

# An Overview of Cost-Related Factors Positioning Malaysia as a Competitive Retirement Destination

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DOI: <https://dx.doi.org/10.47772/IJRISS.2025.910000348>

Received: 12 October 2025; Accepted: 20 October 2025; Published: 12 November 2025

## ABSTRACT

This study explores the cost of living as a critical indicator for positioning Malaysia as the world's best retirement destination, focusing on three key components: utilities expenses, medical costs, and the Malaysia My Second Home (MM2H) programme. Malaysia has garnered global attention for its relatively low living expenses, quality healthcare, and favorable residency schemes for foreign retirees. Through a mixed-methods approach, the research integrates quantitative data analysis of current living costs with qualitative insights gathered from expatriate retirees and policy stakeholders. Utility expenses in Malaysia remain affordable, with subsidized electricity, water, and internet services providing retirees with cost-efficient living standards. Medical costs are significantly lower than in many Western countries, yet the nation maintains internationally accredited hospitals and skilled healthcare professionals, supporting Malaysia's medical tourism appeal. Additionally, MM2H offers structured visa tiers that attract retirees with various financial capabilities, contributing to long-term residency security and investment potential. The expected conclusion is that Malaysia's competitive cost of living, combined with its healthcare quality and strategic retirement visa policies, solidifies its position as a top-tier retirement destination, especially for middle- to upper-income retirees seeking affordability without sacrificing lifestyle quality.

**Keywords:** retirement destination, medical cost expenses, utilities cost expenses and initiative government

## INTRODUCTION

Malaysia, located strategically in Southeast Asia, is increasingly recognized as one of the best places in the world for tourism, investment, retirement, and cultural experience. Known for its unique blend of modern cities, pristine beaches, lush rainforests, and rich cultural diversity, Malaysia offers a high quality of life at a relatively low cost of living. The country's political stability, well-developed infrastructure, and multilingual population contribute to its appeal to both visitors and expatriates (World Bank, 2023). Additionally, Malaysia's healthcare system ranks among the top in the region, attracting medical tourists from around the globe (Malaysia Healthcare Travel Council [MHTC], 2022). With its year-round tropical climate, vibrant cuisine, and warm hospitality, Malaysia continues to be acknowledged as a top destination by international surveys and global indices, such as the International Living Annual Global Retirement Index, which regularly features Malaysia among the top retirement havens worldwide (International Living, 2023).

## LITERATURE REVIEW

### Retirement Destination of Malaysia (Rdm)

Malaysia has increasingly emerged as a top-tier retirement destination, appealing to international retirees with its affordability, healthcare quality, cultural richness, and strategic government policies. Positioned in Southeast Asia, Malaysia offers a tropical climate, political stability, and a modern infrastructure network, all of which contribute to its growing popularity among expatriate retirees. In recent years, international retirement indices have consistently ranked Malaysia favorably, highlighting its appeal in comparison to other global destinations (International Living, 2024). A key factor attracting retirees is Malaysia's relatively low cost of living. Retirees can enjoy a comfortable lifestyle in Malaysia at a fraction of the cost required in Western countries. Essentials such as housing, transportation, and food are reasonably priced, making it easier for retirees to stretch their pensions or savings (Global Retirement Index, 2024). Moreover, the favorable currency exchange rate for many foreigners further enhances their purchasing power, ensuring financial security and peace of mind in retirement.

Another significant attraction is Malaysia's high-quality and affordable healthcare system. The country has built a strong reputation in medical tourism, with world-class private hospitals staffed by English-speaking medical professionals. These services are often delivered at a lower cost than those in Europe or North America, without compromising quality (Mohamed & Abd Karim, 2023). The accessibility of healthcare is a crucial consideration for retirees, especially as health needs typically increase with age. Cultural diversity and widespread use of English further ease the transition for foreign retirees. Malaysia is home to a harmonious blend of Malay, Chinese, Indian, and indigenous cultures, offering retirees a vibrant social environment and rich culinary experiences. English is widely spoken, particularly in urban and tourist areas, minimizing language barriers and enabling easier integration (Yusof & Mustapha, 2022). This cultural openness enhances the quality of life and fosters a welcoming atmosphere for newcomers. In addition, the low cost of living and tax-friendly policies make it possible for retirees to enjoy a higher quality of life on a moderate income in Malaysia.

Finally, the Malaysian government supports retirement migration through the Malaysia My Second Home (MM2H) program. This long-term visa initiative allows qualified foreigners to reside in the country with access to local privileges, including the ability to buy property and access healthcare. As the global population ages, Malaysia's proactive policies and attractive living conditions are likely to strengthen its position as a leading retirement destination in the coming decades (Tourism Malaysia, 2024).

### Healthcare Cost Expenses (Mce)

Healthcare affordability remains a critical concern for individuals and governments worldwide, particularly in the face of rising medical expenses and aging populations. Amid these global challenges, Malaysia has emerged as a prominent destination for affordable yet high-quality healthcare services. Recognized for its competitive pricing, modern medical infrastructure, and skilled healthcare professionals, Malaysia continues to attract international patients seeking cost-effective treatment options. The country's ability to provide excellent medical care at a fraction of the cost compared to many Western nations has positioned it as a leader in the global healthcare tourism industry.

Malaysia's healthcare system is distinguished by its dual public-private structure, which enables a balance between accessibility and specialization. While public healthcare remains heavily subsidized for citizens, private healthcare facilities cater to both locals and international patients, offering faster services and high standards of care. According to the Malaysia Healthcare Travel Council (MHTC), foreign patients can expect savings of up to 60–80% on treatments such as orthopedic surgery, cosmetic procedures, and cardiology when compared to the United States or Europe (MHTC, 2023). This substantial cost differential does not come at the expense of quality, as many Malaysian hospitals are internationally accredited and equipped with advanced medical technologies.

The affordability of healthcare in Malaysia is further enhanced by the country's relatively low cost of living and favorable exchange rates for international visitors. In addition, English is widely spoken among healthcare professionals, reducing communication barriers and contributing to the country's appeal as a medical tourism hub. A report by the International Medical Travel Journal (2022) highlighted Malaysia as one of the top countries for medical tourism due to its cost efficiency, with patients citing significant savings on procedures such as dental work, fertility treatments, and health screenings.

**Table 1:** Healthcare service price in Malaysia 2025

Service Type	Public Hospital (Low-Cost)	Private Hospital (Moderate-Cost)	International Clinic (High-Cost)
<b>General Consultation</b>	RM5 – RM50 (€1 – €10)	RM80 – RM250 (€17 – €52)	RM250 – RM600 (€52 – €125)
<b>Specialist Consultation</b>	RM50 – RM150 (€10 – €31)	RM250 – RM600 (€52 – €125)	RM500 – RM1,200 (€104 – €250)
<b>Pediatric Consultation</b>	RM10 – RM80 (€2 – €17)	RM200 – RM500 (€42 – €104)	RM400 – RM1,000 (€83 – €208)
<b>CT Scan / MRI</b>	RM100 – RM500 (€21 – €104)	RM1,500 – RM4,000 (€312 – €833)	RM3,000 – RM8,000 (€625 – €1,666)

**Source:** <https://alea.care/resources/cost-health-malaysia>

In Malaysia, the cost of healthcare services varies significantly depending on the type of medical facility, with public hospitals offering the most affordable options, followed by private hospitals, and then international clinics catering to premium clients. Generalist consultations at public hospitals are the least expensive, typically ranging from RM5 to RM50 (approximately 1 to 10 Euros), while private hospitals charge between RM80 and RM250 (around 17 to 52 Euros). At international clinics, the same service can cost between RM250 and RM600 (52 to 125 Euros).

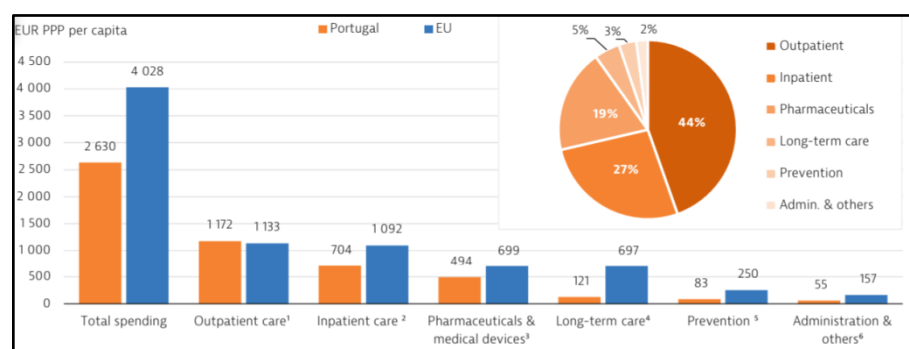
Specialist consultations show a more pronounced price gap. In public hospitals, they range from RM50 to RM150 (10 to 31 Euros), while private hospitals charge between RM250 and RM600 (52 to 125 Euros). International clinics, often targeting expatriates and medical tourists, offer these services at a premium rate of RM500 to RM1,200 (104 to 250 Euros). For pediatric consultations, public healthcare facilities charge between RM10 and RM80 (2 to 17 Euros), which is significantly lower than the RM200 to RM500 (42 to 104 Euros) charged by private hospitals. International clinics, again the most expensive, charge between RM400 and RM1,000 (83 to 208 Euros). When it comes to advanced diagnostic imaging such as CT scans or MRIs, the disparity becomes even more evident. Public hospitals offer these services at a relatively affordable rate of RM100 to RM500 (21 to 104 Euros). In contrast, private hospitals charge between RM1,500 and RM4,000 (312 to 833 Euros), while international clinics may charge as much as RM3,000 to RM8,000 (625 to 1,666 Euros). This comparison highlights the significant differences in healthcare costs across various types of medical facilities in Malaysia, making public healthcare the most accessible option for the general population, while private and international clinics cater to those seeking faster service, more amenities, or specialized care.

Moreover, Malaysia's government actively supports the development of medical tourism through strategic policies, incentives, and marketing campaigns. Initiatives led by the Ministry of Health and MHTC aim to maintain high standards while making healthcare more accessible to international patients. For instance, Malaysia's hospitals frequently receive certifications from international bodies such as the Joint Commission International (JCI), ensuring adherence to global healthcare standards (MHTC, 2023). These developments reflect the nation's commitment to maintaining affordability without compromising quality. Many private hospitals are internationally accredited and offer services at a fraction of the cost compared to Western countries (Mohamed & Yazid, 2021). Furthermore, English is widely spoken among medical professionals,

which reduces communication barriers for foreign retirees. The country's commitment to medical tourism also ensures that its healthcare system continues to improve and remain competitive on a global scale.

Other countries of popular retirement destination, Portugal has a good access for healthcare quality that provided by government and private. According to Portugal Country Health Profile 2023, countries under Euro Union (EU) have broad coverage for core services and good primary-care emphasis; high life expectancy supports good outcomes for older adults such as Portugal take makes Portugal attractive if accessible, high-quality public healthcare is a priority to the citizen. the Portuguese government has announced the launch of medical officers in the year of 2024 that introducing a training programme offering salary and housing incentives to medical professionals who choose to practice in hospitals in the less densely populated areas of inland Portugal.

**Figure 1.0** Portugal allocates the greatest shares of its health budget to outpatient care among EU countries.



**Source:** Portugal: Country Health Profile 2023, State of Health in the EU

Based on the figure above, government of Portugal spent EUR 2,630 PPP per capita in outpatient care (EUR 1,172 PPP per capita), inpatient care (EUR 704 PPP per capita), Pharmaceuticals and medical devices (EUR 494 PPP per capita), long term care (EUR 121 PPP per capita), prevention (EUR 83 PPP per capita) and administration and others (EUR 55 PPP per capita). It shows that government of Portugal is concern and careful managing the public healthcare services for public.

In conclusion, Malaysia stands out as one of the world's most affordable countries for high-quality healthcare services. Its low treatment costs, modern facilities, government support, and internationally accredited hospitals make it an attractive destination for both citizens and international patients. As global healthcare costs continue to escalate, Malaysia's model presents a compelling case for balancing cost-effectiveness with medical excellence.

## Utilities Cost Expenses (Uce)

In an increasingly globalized world where cost of living significantly affects quality of life, utility expenses—comprising electricity, water, gas, and internet—play a crucial role in determining a country's affordability. Among the many nations vying for cost competitiveness, Malaysia has consistently emerged as one of the most attractive destinations for low utility costs. Its favorable pricing structure, coupled with government subsidies and effective infrastructure management, makes it particularly appealing to both locals and expatriates.

Malaysia's electricity tariffs, for example, are among the lowest in Southeast Asia. According to the International Energy Agency (2023), Malaysia maintains competitive rates through a combination of domestic fuel resources and regulatory frameworks that support affordable pricing. Furthermore, Tenaga Nasional Berhad (TNB), the national electricity provider, offers a tiered pricing model that benefits low and moderate usage households. This structure not only encourages energy conservation but also ensures affordability for the majority of the population. Water supply in Malaysia is also notably inexpensive, supported by government oversight and natural freshwater availability. The National Water Services Commission (SPAN) regulates

water tariffs, ensuring that rates remain affordable while maintaining service quality. According to the Ministry of Natural Resources, Environment and Climate Change (2022), average household water bills in Malaysia are significantly lower than those in most developed nations, often costing less than RM10 (USD2.10) per month for regular usage.

Internet and telecommunications services have similarly followed a downward pricing trend, driven by government-led digital initiatives and competition among providers. As reported by the Malaysian Communications and Multimedia Commission (MCMC, 2022), the cost of broadband in Malaysia has decreased by over 50% in the past five years, aligning with the national agenda to enhance digital inclusivity and economic competitiveness. This commitment makes digital utilities not only affordable but also accessible across urban and rural communities.

In summary, Malaysia stands out as a global leader in utility cost efficiency. With proactive government policies, abundant natural resources, and well-managed infrastructure systems, the country offers residents an affordable and sustainable lifestyle. These advantages make Malaysia an appealing choice for individuals seeking to optimize their living expenses without compromising on service quality.

**Initiative By Government (Ibg)**

In recent years, Malaysia has steadily gained recognition as one of the world’s most attractive retirement destinations, particularly among expatriates seeking a balance between affordability, modern amenities, and cultural richness. Strategically located in Southeast Asia, Malaysia offers a tropical climate, a relatively low cost of living, and a high standard of healthcare—key factors that appeal to retirees. As the global senior population increases, retirees are exploring countries that not only stretch their savings but also provide comfort and quality of life. Malaysia is increasingly standing out in this regard.

Malaysia’s government has played an active role in encouraging international retirement through programs such as Malaysia My Second Home (MM2H), which allows foreigners to reside in the country on a long-term visa with various incentives (Ministry of Tourism, Arts and Culture Malaysia, 2023). This initiative, coupled with political stability and modern infrastructure, has positioned Malaysia as a leading contender in global retirement rankings. According to International Living (2024), Malaysia ranked among the top 10 retirement destinations due to its healthcare quality, ease of residency, and low property prices as shown below:

**Table 2:** Requirement for foreigner under MM2H scheme.

Tier	Fixed Deposit Requirement	Property Purchase Requirement	Visa Duration & Benefits
Silver	USD 150,000	Minimum RM 600,000	5 years visa
Gold	USD 500,000	Minimum RM 1 million	15 years visa
Platinum	USD 1,000,000	Minimum RM 2 million (work/investment allowed)	20 years visa; eligibility for Permanent Residency (PR)
SEZ/SFZ	From USD 65,000 (younger applicants) or RM 500,000 (family)	State-specific thresholds	Around 10 years visa, varies by special zones

**Source:** <https://www.imidaily.com>

The Malaysia My Second Home (MM2H) programme offers several tiers with varying requirements and benefits to attract foreign residents, investors, and retirees. Under the Silver tier, applicants are required to place a fixed deposit of USD 150,000 and purchase a property worth at least RM 600,000, granting them a 5-year visa. The Gold tier requires a higher deposit of USD 500,000 and a minimum property investment of RM 1 million, offering a 15-year visa. For those seeking long-term residence, the Platinum tier mandates a USD 1 million deposit and the purchase of property valued at RM 2 million or more, along with the added benefits of



being allowed to work or invest in Malaysia and gaining eligibility for permanent residency after 20 years. Additionally, there are options for Special Economic Zones (SEZ) or Special Financial Zones (SFZ), where requirements are more flexible, especially for younger applicants or families, starting from USD 65,000 or RM 500,000 fixed deposit respectively, with property thresholds determined by state-based criteria. These SEZ/SFZ visas are typically valid for around 10 years, offering a more regionally adaptive pathway to residency.

In conclusion, Malaysia has emerged as a top retirement destination due to a confluence of strategic policies, economic advantages, and lifestyle benefits. With the support of programs like MM2H and the ongoing development of healthcare and infrastructure, Malaysia offers a compelling case for retirees looking for comfort, affordability, and cultural enrichment. As global retirement patterns shift toward Asia, Malaysia is well-positioned to attract and support an increasing number of international retirees.

## METHODOLOGY

This study employs a mixed-methods approach, integrating both quantitative secondary data analysis and qualitative content analysis to explore the role of cost of living in positioning Malaysia as a leading global retirement destination. A descriptive research design guides the investigation, focusing on essential cost components for retirees, including housing, healthcare, food, transportation, and leisure. Quantitative data is sourced from reputable international databases such as Numbeo, the International Living Global Retirement Index, the World Bank, and Department of Statistics Malaysia (DOSM) for macroeconomic indicators like inflation and exchange rates. Healthcare cost data is derived from the Malaysia Healthcare Travel Council (MHTC). Qualitative data is collected from International Living Magazine (2023 & 2024 editions), expatriate forums, blogs, and government white papers related to retirement policy and migration incentives.

A comparative analysis will be performed between Malaysia and five other top retirement destinations such as Portugal, Mexico, Thailand, Costa Rica, and Panama based on across key indicators: cost of living, healthcare / medical infrastructure, visa/residency, legal ease, climate, lifestyle and culture, infrastructure, transport and finally language and safety.

Malaysia holds a compelling position among the four for example in cost of living, healthcare, infrastructure, language ease (for many Western retirees) it competes very well, and often Malaysia always outperforms Thailand and Costa Rica in service infrastructure and out-performs many tropical destinations. As for Portugal, Malaysia likely offers better value for money for many retirees, especially those on moderate budgets. In addition, Malaysian policymakers or marketers, the comparative strengths to emphasize are affordability, modern infrastructure, English language accessibility, multicultural society, and healthcare value.

For data analysis, quantitative data is normalized using USD for comparability, followed by benchmarking and scoring Malaysia against peer nations. Qualitative data is analyzed thematically, identifying patterns in expatriate experiences, perceived cost-value satisfaction, and ease of adaptation.

## CONCLUSION

In conclusion, the cost of living in Malaysia a particularly in the areas of medical care, utility expenses, and government support that strengthens its position as a potential top retirement destination globally. The country's relatively low medical costs, supported by a well-established healthcare system that includes world-class private facilities at a fraction of Western prices, are a major draw for retirees (Malaysia Healthcare Travel Council, 2023). Utilities costs, such as electricity, water, and internet, remain affordable and stable compared to many developed nations, contributing to a lower monthly living expenditure for retirees (Department of Statistics Malaysia, 2024). Furthermore, government initiatives, including the Malaysia My Second Home (MM2H) program, offer long-term residency options and incentives tailored to foreign retirees, making the relocation process more accessible and attractive (Ministry of Tourism, Arts and Culture Malaysia, 2024). These combined factors make Malaysia not only a financially viable option but also a comfortable and secure

environment for retirement living. However, continued efforts in policy transparency and healthcare access are essential to ensure long-term sustainability and appeal.

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