It is already recognized that nontariff restrictions are not merely residual obstacles to trade that would have to be negotiated after the successful reduction or elimination of tariffs, but that they are an integral part of liberalizing trade. In both the European Economic Community (EEC) and the European Free Trade Association (EFTA), they are taken up in one form or another. They are an important part of the Kennedy Round negotiations, where in some instances countries have conditioned their tariff cuts on other countries' actions on nontariff barriers. The EEC, the United Kingdom, and Switzerland, for example, have linked their tariff cuts on chemicals to U.S. action on the American selling price basis of customs valuation.

In the broadest sense, a nontariff barrier is any law, regulation, policy, or practice of a government, other than an import duty, that has a restrictive effect on trade.[2] Usually, however, only government actions that have the purpose and/or effect of protecting particular domestic producers from foreign competition are regarded as nontariff barriers.[3] The nontariff barriers with which this chapter is concerned are as follows: quantitative restrictions and state trading, government procurement, customs classification and valuation, antidumping legislation and practices, and various internal and other measures that restrict trade. These are the nontariff barriers relating to nonagricultural products that have been the principal subject of complaints among Atlantic area countries in recent years, and in the Kennedy Round trade negotiations. Other nontariff measures exist, but they have not been the subject of complaints and it may be assumed that they do not restrict trade to an appreciable extent. However, the space devoted to particular nontariff barriers does not necessarily reflect their trade importance; lengthy treatment is given some restrictions only because of their complexity or because of the publicity that they have received.

[2] This definition does not include restrictive private business practices or such "natural" barriers as language differences and cultural affinities, which may be quite important.

[3] Governments' monetary and fiscal policies, for example, can have restrictive trade effects, but they are not usually regarded as nontariff trade barriers. Also, nontariff measures imposed by governments to protect public health, morals, national security, and for other reasons unrelated to protection from foreign competition are not regarded as nontariff barriers unless they are abused.