

HOME TEXTILES

REPORT

[REGISTER FOR SHOW](#) | [MAIN PAGE](#) | [OTHER ARTICLES](#)

U.S. Home Textiles Industry Undergoes Radical Shift To A Global Sourcing Model

What a difference a decade makes. In the mid-'90s, the United States home textiles industry was dominated by companies that had been manufacturing products domestically since the 1800s. In the past 10 years, however, nearly every major U.S. manufacturer has instituted sweeping changes in its supply chain, moving aggressively into global sourcing.

Virtually all major home textiles suppliers source at least some products internationally today, a fact borne out import statistics from the U.S. government. U.S. textiles and apparel imports totaled \$95.6 billion in 2005, an increase of \$5.7 billion, or 6.4%. Imports of home textiles alone totaled \$14.9 billion, according to figures from the U.S. Department of Commerce. This contrasts sharply with imports of home textiles a decade earlier: in 1995, U.S. imports totaled a mere \$1.47 billion.

Asian countries have become the dominant manufacturers of home textiles in the world, led by China. Textile and apparel imports from China jumped 42.6% in 2005, to \$26 billion. Other leading sources of textiles and apparel imports include Mexico, India, Indonesia, Vietnam, Bangladesh, Pakistan, Hong Kong, Canada and Cambodia.



Industry executives and government officials cite a number of reasons spurring the shift to global sourcing, including the elimination of quotas and the establishment of Free Trade Agreements and decreased duties. Many countries have lower labor costs than the U.S. and have invested heavily in modern manufacturing techniques, making home textiles production overseas more cost-effective than domestic manufacturing.

Although most U.S. manufacturers have moved to a global sourcing strategy, many have developed a hybrid domestic and international business model: for example, even companies that have shifted to overseas manufacturing maintain sales, marketing and design operations in the U.S.; some also preserve U.S. manufacturing facilities, albeit on a more limited scale.

Many U.S. manufacturers are exploring export opportunities as well. According to the Commerce Department, 2005 exports of home textiles totaled \$2.3 billion. This contrasts sharply with exports of just \$332 million in 1995.

The U.S. Office of Textiles and Apparel is monitoring both U.S. imports and exports, and is promoting U.S. products with various special events and seminars. "The Bush Administration is committed to helping the U.S. textile industry remain viable, globally competitive and cutting edge," said Commerce Department deputy assistant secretary Matt Priest. "OTEXA is here to aid in that goal by supporting the industry in expanding to new markets through exporting, FTA negotiations and market outreach."



In the private sector, leading trade show organizer George Little Management LLC has identified global home textiles sourcing as a critical growth market and is launching a new trade show, Global Home Textiles™ in Orlando, Florida, May 8 to 10, 2007.



Global Home Textiles is positioned as a crucial new venue for international suppliers to reach the U.S. home textiles industry, and is the only major market in the U.S. for international home textiles manufacturers. "The radical change in the U.S. home textiles industry to a global sourcing model presents significant opportunities for growth in the international arena," explains Penny Sikalis, vice president and group show manager for George Little Management. "U.S. manufacturers have evolved into global sourcing operations, and as a result, our trade shows are evolving to service their changing needs."



BY THE NUMBERS

\$24.34 BILLION—Sales of U.S. Home Textiles and Rugs in 2005

Sales In Top Five Home Textiles Categories in 2005 (\$ billion):

Curtains & Draperies—\$2.69
Sheets—\$2.47
Bath Towels—\$2.23
Comforters (Down inc.)—\$2.07
Bagged Bed Ensembles—\$1.39

\$14.9 billion—2005 U.S. Imports of Home Textiles

\$2.3 billion—2005 U.S. Exports of Home Textiles

Top 10 Countries Supplying U.S. Textiles & Apparel Imports:

1. China
2. Mexico
3. India
4. Indonesia
5. Vietnam
6. Bangladesh
7. Pakistan
8. Hong Kong
9. Canada
10. Cambodia

(Sources: HFN, Home Textiles Today, U.S. Department of Commerce)