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Steppe manoeuvre

Kazakhstan and Mongolia are reshaping Central Asia — reducing their dependence on China and Russia

Mongolian president Ukhnaagiin Khürelsükh's first state visit to Kazakhstan in 20 years was more than just another diplomatic event. The two countries, historically linked by the vast expanse of the Great Steppe and the legacy of nomadic empires, have begun to take their relationship to the next level, shifting it from a symbolic partnership into a more practical phase – developing transport, resource and industrial infrastructure. Following talks, dozens of intergovernmental and commercial agreements were signed in the fields of transport, trade, critical minerals, peaceful nuclear energy and urban planning.

The broader significance of these events transcends the bilateral agenda. Central Asia is gradually ceasing to be merely a geographical concept and is extending beyond the traditional 'five' states. Initially, Azerbaijan joined the 'C5' format (through the Trans-Caspian trade route and energy projects). This was then followed by the first Afghanistan and Central Asia forum, which marked the inclusion of Kabul on the regional agenda. Now Ulaanbaatar is joining the process, too.

Making the best of their situation

Most of the states in the region, like Mongolia, are landlocked countries situated between major centres of power. They have a genuine interest in expanding their transport, trade and political ties with one another. The formal classification of Mongolia as part of East Asia largely reflects academic and geographical categorisations. However, in terms of its structural characteristics – continental location, resource-based economy, dependence on neighbouring powers – the country is closer to Central Asia. It is telling that, over the past year, the president of Mongolia has met with virtually every leader in the region.

Mongolia's increasing closeness to Kazakhstan is very much in keeping with Ulaanbaatar's foreign policy framework referred to as the 'third neighbour' strategy. Geographically, Mongolia is sandwiched between Russia and China, which limits its room for manoeuvre in foreign trade.

The country has therefore been steadily developing ties beyond its two main neighbours. Its motivation is primarily pragmatic: around 95 per cent of petroleum product imports come from Russia, while the lion's share of coal exports are destined for the Chinese market. In these circumstances, diversification is less of a strategic choice than an economic necessity.

Amid the geopolitical turbulence of the 2020s, countries such as Kazakhstan and Mongolia are seeking to expand their room for manoeuvre and find new footholds beyond traditional dependencies.

Astana pursues a similar multi-vector approach. In recent years, President Kassym-Jomart Tokayev has been promoting the concept of Kazakhstan as a 'middle power', capable not only of adapting to change but also of shaping the regional agenda. In this context, Mongolia is seen as a close and accessible market for the export of non-commodity products, technology and educational services, as well as a destination for expanding logistical and resource connectivity. Amid the geopolitical turbulence of the 2020s, countries such as Kazakhstan and Mongolia are seeking to expand their room for manoeuvre and find new footholds beyond traditional dependencies.

Following bilateral talks, Kazakhstan and Mongolia signed 18 intergovernmental agreements, but the most significant outcome was achieved in the transport sphere. The parties agreed to establish a joint working group to implement a cross-border transport corridor. Currently, cross-border road transport between the two countries has to take a detour via the Russian cities of Barnaul and Biysk, making the route as long as 1 604 km. A new road from Ust-Kamenogorsk via Ridder and the Altai Republic to the Mongolian border could cut the journey by almost half, to 837 km. thereby reducing both the cost and duration of transport.

Moreover, via Kazakhstan, Mongolia gains access to the Trans-Caspian Corridor and the International North–South Transport Corridor (INSTC) and thus to the markets of the Caucasus, Europe and the Middle East. This is particularly important for a country situated at the heart of the continent and lacking direct access to the sea. Kazakhstan, for its part, is strengthening its position as a logistics hub and gaining the opportunity to expand its economic presence in the Mongolian region.

Kazakhstan at the centre

Trade between Kazakhstan and Mongolia remains modest. In 2025, it was just above USD 133 million, with 92 per cent of this accounted for by Kazakh exports. For Mongolia, Kazakhstan serves not only as a supplier, but also a trade and logistics hub: a significant share of its shipments consists of re-exports of smartphones, laptops and cigarettes. Mongolia, for its part, exports small quantities of horsemeat and other agricultural products to Kazakhstan. A month before Tokayev's meeting with Ukhnaagiin Khürelsükh, a Kazakh trade mission visited Ulaanbaatar, resulting in the signing of export contracts worth USD 62.6 million.

Cooperation in the field of resources is also becoming an increasingly prominent area. The documents signed by the two presidents include agreements on cooperation in the oil sector, a memorandum of understanding between Kazakhstan's sovereign wealth fund Samruk-Kazyna and Mongolia's holding company Erdenes Mongol in the fields of mining, critical minerals, processing and corporate governance, as well as an agreement on peaceful nuclear energy. This is hardly surprising, given that Mongolia has substantial reserves of copper, uranium, fluorspar and rare-earth elements. The Oyu-Tolgoi deposit alone is capable of supplying 2–3 per cent of global copper production.

For uranium giant Kazatomprom, the Mongolian market could be an opportunity to expand its assets beyond Kazakhstan. It is also telling that the aforementioned Erdenes Mongol holding announced its adoption of Samruk-Kazyna's standards, indicating Mongolia's interest in Kazakhstani management practices.

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Also, of particular significance is the discussion regarding the supply of Kazakhstani veterinary medicines and the potential for joint production of vaccines for farm animals. For the Mongolian livestock sector, regularly affected by foot-and-mouth disease, sheep pox and brucellosis, this is a strategic issue. Against this backdrop, Kazakhstan's expertise in veterinary medicine and biosecurity could become an important export sector.

The opening of a Kazakh consulate in the Bayan-Ölgii region has also been announced. The Kazakh community in western Mongolia serves as an important humanitarian bridge between the two countries. The Kazakhs are the second-largest ethnic group in Mongolia, and in Bayan-

Ölgii, they make up over 90 per cent of the population. The ancestors of the local Kazakhs arrived in the 19th and 20th centuries, fleeing repression, collectivisation and famine. In Kazakhstan, people remember that during difficult times, Mongolia gave them the opportunity to preserve their language, culture and way of life. Today, people of Mongolian origin are successfully integrated into Kazakh society, pursuing political careers and business.

The rapprochement between Kazakhstan and Mongolia is an important indicator of a profound transformation within Eurasia. Central Asia is increasingly defined less by Soviet or academic borders and more by transport routes, energy links, markets and political coordination.

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In a sense, this is about the gradual restoration of the historical interconnectedness of the steppe region, which for centuries linked East Asia, the Caucasus, the Middle East and Europe. The Great Silk Road and the nomadic empires existed precisely because of this interconnectedness, which imperial borders destroyed between the 18th and 20th century.

Gradually the infrastructure is now being restored. For instance, in 2025, Kyrgyzstan, Tajikistan and Uzbekistan completed the demarcation of the disputed border sections in the Fergana Valley. The resolution of border issues has paved the way for unlocking the transport and economic potential of the entire region.

Of course, the signed agreements will not, in and of themselves, change the balance of power in the region. China will remain a key buyer of Mongolian coal and copper, while Russia will continue to be the main supplier of hydrocarbons. Real change will come from the roads that have been built, operational logistics routes, joint ventures and sustainable supply chains.

However, it is here that Kazakhstan's new role is becoming increasingly apparent. Thanks to its geographical location, infrastructure and multi-vector diplomacy, Astana is gradually emerging as a key transport hub at the very heart of Eurasia. If the current agreements with Mongolia are put into practice in the coming years, we will be talking about the formation of a new architecture for inner Eurasia, with Kazakhstan acting as one of the main organisational centres.



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