



## How much has the cost of living in Malaysia increased since 1993?

Inflation and corresponding high prices are dominating headlines these days as Malaysians grapple with ever-increasing costs of living (though perhaps it's not as bad as it seems?).

From groceries to going out, many daily items are more expensive compared with just a year or two ago. Given that, you can only imagine how much cheaper things were 30 years ago.

Here's an analysis of key spending since 1993, using data obtained from the Household Expenditure Survey published by the **Department of Statistics Malaysia (DOSM)**.

DOSM surveys Malaysian households every two to three years, with previous censuses done in 2019, 2016, 2014, 2010, 2005, 1999, and 1994.

### 1. Communications

It might come as no surprise that communications have shown the highest increase in the past 29 years – that is, your phone and internet bills, the latter of which did not exist back in 1993.

In those days, Malaysians only spent about RM24 per month, or 2.1% of their total spending, on phone bills, with most Malaysians using landline telephones.

Fast forward to 2019 and that cost has grown 9.5 times to RM229 per month, or 5% of total spending. Two things, of course, account for this: the internet and mobile phones.

Nowadays, Malaysians spend at least RM89 per month for the lowest home broadband speed of 30Mbps and a maximum of RM349 a month for 800Mbps. According to Numbeo, Malaysia ranked 60th out of 105 countries with the most expensive internet.

While mobile data has also increased the amount Malaysians spend, it is generally considered affordable here, ranking at 46th position for the cheapest cost of 1GB of data.

### 2. Housing, water, gas, and other amenities

The amount Malaysians have spent on housing, water, electricity, and gas has increased 4.4 times from RM245 per month in 1993 to RM1,068 monthly in 2019. Despite this, the percentage of total spending hasn't grown much – by 21.1% in 1993 versus 23.6% in 2019.

As local house prices grew quite sharply in the early 2010s, the amount of rent Malaysians pay has also increased.

Electricity, meanwhile, is dependent on the prices of natural gas, crude oil, and coal. In 2019, natural gas comprised 42.9% of total energy supply, followed by crude oil (29.2%) and coal (24.4%).

### 3. Restaurants and hotels

Spending on dining out and hotels has also increased 4.4 times, from RM145 per month in 1993 to RM631 monthly in 2019. This equates to 12.5% of total spending in 1993 versus 13.9% 26 years later.

Almost a third of Malaysians eat out at least two days a week, up to an average of 15 times a month.

In 2019 before the pandemic, the average Malaysian took at least 1.4 trips every year, spending an estimated RM103.2 billion or RM3,225 per Malaysian annually. With international borders having reopened this year, expect to spend more as you plan your next trip, whether overseas or domestically.

### 4. Health

As Malaysians work harder and longer in today's world – coupled with the pandemic – medical costs have increasingly become a prime concern. Malaysia has one of the highest diabetes prevalence rates in the world, with complications such as heart disease being the No. 1 cause of death in Malaysia.

As such, spending on health has increased by 4.4 times, from RM21 per month in 1993 to RM95 monthly in 2019.

While this might seem low, healthcare is practically free in government hospitals for citizens. Also, many employers provide group insurance coverage for private healthcare services, although this is usually for more routine illnesses such as coughs, fevers and flu.

### 5. Groceries and non-alcoholic beverages

This might come as a surprise, but groceries and non-alcoholic beverages have seen the lowest increase in spending since 1993.

Spending on groceries increased by 2.8 times, from RM276 per month in 1993 to RM783 per month in 2019. Mostly, Malaysians these days spend more on fish and seafood (RM169 per month), followed by meat (RM109 per month), and bread and other cereals at RM108 per month.

While food prices, especially chicken and eggs, have increasingly become more expensive, Malaysians are actually spending less on groceries and non-alcoholic beverages as a percentage of total spending – from 23.8% in 1993 to 17.3% in 2019.

However, this reduced percentage could be due to higher spending on eating out. Nevertheless, even when grocery spending is added with eating out, the percentage has still declined from 35.6% in 1993 to 30.6% three years ago.

All in all, Malaysians spending has roughly quadrupled, from RM1,161 per month in 1993 to RM4,534 a month in 2019.

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