

Edgar Filing: ABERDEEN ASIA PACIFIC INCOME FUND INC - Form N-CSR

ABERDEEN ASIA PACIFIC INCOME FUND INC
Form N-CSR
July 09, 2003

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number: 811-4611

Exact Name of registrant as specified in charter: Aberdeen Asia-Pacific Income Fund, Inc.

Address of principal executive offices: Gateway Centre 3,
100 Mulberry Street,
Newark, New Jersey 07102

Name and address of agent for service: Mr Beverly Hendry,
300 S.E. 2nd Street, Suite #820,
Fort Lauderdale,
Florida 33301

Registrant's telephone number, including area code: 973-367-1495

Date of fiscal year end: 10/31/03

Date of reporting period: 04/30/03

Item 1 -- Reports to Stockholders

(LOGO)
Aberdeen
Asia-Pacific Income
Fund, Inc.

(GRAPHIC)
Invests primarily in Australian
and Asian debt securities.

Semi-Annual Report
April 30, 2003

Edgar Filing: ABERDEEN ASIA PACIFIC INCOME FUND INC - Form N-CSR

Letter to Shareholders

June 13, 2003

Dear Shareholder,

We present this Semi-Annual Report which covers the activities of Aberdeen Asia-Pacific Income Fund, Inc. (the "Fund") for the six months ended April 30, 2003. The Fund's investment objective is to seek current income. The Fund may also achieve incidental capital appreciation.

Net Asset Value Performance: 8.9% Per Annum Return Since Inception
The Fund's net asset value ("NAV") return was 16.3% for the six months ended April 30, 2003 and 8.9% per annum since inception, assuming reinvestment of distributions.

Share Price Performance

The Fund's share price rose 20.9% over the six months, from \$4.25 on October 31, 2002 to \$5.14 on April 30, 2003. The Fund's share price on April 30, 2003 represented a discount of 8.9% to the NAV per share of \$5.64. This represents a narrowing of the discount to NAV of 16.0% on October 31, 2002.

Asia: 38.2% of Total Investments invested in Asian Debt Securities
As of April 30, 2003, the Fund held 38.2% of its total investments in Asian debt securities (excluding New Zealand). Of the Fund's total investments, 26.9% were held in Asian Yankee bonds, bringing the Fund's total U.S. dollar exposure to 31.1%.

Credit Quality: 76.1% of Total Investments Rated or Deemed Equivalent to A or Better

The Fund's total investments have maintained a high credit quality. As of April 30, 2003, 76.1% of the portfolio was invested in securities where either the issue or the issuer was rated A or better, or judged by the Investment Manager to be of equivalent quality.

Distributions

Distributions to common shareholders for the 12 months ended April 30, 2003 totaled 42 cents per share. Based on the share price of \$5.14 on April 30, 2003, the cash distribution rate over the 12 months then ended was 8.2%. Since all distributions are paid after deducting applicable withholding taxes, the effective distribution rate may be higher for those U.S. investors who are able to claim a tax credit. On June 16, 2003 the Board of Directors declared a monthly distribution of 3.5 cents per share payable on July 11, 2003 to all shareholders of record as of June 30, 2003.

The Board's policy is to provide investors with a stable monthly distribution out of current

Edgar Filing: ABERDEEN ASIA PACIFIC INCOME FUND INC - Form N-CSR

income, supplemented by realized capital gains and, to the extent necessary, paid-in capital. It is the Board's intention that the monthly distribution of 3.5 cents per share be maintained for 12 months, beginning with the July 2003 distribution payment. This policy is subject to regular review at the Board's quarterly meetings, unless market conditions require an earlier evaluation. The next review is scheduled to take place in September 2003.

Aberdeen Asia-Pacific Income Fund, Inc. 1

Letter to Shareholders (continued)

Buy-Back Program

On March 19, 2001 the Fund announced the approval of a share buy-back program. Purchases of shares under this program commenced on June 6, 2001 and, as of the date of this report, 2,723,300 shares have been repurchased.

Results of Annual Meeting of Shareholders
At the Annual Meeting of Shareholders held on Tuesday, April 15, 2003, as adjourned and reconvened on May 6, 2003 (the "Annual Meeting"), Messrs. David L. Elsum, Peter J. O'Connell, William J. Potter and Martin J. Gilbert were elected by the holders of the Fund's common stock as Class III Directors to serve for a three-year term expiring at the 2006 Annual Meeting of Shareholders. Mr. John T. Sheehy and Dr. Anton E. Schrafl were elected by the holders of the Fund's preferred stock for a one-year term expiring at the 2004 Annual Meeting of Shareholders. Shareholders also approved the amendment and restatement of the Fund's charter. The amendments have the effect of changing the terms of the Fund's nine series of Auction Market Preferred Stock.

In an effort to provide more timely information to shareholders, the market review and outlook will now be published separately.

For information about the Fund, including a market review and outlook, weekly updates of share price, NAV and details of distributions, please contact Aberdeen Asset Management, Investor Relations, by:

- calling toll free on 1-800-522-5465 in the United States,
- emailing InvestorRelations@aberdeen-asset.com, or
- visiting the website at www.aberdeen-asset.us.

For information about the Aberdeen Group, visit the Aberdeen Website at www.aberdeen-asset.com.

Sincerely,

Edgar Filing: ABERDEEN ASIA PACIFIC INCOME FUND INC - Form N-CSR

Martin Gilbert
Chairman

All amounts are U.S. dollars unless otherwise stated.

2 Aberdeen Asia-Pacific Income Fund, Inc.

Your Board's policy is to provide investors with a stable monthly distribution out of current income, supplemented by realized capital gains and, to the extent necessary, paid-in capital.

The Fund is subject to U.S. corporate, tax and securities laws. Under U.S. tax accounting rules, the amount of distributable income for each fiscal period depends on the actual exchange rates during the entire year between the U.S. dollar and the currencies in which Fund assets are denominated and on the aggregate gains and losses realized by the Fund during the entire year.

Therefore, the exact amount of distributable income for each fiscal year can only be determined as of the end of the Fund's fiscal year, October 31. However, under the U.S. Investment Company Act of 1940, the Fund is required to indicate the source of each distribution to shareholders.

The Fund estimates that distributions for the fiscal year commencing November 1, 2002, including the distribution paid on June 13, 2003, are comprised of 70% net investment income and 30% return of paid-in capital.

This estimated distribution composition may vary from month to month because it may be materially impacted by future realized gains and losses on securities and fluctuations in the value of the currencies in which Fund assets are denominated.

The amount attributed as a return of capital reflects, in part, the realization of currency losses in the Fund's Australian bond portfolio as a result of positioning the Fund's investments more toward Asia. Fund assets are marked to market, therefore the realization of such currency losses does not impact the Fund's net asset value. However these losses do offset distributable income, therefore increasing the return of capital component of the distribution.

In January 2004, a Form 1099 DIV will be sent to shareholders, which will state the amount

Edgar Filing: ABERDEEN ASIA PACIFIC INCOME FUND INC - Form N-CSR

and composition of distributions and provide information with respect to their appropriate tax treatment.

Aberdeen Asia-Pacific Income Fund, Inc. 3

Dividend Reinvestment and Cash Purchase Plan

We invite you to participate in the Fund's Dividend Reinvestment and Cash Purchase Plan ("the Plan") which allows you to automatically re-invest your distributions in shares of the Fund's common stock at favorable commission rates. Distributions made under the Plan are taxed to the same extent as are cash distributions. The Plan also enables you to make additional cash investments in shares of at least \$100 per month. Under this arrangement, EquiServe Trust Company N.A. (the "Plan Agent") will purchase shares for you on the stock exchange or otherwise on the open market on or about the 15th of each month, unless shares of the Fund are trading at a premium, in which case the Fund will issue additional shares.

As a Participant in the Plan, you will have the convenience of:
Automatic reinvestment - the Plan Agent will automatically reinvest your distributions, allowing you to gradually grow your holdings in the Fund;

Lower costs - shares purchased on your behalf under the Plan will be at reduced brokerage rates. Brokerage on share purchases is currently 2 cents per share;

Convenience - the Plan Agent will hold your shares in non-certificated form and will provide a detailed record of your holdings at the end of each distribution period.

To request a brochure containing information on the Plan, together with an authorization form, please contact the Plan Agent, EquiServe Trust Company N.A., P.O. Box 43011, Providence, RI 02940-3011 or toll free on 1-800-451-6788.

4 Aberdeen Asia-Pacific Income Fund, Inc.

Report of the Investment Manager

Share Price Performance

On April 30, 2003 the Fund's share price was \$5.14, which represented a discount of 8.9% to the NAV of \$5.64. At the date of this report, the share price was \$5.69 representing a

Edgar Filing: ABERDEEN ASIA PACIFIC INCOME FUND INC - Form N-CSR

discount of 8.4% to the NAV of \$6.21.

(GRAPH)

Auction Market Preferred Stock (AMPS)

The Fund's \$600 million of AMPS continued to be well bid at the weekly auctions. The average interest rate paid was 1.51% over the six months ended April 30, 2003, compared with an interest rate of 1.27% for 30-day U.S. commercial paper over the same period. These rates declined over the period as U.S. yields, particularly at the short end of the curve, continued to rally. The rates paid to preferred shareholders have decreased further since April 30, 2003 to a level of 1.24% as of the date of this report.

Aberdeen Asia-Pacific Income Fund, Inc. 5

Report of the Investment Manager (continued)

Over the past year, the impact of AMPS on the Fund has been positive, as the Australian dollar strengthened against the U.S. dollar and key Asian currencies followed a similar trend. The differential between AMPS funding rates and the yields at which the Fund invests has remained positive as U.S. interest rates have remained at historic lows, while bond movements detracted slightly as ongoing geopolitical risks provided a volatile environment for global bond yields.

On September 16, 2002 the Fund entered into a two-year interest rate swap agreement in order to hedge one-third of the Fund's outstanding issues of AMPS. Under the original terms of the agreement the Fund received a floating rate of interest (one month USD-LIBOR BBA rate) based on a notional amount of US\$200,000,000 and paid interest at a fixed rate of 2.46%. The fixed rate was re-priced to 2.10% on October 1, 2002, to 1.7175% on December 24, 2002 and then to 1.37% on February 18, 2003.

The Board of Directors has resolved to amend the Fund's policies with respect to derivatives to increase the percentage of the Fund's AMPS liabilities which may be hedged pursuant to interest rate swaps from one-third to up to 100% of the AMPS liabilities. A significant type of risk associated with interest rate swaps is the risk that the counterparty may default or file for bankruptcy, in which case the Fund would bear the risk of loss of the amount expected to be received under the swap agreement. There can be no assurance that the Fund will have an interest rate swap in place at any given time nor can there be any assurance that, if an interest rate swap is in

Edgar Filing: ABERDEEN ASIA PACIFIC INCOME FUND INC - Form N-CSR

place, it will be successful in hedging the Fund's interest rate risk with respect to the AMPS. The implementation of this strategy is at the discretion of the AMPS Pricing Committee of the Board of Directors.

PORTFOLIO COMPOSITION

Quality of Investments

As of April 30, 2003, 76.1% of the Fund's total investments were invested in securities where either the issue or the issuer was rated A or better by Standard & Poor's Corporation or Moody's Investors Service, Inc. or, if unrated, were judged to be of equivalent quality by the Investment Manager. The following table shows the ratings of securities held by the Fund as of April 30, 2003, compared with the previous six and twelve months:

Date	AAA/Aaa %	AA/Aa %	A %	BBB/Baa %	BB/Ba* %	B* %	CCC* %
April 30, 2003	50.5	7.3	18.3	11.4	9.3	3.2	0.0
October 31, 2002	46.7	11.5	12.9	16.7	9.7	2.4	0.1
April 30, 2002	49.3	13.6	10.3	17.6	6.8	2.4	0.0

* Below investment grade

6 Aberdeen Asia-Pacific Income Fund, Inc.

Report of the Investment Manager (continued)

Geographic Composition

The table below shows the geographical composition (i.e. with Yankees allocated into country of issuance) of the Fund's total investments as of April 30, 2003, compared with the previous six and twelve months:

Date	Asia		
	Australia %	(including NZ) %	United States %
April 30, 2003	57.1	38.7	4.2
October 31, 2002	56.3	42.8	0.9
April 30, 2002	58.7	40.2	1.1

(GRAPH)

Aberdeen Asia-Pacific Income Fund, Inc. 7

Report of the Investment Manager (continued)

Currency Composition

The table below shows the currency composition of the Fund's total investments as of April 30, 2003, compared with the previous six and twelve months:

Australian Dollar	Asian Currencies (including NZ dollar)	US Dollar*	Euro
----------------------	---	------------	------

Edgar Filing: ABERDEEN ASIA PACIFIC INCOME FUND INC - Form N-CSR

Date	%	%	%	%
April 30, 2003	57.1	11.3	31.1	0.5
October 31, 2002	56.3	14.4	29.1	0.2
April 30, 2002	58.7	14.1	27.0	0.2

* Includes Asian Yankee Bonds: 26.9% on April 30, 2003, 26.4% on October 31, 2002, 25.9% on April 30, 2002.

Maturity Composition

On April 30, 2003 the duration of the portfolio was 4.4 years, compared with 4.5 years on October 31, 2002. The following table shows the maturity composition of the Fund's portfolio as of April 30, 2003, compared with the previous six and twelve months:

Date	Under 3 Years %	3 to 5 Years %	5 to 10 Years %	10 Years & Over %
April 30, 2003	22.8	24.0	38.6	14.6
October 31, 2002	24.7	21.6	38.1	15.6
April 30, 2002	27.4	18.3	43.2	11.1

8 Aberdeen Asia-Pacific Income Fund, Inc.

Report of the Investment Manager (concluded)

Sectoral Composition

The following shows the sectoral composition of the portfolio as of April 30, 2003:

	Domestic Currency Bonds Asia (Including)		US Dollar and Euro Bonds United States (Cash/		
	Australia %	New Zealand) %	Yankees %	Bonds) %	Euros %
Government*	20.9	8.0	7.8	0.0	0.2
Semi Government**	20.8	1.8	6.0	0.0	0.0
Government Bank	0.0	0.0	0.0	0.0	0.0
Utility	4.2	0.0	3.8	0.0	0.0
Supranational	2.3	0.0	0.0	0.0	0.0
Bank/Finance Company***	8.9	1.3	6.3	4.2	0.3
Corporate	0.0	0.2	3.0	0.0	0.0

* Includes government guaranteed debt.

** Includes state government guaranteed banks.

*** Includes cash held by the Fund's custodian and repurchase agreements.

(GRAPH)

Aberdeen Asia-Pacific Income Fund, Inc. 9

Summary of Key Market Rates

The following table summarizes the movements of key interest rates and currencies over the last six and twelve month periods:

	April 30 2003	October 31 2002	April 30 2002
Australia			

Edgar Filing: ABERDEEN ASIA PACIFIC INCOME FUND INC - Form N-CSR

90 day bank bills		4.81%		4.88%		4.63%
10 year bonds		5.28%		5.57%		6.08%
Australian Dollar	\$	0.63	\$	0.56	\$	0.54
New Zealand						
90 day bank bills		5.52%		5.91%		5.73%
10 year bonds		5.90%		6.32%		6.72%
NZ Dollar	\$	0.56	\$	0.49	\$	0.45
South Korea						
90 day T-bills		4.36%		4.78%		4.53%
10 year bonds		4.92%		5.99%		7.23%
South Korean Won*	W	1215.00	W	1218.50	W	1294.05
Thailand						
90 day deposits		1.50%		1.75%		2.00%
10 year bonds		3.42%		3.79%		5.62%
Thai Baht*	B	42.87	B	43.28	B	43.26
Philippines						
90 day T-bills		7.66%		5.80%		4.72%
10 year bonds		12.55%		12.65%		13.38%
Philippine Peso*	P	52.48	P	53.13	P	50.63
Malaysia						
90 day T-bills		2.79%		2.71%		2.73%
10 year bonds		3.68%		3.79%		4.70%
Malaysia Ringgit*	R	3.80	R	3.80	R	3.80
Singapore						
90 day T-bills		0.55%		0.95%		0.78%
10 year bonds		2.10%		3.04%		3.91%
Singapore Dollar*	S\$	1.78	S\$	1.77	S\$	1.81
US\$ Yankee Bonds**						
South Korea		3.86%		4.10%		5.52%
Malaysia		4.13%		4.97%		6.18%
Philippines		7.06%		7.71%		7.79%
Hong Kong		3.79%		4.46%		5.93%

* These currencies are quoted Asian currency per U.S. dollar. The Australian and New Zealand dollars are quoted U.S. dollars per currency.

** Sovereign issues.

Aberdeen Asset Managers (C.I.) Limited
June 2003

10 Aberdeen Asia-Pacific Income Fund, Inc.

Portfolio of Investments (unaudited)
April 30, 2003

Principal Amount Local Currency** (000)	Description	Moody's Rating	S&P Rating	Value (US\$)
---	-------------	-------------------	---------------	-----------------

Edgar Filing: ABERDEEN ASIA PACIFIC INCOME FUND INC - Form N-CSR

LONG-TERM INVESTMENTS--117.7%

AUSTRALIA--71.6%

Government and Semi-Government--49.0%

Commonwealth of Australia--26.6%

A\$

	Australia Postal Corporation			
22,000	6.00%, 3/25/09	--	AAA	\$ 14,133,
	Commonwealth Bank of Australia			
12,000	5.25%, 12/1/04	Aaa	AAA	7,568,
8,000	6.00%, 9/1/05	Aaa	AAA	5,139,
20,000	6.75%, 12/1/07	Aaa	AAA	13,386,
4,000	6.25%, 2/10/09	Aaa	A+	2,524,
10,000	6.25%, 9/1/09	Aaa	AAA	6,596,
	Commonwealth of Australia			
40,000	9.00%, 9/15/04	Aaa	AAA	26,455,
18,450	7.50%, 7/15/05	Aaa	AAA	12,232,
10,000	10.00%, 2/15/06	Aaa	AAA	7,115,
5,500	6.75%, 11/15/06	Aaa	AAA	3,662,
7,500	10.00%, 10/15/07	Aaa	AAA	5,643,
72,000	8.75%, 8/15/08	Aaa	AAA	52,850,
117,000	7.50%, 9/15/09	Aaa	AAA	82,658,
87,000	5.75%, 6/15/11	Aaa	AAA	56,306,
147,000	6.50%, 5/15/13	Aaa	AAA	100,411,

				396,686,

	New South Wales Treasury Corporation			
54,000	12.60%, 5/1/06	Aaa	AAA	40,990,
12,000	8.00%, 3/1/08	--	AAA	8,436,
35,000	7.00%, 12/1/10	Aaa	AAA	24,171,
20,000	6.00%, 5/1/12	Aaa	AAA	13,036,

				86,635,

	Northern Territory Treasury			
8,000	6.50%, 7/15/05	--	--	5,131,
10,000	5.75%, 9/14/07	--	--	6,463,

				11,594,

	Queensland Treasury Corporation			
20,000	6.50%, 6/14/05	Aaa	AAA	12,964,
15,200	6.00%, 7/14/09	Aaa	AAA	9,914,
40,000	6.00%, 6/14/11	Aaa	AAA	26,105,
10,000	6.00%, 10/14/15	Aaa	AAA	6,516,
17,000	6.00%, 6/14/21	Aaa	AAA	11,145,

				66,646,

See Notes to Financial Statements. Aberdeen Asia-Pacific Income Fund, Inc. 11

Portfolio of Investments (unaudited) (continued)
April 30, 2003

Edgar Filing: ABERDEEN ASIA PACIFIC INCOME FUND INC - Form N-CSR

Principal Amount Local Currency** (000)	Description	Moody's Rating	S&P Rating	Value (US\$)

South Australia--2.5%				
A\$				
	South Australian Financing Authority			
55,000	7.50%, 10/15/07	--	AA+	\$ 37,775,

Tasmania--0.5%				
	Tasmanian Public Finance Corporation			
10,000	9.00%, 11/15/04	--	AAA	6,639,

Victoria--4.3%				
	Treasury Corporation of Victoria			
10,000	6.00%, 11/15/06	Aaa	AAA	6,484,
20,500	10.25%, 11/15/06	Aaa	AAA	15,049,
25,000	7.50%, 8/15/08	Aaa	AAA	17,361,
40,000	5.50%, 9/15/10	Aaa	AAA	25,334,

64,229,				

Western Australia--4.0%				
	Western Australia Treasury Corporation			
26,000	8.00%, 10/15/07	Aaa	AAA	18,185,
50,000	7.50%, 10/15/09	Aaa	AAA	35,111,
10,000	7.00%, 4/15/11	Aaa	AAA	6,909,

60,206,				

Total Australian government and semi-government (cost \$669,773,230)				
				730,415,

Eurobonds--15.5%				
Banking and Finance--7.7%				
	ANZ Banking Corporation			
10,000	6.75%, 3/22/12	Aa3	A+	6,509,
	Bank Austria AG			
11,278	10.875%, 11/17/04	Aa3	--	7,611,
	BHP Finance Limited			
15,000	6.25%, 8/15/08	A2	A	9,604,
	Commonwealth Bank of Australia			
10,000	9.00%, 8/15/05	Aaa	AAA	6,807,
	Dexia Municipal Agency			
15,000	6.00%, 10/15/07	Aaa	AAA	9,705,
	Federal National Mortgage Association Global			
52,065	6.375%, 8/15/07	Aaa	AAA	34,246,
	GE Capital Australia Limited			
10,000	6.25%, 4/15/05	Aaa	AAA	6,424,
10,000	6.75%, 9/15/07	Aaa	AAA	6,571,

Edgar Filing: ABERDEEN ASIA PACIFIC INCOME FUND INC - Form N-CSR

12 Aberdeen Asia-Pacific Income Fund, Inc. See Notes to Financial Statements.

Portfolio of Investments (unaudited) (continued)
April 30, 2003

Principal
Amount
Local
Currency**
(000)

	Description	Moody's Rating	S&P Rating	Value (US\$)

A\$				
10,000	Jem Bonds Limited 9.00%, 7/15/06	Aaa	AAA	\$ 6,964,
5,513	KFW International Finance 9.125%, 7/26/05	Aaa	AAA	3,752,
10,000	Landwirtschaft Rentenbank 6.00%, 9/15/09	Aaa	AAA	6,485,
16,650	Principal Finance Global Fund 7.00%, 7/15/05	--	AA	10,790,
				----- 115,475,
Semi-Government and Local Government--4.7%				
7,000	New South Wales Treasury Corporation 10.50%, 12/7/04	Aaa	AAA	4,748,
7,000	9.25%, 6/20/06	Aaa	AAA	4,761,
40,000	8.00%, 3/1/08	Aaa	AAA	28,133,
5,000	Northern Territory Treasury 10.03%, 8/9/05	Aa2	--	3,476,
20,000	Queensland Treasury Corporation 12.00%, 6/15/05	Aaa	AAA	14,357,
20,000	8.00%, 9/14/07	Aaa	AAA	13,983,
				----- 69,461,
Supranational Global--3.1%				
2,000	EFIC 11.00%, 12/29/04	Aaa	AAA	1,369,
8,170	Eurofima 9.875%, 1/17/07	Aaa	AAA	5,940,
30,000	6.50%, 8/22/11	Aaa	AAA	20,069,
19,000	European Investment Bank 6.00%, 7/15/05	Aaa	AAA	12,234,
8,287	Kingdom of Sweden 7.875%, 4/23/07	Aaa	AA+	5,710,
1,500	Quebec Province 5.75%, 2/15/06	A1	A+	956,
				----- 46,281,
	Total Australian eurobonds (cost \$221,398,770)			----- 231,219,
Corporate Bonds--7.1%				
Banking and Finance--1.4%				

Edgar Filing: ABERDEEN ASIA PACIFIC INCOME FUND INC - Form N-CSR

15,000	DSL Bank 6.25%, 11/15/06	Aaa	AAA	9,747,
5,000	St. George Bank Limited 6.00%, 9/25/12	A3	A-	3,127,
6,500	Suncorp Metway 5.25%, 11/15/06	A2	A-	4,063,

See Notes to Financial Statements. Aberdeen Asia-Pacific Income Fund, Inc. 13

Portfolio of Investments (unaudited) (continued)
April 30, 2003

Principal Amount Local Currency** (000)	Description	Moody's Rating	S&P Rating	Value (US\$)

A\$				
5,000	Westpac Banking Corporation 7.00%, 8/2/10	A1	A+	\$ 3,241,
				20,179,

Floating Rate Notes*--0.0%				
624	Crusade Trust 5.115%, 7/10/29	Aaa	AAA	390,

Services--5.7%				
5,000	Airservices Australia 6.50%, 11/15/06	--	AAA	3,262,
12,500	British American Tobacco Corporation 6.50%, 11/15/06	--	AAA	8,086,
10,000	GPT Management Limited 6.50%, 10/15/07	--	A+	6,478,
4,500	ING Office Finance 6.25%, 8/19/08	--	AAA	2,794,
2,000	Melbourne Airport 6.75%, 6/15/08	Aaa	AAA	1,312,
13,000	NRMA Insurance Limited 6.35%, 11/27/12	--	AA-	8,237,
10,000	Snowy Hydro Limited 5.75%, 2/25/10	Aaa	AAA	6,194,
15,500	Southern Cross Airports Company Limited 6.02%, 10/11/07	Aaa	AAA	9,819,
7,000	Telstra Corporation 8.00%, 9/15/04	Aa3	AA-	4,554,
30,000	12.00%, 5/15/06	Aa3	AA+	22,286,
10,000	7.25%, 11/15/12	Aa3	AA-	6,746,
2,000	8.75%, 1/15/20	Aa3	AA+	1,550,
6,000	Wesfarmers Limited 6.25%, 8/27/07	--	A-	3,851,
				85,175,

Total Australian corporate bonds				

Edgar Filing: ABERDEEN ASIA PACIFIC INCOME FUND INC - Form N-CSR

	(cost \$97,469,850)				105,745,

	Total Australian long-term investments				1,067,380,
	(cost \$988,641,850)				-----
EUROPEAN COMMUNITY--0.6%					
Government Bonds--0.3%					
EUR					
	Republic of Philippines				
3,800	9.125%, 2/22/10				
	(cost \$3,990,234)	Bal		BB	4,352,

14 Aberdeen Asia-Pacific Income Fund, Inc. See Notes to Financial Statements.

Portfolio of Investments (unaudited) (continued)
April 30, 2003

Principal Amount Local Currency** (000)	Description	Moody's Rating	S&P Rating	Value (US\$)

Corporate Bonds--0.3%				
EUR				
	Oversea - Chinese Banking Corporation			
4,000	7.25%, 9/6/11			
	(cost \$3,544,981)	A1	BBB+	\$ 5,111,

	Total European Community long-term investments			9,463,
	(cost \$7,535,215)			-----
JAPAN--0.3%				
Government Bonds--0.3%				
JPY				
	Inchon Metropolitan City			
500,000	3.70%, 4/26/06			
	(cost \$4,260,242)	--	--	4,495,

KOREA--4.9%				
Government Bonds--4.9%				
KRW				
	Korea Deposit Insurance Fund Bond			
2,000,000	15.00%, 7/3/04	A3	A+	1,854,
	Korea Treasury Bonds			
19,170,000	7.15%, 4/11/06	A3	A+	16,956,
10,000,000	5.64%, 10/17/06	A3	A+	8,535,
9,800,000	6.15%, 7/10/07	A3	A+	8,587,
16,674,000	6.91%, 7/18/11	A3	A+	15,688,

USD				
	South Korea National Debt - Embarc			
12,000	4.991%, 6/30/04	A3	A+	10,042,
10,000	4.796%, 10/9/07 (a)	A3	A+	8,540,

Edgar Filing: ABERDEEN ASIA PACIFIC INCOME FUND INC - Form N-CSR

2,900	4.811%, 10/27/07	A3	A+	2,476,

	Total Korea long-term investments (cost \$66,150,310)			72,682,

MALAYSIA--0.5%				
Government Bonds--0.3%				
MYR				
	Malaysia Government Bonds			
3,000	5.00%, 4/15/05	A3	A+	820,
3,890	6.844%, 10/1/09	A3	A+	1,237,
8,500	3.833%, 9/28/11	A3	A+	2,302,

	Total Malaysia government bonds (cost \$4,030,273)			4,360,

Corporate Bonds--0.2%				
	British American Tobacco Corporation			
9,000	7.10%, 11/2/04	--	--	2,500,

See Notes to Financial Statements. Aberdeen Asia-Pacific Income Fund, Inc. 15

Portfolio of Investments (unaudited) (continued)
April 30, 2003

Principal Amount Local Currency** (000)	Description	Moody's Rating	S&P Rating	Value (US\$)

MYR				
5,000	YTL Corporation Berhad 8.50%, 6/29/04	--	--	\$ 1,392,

	Total Malaysia corporate bonds (cost \$3,897,916)			3,892,

	Total Malaysia long-term investments (cost \$7,928,189)			8,253,

PHILIPPINES--0.9%				
Government Bonds--0.7%				
PHP				
	Philippine Government Bonds			
372,800	18.00%, 11/26/08	Baa3	BBB+	8,876,
95,000	13.00%, 4/25/12	Baa3	BBB+	1,877,

	Total Philippines government bonds (cost \$11,003,981)			10,754,

Corporate Bonds--0.2%				
USD				
	Merrill Lynch & Co., Incorporated			
2,700	12.50%, 9/17/12	--	--	2,382,
	(cost \$2,660,184)			-----

Edgar Filing: ABERDEEN ASIA PACIFIC INCOME FUND INC - Form N-CSR

		Total Philippines long-term investments (cost \$13,664,165)			13,137,
<hr/>					
SINGAPORE--0.8%					
Government Bonds--0.6%					
SGD					
		Singapore Government Bonds			
2,000		4.00%, 2/1/05	Aaa	AAA	1,189,
11,522		4.625%, 7/1/10	Aaa	AAA	7,668,
<hr/>					
		Total Singapore government bonds (cost \$7,715,091)			8,857,
<hr/>					
Corporate Bonds--0.2%					
		Oversea - Chinese Banking Corporation			
850		5.00%, 9/6/11	A1	BBB+	535,
		Pacific Life Funding LLC			
3,250		3.61%, 4/16/07	Aa3	AA+	1,937,
<hr/>					
		Total Singapore corporate bonds (cost \$2,421,426)			2,473,
<hr/>					
		Total Singapore long-term investments (cost \$10,136,517)			11,331,
<hr/>					
THAILAND--1.1%					
Government Bonds--1.1%					
THB					
		Thailand Government Bonds			
60,000		6.25%, 6/15/04	Baa1	A-	1,470,
63,100		8.50%, 10/14/05	Baa1	A-	1,711,

16 Aberdeen Asia-Pacific Income Fund, Inc. See Notes to Financial Statements.

Portfolio of Investments (unaudited) (continued)
April 30, 2003

Principal Amount Local Currency** (000)	Description	Moody's Rating	S&P Rating	Value (US\$)
<hr/>				
THB				
44,000	8.00%, 12/8/06	Baa1	A-	\$ 1,248,
68,000	5.60%, 7/7/07	Baa1	A-	1,818,
85,000	8.50%, 12/8/08	Baa1	A-	2,639,
30,000	5.375%, 11/30/11	Baa1	A-	828,
129,000	4.125%, 11/1/12	Baa1	A-	3,233,
50,000	5.50%, 1/18/17	Baa1	A-	1,365,
70,000	5.125%, 11/8/22	Baa1	A-	1,812,
<hr/>				
		Total Thailand long-term investments (cost \$14,858,907)		16,128,
<hr/>				

UNITED STATES--37.0%

Edgar Filing: ABERDEEN ASIA PACIFIC INCOME FUND INC - Form N-CSR

Yankee Bonds--37.0%
USD

	AES China Generating Co. Limited			
5,200	10.125%, 12/15/06	B1	B+	5,252,
	Bangkok Bank Public Company			
8,500	8.75%, 3/15/07	Ba2	B+	9,870,
14,000	9.025%, 3/15/29	Ba2	B+	15,333,
	Bangkok Sentral Ng			
4,000	8.60%, 6/15/27	Ba1	BB	3,324,
	Cable & Wireless Optus Finance			
5,800	8.00%, 6/22/10	A2	A+	6,803,
	Cho Hung Bank			
5,500	6.95%, 1/7/05	Baa3	B+	6,283,
1,500	11.875%, 4/1/10	Baa3	B+	1,701,
	CITIC Ka Wah Bank			
8,200	7.625%, 7/5/11	Baa3	--	8,951,
6,850	9.125%, 5/30/12	Baa3	--	7,596,
	CLP Power HK Finance			
2,500	6.25%, 5/8/12	A3	A+	2,774,
	CNOOC Finance Limited			
4,875	6.375%, 3/8/12	Baa1	BBB	5,455,
	Development Bank of Singapore			
11,500	7.657%, 3/15/11	A1	--	13,241,
5,000	7.125%, 5/15/11	Aa3	A-	5,760,
	Flextronics International Limited			
2,500	9.875%, 7/1/10	Ba2	BB-	2,800,
	Freeport McMoran Copper & Gold			
5,250	10.125%, 2/1/10	B2	B-	5,512,
	Globe Telecom Incorporated			
9,000	13.00%, 8/1/09	Ba3	BB	10,516,
4,750	9.75%, 4/15/12	Ba3	BBB+	4,999,
	Hana Funding Limited			
4,600	8.748%, 12/17/12	--	BB+	4,818,
	Hanvit Bank			
4,000	11.75%, 3/1/10	Baa3	--	4,480,
3,500	12.75%, 3/1/10	Baa3	--	3,985,

See Notes to Financial Statements. Aberdeen Asia-Pacific Income Fund, Inc. 17

Portfolio of Investments (unaudited) (continued)
April 30, 2003

Principal Amount Local Currency** (000)	Description	Moody's Rating	S&P Rating	Value (US\$)
USD	Hutchison Whampoa International Limited			
6,000	7.00%, 2/16/11	A3	AAA	\$ 6,482,
6,900	6.50%, 2/13/13	A3	AAA	7,019,
	Hysan Limited			
4,000	7.00%, 2/1/12	Baa1	BBB+	4,370,

Edgar Filing: ABERDEEN ASIA PACIFIC INCOME FUND INC - Form N-CSR

2,000	Hyundai Motor Co. Limited 7.33%, 12/12/05	Ba2	BB+	2,173,
3,900	Industrial Bank of Korea 4.375%, 12/4/07	A3	BBB+	3,910,
1,000	Industrial Finance Corporation 7.375%, 1/14/07	Ba1	BB+	1,106,
3,500	Jardine Strategic Finance Limited 6.375%, 11/8/11	Baa1	BBB+	3,684,
4,000	Kia Motors Corporation 9.375%, 7/11/06	Ba3	BBB+	4,520,
2,700	Kingdom of Thailand 7.07%, 9/30/13	Baa3	BBB-	2,783,
2,400	Kookmin Bank 4.625%, 12/10/07	A3	BBB+	2,426,
3,000	Korea Development Bank 5.25%, 11/16/06	A3	A-	3,145,
9,000	Korea Electric Power Corporation 7.75%, 4/1/13	A3	A-	10,697,
10,000	Korea First Bank 7.00%, 2/1/27	A3	A-	10,946,
6,000	Korea Hydro & Nuclear Power 5.75%, 3/10/13	Ba1	BBB+	5,892,
2,750	Kowloon Canton Ry Corporation 4.25%, 1/29/08	A3	A-	2,721,
16,500	Kumgang Korea Chemical Co. Limited 8.00%, 3/15/10	A3	A+	20,280,
3,500	LG Caltex Oil Corporation 7.625%, 6/20/08	Baa3	BBB	3,952,
5,000	7.50%, 7/15/07	Baa2	BBB-	5,614,
3,000	7.75%, 7/25/11	Baa2	BBB-	3,513,
6,400	Malayan Banking Berhad 6.125%, 7/6/12	Baa1	BBB-	6,786,
5,000	Malaysia (Sovereign) 8.75%, 6/1/09	Baa1	BBB+	6,189,
9,590	7.50%, 7/15/11	Baa1	BBB+	11,249,

18 Aberdeen Asia-Pacific Income Fund, Inc. See Notes to Financial Statements.

Portfolio of Investments (unaudited) (continued)
April 30, 2003

Principal Amount Local Currency** (000)	Description	Moody's Rating	S&P Rating	Value (US\$)
USD				
5,600	MEI Euro Finance Limited 10.00%, 3/19/07	--	B+	\$ 5,628,
2,400	Metropolitan Bank & Trust Company 8.50%, 11/20/12	Ba1	--	2,376,
	National Power Corporation			

Edgar Filing: ABERDEEN ASIA PACIFIC INCOME FUND INC - Form N-CSR

7,000	8.40%, 12/15/16 Oversea - Chinese Banking Corporation	Ba1	BB	6,512,
13,000	7.75%, 9/6/11 PCCW-HKTC Capital Limited	A1	BBB+	15,435,
10,400	7.75%, 11/15/11 People's Republic of China	Baa1	BBB+	11,157,
10,000	9.00%, 1/15/96 Petroliam Nasional Berhad	A3	BBB	10,881,
19,000	7.75%, 8/15/15 Petronas Capital Limited	Baa1	BBB+	21,925,
6,800	7.00%, 5/22/12	Baa1	BBB+	7,548,
4,000	7.875%, 5/22/22 Philippine Long Distance Telecom	Baa1	BBB+	4,380,
800	9.875%, 8/1/05	Ba3	BBB+	849,
2,000	10.625%, 5/15/07	Ba3	BB	2,030,
1,000	11.375%, 5/15/12	Ba3	BB	1,008,
1,000	8.35%, 3/6/17 Pohang Iron & Steel Corporation	Ba3	BBB+	702,
4,000	7.125%, 11/1/06 PT Bank Mandiri Cayman	Baa2	BBB+	4,452,
1,600	10.625%, 8/2/12 PT Bank Negara Indonesia	B3	CCC	1,728,
1,500	10.00%, 11/15/12 PTT Exploration & Production	B3	CCC	1,608,
6,500	7.625%, 10/1/06 Quezon Power (Philippines) Limited	Baa3	BBB-	7,288,
5,308	8.86%, 6/15/17 Reliance Industries Limited	B2	B-	4,080,
7,250	10.25%, 1/15/97 Republic of Philippines	Ba2	BBB+	7,016,
3,000	7.50%, 9/11/07	Ba1	BB	3,065,
27,750	8.375%, 3/12/09	Ba1	BB	28,582,
11,250	9.875%, 3/16/10	Ba1	BB	12,417,
14,100	9.375%, 1/18/17	Ba1	BB	14,628,
2,000	6.50%, 12/1/17	Ba1	BB	1,908,
23,950	9.875%, 1/15/19	Ba1	BB	24,908,
3,500	9.50%, 10/21/24	Ba1	BB	3,860,
9,936	10.625%, 3/16/25	Ba1	BB	10,730,

See Notes to Financial Statements. Aberdeen Asia-Pacific Income Fund, Inc. 19

Portfolio of Investments (unaudited) (continued)
April 30, 2003

Principal Amount Local Currency** (000)	Description	Moody's Rating	S&P Rating	Value (US\$)
USD	Republic of South Korea			
14,500	8.875%, 4/15/08 Singapore Telecom	A3	A-	\$ 17,744,

Edgar Filing: ABERDEEN ASIA PACIFIC INCOME FUND INC - Form N-CSR

2,600	6.375%, 12/1/11	A1	AA-	2,853,
	SK Corporation			
2,000	7.50%, 5/31/06	Ba2	BBB-	2,220,
	SM Investors Corporation			
4,400	8.00%, 10/16/07	--	--	4,433,
	Telekom Malaysia			
3,000	7.875%, 8/1/25	Baa3	BBB+	3,197,
	Tenaga Nasional Berhad			
7,750	7.625%, 4/1/11	Baa3	BBB+	8,801,
5,000	7.50%, 11/1/25	Baa3	BBB	4,898,
14,000	7.50%, 1/15/96	Baa3	BBB	8,978,
	Thai Farmers Bank PLC			
4,700	8.25%, 8/21/16	Ba2	B+	5,099,
	Total Access Communication Public			
7,150	8.375%, 11/4/06	B1	BBB+	7,465,
	URC Philippines			
3,800	9.00%, 2/6/08	Ba3	BB	3,788,
	Woori Bank			
3,500	3.625%, 10/10/05	Baa2	BBB-	3,530,
3,500	4.50%, 10/10/07	Baa2	BBB-	3,483,

	Total United States long-term investments (cost \$490,500,731)			552,132,

	Total long-term investments (cost \$1,603,676,126)			1,755,004,

SHORT-TERM INVESTMENTS--20.1%				
AUSTRALIA--7.1%				
Government and Semi-Government--3.8%				
Commonwealth of Australia--2.2%				
A\$				
	Commonwealth Bank of Australia			
5,000	6.00%, 8/1/03	Aaa	AAA	3,136,
2,800	7.625%, 8/5/03	Aa3	AA-	1,763,
	Commonwealth of Australia			
45,000	9.50%, 8/15/03	Aaa	AAA	28,543,

				33,443,

Victoria--1.6%				
	Treasury Corporation of Victoria			
36,000	12.50%, 10/15/03	Aaa	AAA	23,309,

	Total Australian government and semi-government (cost \$70,037,295)			56,753,

20 Aberdeen Asia-Pacific Income Fund, Inc. See Notes to Financial Statements.

Portfolio of Investments (unaudited) (continued)
April 30, 2003

Principal
Amount

Edgar Filing: ABERDEEN ASIA PACIFIC INCOME FUND INC - Form N-CSR

Local Currency** (000)	Description	Moody's Rating	S&P Rating	Value (US\$)
Eurobonds--1.9%				
Banking and Finance--1.9%				
A\$				
45,000	GE Capital Australia Limited 6.25%, 8/15/03 (cost \$24,056,080)	Aaa	AAA	\$ 28,255,
Corporate Bonds--0.1%				
Services--0.1%				
2,000	Telstra Corporation 7.80%, 7/17/03 (cost \$1,507,920)	Aa3	AA+	1,258,
Demand Deposits--1.3%				
32,200	Banque National de Paris Demand Deposit 4.50%, 5/1/03 (cost \$19,500,641)	Aaa	AAA	20,142,
Total Australian short-term investments (cost \$115,101,936)				106,410,
KOREA--7.0%				
Government Bonds--5.5%				
KRW				
10,000,000	Korea Deposit Insurance Fund Bond 9.99%, 10/23/03	A3	A+	8,447,
19,000,000	8.72%, 3/12/04	A3	A+	16,336,
10,000,000	Korea Monetary Stabilization Bond Zero Coupon, 7/31/03	A3	A+	8,142,
10,000,000	Korea Treasury Bonds 7.70%, 8/16/03	A3	A+	8,313,
10,000,000	5.07%, 10/8/03	A3	A+	8,247,
USD				
5,500	South Korea National Debt - Embarc 7.70%, 8/18/03(b)	A3	A+	4,621,
30,000	6.448%, 8/19/03	A3	A+	25,209,
3,500	4.924%, 3/2/04	A3	A+	2,929,
Total Korea government bonds (cost \$82,751,577)				82,248,
Corporate Bonds--1.5%				
6,250	Hongkong & Shanghai Banking Corporation Zero Coupon, 7/15/03	--	--	6,203,
16,500	Zero Coupon, 7/24/03	--	--	16,341,
Total Korea corporate bonds (cost \$22,540,098)				22,544,
Total Korea short-term investments (cost \$105,291,675)				104,792,

Edgar Filing: ABERDEEN ASIA PACIFIC INCOME FUND INC - Form N-CSR

See Notes to Financial Statements. Aberdeen Asia-Pacific Income Fund, Inc. 21

Portfolio of Investments (unaudited) (concluded)
April 30, 2003

Principal
Amount

Local Currency** (000)	Description	Moody's Rating	S&P Rating	Value (US\$)

NEW ZEALAND--0.0%				
Demand Deposits--0.0%				
NZD				
492	New Zealand Call Deposit 4.50%, 5/1/03 (cost \$210,392)	Aaa	AAA	\$ 275,

THAILAND--0.1%				
Government Bonds--0.1%				
THB				
34,400	Thailand Government Bonds 8.25%, 10/14/03 (cost \$929,742)	Baa1	A-	825,

UNITED STATES--5.9%				
Repurchase Agreement--5.9%				
USD				
87,294	State Street Bank & Trust Company 1.05% due 5/1/03 in the amount of \$87,296,546 (cost \$87,294,000; collateralized by United States Treasury Bonds 12.50% due 8/15/14; value including accrued interest-\$89,060,700)	Aaa	AAA	87,294,

Total short-term investments (cost \$308,827,745)				299,598,

Total Investments--137.8% (cost \$1,912,503,871)				2,054,603,
Other assets in excess of liabilities--2.5%				36,805,
Liquidation value of preferred stock--(40.3%)				(600,000,

Net Assets Applicable to Common Shareholders--100%				\$1,491,408,

Net asset value per common share (\$1,491,408,628 / 264,654,000 shares of common stock issued and outstanding)				\$ 5

* The interest rate reflected for floating rate notes is the rate in effect at April 30, 2003.

** Portfolio Securities are listed in the currency in which they are traded.

Edgar Filing: ABERDEEN ASIA PACIFIC INCOME FUND INC - Form N-CSR

A\$--Australian dollar

EUR--Euro

JPY--Japanese yen

KRW--South Korean won

MYR--Malaysian ringgit

NZD--New Zealand dollar

PHP--Philippine peso

SGD--Singapore dollar

THB--Thailand baht

USD--United States dollar

(a) Value of security is linked to the value of Government of Korea Bank 4.796%, 10/9/07 and the movement of the South Korean won.

(b) Value of security is linked to the value of Government of Korea 7.70%, 8/18/03 and the movement of the South Korean won.

22 Aberdeen Asia-Pacific Income Fund, Inc. See Notes to Financial Statements.

Statement of Assets and Liabilities (unaudited)

April 30, 2003

Assets

Investments, at value (cost \$1,912,503,871).....	\$2,054,603,050
Foreign currency, at value (cost \$7,644,476).....	8,324,271
Cash.....	500,362
Interest receivable.....	35,767,896
Receivable for investments sold.....	4,237,438
Unrealized appreciation on interest rate and currency swaps..	407,784
Unrealized appreciation on forward currency contracts.....	1,040,799
Due from broker-variation margin.....	349,366
Other assets.....	297,310

Total assets.....	2,105,528,276

Liabilities

Dividends payable-common stock.....	9,262,890
Withholding taxes payable.....	1,513,706
Payable for investments purchased.....	867,750
Investment management fee payable.....	860,302
Accrued expenses and other liabilities.....	768,604
Dividends payable-preferred stock.....	607,499
Administration fee payable.....	165,671
Unrealized depreciation on forward currency contracts.....	36,697
Unrealized depreciation on interest rate swaps.....	36,529

Total liabilities.....	14,119,648

Preferred stock (\$.01 par value per share and \$25,000 liquidation value per share applicable to 24,000 shares; Note 5).....	600,000,000

Net Assets Applicable to Common Shareholders..... \$1,491,408,628

Net assets were composed of:

Common stock:

Par value (\$.01 per share, applicable to 264,654,000 shares).....	\$ 2,646,540
Paid-in capital in excess of par.....	1,813,855,084

Accumulated net investment loss..... 1,816,501,624
(58,037,101)

Edgar Filing: ABERDEEN ASIA PACIFIC INCOME FUND INC - Form N-CSR

Accumulated net realized loss on investments.....	(12,468,372)
Net unrealized appreciation on investments.....	89,039,666
Accumulated net realized and unrealized foreign exchange losses.....	(343,627,189)
Net Assets Applicable to Common Shareholders.....	\$1,491,408,628
Net asset value per common share: (\$1,491,408,628 / 264,654,000 shares of common stock issued and outstanding).....	\$5.64

See Notes to Financial Statements. Aberdeen Asia-Pacific Income Fund, Inc. 23

Statement of Operations (unaudited)
Six Months Ended April 30, 2003

Net Investment Income	
Income	
Interest (net of foreign withholding taxes of \$2,924,055).....	\$ 63,389,929
Expenses	
Investment management fee.....	5,330,736
Administration fee.....	1,184,488
Custodian's fees and expenses.....	1,035,000
Auction agent's fees and broker commissions.....	800,000
Legal fees and expenses.....	600,000
Reports to shareholders.....	440,000
Directors' fees and expenses.....	283,000
Insurance expense.....	245,000
Transfer agent's fees and expenses.....	215,000
Rights offering expense.....	100,000
Independent auditor's fees and expenses.....	93,000
Investor relations fees and expenses.....	90,000
Miscellaneous.....	34,016
Total operating expenses.....	10,450,240
Net investment income.....	52,939,689
Realized and Unrealized Gains (Losses) on Investments and Foreign Currencies	
Net realized gain (loss) on:	
Investment transactions.....	13,369,705
Interest rate and currency swaps.....	(1,945,595)
Financial futures transactions.....	(416,692)
	11,007,418
Net change in unrealized appreciation (depreciation) on:	
Investments.....	9,311,928
Interest rate and currency swaps.....	(351,902)
Financial futures contracts.....	(269,167)
	8,690,859
Net gain on investments.....	19,698,277
Net increase in net assets from operations before net	

Edgar Filing: ABERDEEN ASIA PACIFIC INCOME FUND INC - Form N-CSR

foreign exchange gains.....	72,637,966
Net realized and unrealized foreign exchange gains.....	139,051,634

Net increase in Net Assets from operations.....	211,689,600

Dividends from net investment income to preferred shareholders.....	(4,576,116)

Net Increase In Net Assets Applicable to Common Shareholders Resulting From Operations.....	\$207,113,484

24 Aberdeen Asia-Pacific Income Fund, Inc.	See Notes to Financial Statements.

Statement of Cash Flows (unaudited)
Six Months Ended April 30, 2003

Increase (Decrease) in Cash (Including Foreign Currency)

Cash flows provided from (used in) operating activities	
Interest received (excluding premium/discount amortization of \$4,012,776).....	\$ 64,831,414
Expenses paid.....	(10,980,735)
Proceeds (purchases) from (of) short-term portfolio investments, net.....	(34,795,319)
Purchases of long-term portfolio investments.....	(309,013,915)
Proceeds from sales of long-term portfolio investments...	346,355,370
Dividends and distributions paid to preferred shareholders.....	(4,674,125)
Gain (loss) on swaps and futures.....	(2,362,287)
Other.....	239,820

Net cash provided from operating activities.....	49,600,223

Cash flows used for financing activities	
Dividends paid to common shareholders.....	(55,576,017)

Effect of exchange rate on cash.....	1,049,780

Net decrease in cash.....	(4,926,014)
Cash at beginning of period.....	13,750,647

Cash at end of period.....	\$ 8,824,633

Reconciliation of Cash Provided From
(Used In) Operating Activities

Net increase in net assets applicable to common shareholders resulting from operations.....	\$ 207,113,484

Decrease (increase) in investments.....	(1,576,743)
Net realized loss (gain) on investment transactions.....	(11,007,418)
Net realized and unrealized foreign exchange losses (gains).....	(139,051,634)
Net change in unrealized appreciation/depreciation on investments.....	(8,690,859)
Decrease (increase) in interest receivable.....	(1,798,554)
Decrease (increase) in receivable for investments sold...	4,239,600
Decrease (increase) in variation margin.....	(80,171)

Edgar Filing: ABERDEEN ASIA PACIFIC INCOME FUND INC - Form N-CSR

Net decrease (increase) in other assets.....	239,820
Increase (decrease) in payable for investments purchased.....	867,750
Increase (decrease) in payable for preferred dividends...	(98,009)
Decrease in accrued expenses and other liabilities.....	(557,043)

Total adjustments.....	(157,513,261)

Net cash provided from operating activities.....	\$ 49,600,223

See Notes to Financial Statements. Aberdeen Asia-Pacific Income Fund, Inc. 25

Statement of Changes in Net Assets (unaudited)

	Six Months Ended April 30, 2003	Year Ended October 31, 2002
	-----	-----
Increase (Decrease) in Net Assets		
Operations		
Net investment income.....	\$ 52,939,689	\$ 104,672,313
Net realized gain on investment transactions.....	11,007,418	7,539,022
Net change in unrealized appreciation on investments.....	8,690,859	9,617,284
	-----	-----
Net increase in net assets resulting from operations before net foreign exchange gains.....	72,637,966	121,828,619
Net realized and unrealized foreign exchange gains.....	139,051,634	113,718,938
	-----	-----
Net increase in net assets from operations.....	211,689,600	235,547,557
	-----	-----
Dividends from net investment income to preferred shareholders.....	(4,576,116)	(12,375,836)
	-----	-----
Net increase in Net Assets applicable to common shareholders resulting from operations.....	207,113,484	223,171,721
	-----	-----
Dividends from net investment income to common shareholders.....	(55,576,017)	(41,276,180)
Tax return of capital distribution.....	--	(75,370,804)
	-----	-----
Total dividends and distributions to common shareholders.....	(55,576,017)	(116,646,984)
	-----	-----
Cost of Fund shares reacquired in repurchase program (0 and 2,082,900 shares, respectively).....	--	(8,494,873)
	-----	-----
Total increase in net assets applicable to common shareholders.....	151,537,467	98,029,864

Edgar Filing: ABERDEEN ASIA PACIFIC INCOME FUND INC - Form N-CSR

Net Assets Applicable to

Common Shareholders

Beginning of period.....	1,339,871,161	1,241,841,297
	-----	-----
End of period.....	\$1,491,408,628	\$1,339,871,161
	-----	-----
	-----	-----

26 Aberdeen Asia-Pacific Income Fund, Inc. See Notes to Financial Statements.

Notes to Financial Statements (unaudited)

Aberdeen Asia-Pacific Income Fund, Inc. (the 'Fund') was incorporated in Maryland on March 14, 1986 as a closed-end, non-diversified management investment company. The Fund's investment objective is to seek current income. The Fund may also achieve incidental capital appreciation. The Fund will seek to achieve its investment objective through investment in Australian and Asian debt securities. In order to comply with a rule adopted by the Securities and Exchange Commission under the Investment Company Act of 1940 regarding fund names, the Board of Directors has adopted an investment policy that, for as long as the name of the Fund remains Aberdeen Asia-Pacific Income Fund, Inc., it shall be the policy of the Fund normally to invest at least 80% of its net assets plus the amount of any borrowings for investment purposes, in Asian debt securities, Australian debt securities and New Zealand debt securities. This 80% investment policy is a non-fundamental policy of the Fund and may be changed by the Board of Directors upon 60 days prior written notice to shareholders. There can be no assurance that the Fund will achieve its objectives. The ability of issuers of debt securities held by the Fund to meet their obligations may be affected by economic developments in a specific industry, country or region.

Note 1. Accounting Policies

The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements.

Basis of Presentation:

The financial statements of the Fund are prepared in accordance with accounting principles generally accepted in the United States of America, using the United States dollar as both the functional and reporting currency.

Security Valuation:

The Fund's Board of Directors has adopted Pricing and Valuation Procedures (the 'Procedures') to be used in determining the value of the assets held by the Fund. In accordance with the Procedures, investments are stated at value. Investments for which market quotations are readily available are valued at the last trade price on the date of determination as obtained from a pricing source. If no such trade price is available, such investments are valued at the quoted bid price or the mean between the quoted bid and asked price on the date of determination as obtained from a pricing source. Short-term securities which mature in more than 60 days are valued at current market quotations. Short-term securities which mature in 60 days or less are valued at amortized cost.

Aberdeen Asia-Pacific Income Fund, Inc. 27

Notes to Financial Statements (unaudited) (continued)

Securities for which market quotations are not readily available are valued at fair value in good faith using methods set forth in the Procedures.

Edgar Filing: ABERDEEN ASIA PACIFIC INCOME FUND INC - Form N-CSR

Repurchase Agreements:

In connection with transactions in repurchase agreements with U.S. financial institutions, it is the Fund's policy that its custodian takes possession of the underlying collateral securities, the value of which exceeds the principal amount of the repurchase transaction, including accrued interest. To the extent that any repurchase transaction exceeds one business day, the collateral is valued on a daily basis to determine its adequacy. If the seller defaults and the value of the collateral declines or if bankruptcy proceedings are commenced with respect to the seller of the security, realization of the collateral by the Fund may be delayed or limited.

Foreign Currency Translation:

Australian dollar ('A\$'), New Zealand dollar ('NZD') and Asian currency amounts are translated into United States dollars on the following basis:

(i) market value of investment securities, other assets and liabilities--at the exchange rates at the end of the reporting periods;

(ii) purchases and sales of investment securities, income and expenses--at the rates of exchange prevailing on the respective dates of such transactions. The Fund isolates that portion of the results of operations arising as a result of changes in the foreign exchange rates from the fluctuations arising from changes in the market prices of the securities held at April 30, 2003. Similarly, the Fund isolates the effect of changes in foreign exchange rates from the fluctuations arising from changes in the market prices of portfolio securities sold during the reporting periods.

Net realized and unrealized foreign exchange gains include realized foreign exchange gains and losses from sales and maturities of portfolio securities, sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions, the difference between the amounts of interest, discount and foreign withholding taxes recorded on the Fund's books and the U.S. dollar equivalent amounts actually received or paid and changes in unrealized foreign exchange gains and losses in the value of portfolio securities and other assets and liabilities arising as a result of changes in the exchange rate. Accumulated net realized and unrealized foreign exchange gains shown in the composition of net assets at April 30, 2003 represent foreign exchange gains for book purposes that have not yet been recognized for tax purposes.

28 Aberdeen Asia-Pacific Income Fund, Inc.

Notes to Financial Statements (unaudited) (continued)

Foreign security and currency transactions may involve certain considerations and risks not typically associated with those of domestic origin, including unanticipated movements in the value of the foreign currency relative to the U.S. dollar.

The exchange rate at April 30, 2003 was US\$0.63 to A\$1.00 for the Australian dollar.

Securities Transactions and Investment Income:

Securities transactions are recorded on the trade date. Realized and unrealized gains and losses from security and currency transactions are calculated on the identified cost basis. Interest income is recorded on an accrual basis. Discounts and premiums on securities purchased are accreted or amortized on an effective yield basis over the estimated lives of the respective securities. Expenses are recorded on the accrual basis. The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those

Edgar Filing: ABERDEEN ASIA PACIFIC INCOME FUND INC - Form N-CSR

estimates.

Forward Currency Contracts:

A forward currency contract is a commitment to purchase or sell a foreign currency at a future date at a negotiated forward rate. The Fund enters into forward currency contracts in order to hedge its exposure to changes in foreign currency exchange rates on its foreign portfolio holdings or on specific receivables and payables denominated in a foreign currency. The contracts are valued daily at current forward exchange rates and any unrealized gain or loss is included in net unrealized appreciation or depreciation on investments. Gain or loss is realized on the settlement date of the contract equal to the difference between the settlement value of the original and renegotiated forward contracts. This gain or loss, if any, is included in net realized gain (loss) on foreign currency transactions. Risks may arise upon entering into these contracts from the potential inability of the counterparties to meet the terms of their contracts.

Financial Futures Contracts:

A financial futures contract is an agreement to purchase (long) or sell (short) an agreed amount of securities or commodities at a set price for delivery on a future date. Upon entering into a financial futures contract, the Fund is required to pledge to the broker an amount of cash and/or other assets equal to a certain percentage of the contract amount. This amount is known as the 'initial margin.' Subsequent payments, known as 'variation margin,' are made or received by the Fund periodically, depending on the periodic fluctuations in the value of the underlying security or commodity. Such variation margin is recorded for financial statement purposes on a daily basis as unrealized gain or loss.

When

Aberdeen Asia-Pacific Income Fund, Inc. 29

Notes to Financial Statements (unaudited) (continued)

the contract expires or is closed, the gain or loss is realized and is presented in the statement of operations as net realized gain (loss) on financial futures contracts.

The Fund invests in financial futures contracts in order to hedge existing portfolio securities, or securities the Fund intends to purchase, against fluctuations in value. Under a variety of circumstances, the Fund may not achieve the anticipated benefits of the financial futures contracts and may realize a loss. The use of futures transactions involves the risk of imperfect correlation in movements in the price of futures contracts and the underlying assets.

Securities Lending:

The Fund's investment policies permit the Fund to lend to banks and broker-dealers, portfolio securities with an aggregate market value of up to 15% of the Fund's total assets when it deems advisable. Pursuant to a securities lending agreement ('Agreement') between the Fund and State Street Bank and Trust Company ('State Street'), any loans made under the Agreement must be secured by collateral (consisting of any combination of cash, U.S. Government securities, irrevocable letters of credit or other high-quality debt securities) in an amount at least equal (on a daily marked-to-market basis) to the current market value of the securities loaned. An amendment to the Agreement provides that the cash collateral may be invested in State Street Navigator Securities Lending Trust, an affiliate of State Street, and proceeds from this investment are divided 70% as to the Fund and 30% as to State Street.

The Agreement also provides that the Fund may terminate the loans at any time and obtain the return of the securities, and that the Fund will continue to

Edgar Filing: ABERDEEN ASIA PACIFIC INCOME FUND INC - Form N-CSR

receive any interest or dividends obtained on any of the loaned securities and will continue to have voting rights with respect to the securities.

In the event the Fund lends its portfolio securities, the Fund may be exposed to counterparty risk, which may result in the delay in recovery of the loaned securities or possible loss of right in the collateral should the borrower become insolvent. However, under the amendment to the Agreement, State Street will indemnify the Fund in the case of borrower default. No securities were out on loan at April 30, 2003.

Interest Rate and Currency Swaps:

The Fund may engage in certain swap transactions in order to obtain a desired return at a lower cost than if the Fund had invested directly in the asset that yielded the desired return.

30 Aberdeen Asia-Pacific Income Fund, Inc.

Notes to Financial Statements (unaudited) (continued)

An interest rate and currency swap is an agreement between two parties which involves exchanging principal and fixed rate interest payments (one currency for principal and fixed rate interest payments in another currency in the case of interest rate and currency swap) for a specified period of time. Interest rate and currency swaps involve the accrual and exchange of interest payments between the parties.

During the term of the swap, changes in the value of the swap are recognized as unrealized gains or losses by 'marking-to-market' to reflect the market value of the swap. When the swap is terminated, the Fund will record a realized gain or loss equal to the difference, if any, between the proceeds from (or cost of) the closing transaction and the Fund's basis in the contract.

The Fund is exposed to credit loss in the event of non-performance by the other party to the interest rate and currency swap. However, the Fund does not anticipate non-performance by any counterparty.

Dividends and Distributions:

It is the Fund's current policy to pay dividends from net investment income supplemented by net realized foreign exchange gains, net realized short-term capital gains and return of capital distributions if necessary, on a monthly basis. The Fund will also declare and pay distributions at least annually from net realized gains on investment transactions and net realized foreign exchange gains, if any. Dividends and distributions to common shareholders are recorded on the ex-dividend date. Dividends and distributions to preferred shareholders are accrued on a weekly basis and are determined as described in Note 6. Income distributions and capital and currency gains distributions are determined in accordance with income tax regulations which may differ from accounting principles generally accepted in the United States of America. These differences are primarily due to differing treatments for foreign currencies, loss deferrals and recognition of market discount and premium.

Taxes:

For federal income and excise tax purposes, the Fund's transactions are accounted for using the Australian dollar as the functional currency. Accordingly, only realized currency gains and losses resulting from the repatriation of Australian dollars into United States dollars or transactions in New Zealand dollars or Asian country currencies are recognized for tax purposes.

Aberdeen Asia-Pacific Income Fund, Inc. 31

Edgar Filing: ABERDEEN ASIA PACIFIC INCOME FUND INC - Form N-CSR

Notes to Financial Statements (unaudited) (continued)

No provision has been made for United States income taxes because it is the Fund's policy to continue to meet the requirements of the United States Internal Revenue Code applicable to regulated investment companies and to distribute all of its taxable income to shareholders. The chart below summarizes the withholding tax rates in effect on interest income at the period end.

Country	Withholding Tax Rate
Australia	10%
Hong Kong	30
Japan	10
Korea	12
Malaysia	30
New Zealand	10
Philippines	15
Singapore	30
Thailand	15

Cash Flow Information:

The Fund invests in securities and makes distributions to common shareholders from net investment income and net realized gains from investment and currency transactions, and to the extent necessary, from return of paid-in capital. These distributions are paid in cash or are reinvested at the discretion of shareholders. These activities are reported in the Statement of Changes in Net Assets and additional information on cash receipts and cash payments is presented in the Statement of Cash Flows. Cash includes domestic and foreign currency.

Note 2. Agreements

Aberdeen Asset Managers (C.I.) Limited (the 'Investment Manager') serves as investment manager to the Fund and Aberdeen Asset Management Limited (the 'Investment Adviser') serves as investment adviser to the Fund pursuant to a management agreement and an advisory agreement, respectively. The Investment Manager and the Investment Adviser are wholly-owned subsidiaries of Aberdeen Asset Management PLC.

The Investment Manager makes investment decisions on behalf of the Fund on the basis of recommendations and information furnished to it by the Investment Adviser, including the selection of and the placement of orders with brokers and dealers to execute portfolio transactions on behalf of the Fund.

The management agreement provides the Investment Manager with a fee, computed weekly and payable monthly, at the following annual rates: 0.65% of the Fund's average

32 Aberdeen Asia-Pacific Income Fund, Inc.

Notes to Financial Statements (unaudited) (continued)

weekly total net assets of common and preferred shareholders up to \$200 million, 0.60% of such assets between \$200 million and \$500 million, 0.55% of such assets between \$500 million and \$900 million, 0.50% of such assets between \$900 million and \$1,750 million and 0.45% of such assets in excess of \$1,750 million.

The Investment Manager pays fees to the Investment Adviser for its services rendered. The Investment Manager informed the Fund that it paid \$2,312,781 to the Investment Adviser during the period ended April 30, 2003.

Prudential Investments LLC (the 'Administrator') serves as administrator to the Fund pursuant to an agreement. The administration agreement provides the

Edgar Filing: ABERDEEN ASIA PACIFIC INCOME FUND INC - Form N-CSR

Administrator with a fee at the annual rate of 0.15% of the Fund's average weekly total net assets of common and preferred shareholders up to \$900 million, 0.10% of such assets between \$900 million and \$1,750 million and 0.07% of such assets in excess of \$1,750 million. During the six months ended April 30, 2003, the Administrator remitted \$120,000 to the Investment Manager for certain compliance related administrative services provided.

Under terms of an Investor Relations Services Agreement, Aberdeen Fund Managers, Inc. ('Aberdeen'), an affiliate of the Fund's Investment Manager and Investment Advisor, serves as the Fund's investor relations services provider. This agreement provides Aberdeen with a monthly retainer fee of \$10,000 plus out-of-pocket expenses. During the six months ended April 30, 2003, the Fund incurred fees of approximately \$60,000 for the services of Aberdeen. As of April 30, 2003, \$10,000 of this amount was due to Aberdeen. Investor relations fees and expenses in the Statement of Operations include certain out-of-pocket expenses.

Note 3. Portfolio Securities

Purchases and sales of investment securities, other than short-term investments, for the six months ended April 30, 2003 aggregated \$213,652,003 and \$241,321,361, respectively.

The Fund entered into two interest rate and foreign currency swaps on February 16, 1999. Under the terms of the first swap, the Fund receives interest at a rate of 11.50% based on a notional amount of KRW5,124,367,250 and pays interest at a rate of 3.70% based on a notional amount of JPY500,000,000. Net receipts or payments of such amounts are exchanged semi-annually. At April 30, 2003 the unrealized appreciation on this currency swap was \$407,784. The swap is scheduled to terminate on April 26, 2006.

On September 16, 2002, the Fund entered into a two-year interest rate swap agreement in order to hedge one-third of the Fund's outstanding issues of AMPS. Under the original

Aberdeen Asia-Pacific Income Fund, Inc. 33

Notes to Financial Statements (unaudited) (continued)

terms of the agreement, the Fund received a floating rate of interest (one-month USD-LIBOR BBA rate) based on a notional amount of \$200,000,000 and paid interest at a fixed rate of 2.46%. The fixed rate interest payment has been periodically repriced and the most recent repricing occurred on February 18, 2003 at a new fixed rate of 1.37%. Net receipts of payments of such amounts are exchanged every 28 days. At April 30, 2003 the unrealized depreciation of interest rate swaps was \$36,529. The swap is scheduled to terminate on September 18, 2004. Net interest income of \$204,742 on interest rate and currency swaps earned during the year is included in interest income in the Statement of Operations.

At April 30, 2003 the Fund had outstanding forward currency contracts to buy and sell foreign currency against United States dollars as follows:

Foreign Currency Purchase Contract	Value at Settlement Date Payable	Current Value	Appreciation (Depreciation)
-----	-----	-----	-----
Indian Rupee settlement date 5/6/03	\$17,298,000	\$17,601,094	\$ 303,094
Philippine Peso settlement date 5/23/03	9,369,000	9,673,170	304,170

Edgar Filing: ABERDEEN ASIA PACIFIC INCOME FUND INC - Form N-CSR

settlement date 7/25/03	10,572,000	10,730,974	158,974
South Korean Won			
settlement date 5/13/03	7,720,000	7,740,707	20,707
settlement date 5/13/03	9,000,000	9,180,226	180,226
settlement date 7/15/03	9,500,000	9,573,628	73,628
settlement date 7/15/03	9,700,000	9,663,303	(36,697)
	-----	-----	-----
	\$73,159,000	\$74,163,102	\$1,004,102
	-----	-----	-----
	-----	-----	-----

34 Aberdeen Asia-Pacific Income Fund, Inc.

Notes to Financial Statements (unaudited) (continued)

During the period ended April 30, 2003, the Fund entered into financial futures contracts. Details of open contracts at April 30, 2003 are as follows:

Number of Contracts	Type	Expiration Date	Value at April 30, 2003	Value at Trade Date	Unrealized Appreciation/ (Depreciation)
-----	-----	-----	-----	-----	-----
	Short Positions:				
	3yr Australian Treasury				
500	Bonds	Jun. 03	\$32,358,771	\$32,443,283	\$ 84,512
	10yr U.S. Treasury				
350	Notes	Jun. 03	40,293,750	39,873,625	(420,125)
	Long Positions:				
	10yr Australian Treasury				
49	Bonds	Jun. 03	3,231,310	3,209,315	21,995

					\$ (313,618)

Note 4. Tax Information

The United States federal income tax basis of the Fund's investments and the net unrealized appreciation as of April 30, 2003 were as follows:

Tax Basis of Investments	Appreciation	Depreciation	Net Unrealized Appreciation
-----	-----	-----	-----
\$2,006,906,568	\$78,861,372	\$31,164,890	\$47,696,482

The difference between book basis and tax basis was primarily attributable to deferred losses on wash sales, differing tax treatment for foreign currencies, loss deferrals and recognition of discount and of premium amortization.

Edgar Filing: ABERDEEN ASIA PACIFIC INCOME FUND INC - Form N-CSR

The Fund estimates that distributions for the fiscal year commencing November 1, 2002, including the distribution paid on June 13, 2003, are comprised of 70% net investment income and 30% return of paid-in capital.

Note 5. Common Stock

There are 400 million shares of common stock authorized. At April 30, 2003, there were 264,654,000 common shares issued and outstanding.

Aberdeen Asia-Pacific Income Fund, Inc. 35

Notes to Financial Statements (unaudited) (continued)

On March 1, 2001, the Board of Directors approved a stock repurchase program. The stock repurchase program allows the Fund to repurchase up to 10% of its outstanding common stock in the open market during any 12 month period if and when the discount to net asset value is at least 10%. The number of shares repurchased and cancelled under this program for the six month period ended April 30, 2003 and the year ended October 31, 2002 were 0 and 2,127,600, respectively.

On October 8, 2002, the Fund filed a registration statement with the Securities and Exchange Commission in connection with a proposed transferable rights offering to common shareholders. On January 10, 2003 the Fund announced that it would not proceed with the proposed rights offering, based upon the determination of the Rights Offering Committee of the Board of Directors that market conditions were unfavorable for the commencement of the rights offering and that favorable market conditions were not anticipated to develop in the near term. Expenses incurred in connection with the proposed rights offering are included in the Statement of Operations.

Note 6. Preferred Stock

The Preferred Stock shareholders have rights as determined by the Board of Directors. The 24,000 shares of Auction Market Preferred Stock ('Preferred Stock') outstanding consist of nine series as follows: Series A--3,000 shares, Series B--3,000 shares, Series C--2,000 shares, Series D--4,000 shares, Series E--2,000 shares, Series F--2,000 shares, Series G--3,000 shares, Series H--2,500 shares and Series I--2,500 shares.

Dividends on each series of Preferred Stock are cumulative at a rate established at the initial public offering and are typically reset every 28 days for Series A through D and every seven days for Series E through I based on the results of an auction. Dividend rates ranged from 1.2% to 2.1% during the six months ended April 30, 2003. Under the Investment Company Act of 1940, the Fund may not declare dividends or make other distributions on shares of common stock or purchase any such shares if, at the time of the declaration, distribution or purchase, asset coverage with respect to the outstanding Preferred Stock would be less than 200%.

The Preferred Stock is redeemable at the option of the Fund, in whole or in part, on any dividend payment date at liquidation value plus any accumulated but unpaid dividends. The Preferred Stock is also subject to mandatory redemption at liquidation value plus any accumulated but unpaid dividends if certain requirements relating to the composition of the assets and liabilities of the Fund as set forth in the Charter are not satisfied.

36 Aberdeen Asia-Pacific Income Fund, Inc.

Notes to Financial Statements (unaudited) (concluded)

The holders of Preferred Stock have voting rights equal to the holders of common

Edgar Filing: ABERDEEN ASIA PACIFIC INCOME FUND INC - Form N-CSR

stock (one vote per share) and will vote together with holders of shares of common stock as a single class. However, holders of Preferred Stock are also entitled to elect two of the Fund's directors.

Note 7. Subsequent Events

On May 12, 2003 and June 16, 2003, the Board of Directors declared a monthly distribution of 3.5 cents per share payable on June 13, 2003 and July 11, 2003 to all shareholders of record as of May 30, 2003 and June 30, 2003, respectively (ex-dividend dates May 28, 2003 and June 26, 2003, respectively).

Subsequent to April 30, 2003, dividends and distributions declared and paid on Preferred Stock totaled approximately \$999,545 for the nine outstanding preferred share series in the aggregate through June 13, 2003.

Aberdeen Asia-Pacific Income Fund, Inc. 37

Financial Highlights (unaudited)

	Six Months Ended April 30, 2003 -----
PER SHARE OPERATING PERFORMANCE*:	
Net asset value per common share, beginning of period.....	\$ 5.06 -----
Net investment income.....	.20
Net realized and unrealized gain (loss) on investments and foreign currencies.....	.61 -----
Total from investment operations.....	.81 -----
Dividends from net investment income to preferred shareholders.....	(.02)
Dividends from net investment income to common shareholders.....	(.21)
Tax return of capital distribution.....	--
Distributions from net capital and currency gains to preferred shareholders.....	--
Distributions from net capital and currency gains to common shareholders.....	-- -----
Total dividends and distributions.....	(.23) -----
Capital reduction with respect to issuance of shares.....	--
Increase resulting from Fund share repurchase.....	-- -----
Net asset value per common share, end of period.....	\$ 5.64 -----
Market price per common share, end of period.....	\$ 5.14 -----
TOTAL INVESTMENT RETURN BASED OND:	
Market value.....	26.23%
Net asset value.....	16.34%
RATIOS TO AVERAGE NET ASSETS OF COMMON SHAREHOLDERS/SUPPLEMENTAL DATA	
Expense	
ExpensesDD.....	1.48%
Net investment income available to common shareholders.....	6.90%
Portfolio turnover rate.....	11%
Net assets of common shareholders, end of period (000 omitted).....	\$1,491,409

Edgar Filing: ABERDEEN ASIA PACIFIC INCOME FUND INC - Form N-CSR

Average net assets of common shareholders (000 omitted).....	\$1,412,781
Senior securities (preferred stock) outstanding (000 omitted).....	\$ 600,000
Asset coverage of preferred stock at period-end.....	346%

* Calculated based upon average shares outstanding during the year.

D Total investment return is calculated assuming a purchase of common stock on the first day of sale on the last day of each year reported. Dividends and distributions are assumed, for purposes of this calculation, to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Total investment return does not reflect brokerage commissions.

DD Includes expenses of both preferred and common stock.

Pound Ratios calculated on the basis of income, expenses and preferred share dividends applicable to both the common and preferred shares relative to the average net assets of common shareholders. Expense ratios relative to the average net assets of common and preferred shareholders are 1.03%, 1.03%, .98%, .95% and .95%, respectively. Ratios to average net assets of net investment income before preferred stock dividends are 7.56%, 8.18%, 10.76%, 10.52%, 9.79% and 10.72%, respectively. Ratios to average net assets of preferred stock dividends are .65%, .97%, 2.23%, 2.30%, 1.45% and 2.21%, respectively.

Pound Less than \$0.005 per share.

Pound Effective November 1, 2001, the Fund has adopted the provisions of the AICPA Audit Guide for Investment Companies and began amortizing premiums on debt securities. The effect of this change for the year ended October 31, 2002 was to decrease net investment income per share by \$0.05 and increase net realized and unrealized gain (loss) per share by \$0.05 and decrease the ratio of net investment income from 8.31% to 7.21%. Per share amounts and ratios for the years ended prior to October 31, 2002 have not been restated to reflect this change in presentation.

38 Aberdeen Asia-Pacific Income Fund, Inc. See Notes to Financial Statements.

Financial Highlights (unaudited) (concluded)

Year Ended October 31,

2002	2001	2000	1999	1998
\$ 4.65	\$ 4.78	\$ 6.20	\$ 7.33	\$ 8.85
.40	.53	.60	.67	.82
.50	(.01)	(1.28)	(.35)	(1.45)
.90	.52	(.68)	.32	(.63)
(.05)	(.11)	(.13)	(.10)	(.17)
(.16)	(.22)	(.39)	(.63)	(.51)
(.28)	(.32)	(.21)	--	--
--	--	(.01)	(.02)	--
--	--	--	(.09)	(.21)
(.49)	(.65)	(.74)	(.84)	(.89)
--	--	--	(.61)	--
--	dPound	-- dPound	--	--
\$ 5.06	\$ 4.65	\$ 4.78	\$ 6.20	\$ 7.33

Edgar Filing: ABERDEEN ASIA PACIFIC INCOME FUND INC - Form N-CSR

-----	-----	-----	-----	-----
\$ 4.25	\$ 4.02	\$ 3.86	\$ 6.00	\$ 5.625
-----	-----	-----	-----	-----
17.01%	18.74%	(26.73)%	20.96%	(23.19)%
19.65%	10.91%	(12.19)%	(5.15)%	(8.10)%
1.51%	1.51%	1.36%	1.26%	1.47%
7.21%	8.48%	8.22%	8.34%	8.51%
36%	47%	64%	89%	61%
\$1,339,871	\$1,241,841	\$1,279,346	\$1,657,365	\$1,428,142
\$1,280,112	\$1,299,044	\$1,530,638	\$1,775,894	\$1,485,690
\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000
326%	308%	316%	376%	338%

NOTE: Contained above is operating performance for a share of common stock outstanding, total investment return, ratios to average net assets of common shareholders and other supplemental data for each of the years indicated. This information has been determined based upon financial information provided in the financial statements and market value data for the Fund's common shares.

See Notes to Financial Statements. Aberdeen Asia-Pacific Income Fund, Inc. 39

Supplemental Proxy Information (unaudited)

The Annual Meeting of Shareholders of Aberdeen Asia-Pacific Income Fund, Inc. was held on April 15, 2003 at the offices of Prudential Financial, Inc., 751 Broad Street, Newark, New Jersey. The meeting was held for the following purposes:

- (1) Election of four Directors to serve as Class III Directors for a three-year term expiring in 2006:
 - David L. Ellum
 - Martin J. Gilbert
 - Peter J. O'Connell
 - William J. Potter

- (2) Election of two directors to represent the interests of the holders of preferred stock for the ensuing year:
 - Dr. Anton E. Schrafl
 - John T. Sheehy

Directors whose term of office continued beyond this meeting are as follows: Anthony E. Aaronson, Beverly Hendry, Howard A. Knight (since deceased), P. Gerald Malone, Neville J. Miles, Peter D. Sacks and Brian M. Sherman.

- (3) Amendment and Restatement of the Fund's charter.

On April 15, 2003, votes were taken with respect to Proposals 1 and 2, regarding the election of directors. However, the Annual Meeting was adjourned to May 6, 2003 to permit the further solicitation of proxies with respect to Proposal 3. At the reconvened meeting on May 6, 2003, votes were taken with respect to Proposal 3.

The results of the voting on the above matters were as follows:

(1)	Election of Class III Directors:		
	Director	Votes For	Votes Withheld
	-----	-----	-----
	David L. Ellum	234,283,667	9,325,112
	Martin J. Gilbert	234,278,198	9,330,581

Edgar Filing: ABERDEEN ASIA PACIFIC INCOME FUND INC - Form N-CSR

Peter J. O'Connell 234,259,707 9,349,072
 William J. Potter 234,316,210 9,292,569
 (2) Election of Preferred Directors:

Director	Votes For	Votes Withheld
-----	-----	-----
Dr. Anton E. Schrafl	22,868	135
John T. Sheehy	22,868	135

(3) Amendment and Restatement of Fund's Charter:

Votes For	Votes Withheld	Votes Against	Broker Non-Votes
-----	-----	-----	-----
133,412,363	8,241,829	13,712,972	88,241,615

40 Aberdeen Asia-Pacific Income Fund, Inc.

Directors

Martin J. Gilbert, Chairman
 Anthony E. Aaronson
 David L. Elsum
 Beverley Hendry
 P. Gerald Malone
 Neville J. Miles
 Peter J. O'Connell
 William J. Potter
 Peter D. Sacks
 Anton E. Schrafl
 John T. Sheehy
 Brian M. Sherman

Officers

Hugh Young, President
 James Blair, Vice President
 Christian Pittard, Treasurer and
 Assistant Secretary
 Roy M. Randall, Secretary
 Timothy Sullivan, Assistant Treasurer
 Simon Bignell, Assistant Treasurer
 Jack R. Benintende, Assistant Treasurer
 Sander M. Bieber, Assistant Secretary

The accompanying Financial Statement as of April 30, 2003 were not audited and accordingly, no opinion is expressed thereon.

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940 that the Fund may purchase, from time to time, shares of its common stock in the open market.

Aberdeen Asia-Pacific Income Fund, Inc. 41

Corporate Information

Investment Manager	Aberdeen Asset Managers (C.I.) Limited P.O. Box 578, 17 Bond Street St. Helier, Jersey JE45XB Channel Islands
Investment Adviser	Aberdeen Asset Management Limited Level 6, 201 Kent Street Sydney, NSW 2000, Australia
Administrator	Prudential Investments LLC Gateway Center Three

Edgar Filing: ABERDEEN ASIA PACIFIC INCOME FUND INC - Form N-CSR

100 Mulberry Street
Newark, NJ 07102-4077

Custodian

State Street Bank and Trust Company
One Heritage Drive
North Quincy, MA 02171

Transfer Agent

EquiServe Trust Company, N.A.
P.O. Box 43011
Providence, RI 02940-3011

Auction Agent

Deutsche Bank Trust Company Americas
Four Albany Street
New York, NY 10006

Independent Auditors

PricewaterhouseCoopers LLP
1177 Avenue of the Americas
New York, NY 10036

Legal Counsel

Dechert LLP
1775 I Street, N.W.
Washington, DC 20006

The Seidler Law Firm
Level 40, Chifley Tower
Two Chifley Square
Sydney, NSW 2000, Australia

Investor Relations

Aberdeen Asset Management
45 Broadway, 31st Floor
New York, NY 10006
1-800-522-5465 or 1-212-968-8800
or e-mail us at:
InvestorRelations@aberdeen-asset.com

(LOGO)
Aberdeen
ASSET MANAGERS

Aberdeen Asset Managers (C.I.) Limited

The common shares of Aberdeen Asia-Pacific Income Fund, Inc. are traded on the American Stock Exchange and on the Pacific Stock Exchange under the symbol "FAX". Information about the Fund's net asset value and market price is published weekly in Barron's and in the Monday edition of The Wall Street Journal.

This report, including the financial information herein, is transmitted to the shareholders of Aberdeen Asia-Pacific Income Fund, Inc. for their general information only. It does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person. Past performance is no guarantee of future returns.

Item 2 -- Code of Ethics -- Not required in this filing

Item 3 -- Audit Committee Financial Expert -- Not required in this filing

Item 4 -- Principal Accountant Fees and Services -- Not required in this filing

Edgar Filing: ABERDEEN ASIA PACIFIC INCOME FUND INC - Form N-CSR

Item 5 -- Reserved

Item 6 -- Reserved

Item 7 -- Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies -- Not required in this filing

Item 8 -- Reserved

Item 9 -- Controls and Procedures

- (a) It is the conclusion of the registrant's principal executive officer and principal financial officer that the effectiveness of the registrant's current disclosure controls and procedures (such disclosure controls and procedures having been evaluated within 90 days of the date of this filing) provide reasonable assurance that the information required to be disclosed by the registrant has been recorded, processed, summarized and reported within the time period specified in the Commission's rules and forms and that the information required to be disclosed by the registrant has been accumulated and communicated to the registrant's principal executive officer and principal financial officer in order to allow timely decisions regarding required disclosure.
- (b) There have been no significant changes in the registrant's internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Item 10 -- Exhibits

- (a) Code of Ethics -- Not required in this filing
- (b) Certifications pursuant to Section 302 of the Sarbanes-Oxley Act -- Attached hereto

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Aberdeen Asia-Pacific Income Fund, Inc.

By: /s/ Hugh Young

Hugh Young,
President of
Aberdeen Asia-Pacific Income Fund, Inc.

Date: July 1, 2003

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Hugh Young

Edgar Filing: ABERDEEN ASIA PACIFIC INCOME FUND INC - Form N-CSR

Hugh Young,
President of
Aberdeen Asia-Pacific Income Fund, Inc.

Date: July 1, 2003

By: /s/ Christian Pittard

Christian Pittard,
Treasurer of
Aberdeen Asia-Pacific Income Fund, Inc.

Date: July 1, 2003

Attached hereto as an exhibit are the certifications pursuant to
Section 906 of the Sarbanes-Oxley Act.