Low tax to GDP ratio ~~is one of the most significant challenge to economic~~ is the persistent challenge growth. Tax to GDP ratio is the percentage of tax revenue to total Gross Domestic Product. According to Economic Survey of Pakistan 2024-25, Tax to GDP ratio is 9.5% which is far below than regional peers like India (17%) and Bangladesh (11%). Reduction in Tax to GDP ratio hinders the economic progress by reliance on indirect tax and informal economy. This undocumented economy reduces customers and FBR responsibilities to encounter reliance on tax evasion. By doing this, ~~reliance~~ on borrowings and loans ultimately get increases. Country instead of revenue generation work as a manager of debt. Hence, due to low tax over reliance base and ~~over-reliance~~ on foreign actors for aid undermines the economical progress of country.