
- Creation of sustainable communication channels between the agencies of the two countries.

These bodies act as intermediaries between state interests and real economic interaction.

A complementary role is played by the Embassy of Italy in Kazakhstan as a classical diplomatic institution with an expanded economic function, including investment promotion, support for Italian companies, and the protection of national commercial interests.

The most significant non-state element in Italy's economic diplomacy system is the Association of Italian–Kazakh Trade (ACIK), which functions as an instrument of business diplomacy that complements state diplomacy. The Association brings together business communities from Italy and Kazakhstan, providing:

– Institutional representation of business interests;

– Mediation between corporations and the state;

– Removal of informational and administrative barriers;

– Formation of investment pools.

It should also be noted that, from an institutional perspective, the development of economic cooperation between Italy and Kazakhstan is facilitated by the Commercial Section of the Embassy of Italy in Astana and the office of the Italian Trade Agency in Almaty, which are engaged in organising initiatives to support and develop commercial ties in Astana and Almaty. Additionally, to promote cooperation between entrepreneurs of the two countries, the Kazakh–Italian Chamber of Commerce and Industry operates in Almaty (Serikbayeva, 2012).

The active presence of EU mechanisms is a key feature of Italy's economic diplomacy. Italy is not only as a national actor, but also as a conduit for EU institutions in Kazakhstan, which significantly enhances the economic weight of the Italian presence.

### *4.2 Business forums and business missions as instruments of economic diplomacy*

Italian trade and investment structures in Kazakhstan represent not merely a mechanism of diplomatic presence but a stable economic-diplomatic platform aimed at institutionalising cooperation, protecting investments, and integrating Kazakhstan into pan-European production and investment networks.

The role of such institutions is particularly vital in organising regular bilateral business forums, which have become an effective mechanism for generating new commercial initiatives and maintaining continuous dialogue between business communities (Table 2).

The data presented in Table 2 indicate that Kazakhstan–Italy business forums and trade missions served as important practical instruments of economic diplomacy during the period 2015–2025. Their significance extended beyond maintaining intergovernmental dialogue to creating institutional platforms for direct interaction among businesses, industry associations, investment agencies, and other economic stakeholders from both countries.

Over the period under review, bilateral cooperation gradually evolved toward a more project-oriented model. This trend became particularly evident during 2023–2025. In 2023, the business forum held in Milan provided a platform for promoting Kazakhstan's investment potential and resulted in the signing of several corporate memoranda of understanding. In 2025, ten memoranda were signed with a reported total value of approximately €180 million, indicating a significant intensification of bilateral business engagement and an expansion of opportunities for future investment cooperation.

At the same time, the evidence presented in Table 2 suggests that business forums and trade missions, while constituting important instruments of economic diplomacy, do not in themselves demonstrate the successful implementation of the initiatives announced during these events. A substantial proportion of the documented outcomes consists of memoranda of understanding and commercial cooperation agreements, which primarily formalise the parties' intentions rather than establish legally binding commitments. Consequently, the number of agreements signed should be interpreted as an indicator of institutional and diplomatic activity rather than as direct evidence of realised investment projects or measurable economic outcomes.

The data also reveal a degree of unevenness in bilateral cooperation. The most significant increase in business activity occurred during 2023–2025, whereas in earlier years economic engagement was comparatively limited and depended largely on individual business forums, trade missions, and high-level political visits. This pattern suggests that Kazakhstan–Italy economic cooperation continues to rely heavily on institutional facilitation and government-led initiatives and has not yet achieved a fully self-sustaining level of interaction driven primarily by private-sector actors. These findings reinforce the broader argument of this study that the effectiveness of economic diplomacy should be evaluated not only by the intensity of institutional engagement but also by the extent to which diplomatic initiatives are translated into tangible commercial, investment, and technological outcomes.

**Table 2** Key outcomes of Kazakhstan–Italy business forums and trade missions, 2015–2025

| *Date* | *Document/event* | *Main content/focus* |
|---|---|---|
| 28 May 2025 | 10 Memoranda (~€180 million) | Strategic projects in mechanics, petrochemicals, agri-food processing, metallurgy, logistics digitalisation, and manufacturing |
| 26 April 2023 | Kazakh–Italian Business Forum 'Kazakhstan - The Country of Great Opportunities' (Milan) | Presentation of Kazakhstan's investment potential; series of commercial and corporate memoranda and agreements between Kazakh and Italian companies |
| 26 April 2023 | Memorandum of Cooperation Kazpost - NEOS (Italy) | Corporate MOU on e-commerce and logistics development (parcel delivery, routes, and integration of postal-logistics services between Italy and Kazakhstan); signed during Milan business forum |
| April–September 2023 | Series of Corporate MOUs and Commercial Agreements | Regional and corporate MOUs, including project and investment agreements in logistics, agriculture, mechanical engineering, and other sectors |
| June 2022 | Memorandum of Cooperation between Business Associations (Confindustria Piacenza) and West Kazakhstan Delegation | Cooperation in industry, trade, and B2B projects; support for direct contacts between Italian businesses and entrepreneurs from Western Kazakhstan |
| 8 June 2021 | Online Meeting of the Kazakhstan–Italy Inter-Parliamentary Cooperation Group | Strengthening inter-parliamentary relations, experience exchange, and dialogue via parliamentary friendship groups |

**Table 2** Key outcomes of Kazakhstan–Italy business forums and trade missions, 2015–2025 (continued)

| *Date* | *Document/event* | *Main content/focus* |
|---|---|---|
| Summer–Autumn 2019 | Series of Commercial Agreements and MOUs | Corporate MOUs between Kazakh and Italian companies in energy, renewable energy, infrastructure, and agribusiness (including MOU between Italian GSE and Kazakh AREK on renewable energy cooperation) |
| 18–19 November 2019 | Italian–Kazakh Business Forum/Company Memoranda | Signing of corporate agreements and memoranda in energy, technology, logistics, and agro-processing sectors |
| October 2018 | Joint Statement - Kazakhstan Business Mission to Italy | Expansion of trade and economic cooperation; investment projects in agribusiness, mechanical engineering, and renewable energy; and strengthening bilateral economic ties |
| 18 May 2017 | Memorandum between Kazakh Investors and Italian Investors | Support and promotion of investments in Kazakhstan; cooperation in industrial and technological projects; attraction of Italian capital |
| September 2017 | Joint Statement at Kazakhstan–Italy Business Forum | Signing of multiple corporate agreements between Kazakh and Italian companies in agribusiness, mechanical engineering, and infrastructure |
| 10 June 2016 | Memorandum between Kazakh Investors and Italian Investors | Attraction of Italian investment in industry, infrastructure, and technological projects in Kazakhstan |
| September 2016 | Joint Statement at Kazakhstan–Italy Business Forum | Signing of corporate agreements; development of cooperation in energy, agribusiness, and mechanical engineering |
| 12 June 2015 | Memorandum between Kazakh Investors and Italian Investors | Attraction of investment in industrial and technological projects; facilitation of joint ventures with Italian businesses |
| September 2015 | Joint Statement at Kazakhstan–Italy Business Forum | Signing of corporate and investment agreements; cooperation development in energy, infrastructure, agribusiness, and mechanical engineering |
| November 2015 | Cooperation Agreement - Samruk-Kazyna and Italian Companies | Joint projects in metallurgy, chemical industry, and logistics; implementation of modern technologies and participation of Italian investors |

*Source*: Italian Trade Agency, n.d.; Government of the Republic of Kazakhstan, n.d.

## *4.3 Investment cooperation and trade dynamics between Kazakhstan and Italy*

The initial stage of Kazakhstan–Italy investment cooperation represents a case of strategic partnership formation based on complementary economic interests. During the period of commodity-driven economic growth, Kazakhstan pursued a policy of attracting foreign investment by improving its investment climate and employing economic diplomacy as a key policy instrument. Italy emerged as one of Kazakhstan's principal economic partners owing to its strong industrial base and the activities of Eni (Eni, 2026), whose entry into the Kazakh market was facilitated not only by commercial considerations but also by the support of the Italian government. This case illustrates the role of corporate diplomacy in strengthening bilateral economic cooperation.

In the oil and gas sector, Eni participates in the development of the Karachaganak and Kashagan fields, two of Kazakhstan's largest hydrocarbon deposits and assets of strategic importance for the country's economy and energy security. The company's participation in the Karachaganak project and in the North Caspian PSA Consortium responsible for the development of the Kashagan field demonstrates its deep institutional integration into Kazakhstan's long-term energy projects. In addition, Eni's exploration activities at the Isatay and Abay offshore blocks, undertaken jointly with KazMunayGas, reflect a model of resource development based on cooperation between an international energy company and the national oil company while preserving the state's leading role in managing strategic assets.

Alongside its conventional energy operations, Eni has increasingly expanded its activities in renewable energy and decarbonisation. The implementation of the Badamsha-1 and Badamsha-2 wind power plants, the construction of a 250 MW hybrid power project in the Mangystau Region combining solar, wind, and gas generation, and the commissioning of a 50 MW photovoltaic power plant in the Turkistan Region demonstrate the transfer of advanced technological expertise and contribute to the development of a more sustainable energy infrastructure (Eni, n.d.). The company's portfolio has also expanded to include projects in hydrogen energy and agribusiness implemented jointly with KazMunayGas, Samruk-Kazyna, and QazaqGaz, indicating a gradual diversification of cooperation beyond hydrocarbon extraction and electricity generation. Agreements on strategic cooperation, scientific collaboration, and technological innovation have laid the foundation for a long-term technological partnership that is consistent with Kazakhstan's industrial development strategy. Overall, Eni's experience in Kazakhstan illustrates the transition from a traditional hydrocarbon extraction model toward a multi-dimensional strategy of sustainable development. The combination of conventional energy production, renewable energy projects, and innovative technologies contributes to strengthening Kazakhstan's energy security while reinforcing the long-term strategic partnership between international and domestic stakeholders.

According to L. Nurgaliyeva of Kyushu University (Japan), Italy has been one of the EU member states leading both the response to the recent economic crisis and the development of economic relations with Kazakhstan. As the largest importer of Kazakhstan's oil, Italy has viewed Kazakhstan not only as a strategic energy supplier but also as a promising market for Italian services. At the same time, Italy could contribute to Kazakhstan's export diversification by facilitating the transportation of Kashagan oil through the BTC pipeline. Owing to its strategic geographic position, Italy serves as an important gateway for hydrocarbons transported via the BTC pipeline through Türkiye and the Black Sea to Mediterranean ports. Furthermore, Italy has strengthened Kazakhstan–EU energy cooperation by pursuing a more proactive foreign policy toward Kazakhstan within the European Union (Nurgaliyeva, 2015).

The investment dimension has become one of the most dynamic components of Kazakhstan–Italy economic diplomacy. While bilateral investment cooperation initially centred on the oil and gas sector, it has gradually expanded to encompass mechanical engineering, transport, logistics, manufacturing, and renewable energy, reflecting the growing diversification of the bilateral economic agenda.

The data presented in Table 3 indicate that net foreign direct investment (FDI) inflows from Italy to Kazakhstan during 2015–2025 exhibited a cyclical pattern rather than steady growth. The highest inflows were recorded in 2016 (USD 312.0 million) and 2022 (USD 252.5 million), reflecting the implementation of major investment projects, primarily in the energy and extractive industries. At the same time, investment activity declined significantly in several years: net FDI amounted to USD 50.5 million in 2017, USD 81.6 million in 2020, and reached a negative value of USD –67.8 million in 2024. The negative balance observed in 2024 may reflect not only a reduction in new investment but also profit repatriation, the repayment of intra-company loans, or the restructuring of previously invested capital. These fluctuations suggest that although bilateral investment cooperation remains substantial, it continues to be highly dependent on large-scale projects in the energy sector and is therefore sensitive to changes in global market conditions and corporate investment strategies.

**Table 3** Net inflows of foreign direct investment (FDI) from Italy to Kazakhstan, 2015–2025 (USD million)

| *2015* | *2016* | *2017* | *2018* | *2019* | *2020* | *2021* | *2022* | *2023* | *2024* | *2025* |
|---|---|---|---|---|---|---|---|---|---|---|
| 146.4 | 312.0 | 50.5 | 158.2 | 111.6 | 81.6 | 105.6 | 252.5 | 97.5 | –67.8 | 15.5 |

*Source*: Compiled by the authors based on data from stat.gov.kz (Bureau of National Statistics of the Republic of Kazakhstan, n.d.)

A positive feature of bilateral investment cooperation is that Italy has consistently remained one of the leading European investors in Kazakhstan. The presence of Italian companies, particularly their participation in major oil and gas projects, demonstrates the existence of a stable institutional and commercial foundation for long-term cooperation. Furthermore, the agreements and investment initiatives launched during 2024–2025 indicate both countries' commitment to diversifying the investment agenda through projects in green technologies, transport infrastructure, digitalisation, and industrial cooperation.

Nevertheless, the available evidence does not support the conclusion that bilateral investment cooperation has become fully stable or balanced. First, FDI inflows remain volatile and continue to depend heavily on a limited number of large-scale investment projects. Second, investment cooperation remains strongly concentrated in the oil and gas sector, limiting the overall degree of sectoral diversification.

A further limitation is the relatively weak development of investment flows in the opposite direction. As shown in Table 4, net outward foreign direct investment (FDI) from Kazakhstan to Italy remained both very limited and highly volatile during the period 2015–2025. The highest annual outflow was recorded in 2016, amounting to USD 38.5 million, after which Kazakh investment in Italy remained at comparatively low levels. The negative values observed in 2024 and 2025 further indicate the limited sustainability of outward investment from Kazakhstan.

These findings demonstrate that bilateral investment relations are characterised by a pronounced asymmetry. Italy functions primarily as a source of foreign investment in Kazakhstan, whereas Kazakhstan has yet to establish a significant investment presence in Italy. From the perspective of asymmetric interdependence, this pattern reflects the unequal distribution of investment capacities and capital flows between the two economies. At the same time, the asymmetry does not necessarily imply an imbalance in political relations; rather, it reflects differences in the scale of economic development, industrial specialisation, and international investment capabilities. Consequently, one of the principal challenges for future Kazakhstan–Italy economic diplomacy is to broaden bilateral investment cooperation beyond the traditional energy sector while encouraging more balanced and reciprocal investment flows.

**Table 4** Net outflows of foreign direct investment (FDI) from Kazakhstan to Italy, 2015–2025 (USD million)

| *2015* | *2016* | *2017* | *2018* | *2019* | *2020* | *2021* | *2022* | *2023* | *2024* | *2025* |
|---|---|---|---|---|---|---|---|---|---|---|
| 0.0 | 38.5 | 15.9 | 0.2 | 0.2 | 0.1 | 0.9 | 0.3 | 0.6 | –4.3 | –0.6 |

*Source*: Compiled by the authors based on data from stat.gov.kz (Bureau of National Statistics of the Republic of Kazakhstan, n.d.)

Overall, Kazakhstan–Italy investment cooperation possesses considerable long-term potential and is supported by a well-developed institutional framework. However, its practical effectiveness requires a cautious assessment. Its principal strengths include the presence of major Italian investors, extensive experience of cooperation in the energy sector, and the gradual expansion of the bilateral investment agenda into new areas of collaboration. At the same time, several structural limitations remain evident, including the volatility of investment flows, the continued dependence on large-scale oil and gas projects, the limited diversification of actual investment, and the very low level of Kazakh investment in Italy. Consequently, the future effectiveness of bilateral investment cooperation will depend less on the number of agreements concluded than on their successful implementation, the expansion of non-resource-based investment, and the development of a more balanced and reciprocal investment relationship.

The development of bilateral trade constitutes one of the principal dimensions of economic diplomacy, as trade turnover provides a direct indicator of the degree to which countries are integrated into sustainable economic relations. Expanding trade creates opportunities for deeper industrial cooperation, stimulates investment, and strengthens mutual confidence between partner countries. Throughout the period under review, trade relations between Kazakhstan and Italy expanded steadily, reflecting the growing economic importance of the bilateral partnership.

In 2024, Kazakhstan's principal imports from Italy consisted predominantly of high value-added manufactured goods. The largest import category was pharmaceutical products prepared for retail sale, amounting to USD 34.8 million (11.9% of total imports), followed by pipeline valves and fittings (USD 20.9 million; 7.2%), seamless tubes, pipes, and hollow profiles of iron or steel (USD 18.6 million; 6.4%), machinery for dishwashing, filling, sealing, and packaging (USD 13.7 million; 4.7%), articles of jewellery made of precious metals (USD 5.4 million; 1.9%), iron or steel pipe fittings (USD 4.9 million; 1.7%), aircraft (USD 4.9 million; 1.7%), and miscellaneous food products (USD 4.7 million; 1.6%) (Embassy of the Republic of Kazakhstan in the Italian Republic (n.d.)).

The composition of these imports demonstrates that Italy supplies Kazakhstan primarily with technologically sophisticated and high value-added industrial products. This pattern complements Kazakhstan's export structure, which remains dominated by raw materials, and further illustrates the structural asymmetry characterising bilateral trade. At the same time, the growing diversity of Italian exports suggests increasing opportunities for technological transfer, industrial modernisation, and deeper manufacturing cooperation between the two countries.

The following section presents the statistical data on Kazakhstan–Italy exports and imports, providing a quantitative assessment of bilateral trade dynamics over the study period.

A comparison of the structure of imports from Italy to Kazakhstan (Table 5) over the last decade demonstrates a significant transformation in the commodity profile of bilateral trade. In the mid-2010s, Italian exports to Kazakhstan were strongly oriented toward the consumer segment. According to the data presented above, in 2016, the main categories of goods imported by Kazakhstan from Italy included pharmaceuticals, various types of industrial equipment, furniture, and household appliances, as well as a wide range of consumer goods such as clothing, footwear, accessories, cosmetics, food products, and perfumery. Thus, the import structure reflected a characteristic Italian ‘lifestyle profile’, combining elements of the European consumer market with general engineering products.

**Table 5** Imports from Italy to Kazakhstan (in $ million)

| *Year* | *2015* | *2016* | *2017* | *2018* | *2019* | *2020* | *2021* | *2022* | *2023* | *2024* | *2025* |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Imports ($ million) | 1174.5 | 835.7 | 945.9 | 1485.5 | 1579.7 | 937.1 | 97.5 | 1054.3 | 1242.1 | 1270 | 1130 |

*Source*: Compiled by the authors based on data from stat.gov.kz (Bureau of National Statistics of the Republic of Kazakhstan, n.d.)

The transition from the dominance of traditional consumer goods in 2016 to the predominance of equipment, engineering components, and specialised products in 2024 indicates a structural evolution in Kazakhstan’s demand. First, the role of large infrastructure projects in energy, oil and gas, and industrial production has increased, with the key partners being Italian companies such as ENI, Tenaris, Maire Tecnimont, and others. Second, there has been an institutionalised growth in pharmaceutical imports, driven by healthcare system modernisation and the consequences of the COVID-19 pandemic. Third, the appearance of jewellery and aviation equipment in the import structure indicates the expansion of premium market segments amid rising income and improved transport infrastructure.

Thus, the comparative analysis demonstrates a shift from a consumer-oriented import model to an industrial-technological one, reflecting both changes in the structure of Kazakhstan’s economy and deepening sectoral cooperation with Italy.

Despite the expansion of the bilateral agenda to include areas such as logistics, digitalisation, agro-processing, and renewable energy, cooperation continues to be centred primarily on the traditional sectors of energy, industry, and infrastructure. This suggests that the diversification of Kazakhstan–Italy economic relations is progressing gradually but has not yet reached a qualitatively new stage.

Kazakhstan’s export structure is an important indicator of the state of its economy and reflects its level of diversification, technological development, and vulnerability to external shocks. Countries with significant natural resources consistently depend on raw material exports, creating a range of macroeconomic and structural risks. Throughout the period under review, Kazakhstan’s export basket demonstrated a high degree of stability and a strong resource orientation. The core exports included oil, uranium, wheat, and iron ore, as well as primary processed products such as refined copper and ferroalloys. A key metric of this dependence is the consistently high share of raw materials in total exports, which has exceeded 80% for nearly two decades. Undoubtedly encouraging are the moderate decline in raw material dependence and the record growth in the share of finished products observed during the period spanning 2023–2025.

According to domestic foreign trade expert A. Taybekuly (2025), in 2024, the most stable growth was shown by Italy and China, whose shares in Kazakhstan's exports increased from 15.5% to 22.9% and from 9.8% to 18.3%, respectively. Italy remains the main buyer of Kazakh oil, while China has strengthened its position as a key importer of a broad range of goods.

In 2023, Kazakhstan's oil exports to Italy amounted to $14,484.1 million, increasing to $18,350.3 million in 2024. Italy's share of Kazakhstan's total oil exports reached 42.8% in 2024. Given Europe's gradual reduction of Russian oil imports, Kazakhstan has gained additional opportunities to expand its supply volumes to the European market, particularly to Italy – a strategic partner of the country ("Italy as a Strategic Partner…", 2025).

Table 6 presents data on Kazakhstan's exports to Italy during the analysed period. Today, Kazakhstan aims to diversify its exports – increase the supply of over 100 types of goods with a total value exceeding $1 billion. Special attention has been paid to non-resource sectors, such as agriculture, metallurgy, the chemical industry, and high-value-added products, as well as the establishment of joint ventures and the development of logistics.

**Table 6** Kazakhstan's exports to Italy, 2015–2025 (USD million)

| *2015* | *2016* | *2017* | *2018* | *2019* | *2020* | *2021* | *2022* | *2023* | *2024* | *2025* |
|---|---|---|---|---|---|---|---|---|---|---|
| 8.136 | 7.475 | 8.667 | 11.734 | 8.377 | 6.637 | 8.862 | 13.850 | 14.835 | 18.663 | 2.876 |

*Source*: Compiled by the authors based on data from stat.gov.kz (Bureau of National Statistics of the Republic of Kazakhstan, n.d.)

Italy remains one of Kazakhstan's key trading partners. The volume of bilateral trade in 2024 increased by 26% compared to that in 2023, reaching approximately $20 billion (exports: $18.7 billion, imports: $1.3 billion). Trade turnover for January–May 2025 amounted to $7.3 billion (exports: $6.8 billion, imports: $486 million). Italian investment in Kazakhstan's economy totals around $7.6 billion. Over 250 companies with Italian capital operate in Kazakhstan (Ministry of Foreign Affairs of the Republic of Kazakhstan, 2025).

Kazakhstan's total foreign trade turnover amounted to USD 143.9 billion in January–December 2025.

Compared with Kazakhstan's other major strategic trading partners, Italy ranked firmly among the country's three largest trading partners in 2025, alongside China and Russia, while remaining Kazakhstan's largest trading partner within the European Union. By the end of 2025, bilateral trade turnover with Italy reached approximately USD 16.08 billion, a level broadly comparable to Kazakhstan's trade with Russia and surpassed only by its trade with China. Bilateral trade with Italy significantly exceeded Kazakhstan's trade with Türkiye, France, and other European partners.

Italy therefore occupies a prominent position in Kazakhstan's external trade, consistently ranking among the country's top five global trading partners and serving as its principal economic partner within the European Union (Table 7). However, the strength of this relationship is driven primarily by Italy's role as a major destination for Kazakhstan's crude oil exports rather than by a diversified trade structure. Consequently, while bilateral trade remains substantial and stable, it continues to exhibit a high degree of commodity concentration, reflecting the structural asymmetry that characterises Kazakhstan–Italy economic relations.

**Table 7** Top five trading partners of Kazakhstan, January–December 2025

| *Rank* | *Country* | *Trade turnover (USD thousand)* | *Share of Kazakhstan's total trade turnover (%)* | *Trade profile* |
|---|---|---|---|---|
| 1 | China | 34,149,519.8 | 23.7 | Balanced trade structure with a growing share of imports |
| 2 | Russia | 27,372,768.9 | 19.0 | Import-oriented trade relationship |
| 3 | Italy | 16,914,149.1 | 11.8 | Kazakhstan's stable export surplus, driven primarily by crude oil exports |
| 4 | Türkiye | 5,412,471.9 | 3.8 | Exports of raw materials; imports of manufactured industrial and consumer goods |
| 5 | France | 4,851,331.9 | 3.4 | Exports of energy resources and metals; imports of high value-added manufactured products |

*Source*: Compiled by the authors based on data from the Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan.

The dynamics of trade relations between the Republic of Kazakhstan and the Italian Republic, according to the Bureau of National Statistics of the Republic of Kazakhstan, during 2024–2025 have gone beyond the framework of traditional bilateral exchange, evolving into a strategic node of geo-economic connectivity between Central Asia and the European Union. The nominal decline in bilateral trade turnover from a record USD 19.9 billion in 2024 to USD 16.9 billion in 2025 does not indicate a deterioration of the partnership but rather reflects price fluctuations in global commodity markets. Amid stringent sanctions and the disruption of traditional logistics routes across Northern Eurasia, the stable physical volume of Kazakhstan's oil exports to Italy (28.8 million tons in 2025) positions Astana as an indispensable guarantor of Rome's energy security. A distinctive feature of this period is that the institutional strengthening of bilateral relations, reinforced through high-level diplomatic visits, coincided with the accelerated development of the Trans-Caspian International Transport Route (TITR). By 2025, the Middle Corridor had evolved beyond its role as a transit transport route and emerged as an integrated geo-economic framework linking Italy's industrial centres with the resource base and emerging industrial hubs of Central Asia within the broader European Global Gateway initiative.

Italy's import profile in Kazakhstan, which stabilised at approximately USD 1.3 billion, clearly demonstrates the geopolitical reorientation of European capital toward the infrastructure development of the Caspian region. While in 2024 Italian exports to Kazakhstan were characterised by temporary surges in highly specialised equipment – such as a threefold increase in deliveries of air pumps and compressors to USD 42.7 million and a fourfold increase in packaging machinery – by 2025 the import structure had stabilised around high value-added capital goods, including steel pipe products, metalworking machinery, and integrated technological systems. This trend reflects the systematic involvement of major Italian corporations, including ENI, Maire Tecnimont, and others, in the modernisation of Kazakhstan's critical infrastructure and transport-logistics network. In this context, Italy seeks to eliminate logistical bottlenecks along the TITR and reduce transportation costs, thereby ensuring the long-term resilience of supply chains for non-resource goods and food products, including imports of Italian construction stone, pharmaceuticals, and premium agri-food products, in exchange for stable access to Kazakhstan's energy and metallurgical resources.

An analysis of foreign trade turnover between Kazakhstan and Italy demonstrates that bilateral trade remains highly asymmetric and predominantly resource-export oriented. Italy represents one of the principal export destinations for Kazakh products; however, crude oil continues to account for the overwhelming majority of exports. Consequently, the dynamics of bilateral trade are influenced more by fluctuations in global energy prices than by the structural expansion of trade and economic cooperation.

During the period under review, foreign trade turnover exhibited cyclical fluctuations. Following the high level recorded in 2014, trade declined during 2015–2017, recovered by 2018, and fell again in 2020 due to the COVID-19 pandemic and the associated contraction in global demand. In subsequent years, trade rebounded; however, the decline recorded in 2025 confirms the continuing dependence of bilateral trade on the oil market cycle and price volatility in international energy markets.

One of the strengths of bilateral trade is Kazakhstan's consistently positive trade balance. Exports to Italy substantially exceed imports, generating significant foreign exchange earnings and reinforcing Italy's position as one of Kazakhstan's key strategic trading partners in Europe. At the same time, this advantage has a limited qualitative impact because the trade surplus is generated primarily by exports of crude oil rather than products with high value added.

The structure of imports from Italy is considerably more technologically diversified. Kazakhstan imports machinery and equipment, oil and gas technologies, pharmaceutical products, foodstuffs, and manufactured goods. This composition corresponds to the traditional model of 'raw materials in exchange for technology', while simultaneously highlighting the limited industrial diversification of Kazakhstan's export portfolio.

Overall, foreign trade cooperation between Kazakhstan and Italy can be assessed as significant in terms of volume but structurally vulnerable in terms of composition. Its principal strengths lie in Kazakhstan's stable export capacity and sustained trade surplus. However, the critical constraints remain the country's heavy dependence on the oil sector, the limited share of non-resource exports, and the underutilisation of domestic value-added processing capabilities. Consequently, the future development of bilateral trade should focus not only on preserving energy cooperation but also on expanding exports of higher value-added products, strengthening industrial cooperation, developing agro-processing industries, improving logistics infrastructure, and deepening technological partnership.

According to the scholar Nicola Contessi (2019), 'Since the outset of geopolitical turbulence, Kazakhstan's diversification efforts have – if anything – ticked up, resulting in rekindled and enhanced strategic partnerships with all key partners. Conversely, its branding efforts are generally well received, although the authoritarian and personal nature of the regime has been somewhat of a handicap at least with Western audiences. Whereas action in support of international law is harder to pin down, Kazakhstan has effectively been able to fill a niche in the global economy as a significant player in energy, logistics, and trade. Commercial, financial and infrastructural indicators are usually positive'.

The author convincingly argues that the turbulence of the international environment has stimulated Kazakhstan's efforts to diversify its external relations. The strengthening and reassessment of strategic partnerships with major international actors demonstrate the pragmatic and adaptive nature of the country's foreign policy. During the period under consideration, Kazakhstan's foreign policy has been characterised by a combination of status-seeking ambitions, economic pragmatism, and institutional flexibility. Of particular interest is Contessi's assessment of Kazakhstan's international standing. He cautiously suggests that Kazakhstan may be regarded as a 'middle power', given its international recognition, proactive foreign policy initiatives, and generally positive international image. At the same time, insufficient economic diversification, weak institutionalisation, and continued dependence on natural resources remain significant obstacles to Kazakhstan's full recognition as a middle power. This issue has become especially relevant in the current geopolitical context.

### *4.4 The European Union's energy transition and the strategic importance of Italy for Kazakhstan*

Kazakhstan's full integration into the community of middle powers largely depends on its ability to respond effectively to global structural shifts. Among these, the accelerated decarbonisation of the EU economy has emerged as the most significant development shaping the European dimension of Kazakhstan's foreign policy, fundamentally redefining the contours of the Kazakhstan–Italy partnership.

Developed in response to the geopolitical crisis and the sanctions imposed on Russia, the European Commission's REPowerEU Plan (2022) is primarily aimed at diversifying energy supplies, improving energy efficiency, and accelerating the production of clean energy. It is also important to emphasise that the EU's REPowerEU Plan, introduced in May 2022 in response to the geopolitical consequences of sanctions imposed on Russia, primarily aims to reduce energy consumption, expand the production of clean energy, and decrease dependence on external energy suppliers. The REPowerEU Plan accelerates the transition toward green energy while promoting large-scale investment in renewable energy sources.

Additional EU policy initiatives, including the EU Solar Energy Strategy and the Biomethane Action Plan, further reinforce this policy direction by promoting the deployment of renewable energy technologies and reducing dependence on imported fossil fuels. More recently, Regulation (EU) 2026/261 of the European Parliament and of the Council, adopted in January 2026, provides a legal framework for the gradual phase-out of Russian natural gas imports and the preparation for the phase-out of Russian oil imports. The regulation also strengthens the monitoring of potential energy dependencies across the European Union (European Commission, 2022; European Union, 2026).

Taken together, these policy documents form a coherent EU strategy aimed at achieving three interconnected objectives: strengthening energy independence, enhancing the security and resilience of energy supplies, and accelerating the transition toward a low-carbon, sustainable energy system. This strategic transformation has also increased the geopolitical and economic significance of alternative energy suppliers and transport corridors, thereby creating new opportunities for Kazakhstan to strengthen its role as a reliable energy partner and a key transit hub linking Central Asia with European markets.

The energy transition, the sanctions environment, and the EU's evolving energy security policy are fundamentally reshaping the context of Kazakhstan–Italy cooperation. Adopted in the aftermath of 2022, the REPowerEU Plan aims to reduce the European Union's dependence on Russian energy resources, accelerate the deployment of renewable energy, and diversify external energy supplies. The regulations and directives adopted subsequently have strengthened the institutional framework of this policy by prioritising energy efficiency, renewable energy development, and Europe's long-term energy autonomy.

Italy, particularly through companies such as Eni, has developed extensive expertise in the field of the energy transition and increasingly shares its technological knowledge and practical experience with international partners. For Kazakhstan, these developments simultaneously create new opportunities and long-term structural challenges. In the short term, the reduction of Russian energy imports by EU member states has enhanced Kazakhstan's importance as an alternative supplier of crude oil to European markets, including Italy, thereby strengthening its geo-economic position. Over the longer term, however, the implementation of decarbonisation policies and the transition toward a low-carbon economy will gradually reduce the sustainability of a bilateral economic relationship predominantly based on hydrocarbon exports.

Under these circumstances, Italy is becoming increasingly important for Kazakhstan not only as a major importer of energy resources but also as a strategic partner in renewable energy, energy efficiency, green technologies, and industrial modernisation. The adoption of Italian technological expertise and innovative solutions – including advances in solar, wind, and hydrogen energy – could provide a foundation for diversifying bilateral cooperation and gradually shifting it beyond the traditional oil and gas agenda. Such cooperation would contribute to Kazakhstan's broader economic diversification objectives while strengthening the resilience and sustainability of Kazakhstan–Italy economic relations in the context of Europe's accelerating energy transition.

### *4.5 Prospects for Italy–Kazakhstan economic diplomacy*

Economic diplomacy in the 21st century has undergone profound transformations, driven by accelerated globalisation, shifts in the balance of power, the evolution of international institutions, and intensified competition for resources, technology, and influence. It has become not only a component of foreign policy but also a crucial tool for implementing long-term sustainable development strategies and ensuring national security.

As such, studying its evolution, methods, instruments, and institutional forms is critical both for academic research and the design of effective foreign economic policies.

In the context of Kazakhstan's efforts to diversify its economy and integrate into global value chains, the partnership with the Italian Republic has assumed strategic significance. This strategic orientation was reaffirmed during the negotiations between the President of Kazakhstan and the Prime Minister of Italy, Giorgia Meloni, held in Rome on 18 January 2024, where the parties emphasised the importance of strengthening cooperation in trade, investment, energy, transport and logistics, agriculture, education, green energy and air connectivity (Akorda, 2024). The institutional basis of this agenda was further expanded during the high-level talks in Astana on 30 May 2025, when the parties discussed practical cooperation in energy, industry, critical raw materials, water resources, finance, insurance, transport infrastructure and investment support mechanisms (Akorda, 2025).

The energy sector forms the structural backbone of economic diplomacy between Kazakhstan and Italy. Italy has established itself as a leading importer of Kazakh oil. The growth in exports from \$14.5 billion in 2023 to \$18.4 billion in 2024, accounting for 42.8% of Kazakhstan's total oil exports, underscores the high importance of mutually beneficial cooperation (Bureau of National Statistics of the Republic of Kazakhstan, n.d.). The current international environment has created new economic conditions for Kazakhstan, requiring strategic adaptation and opening opportunities for the diversification of external economic relations. Kazakhstan's economic diplomacy has focused on strengthening its position in the European market, with Italy serving as a strategic platform. The participation of the Italian energy company Eni in the Kashagan and Karachaganak consortia has deepened the economic interdependence of the two countries. Despite emerging commercial and regulatory disputes, the presence of such a major player ensures partnership. A qualitatively new dimension of bilateral cooperation has emerged through projects associated with the energy transition. A notable example is the construction of a 247 MW hybrid power plant in Zhanaozen with the participation of Eni ("Kazakhstan and Italy…", 2026). The project combines conventional gas-fired generation with solar and wind energy, demonstrating the potential to integrate traditional and renewable energy sources within a single energy system. Its significance extends beyond increasing the region's generating capacity, as it also establishes a practical foundation for the development of green energy and the adoption of European technological solutions in Kazakhstan.

Another promising area of cooperation is the petrochemical industry. The involvement of Maire Tecnimont in polyethylene production projects and the construction of gas separation infrastructure illustrates the potential transition from exporting raw materials toward expanding domestic processing industries and producing higher value-added products. For Kazakhstan, this direction is of strategic importance, as it supports the country's broader objectives of industrialisation, technological modernisation, and reducing dependence on a resource-based export structure ("Kazakhstan and Italy…", 2026).

Particular attention should also be given to the modernisation of Kazakhstan's energy infrastructure. The participation of Ansaldo Energia in the modernisation of Almaty CHP-3 demonstrates that Italian companies can contribute not only as investors but also as providers of advanced engineering expertise, industrial technologies, and technical know-how. This broadens the scope of bilateral cooperation and reinforces Italy's role as a strategic partner in the technological modernisation of Kazakhstan's energy sector.

The ongoing transformation of Europe's energy system, driven by the energy transition, has made Kazakhstan–Italy cooperation even more relevant while simultaneously requiring its qualitative restructuring. The central objective of economic diplomacy is no longer limited to the traditional model of raw material exports in exchange for technology imports. Instead, bilateral cooperation is increasingly expected to focus on renewable energy development, technology transfer, industrial cooperation, and the diversification of Kazakhstan's non-resource exports.

Economic diplomacy is therefore evolving from conventional bilateral interaction toward more comprehensive and multidimensional forms of cooperation. An important indicator of this institutional and geo-economic transformation has been the establishment of the multilateral 'Central Asia + Italy' framework. At the conclusion of the First Central Asia–Italy Summit, held in Astana on 30 May 2025, the Joint Declaration identified priority areas including the deepening of trade and economic relations, investment promotion, support for small and medium-sized enterprises, and expanded cooperation in natural resources, climate policy, energy, renewable energy, critical raw materials, agriculture, regional connectivity, and critical infrastructure ("Central Asia + Italy…", 2026).

Particular emphasis was placed on supporting the further development of the Trans-Caspian International Transport Route (TITR) as a reliable multimodal corridor connecting Central Asia and Europe. The declaration also encouraged the participation of Italian railway, logistics, and engineering companies in transport, infrastructure, and consulting projects along the corridor. In this context, Kazakhstan is positioned not merely as Italy's bilateral economic partner but also as a pivotal component of the broader regional architecture linking Italy, the European Union, and Central Asia.

These developments indicate the gradual evolution of Kazakhstan–Italy economic diplomacy from a traditional energy- and resource-based partnership toward a more diversified and comprehensive agenda encompassing transport connectivity, critical raw materials, renewable energy, technology transfer, industrial modernisation, and strengthened institutional cooperation. This transformation reflects broader geopolitical and geo-economic shifts in Eurasia and creates new opportunities for building a more resilient, innovation-driven, and sustainable bilateral partnership.

In conclusion, the adopted declaration reflects a paradigm shift in Kazakhstan–Italy relations. The inclusion of the Trans-Caspian International Transport Route (TITR), critical raw materials, and institutional cooperation in the bilateral agenda indicates a transition from a narrowly sectoral partnership to a comprehensive strategic framework. Within this framework, Kazakhstan is increasingly assuming the role of a system-forming regional hub in the security and logistics architecture linking Italy with the broader Central Asian region.

## 5 Conclusion

The analysis demonstrates that the economic diplomacy of Kazakhstan and Italy has established a solid foundation for a long-term strategic partnership. Bilateral cooperation is inherently complementary: Kazakhstan seeks to modernise its economy, attract foreign expertise, and facilitate technology transfer, while Italy is interested in strengthening its energy security and expanding its economic presence in the Central Asian market. Under current conditions, Italy continues to rank among the leading European investors in Kazakhstan, maintaining a substantial presence in capital-intensive industries.

At the same time, the existing model of bilateral cooperation requires critical reassessment due to persistent structural imbalances. Despite the formal expansion of the bilateral agenda, cooperation remains heavily concentrated in the oil and gas sector and large-scale extractive projects. Emerging areas of cooperation – such as renewable energy, gas processing and petrochemicals, the digital economy, and transport and logistics corridors – are still at an early stage of development and have yet to exert a systemic impact on bilateral trade or investment flows.

Against this background, the economic diplomacy of both countries faces the challenge of qualitative transformation, shifting from a predominantly resource- and investment-based model toward a more diversified and innovation-oriented partnership. Achieving this objective will require moving beyond quantitative indicators and placing greater emphasis on tangible economic outcomes.

In the medium term, priority should be given to the following areas:

Strengthening institutional monitoring through robust mechanisms for overseeing the implementation of bilateral agreements and providing targeted support for strategic investment projects;

Encouraging Italian investment in high value-added sectors, including mechanical engineering, advanced manufacturing, and environmentally sustainable industries;

Deepening infrastructure integration through the joint development of logistics hubs and decarbonisation initiatives, which are becoming increasingly important in the context of the global energy transition.

In conclusion, the long-term viability of the Kazakhstan–Italy partnership in the evolving international order will depend on the ability of both countries to move beyond a resource-centred model of cooperation. Strengthening Kazakhstan's position as a middle power while ensuring mutual economic growth will require the development of a flexible, knowledge-based, and institutionally resilient framework for bilateral cooperation.

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## Declaration

All authors declare that they have no conflicts of interest.

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