

Kazakhstan and the transit trade

*Dr Alexander Ressos, TEP
Attorney-at-Law (Switzerland), Solicitor (Hong Kong),
Solicitor (England & Wales)*

The sanctions have increased the importance of Kazakhstan and other Central Asian states as transit countries. Goods that can no longer be exported directly to Russia reach it through Kazakhstan, Kyrgyzstan and Armenia, members of the Eurasian Economic Union with Russia. The trade statistics show a sharp increase in Western exports to these countries since 2022, which for some goods exceeded the fall in exports to Russia.¹ The European Union and the United States have imposed sanctions on companies in these countries that were involved in circumvention, with Switzerland following the European listings.

For the traders and industrial companies of Zug, the Central Asian trade has become both an opportunity and a risk. Kazakhstan offers raw materials that can replace Russian supplies, such as uranium, oil and metals, as well as a route for trade between Europe and China that avoids Russia, the so-called Middle Corridor through the Caspian Sea and the Caucasus.² At the same time, every transaction with Central Asia must be examined for the risk that the goods or the proceeds reach Russia. Many Swiss banks are cautious about financing this trade, whose compliance costs are high.

1 Notes

1. EBRD analysis reported by Global Trade Review, "Figures reveal likely Russia sanctions evasion hubs", 1 March 2023, gtreview.com: exports from the EU, the UK and the US to Armenia, Kazakhstan and Kyrgyzstan rose sharply after February 2022, and for some goods the increase exceeded the fall in exports to Russia. ↩

2. Wikipedia, "Trans-Caspian International Transport Route", en.wikipedia.org: the Middle Corridor links China via Kazakhstan, the Caspian Sea (train ferries), Azerbaijan, Georgia and Turkey with Europe and avoids the northern route through Russia; volumes grew to nearly 3.2 million tonnes in 2022 as goods shifted from the northern corridor (citing Stiftung Wissenschaft und Politik and other sources). The article's volume figures are not fully consistent with each other. ↩

For general information only. This article does not constitute legal or tax advice, does not replace advice on an individual case and creates no lawyer-client relationship. It reflects the legal position as of September 2026.

Online version: helveticaregister.com/zug-kazakhstan-and-the-transit-trade