Liberalization may be described as the opening up of the economy to the outside world by relaxing government trade and economic policy restrictions to allow imports. In Kenya, this took place in the early 1990s and it had negative and positive effects on businesses manufacturing and retailing clothing and textiles. This case study narrates what has happened over the last 20 years to businesses in Nairobi, Kenya dealing in clothing and textiles. Some of the original businesses have closed down and been replaced by new ones. More small scale Kenyan businesses have been started dealing in clothing imports from the East and West selling both new and second hand clothes. There has been increased employment in the small scale clothing and textiles sector in garment making and retailing. All in all, liberalization has forced large and medium scale textile manufacture to change strategy so that they target selling to the export market more than to the local market.