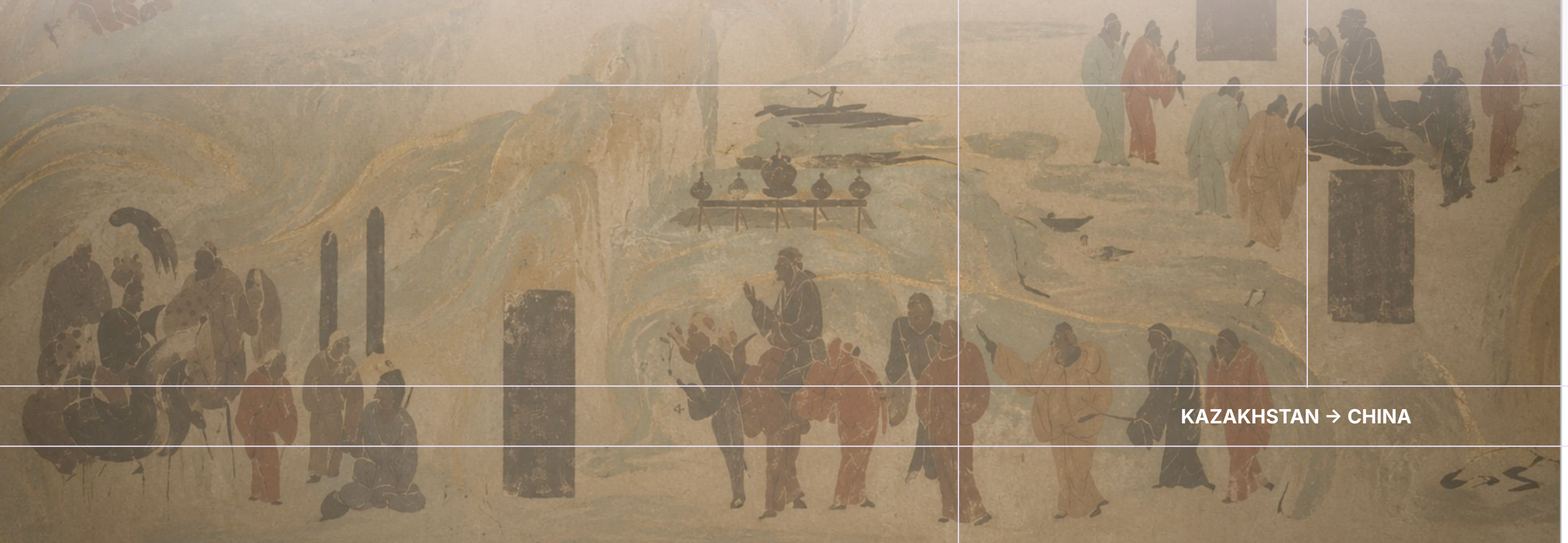
The Corridor That Never Slept

More than two thousand years ago, this land carried caravans and armies. Today, container trains, pipelines, uranium and grain cross it — while 1.56 million ethnic Kazakhs live across the border in China.



KAZAKHSTAN → CHINA

The Steppe's Early History Is Largely Chinese-Recorded

Much of the earliest surviving written evidence about the peoples of present-day Kazakhstan comes from outside observers, particularly Chinese dynastic histories, alongside Persian, Arabic and Turkic sources.

- **Dynastic chronicles, not annals**

Shiji (Sima Qian, 2nd c. BCE) and Hanshu are dynastic chronicles kept inside each ruling dynasty and named after it. They contain some of the earliest detailed descriptions of the Wusun, Kangju and other polities connected with the territory of present-day Kazakhstan.

- **Zhang Qian · 2nd c. BCE**

Han diplomat sent west by Emperor Wu. His reports on the "Western Regions" are the first systematic outside view of the steppe corridor.

- **Xuanzang · 7th c. CE**

Buddhist pilgrim-monk. Passed through Suyab and left rich descriptions of Turkic Semirechye. Again an outsider's view, again indispensable.

- **Corridor and production zone**

The region was both a transit corridor and a place of production, taxation and exchange. Steppe routes connected pastoral economies with the urban centres of Taraz, Otrar and Semirechye.

The Battle of Talas illustrates a pattern that continues today: Kazakhstan’s territory has repeatedly connected and divided larger political and economic systems.

CULTURE

Confucius and the Toi at the Same Table

A shared preference for relationships over formal rules, but built on very different foundations.

KAZAKHSTAN

TRUST

Trust begins with people before institutions. The ru (clan), auyl (community) and dastarkhan remain powerful spaces where relationships are formed. A contract formalizes trust rather than creating it.

SOCIAL LOGIC

A legacy of confederated nomadic life shaped a horizontal culture of kinship. Authority is negotiated through relationships, elders and consensus more than rigid hierarchy.

TIME & MODERNISATION

Quday qalasa ("God willing"). Relationships often take priority over schedules. Modernisation is welcomed, but never at the expense of sovereignty.

CHINA

TRUST

Guanxi (关系) and mianzi (面子) build trust gradually through reciprocal obligations accumulated over time. Personal relationships often matter as much as formal contracts.

SOCIAL LOGIC

Decade-long planning plus same-day urgency. Punctuality is respect.

TIME & INVESTMENT

30–50-year arcs are normal. Belt and Road is generational, not quarterly, while operational execution is expected to be fast and disciplined.

A HIDDEN SIMILARITY

Both societies are high-context relationship cultures. Both often prefer trusted personal networks to purely transactional interactions. The difference lies in how trust is organised: Kazakhstan tends to build it horizontally through kinship and community, while China builds it vertically through hierarchy and reciprocal obligation.

Four Waves Across, Two Waves Back

Migration added a human network to a corridor already shaped by centuries of trade.

Four waves into Xinjiang

1. Return under the Qing (18th century). After the Dzungar defeat, Kazakh clans returned to historic pasturelands under Qing suzerainty.
2. Russian imperial expansion (19th century). Colonisation, taxation and conscription pushed migration into Xinjiang.
3. The 1916 Revolt. Tsarist mobilisation triggered another mass flight across the border.
4. Famine and collectivisation (1930s). Collectivisation and famine drove the final major migration wave.

Two waves back

1. 1962. A mass cross-border exodus from Xinjiang to the Soviet Union amid famine, tightening Chinese policies and the worsening Sino–Soviet split.
2. Since 1991. Kazakhstan invited ethnic Kazakhs home through the oralman (now kandas) programme.

Key figure

More than 1.16M ethnic Kazakhs have returned since independence, including approximately 150K from China.

Same mechanism, different name

Russia repatriated ethnic Russians. Germany welcomed ethnic Germans. Kazakhstan brought home kandas.

DIASPORA

Kazakhs of Xinjiang: A Universe Across Khorgos

China is home to the largest concentration of ethnic Kazakhs outside Kazakhstan: 1.56 million people according to China's 2020 census.

Who they are

PRC 2020 census: 1,562,518 ethnic Kazakhs — China's 18th-largest nationality. About 97% live in Xinjiang, mostly in the Ili Kazakh Autonomous Prefecture.

How they got there

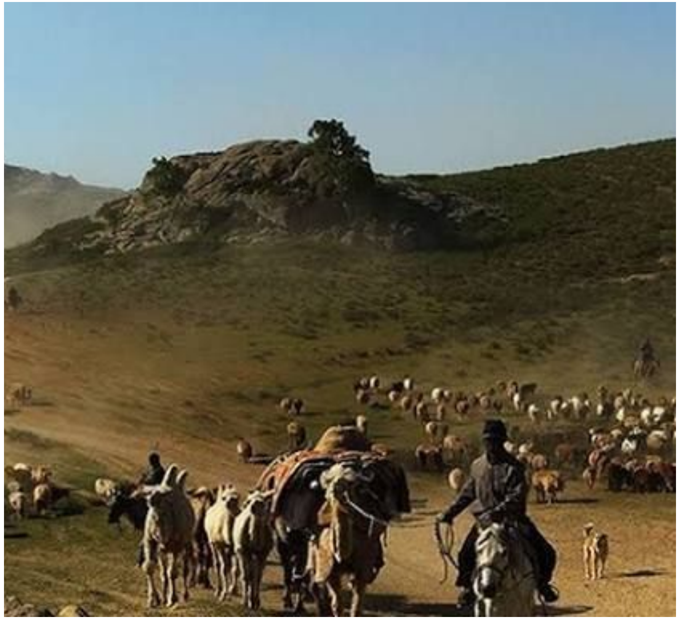
Through several migration waves: 18th-c. resettlement of Qing-emptied Dzungaria; 19th-c. flight from Russian imperial expansion; the 1916 Central Asian revolt; the 1930s Kazakh famine.

Xinjiang today

Since 2017, Mandarin has gained a stronger role in education, while access to Kazakh-language schooling has narrowed.

Identity across generations

Language use and identity vary by generation, location and family history, with younger cohorts generally more integrated into Chinese-language institutions.



Kazakhstan → China

The Human Bridge and Its Political Sensitivity

The kandas (ethnic Kazakh returnees from Xinjiang) bring language, networks and lived knowledge of both systems, while remaining closely connected to a politically sensitive border region.

Translators
Speak Kazakh, Mandarin, often Uyghur and Russian. Understand both guanxi and ru. Human capital that no training programme can reproduce.

Clan networks
Families are split between Almaty Region, Ili and Altai. Weddings and inheritance remain trans-border. Real deals close at shared dastarkhans.

Institutional presence
Kandas hold roles across government, business and academia in Kazakhstan. Their China expertise is lived, not academic.

Cross-border exposure
Families and community networks extend across Kazakhstan, Ili and Altai. These ties support communication and commerce, but also expose families to developments on both sides of the border.

Political sensitivity
2025 research finds that repatriates from China generally support Kazakhstan–China cooperation while remaining largely silent on Xinjiang. Their cross-border ties make the issue particularly sensitive.

Region-wide network
~821K Kazakhs in Uzbekistan; tens of thousands in Mongolia, Kyrgyzstan and Turkey. Any Kazakhstan–China partnership activates a regional network.

Who Brings What to the Table

The two economies are asymmetric in scale but complementary in strategic function. Each side holds something the other cannot easily replicate.

KAZAKHSTAN OFFERS

- 1,782 km land border with China; one of the shortest overland routes from western China towards Europe
- Resources: oil, gas, uranium (world's #1 producer), copper, rare earths, grain
- Transit: a key route for China–Europe freight and the Trans-Caspian alternative to routes through Russia
- Market of ~20M people, urbanizing

CHINA OFFERS

- 9,252 Chinese and JV companies operating in Kazakhstan (2025)
- Technology: 5G, rail stock, solar, EVs, digital payments
- Market of 1.4B people; largest global commodity buyer
- Infrastructure delivery at speed

TOGETHER THEY BUILD

- Khorgos Gateway dry port and Khorgos border checkpoint
- Atasu–Alashankou oil pipeline; Central Asia–China gas pipeline
- China–Europe rail freight through Kazakhstan
- Digital corridor: 5G, data centres and e-commerce

ECONOMICS · LONG-TERM VIEW

Why It Holds - and Where It Tilts

This is an asymmetric relationship — an interdependence at very different scales. Naming the tilt matters.

1. **Chinese capital**
   Investment in energy, transport and industry.

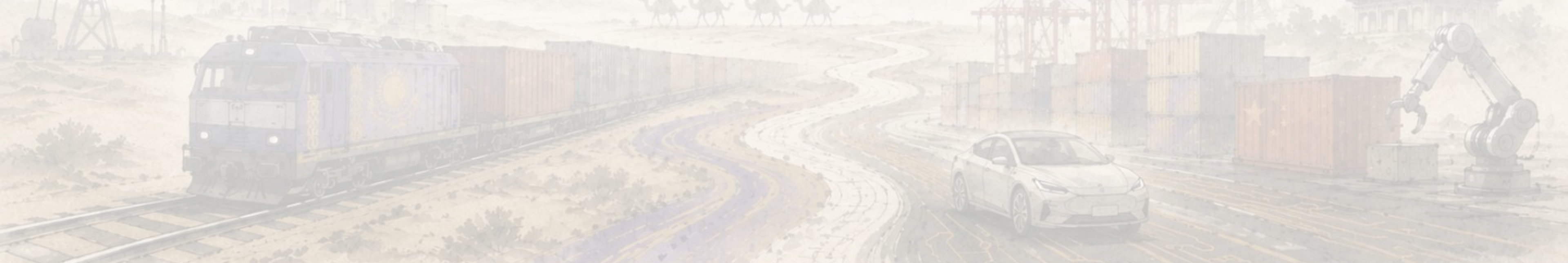
2. **Kazakh resources and geography**
   Commodity exports and transit capacity support corridor growth.

3. **Industrial and income growth**
   Investment and trade expand domestic demand.

4. **Rising Chinese imports**
   Vehicles, machinery, electronics and consumer goods gain market share.

5. **Deeper interdependence**
   China secures supply and market access; Kazakhstan gains capital and connectivity.

> *The tilt: bilateral trade grew from ~$21.4B (2020) to $43.8B in 2024 (China customs data). But Kazakhstan's deficit with China widened to $1.8B in H1 2025 alone, versus $400M for all of 2024. Exports (oil, metals) are falling; imports of Chinese vehicles and machinery are rising by double digits.*



Where Chinese Capital Lands in Kazakhstan

Energy
CNPC · SINOPEC · CNOOC

Top foreign oil investor since 1997. Assets in Kumkol and Aktobe; stake in the Atasu–Alashankou pipeline.

Uranium & Nuclear
CGN · CNNC · KAZATOMPROM

JV mining, long-term offtake for Chinese reactors. KZ is #1 globally in uranium; CN is its largest buyer.

Transport
COSCO · LIANYUNGANG · KTZ

49% of Khorgos Dry Port. China–Europe block trains. Middle Corridor as Russia-bypass.

Automotive
CHERY · BYD · GEELY · GREAT WALL

In H1 2025, vehicle imports from China increased by $1.2B, supported by rising demand and a 14% decline in average import prices.

Agri & Food
COFCO · PRIVATE INVESTORS

Grain, meat, oilseeds. KZ pushing exporter-registry access. Politically sensitive (land, water).

Digital & 5G
HUAWEI · ZTE

Telecom backbone, 5G pilots, data centres and smart-city projects in Almaty and Astana.

The Partnership in Action

Khorgos: dry port + border checkpoint

Khorgos Gateway dry port (KTZ 51%, COSCO + Lianyungang 49%) handled 372,000+ TEU in 2025 (KTZ). Nine new broad-gauge tracks in September 2025 raised throughput capacity to 800K TEU/year. The Khorgos border checkpoint (separate facility) moved 22.2M tonnes in H1 2025, Xinjiang's largest checkpoint by volume.

Atasu–Alashankou oil pipeline (2006)

First direct Central Asia → China oil pipeline. Capacity up to 20M tonnes/year. Strategic hedge for Beijing on maritime supply.

Central Asia – China gas pipeline

Four planned strings, three cross Kazakhstan. Turkmen gas transits Kazakhstan end to end — a critical, exposed element of China's energy security.

The Middle Corridor (TITR)

TITR — the Trans-Caspian International Transport Route: China → Kazakhstan → Caspian Sea → Azerbaijan → Georgia → Turkey / Europe. Its importance as an alternative to routes through Russia has increased since 2022.

$43.8B Across a Structural Chokepoint

The corridor is already large. The bottleneck is no longer demand, it is infrastructure.

$43.8B

Bilateral trade, 2024 ***(China customs)***

Kazakhstan’s own statistics are closer to $30B, reflecting differences in trade methodology, valuation and country-of-origin reporting.

$1.8B

KZ deficit with China, H1 2025

Already 4.5× larger than for all of 2024. Exports (oil, metals) weakened while imports of Chinese vehicles and machinery continued to grow.

9,252

Chinese / JV companies in KZ, 2025

Up ~50% YoY from 6,227. Most registered entities are small businesses, while major investment is concentrated among a limited number of large companies.

Why Friction Persists

Rail gauge: China and Kazakhstan use different rail standards (1,435 mm vs. 1,520 mm), making Khorgos a mandatory transfer point. Modernisation has reduced delays, but the gauge break remains structural.

Customs & grey flows: Different customs regimes, documentation requirements and digital systems continue to slow trade and create space for informal flows.

Geopolitics: Since 2022, the Middle Corridor has become strategically important. Kazakhstan is no longer just a transit country, it is a geopolitical chokepoint watched simultaneously by China, Russia and the West.

FUTURE · THE QR LAYER

The Next Battlefield Is the Behavioural Stack

Kazakhstan has built sovereign payment rails. The question now is whose app sits on top of them.

Kazakhstan has done the hard, unglamorous work. A national instant-payment system exists. A national interbank QR service has launched and is expanding. Kaspi has become a de facto super-app with 14M+ active users. On the rail layer, sovereignty is real.

The unresolved layer is behaviour. Which app does a Kazakh scan that QR with? Which app does a Chinese tourist in Almaty scan with? Alipay+ and WeChat Pay entered Kazakhstan not through banking licences but through tourist and trade flows, already accepted at tens of thousands of points. Tencent’s investment in Kaspi signals strategic interest in Kazakhstan’s super-app and payments ecosystem.

> *Physical rails: Kazakh. Digital rails: Kazakh. User's habit: contested. This is why locally-anchored payment infrastructure — national QR, local card schemes, local wallets — is becoming strategically valuable.*

The One-Way Payment Bridge

In practice, payment infrastructure between the two countries is not a symmetric bridge. It is a pipe with a valve that opens one way.

What already works

UnionPay, Alipay, WeChat Pay — accepted across KZ (shops, taxis, hotels, airline checkouts incl. Air Astana).
Chinese tourist and trade flows into KZ are rising steadily.
Kaspi and local players keep adding Chinese methods — real, visible revenue.

What barely works

Kaspi QR and Kazakhstan's domestic payment methods have limited everyday usability in China compared with Chinese wallets.
Smaller outbound volumes have so far created less incentive for Chinese platforms to support Kazakh payment methods.
Direct consumer-facing payment use cases remain limited, while B2B payments to Chinese suppliers represent a clearer near-term need.

> *Chinese consumers in Kazakhstan can largely retain their familiar payment behaviour: same WeChat, same Alipay, same QR. Kazakhstan adapts. Kazakh consumers in China typically rely on international cards or Chinese apps rather than their familiar domestic QR experience.*

Where the Payment Opportunity Lies

Trade and logistics are deeply integrated, but the corridor's payment layer remains fragmented.

1. QR and wallet interoperability

Connect Kazakhstan's interbank QR infrastructure with China's dominant payment ecosystems — Alipay, WeChat Pay and UnionPay.

2. Local acceptance for Chinese businesses

Enable Chinese merchants and platforms to accept Central Asian payment methods with compliant settlement, FX and refunds.

3. Cross-border B2B payments

Build faster and more transparent payment routes for importers, exporters and suppliers operating between China and Central Asia.

> *The opportunity is not to replace domestic payment ecosystems, but to connect them — preserving local rails while enabling cross-border reach.*

ANALYTICAL FRAME

Deep Integration, Limited Dependence

How to think about the Kazakhstan–China relationship without overreaching in either direction. Asymmetric interdependence — not domination, not a partnership of equals.

Deep integration — the case

Trade: China accounts for >20% of Kazakhstan's foreign trade; deficit widening.

Infrastructure: Atasu–Alashankou, gas pipelines, Khorgos — difficult and costly to reroute at scale in the short term.

Capital: 9,252 Chinese/JV firms in Kazakhstan (2025); Tencent became one of Kaspi.kz's largest shareholders in 2026.

Digital: Huawei/ZTE in telecom; Chinese super-apps in consumer payments.

Limited dependence — the counter-case

Sovereignty reflex: identity built against external domination. Domestic pushback in 2019 and 2023.

Multi-vector foreign policy: KZ balances China, Russia, EU, Turkey and the Gulf by design.

Sovereign digital rails already exist: Kaspi, national QR, national instant-payment system.

Xinjiang precedent raises the domestic political cost of being seen as "Chinese-adjacent."

> *The relationship is best understood as asymmetric interdependence. Kazakhstan retains meaningful strategic autonomy, while its exposure to China is increasing across energy, transit, digital infrastructure and capital flows.*

POSITIONING

Kazakhstan: From Transit Corridor to Regional Hub

Geography built the corridor. Infrastructure is expanding its role.

Kazakhstan is evolving from a transit corridor into a regional logistics, industrial and financial hub. Positioned between China, Central Asia, Europe and the Middle East, it increasingly connects trade routes, investment flows and payment infrastructure across the region.

The Silk Road logic remains, but Kazakhstan’s role is changing. It no longer provides geography alone: Khorgos, energy pipelines, industrial investment, sovereign payment infrastructure and an established banking sector allow it to capture more value from the flows crossing its territory.

CONCLUSION

More Than Transit — Less Than Symmetry

2,200 years of history

From Zhang Qian's 2nd-century BCE mission to Qing–Kazakh relations and modern Khorgos, the corridor has connected the steppe with China for more than two millennia.

Asymmetric interdependence

Chinese capital, Kazakh resources and cross-border infrastructure generate substantial trade, but not a relationship of equal scale. Kazakhstan benefits from connectivity while managing growing economic exposure.

A living corridor

1.56M ethnic Kazakhs in China. ~150K kandas who returned to Kazakhstan after 1991. Khorgos trains, Atasu oil, Turkmen gas crossing Almaty Region. The Silk Road did not disappear — it changed its cargo and its logistics.

The human dimension

This is not only an economic and infrastructural story. It also involves more than 1.5 million ethnic Kazakhs in China and their cross-border families — a human dimension that any serious analysis has to include.

Contact us to start your 8B journey

Daria Kashurina
Author · Founding CMO

dk@8b.world

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