

From Home Cooking to Eating Out – Part II: Potential Cost-of-living and Health Trade-offs

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Introduction

For decades, Malaysian households have increasingly relied on food away from home as a source of energy and nutrients¹. Such a trend was fuelled further by the COVID-19 pandemic², which accelerated the adoption of online food delivery apps. Although most of the pandemic-induced changes in food purchasing patterns were short-lived, some behaviours that were once considered indulgence—dining out and ordering food online—have become common, or even essential, for many Malaysians.

[Part I](#) of this article highlights the significant shift in household food spending patterns, with Malaysian households spending nearly half of their total food expenditure dining out or ordering in. It also uncovers the

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¹ KRI (2024)

² Teoh (2024)

unequal rates yet converging trends of increased food away from home consumption among Malaysian households of different characteristics, underscoring the growing significance of food away from home as part of the Malaysian diet and lifestyle.

What we eat affects our health, and how we spend influences our financial well-being or vulnerability. As food away from home becomes an essential part of the Malaysian diet, understanding the potential implications of this shift in food consumption is crucial to inform policy. Building on the findings from Part I, this article examines the types of food at home and food away from home households spend on and discusses the impact of inflation on food spending patterns. Subsequently, this article discusses the potential implications of increased reliance on food away from home, focusing on the cost of living, nutrition and food safety.

Food at Home vs. Food Away from Home

Generally, food at home refers to foods prepared and consumed at home. This includes food purchased from grocery stores, markets, and other food stores. On the other hand, food away from home refers to food purchased from or consumed in out-of-home settings, such as restaurants, cafés, street stalls, vending machines, cafeterias, and school canteens.

In terms of food at home, animal-sourced foods, including fish and seafood (23.5%), meat (14.6%), and egg, milk and cheese (8.1%), together account for the largest household nominal expenses (totalled 46.2% in 2022, see Figure 1)³. Fruits and vegetables (including legumes, nuts and seeds) represent 10.6% and 6.7% of the household expenditure, whereas starchy staples such as rice, bread, noodles and other cereal products account for 13.6%. Households spent about 4.2% on oils and fats, and the remaining on food products not elsewhere classified (n.e.c.) such as ready-to-eat foods, baby foods, seasonings and condiments (10.6%), beverages (5.1%) and sweets and confectionery (3.1%).

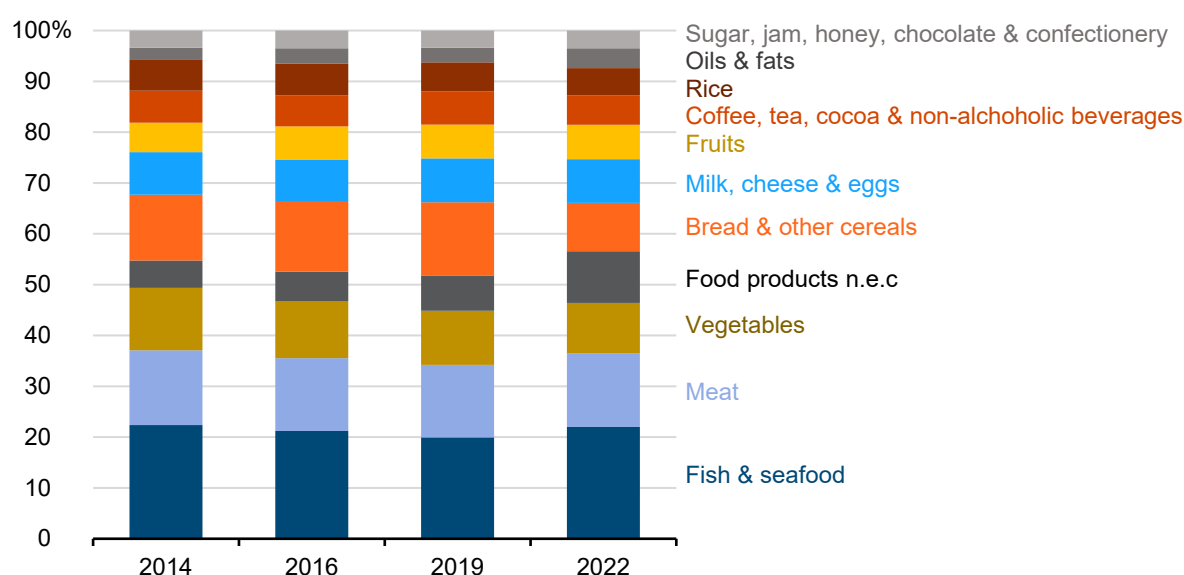
The allocation of household expenditure to each food group should be interpreted with caveats, as higher proportions of expenditure may not always translate to larger quantities, and vice versa. Since certain food groups tend to be more expensive (e.g., fruits and meat), households may spend more money to meet the necessary quantity for consumption.

In 2022, there was a notable increase in the proportion of household spending on food products n.e.c and a concurrent decrease in the spending on bread and cereals when compared to the previous years. However, it is uncertain whether these variations were a result of the changes in household spending behaviours or the modifications in Malaysia's Classification of Individual Consumption by Purpose (MCOICOP) that may have contributed to the discrepancy in values⁴.

³ DOS (2015); (2017); (2020); (2023a)

⁴ DOS (2023a). The MCOICOP is a classification of goods and services consumed by individuals and households.

Figure 1: Real household expenditure on food at home by food group, 2014 – 2022



Source: DOS (2015); DOS (2017); DOS (2020); DOS (2023a) and Author's calculations.

Note: N.e.c = Not elsewhere classified. Real expenditure is expressed in 2015 prices. The food categories are displayed in ascending order from top to bottom, based on the 2022 distribution.

The food away from home consumed by Malaysian households primarily comes from restaurants, cafés and the like. Food purchased from informal food vendors, such as street stalls, hawker stalls and night markets, are also included in this category. In 2022, Malaysian households spent RM732 (nominal terms) or 92.6% of their total food away from home expenditure on foods obtained from these sources⁵. It includes the foods purchased from limited service (e.g., fast food joints, fast casual restaurants, coffee shops, and bakeries and cafés with partial service) and full service or sit-down restaurants (e.g., cafés with table service and casual or fine dining restaurants)⁶.

The rest of the food away from home expenses (RM58 or 7.4%) were incurred from purchasing food from eating facilities in non-commercial institutions such as canteens, cafeterias and refectories⁷, which are typically located in school or work settings. This means the shift towards food away from home is largely attributed to households' preference for dining at commercial food service establishments.

The Impact of Inflation on Food Spending

As food is a basic necessity, households typically increase food spending as food prices rise. Hence, household food expenditure patterns would expectedly reflect the food inflation trends. However, a closer examination of Malaysian household food expenditure patterns suggests that food inflation has a differential influence on food at home and food away from home.

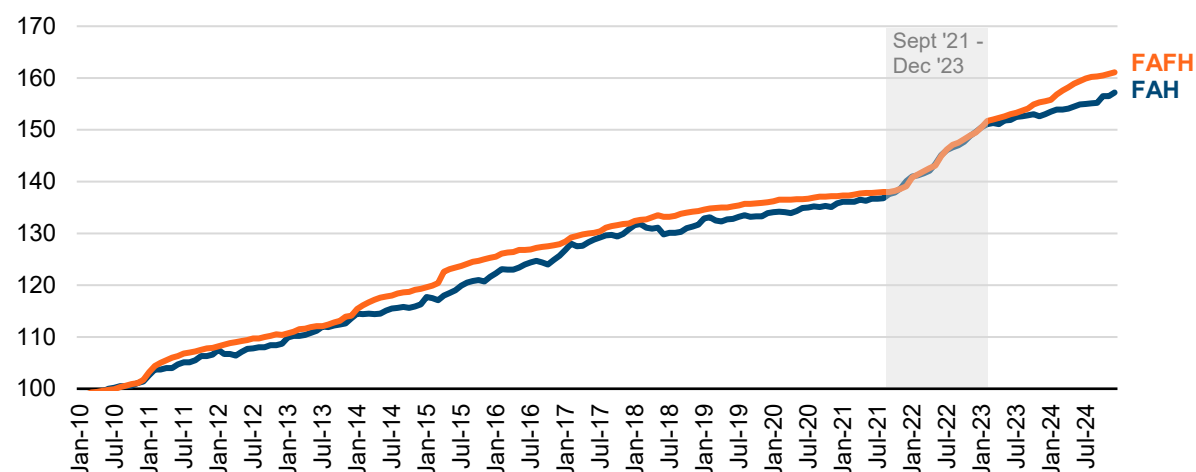
⁵ DOS (2023b)

⁶ USDA (2023). Limited-service restaurants refer to quick service restaurants that do not offer table services and food is typically paid in advance when ordering. Full-service restaurants typically offer table service, meaning customers are served throughout their dining experience at the restaurants.

⁷ DOS (2023b)

Between 2011 and 2020, food away from home was constantly priced higher than food at home⁸ (see Figure 2). The price difference is mainly attributed to labour costs and overhead expenses that food establishments incur from engaging workers and operating the facility⁹. The prices of both food at home and food away from home began accelerating by the end of 2021 and eventually converged when food at home prices increased more rapidly than food away from home. In 2022, food at home prices on average increased by 5.7% while food away from home prices increased by 5.3%—both recorded a rate higher than the previous years.

Figure 2: Consumer price indices (CPI) of food at home and food away from home, 2010 – 2024



Source: DOS (n.d.)

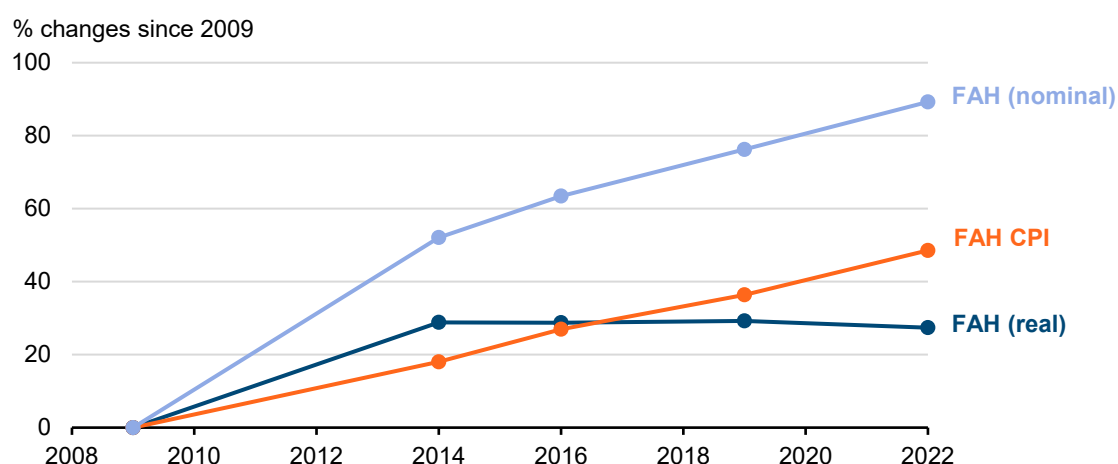
Note: FAH = Food at home; FAFH = Food away from home.

As illustrated in Figure 3, the amount of money (nominal spending) households spend on food at home has been increasing in parallel with price increases since 2009. However, the inflation-adjusted or real spending has remained the same since 2014. This suggests that Malaysian households have been stretching their budget for food at home to maintain their consumption. The gap between the nominal and real spending on food at home is the most marked since 2009, highlighting the increased inflationary pressure on household spending on food ingredients.

⁸ DOS, n.d.

⁹ Zeballos, Rivera-Cintron, and Sinclair (2024)

Figure 3: Change in food at home expenditure and prices since 2009, 2009 – 2022

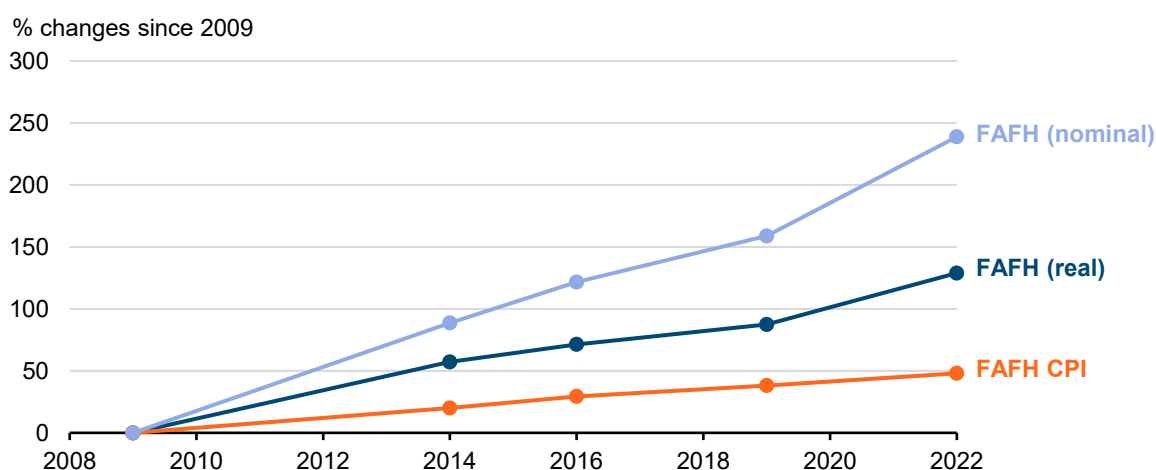


Source: DOS (2011); DOS (2015); DOS (2017); DOS (2020); DOS (2023a); DOS (n.d.) and author's calculations.
Note: Real expenditure is in 2015 prices. FAH = Food at home; CPI = Consumer price index.

On the contrary, Malaysian households have been spending more on food away from home. In fact, the nominal and real spending on food away from home have been growing faster than inflation (see Figure 4). This suggests that, although rising prices partly drive the increase in food away from home spending, the constant growth in its real value shows that households also purchase more of these foods or opt for the more expensive options.

The divergence in food at home and food away from home spending patterns reflects an ongoing shift in consumer food behaviour, as more households now opt for dining at or buying food from food service establishments rather than cooking meals at home. Furthermore, the rising demand for food away from home despite price increases also suggests that households are inclined to prioritise the benefits of eating out over its costs.

Figure 4: Change in food away from home expenditure and prices since 2009, 2009 – 2022



Source: DOS (2011); DOS (2015); DOS (2017); DOS (2020); DOS (2023a); DOS (n.d.) and author's calculations.
Note: Real expenditure is in 2015 prices. FAFH = Food away from home; CPI = Consumer price index.

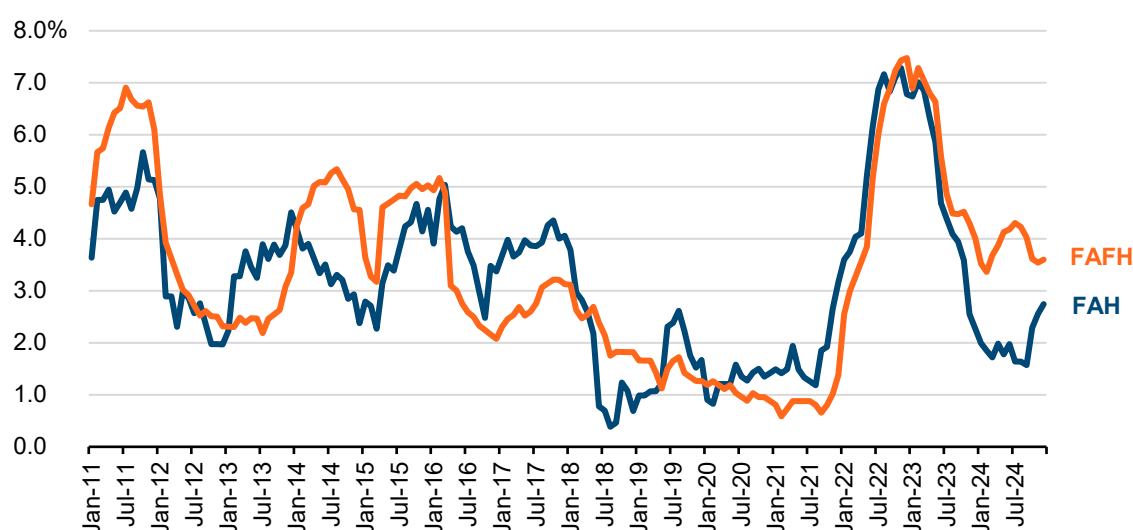
Implications of Increased Food Away from Home Consumption

The shift towards food away from home is clearly not just a passing trend but a fundamental change in how households acquire food, aligning well with society's evolving needs and demands. With rapid urbanisation, the rising share of dual-income households and increased female labour force participation, the demand for convenient and accessible dining options has become essential. While this shift in food spending patterns can have important benefits, such as time savings and reduced domestic work burden¹⁰, it can also have significant implications, particularly in times of high cost of living and alarming rates of diet-related non-communicable diseases (NCDs) in Malaysia.

Increased cost-of-living burden

As shown in the previous subsection, the strong growth in food away from home spending despite inflation indicates that its demand is likely to persist even as prices continue to increase. In order to maintain their consumption patterns, households will need to spend more, which can impose a greater cost-of-living burden. Over the course of 2024, the price increases of food away from home averaged out at 3.8%, higher than that of food at home (2%)¹¹. As of December 2024, the prices of food away from home remain higher than food at home (see Figure 5). This indicates that dining out or ordering in will continue to cost more than cooking at home.

Figure 5: Year-on-year inflation rate of food at home and food away from home, 2011 – 2022



Source: DOS (n.d.), author's calculations

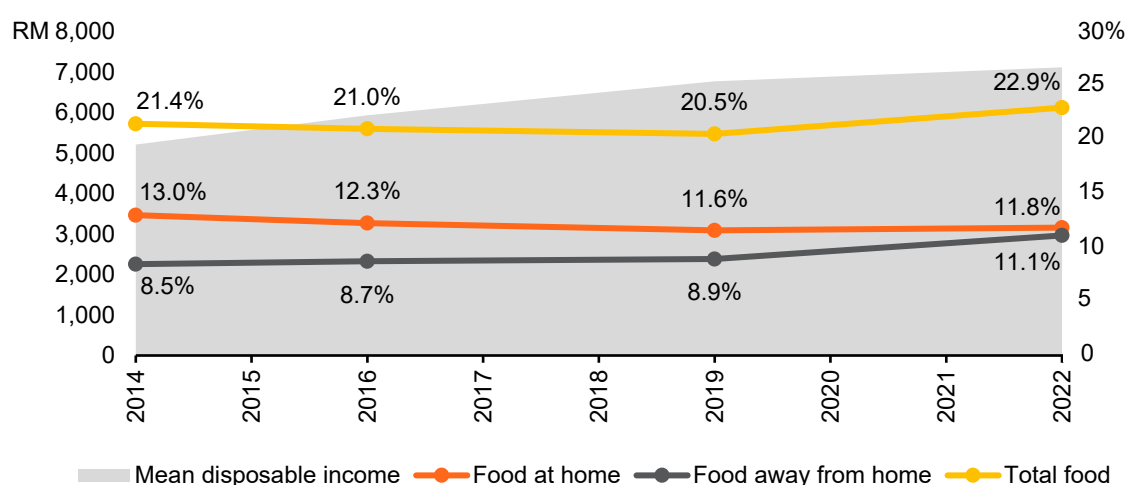
Note: FAH = Food at home; FAFH = Food away from home.

¹⁰ Ghaffar, Talib, and Karim (2020)

¹¹ DOS, n.d.

With income growth, Malaysian households gradually spent a smaller share of their disposable income on food from 2014 to 2019 (see Figure 6). This indicates that households' preferences for outside meals, which tend to be more costly, grew as their disposable income rose. However, this downward trend reversed in 2022, with the total share of income spent on food rebounded to 22.9% from 20.5% in 2019. This is attributed to the increased spending on food away from home, which took up 11.1% of households' disposable incomes in 2022, an increment from 8.9% in 2019. These trends may be explained by the fact that household spending on food away from home has outpaced the growth in disposable income, which saw a much slower rise compared to the pre-pandemic trend¹².

Figure 6: Mean of monthly household disposable income and the share of disposable income spent on food at home and food away from home, 2014 – 2022



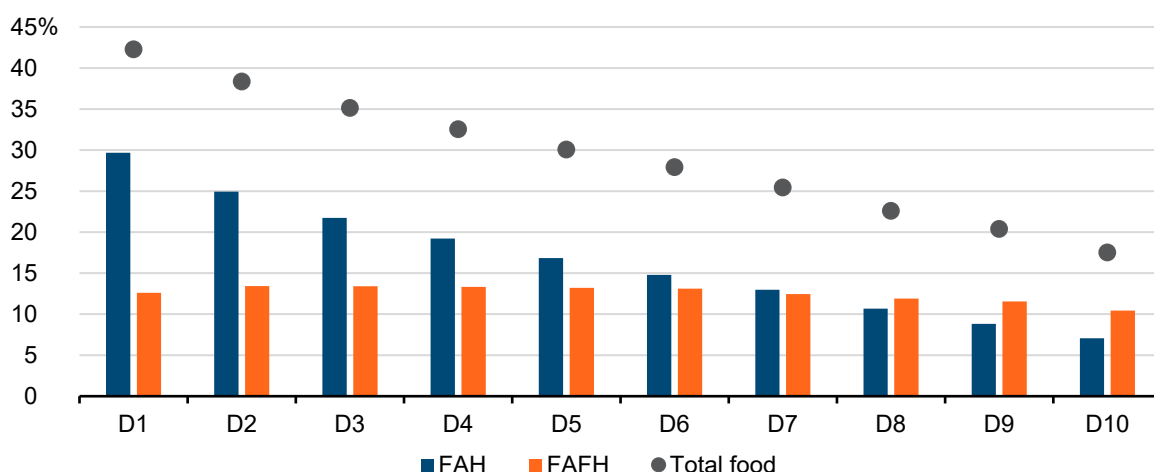
Source: DOS (2015); DOS (2017); DOS (2020); DOS (2023a); (2023b), author's calculations

These observations suggest that households had to allocate a larger share of their limited resources to eating out, which could impose a greater burden on their cost of living and reduce the portion of their disposable incomes intended for other essential purposes like savings. While the absolute spending on food away from home increases with household income, as discussed in [Part I](#), the share of disposable income spent appears to be similar.

Even though households from higher-income deciles spent more money eating out, it represents a smaller share of their disposable income (see Figure 7). Lower-income households spend less in value but allocate the same share as higher-income households due to their smaller income bases. This means that rising food away from home prices can affect everyone, but especially lower-income households with limited disposable income.

¹² KRI (2024)

Figure 7: The share of disposable income spent on food at home, food away from home and food in total by income decile, 2022



Source: DOS (2023a); (2023b)

Note: D = Decile, FAH = Food at home, FAFH = Food away from home.

Adverse nutritional implications

The rising trend of eating away from home can pose public health concerns. Frequent consumption of food away from home has been linked to higher energy intake¹³, a key contributing factor to obesity and NCDs. This is because meals prepared and consumed outside homes tend to be served in bigger portions, thereby increasing one's tendency to overeat. Furthermore, food away from home options are also highly accessible round-the-clock, especially with online food delivery services, making it easy for people to indulge in overconsumption and late-night eating.

Food away from home choices can be diverse, but those that are popular tend to be prepared using less healthy methods like deep frying or heavily seasoned to appeal to the masses. Hence, people who eat out often are also reported to have poorer diet quality that is characterised by higher intake of animal-based foods, processed foods, fast foods, sugar-sweetened beverages (SSBs) and snacks¹⁴, as well as a lower intake of vegetables¹⁵. This means that those who eat out more regularly tend to consume more fat, salt and sugar but inadequate vegetables.

¹³ Cynthia, Zalilah, and Lim (2013)

¹⁴ Abdullah, Teo, and Foo (2016); Balasubramanian et al. (2020); Man et al. (2020); Ashari et al. (2022)

¹⁵ Karupaiah et al. (2013)

Many Malaysians are already suffering from obesity, diabetes, high blood pressure and high cholesterol¹⁶, in which poor diets serve as a key factor. Meanwhile, unhealthy eating behaviours remain common, with issues such as inadequate intake of fruits and vegetables¹⁷ and high SSBs consumption¹⁸ remain widespread despite having dietary guidelines in place. The shift towards eating out and ordering in may further reinforce these unhealthy behaviours, contributing to negative implications on the already worrying state of health among Malaysians.

Exposure to food safety risks

Eating out is one of the most common contexts for food poisoning cases¹⁹. When dining out, consumers can be exposed to food safety risks due to improper food preparation, improper food storage, poor personal hygiene and inadequate cleaning of utensils or cooking equipment among food handlers²⁰. These can cause food poisoning among consumers. In rare cases, they can be life-threatening. For example, one of the most recent incidents saw two deaths, with at least 82 people suffering from food poisoning symptoms²¹.

Although stringent rules and regulations such as the Food Hygiene Regulations 2009 and compulsory training for food handlers are in place to ensure the quality of out-of-home food premises and the food they serve²², poor hygienic conditions at eateries or practices among food handlers and food poisoning cases are still being reported from time to time. In 2023, 54 food poisoning incidents were reported for every 100,000 people in Malaysia²³, higher than the rate of 45.7 incidents per 100,000 people in 2018²⁴.

Notably, most of the food poisoning cases originated from out-of-home sources, such as schools, institutions, restaurants, street stalls and night markets²⁵. Failure to adhere to food hygiene guidelines is the most commonly reported factor in these cases²⁶. With the greater consumption of outside meals, consumers are thus more vulnerable to food poisoning and foodborne illnesses, underscoring the need for interventions and monitoring to ensure the quality and safety of food away from home.

¹⁶ IPH (2024)

¹⁷ Ibid.

¹⁸ IPH (2020)

¹⁹ Knight, Worosz, and Todd (2009)

²⁰ Mursyida Zaujan et al. (2021)

²¹ BERNAMA (2024)

²² Ali and Abdullah (2012)

²³ MOH (2024)

²⁴ MOH (2019)

²⁵ Ibid.

²⁶ Abdul Rahman et al. (2022)

Conclusion

Food away from home options can offer great benefits such as convenience and time savings and alleviating the domestic burden of meal preparation, which women often shoulder. However, the increased reliance on outside meals also involves trade-offs. As food away from home prices continue to rise faster than food at home, households may face greater cost-of-living pressure. Although lower-income households spend less money on food away from home, it represents a significant share of their disposable income, making them more vulnerable to food price inflation. Additionally, households may be more prone to poor health due to unhealthy food choices and food safety risks associated with eating out.

The increased spending on food away from home despite rising prices indicates that eating out, takeaway, and ordering in have become essential ways for Malaysian households to obtain food. This necessitates adapting existing policies to respond to the growing significance of food away from home as part of the Malaysian diet and lifestyle.

Policy measures aiming to address the high cost of living and mitigate the impact of rising food prices need to expand their focus to account for the increased spending on out-of-home food items and ensure their affordability. Food-related initiatives and assistance for low-income individuals and families also need to factor in the reliance on food away from home as an increasingly convenient and accessible option.

To tackle the health implications of increased eating out, greater efforts need to be directed at raising public awareness about making healthier and safer choices when eating out. More importantly, we need a comprehensive package of policies, including guidelines, monitoring, labelling and incentives, to improve the out-of-home food environment—both formal and informal—ensuring the availability, accessibility and affordability of healthier and safer choices.

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