Wool was Britain's main industry and primary export before 1800. Manufacture was carried on in three main areas: East Anglia, the West Country, and the West Riding of Yorkshire. The 'domestic system' dominated until the end of the 18th century, the cloth-makers worked at home and had their raw materials brought by clothiers. The woollen industry adapted much more slowly than cotton to the technical advances of the Industrial Revolution because of the powerful vested interests of the domestic workers and their resistance to new methods of production. Output expanded to meet rising demand during the Industrial Revolution, but much more slowly than cotton which displaced wool as a leading export by the end of the Napoleonic Wars. Weak labour organisation and the example of Lancashire cotton led to quicker mechanisation in the West Riding. By the early 19th century woollen production was increasingly concentrated on the West Riding.

Right In the West Riding as in East Anglia and the West Country, water power was initially used to drive machinery, but the development of efficient steam power and the increasing mechanisation of the processes of woollen manufacture led to a movement of woollen mills to the Yorkshire coalfield and the concentration of the industry in towns such as Leeds, Huddersfield, Bradford, and Halifax. Specialisation took place between the different towns to produce worsteds from long-fibred wool, woollens from short fibres, and shoddies from reclaimed wool or rags. While the production of the West Riding continued to grow in the 19th century, that of the old areas declined, until by 1900 the West Riding controlled well over half the total production. By then much wool had to be imported from Australia, New Zealand and the Argentine, through the convenient port of Hull.