

ABERDEEN ASIA-PACIFIC INCOME FUND INC
Form N-CSRS
July 06, 2005

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

FORM N-CSRS

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT
INVESTMENT COMPANIES

Investment Company Act file number:	811-04611
Exact name of registrant as specified in charter:	Aberdeen Asia-Pacific Income Fund, Inc.
Address of principal executive offices:	800 Scudders Mill Road Plainsboro, New Jersey 08536
Name and address of agent for service:	Mr Beverly Hendry, 300 S.E. 2 nd Street, Suite #820, Fort Lauderdale, Florida 33301
Registrant's telephone number, including area code:	212-968-8800
Date of fiscal year end:	10/31/05
Date of reporting period:	4/30/05

Item 1 Reports to Stockholders [INSERT REPORT]

Semi-Annual Report

April 30, 2005

Letter to Shareholders

June 20, 2005

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, 2005. The Fund's investment objective is to seek current income. The Fund may also achieve incidental capital appreciation.

As used in this report, the term total investments does not include securities purchased with cash collateral received as a result of securities on loan.

Appointment of Independent Chairman of the Board

During the past several months, the Nominating and Corporate Governance Committee of the Board of Directors, composed entirely of independent directors (Committee), has been considering a process of implementing various changes to corporate governance practices. As part of that consideration, the Committee determined that it would be advisable to have an independent director serve as Chairman of the Board. The Committee identified Mr. P. Gerald Malone MA Llb, an independent director, as a well qualified candidate to serve as the Chairman of the Board. At its June 2005 Board meeting, the Directors determined to have an independent director serve as Chairman of the Board, and following the recommendation of the Committee, the Board appointed Mr. Malone to serve as Chairman of the Board.

Net Asset Value Performance

The Fund's net asset value (NAV) return was 7.8% for the six months ended April 30, 2005 and 9.7% per annum since inception, assuming reinvestment of distributions.

Share Price Performance

The Fund's share price fell by 1.4% over the six months, from \$6.34 on October 31, 2004 to \$6.25 on April 30, 2005. The Fund's share price on April 30, 2005 represented a discount of 6.7% to the NAV per share of \$6.70, compared with a discount of 1.2% to the NAV per share of \$6.42 on October 31, 2004. At the date of this letter, the share price was \$6.29, representing a discount of 5.8% to the NAV per share of \$6.68.

Asia: 40.1% of Total Investments Invested in Asian Debt Securities

As of April 30, 2005, the Fund held 40.1% of its total investments in Asian debt securities (including New Zealand). Of the Fund's total investments, 26.6% were held in U.S. dollar denominated bonds issued by foreign issuers, bringing the Fund's total U.S. dollar exposure to 30.6%.

Credit Quality: 80.6% of Total Investments Rated or Deemed Equivalent to A or Better

The credit quality of the Fund's total investments has been maintained. As of April 30, 2005, 80.6% of the portfolio was invested in securities where either the issue or the issuer was rated A or better, or judged by Aberdeen Asset Management Asia Limited (the Investment Manager) to be of equivalent quality.

Distributions

Distributions to common shareholders for the 12 months ended April 30, 2005 totaled 42 cents per share. Based on the share price of \$6.25 on April 30, 2005, the distribution rate over the 12 months then ended was 6.7%. Since all distributions are paid after deducting

Aberdeen Asia-Pacific Income Fund, Inc.

Letter to Shareholders (continued)

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 20, 2005, the Board of Directors declared a monthly distribution of 3.5 cents per share, payable on July 15, 2005 to all shareholders of record as of June 30, 2005.

The 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. 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 2005 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 2005.

Portfolio Holdings Disclosure

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Fund's Forms N-Q are available on the SEC's website at <http://www.sec.gov> and may be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information about the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330. The Fund's schedule of portfolio holdings is part of the Fund's quarterly reports to shareholders, which are available on the Fund's website or upon request and without charge by calling Investor Relations toll-free at 1-800-522-5465.

Proxy Voting

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities, and information regarding how the Fund voted proxies relating to portfolio securities during the twelve months ended June 30, 2004, is available: (i) upon request and without charge by calling Investor Relations toll-free at 1-800-522-5465; and (ii) on the SEC's website at <http://www.sec.gov>.

Investor Relations Information

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

calling toll free on 1-800-522-5465 or 1-954-767-9900 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.

Yours sincerely,

Martin Gilbert

President

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

Aberdeen Asia-Pacific Income Fund, Inc.

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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 may be required to indicate the sources of certain distributions to shareholders.

The Fund estimates that distributions for the fiscal year commencing November 1, 2004, including the distribution paid on June 17, 2005, are comprised of 92% net investment income and 8% 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.

In January 2006, a Form 1099 DIV will be sent to shareholders, which will state the amount and composition of distributions and provide information with respect to their appropriate tax treatment for the 2005 calendar year.

Aberdeen Asia-Pacific Income Fund, Inc.

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 reinvest your distributions in shares of the Fund's common stock at favorable commission rates. Distributions made under the Plan are taxable 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 transaction, with a maximum of \$10,000 per month, and an aggregate annual limit of \$120,000. Under this arrangement, The Bank of New York (the Plan Agent) will purchase shares for you on the American Stock Exchange or otherwise on the open market on or before the investment date. The investment date is the 15th day of each month, but if such date is not a business day, the preceding business day.

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 plan account statement of your holdings at the end of each month.

To request a brochure containing information on the Plan, together with an enrollment form, please contact the Plan Agent, The Bank of New York, Shareholder Relations Department, P.O. Box 11258, Church Street Station, New York, NY 10286 or call toll free on 1-800-432-8224.

Aberdeen Asia-Pacific Income Fund, Inc.

Report of the Investment Manager

Share Price Performance

On April 30, 2005, the Fund's share price was \$6.25, which represented a discount of 6.7% to the NAV per share of \$6.70. As of June 20, 2005, the share price was \$6.29, representing a discount of 5.8% to the NAV per share of \$6.68.

Auction Market Preferred Stock (AMPS)

The Fund's \$600 million of AMPS continued to be well bid at the regular auctions. The average interest rate paid was 2.95% over the quarter ended April 30, 2005, compared with an interest rate of 2.71% for 30-day U.S. commercial paper over the same period. These rates were higher than the preceding quarter. The key driver of the increase in the AMPS interest rate since the quarter ended January 31, 2005 was a general rise in market interest rates following the U.S. Federal Reserve's two tightenings of monetary policy in February 2005 and March 2005, by a cumulative 0.5%. The rates paid to preferred shareholders have increased further since April 30, 2005 to a level of 3.30% as of June 20, 2005.

Over the six months to April 30, 2005, the impact of the AMPS on the net asset value attributable to common shareholders has been positive, as the key currency of the Fund—the Australian dollar—while no longer at the highs reached in November 2004 still strengthened overall against the U.S. dollar. The currency ended the quarter at U.S. \$0.78 to A\$1.00. As of April 30, 2005, approximately 55% of the Fund's portfolio was invested in Australian dollar-denominated securities. Over the 12 months ended April 30, 2005, the Fund's main Asian currencies—the South Korean Won, Philippine Peso, Thai Baht and Singapore Dollar—also strengthened against the U.S. Dollar.

Despite the fact that U.S. short term interest rates rose by 0.5% during the quarter ended April 30, 2005, the Fund's ability to lock in fixed rates for 80% of the outstanding AMPS pursuant to the interest swap agreement referred to on the following page, has helped maintain a positive differential between the AMPS funding rates and the yields at which the Fund invests.

Aberdeen Asia-Pacific Income Fund, Inc.

Report of the Investment Manager (continued)

As previously reported to shareholders, the Fund entered into an interest rate swap agreement, based on an aggregate notional amount of \$480,000,000, which represents 80% of the total AMPS outstanding. Under the terms of the agreement, the Fund receives a floating rate of interest (one month USD-LIBOR BBA rate), and pays fixed rates of interest for the terms and based upon the notional amounts set forth below:

Remaining Term as of April 30, 2005	Amount (in \$ Million)	Fixed Rate Payable (%)
42 months	144	3.54
30 months	144	3.16
18 months	96	2.69
6 months	96	2.1025

A significant 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 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 Hedging Committee of the Board of Directors.

Aberdeen Asia-Pacific Income Fund, Inc.

Report of the Investment Manager (continued)

PORTFOLIO COMPOSITION

Quality of Investments

As of April 30, 2005, 80.6% 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, 2005, compared with the previous six and twelve months:

Date	AAA/Aaa %	AA/Aa %	A %	BBB/Baa %	BB/Ba* %	B* %
April 30, 2005	59.0	2.2	19.4	6.0	11.9	1.5
October 31, 2004	56.7	1.9	20.5	6.0	13.3	1.6
April 30, 2004	52.4	7.4	17.6	6.0	13.3	3.3

* Below investment grade

Geographic Composition

The table below shows the geographical composition (i.e., with U.S. dollar denominated bonds issued by foreign issuers allocated into country of issuance) of the Fund's total investments as of April 30, 2005, compared with the previous six and twelve months:

	April 30, 2005 %	October 31, 2004 %	April 30, 2004 %
Australia	48.2	55.8	55.7
Asia (including NZ)	40.1	40.5	41.3
United States	6.1	3.7	3.0
Canada	0.3		
Western Europe	5.3		
Total Portfolio	100.0	100.0	100.0

Currency Composition

The table below shows the currency composition of the Fund's total investments as of April 30, 2005, compared with the previous six and twelve months:

Date	Australian Dollar %	Asian Currencies (including NZ dollar) %	US Dollar* %	Euro %
April 30, 2005	55.0	14.1	30.6	0.3
October 31, 2004	55.7	13.7	30.6	
April 30, 2004	55.6	13.5	30.9	

* Includes U.S. dollar denominated bonds issued by foreign issuers: 26.6% on April 30, 2005, 26.8% on October 31, 2004, 27.8% on April 30, 2004.

Aberdeen Asia-Pacific Income Fund, Inc.

Report of the Investment Manager (continued)

Maturity Composition

As of April 30, 2005, the average maturity of the Fund's assets was 7.2 years, compared with 7.7 years on October 31, 2004. The following table shows the maturity composition of the Fund's portfolio as of April 30, 2005, 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, 2005	34.1	20.6	31.7	13.6
October 31, 2004	32.0	22.1	32.3	13.6
April 30, 2004	25.0	23.9	40.3	10.8

Aberdeen Asia-Pacific Income Fund, Inc.

Summary of Key Rates

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

	April 30, 2005	October 31, 2004	April 30, 2004
Australia			
90 day bank bills	5.71%	5.44%	5.58%
10 year bonds	5.34%	5.39%	5.95%
Australian Dollar	\$ 0.78	\$ 0.75	\$ 0.72
New Zealand			
90 day bank bills	6.98%	6.79%	5.78%
10 year bonds	5.82%	6.03%	6.22%
New Zealand Dollar	\$ 0.73	\$ 0.68	\$ 0.63
South Korea			
90 day T-bills	3.38%	3.38%	3.82%
10 year bonds	4.59%	3.95%	5.18%
South Korean Won*	(Won) 997.10	(Won) 1119.50	(Won) 1173.35
Thailand			
90 day deposits	1.00%	1.00%	1.00%
10 year bonds	4.30%	4.77%	4.90%
Thai Baht*	฿ 39.46	฿ 41.07	฿ 40.01
Philippines			
90 day T-bills	6.56%	7.95%	7.18%
10 year bonds	11.83%	13.20%	11.67%
Philippines Peso*	(Peso) 54.16	(Peso) 56.33	(Peso) 56.00
Malaysia			
90 day T-bills	2.45%	2.18%	2.58%
10 year bonds	4.61%	4.93%	5.10%
Malaysian Ringgit*	₹ 3.80	₹ 3.80	₹ 3.80
Singapore			
90 day T-bills	1.97%	1.29%	0.65%
10 year bonds	2.87%	3.09%	3.26%
Singapore Dollar*	S\$ 1.63	S\$ 1.67	S\$ 1.70
US\$ Bonds**			
South Korea	4.24%	3.33%	4.13%
Malaysia	4.45%	3.87%	4.52%
Philippines	6.02%	6.03%	6.30%
Hong Kong	4.35%	3.83%	4.35%

* 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 Management Asia Limited

June 2005

Aberdeen Asia-Pacific Income Fund, Inc.

Portfolio of Investments (unaudited)

April 30, 2005

Principal Amount (000)	Description	Moody s Rating	S&P Rating	Value (US\$)
LONG-TERM INVESTMENTS 120.2%				
AUSTRALIA 62.5%				
AUD 2,500	Airservices Australia, 6.50%, 11/15/06		AAA	\$ 1,970,911
AUD 10,000	ANZ Banking Corporation, 6.75%, 3/22/12(a)	A1	A+	7,926,121
AUD 22,000	Australia Postal Corporation, 6.00%, 3/25/09		AAA	17,310,352
AUD 12,000	BHP Finance Limited, 6.25%, 8/15/08	A1	A+	9,470,409
AUD 8,450	Commonwealth of Australia, 7.50%, 7/15/05	Aaa	AAA	6,621,421
AUD 5,000	10.00%, 2/15/06	Aaa	AAA	4,041,304
AUD 11,500	6.75%, 11/15/06	Aaa	AAA	9,174,580
AUD 16,500	10.00%, 10/15/07	Aaa	AAA	14,271,365
AUD 40,000	8.75%, 8/15/08	Aaa	AAA	34,417,196
AUD 173,000	7.50%, 9/15/09	Aaa	AAA	146,387,036
AUD 66,000	5.75%, 6/15/11	Aaa	AAA	52,659,006
AUD 139,000	6.50%, 5/15/13	Aaa	AAA	116,622,643
AUD 28,000	6.25%, 4/15/15	Aaa	AAA	23,354,795
AUD 52,000	6.00%, 2/15/17	Aaa		42,718,531
AUD 10,000	Commonwealth Bank of Australia, 9.00%, 8/15/05	Aaa	AAA	7,878,812
AUD 8,000	6.00%, 9/1/05	Aaa	AAA	6,250,880
AUD 20,000	6.75%, 12/1/07	Aaa	AAA	16,070,772
AUD 25,200	6.25%, 9/1/09	Aaa	AAA	20,172,160
AUD 10,000	GE Capital Australia Limited, 6.75%, 9/15/07	Aaa	AAA	7,969,354
AUD 20,000	5.25%, 8/15/08	Aaa	AAA	15,346,831
AUD 9,500	5.75%, 2/11/10	Aaa	AAA	7,365,846
AUD 4,000	General Property Trust Management, 6.50%, 8/22/13		A+	3,142,052
AUD 4,500	ING Office Finance, 6.25%, 8/19/08		AAA	3,534,324
AUD 10,000	Jem Bonds Limited, 9.00%, 7/15/06		AAA	8,090,322
AUD 4,500	Melbourne Airport, 6.75%, 6/15/08	Aaa	AAA	3,590,218
AUD 7,000	New South Wales Treasury Corporation, 9.25%, 6/20/05	Aaa	AAA	5,488,048
AUD 34,000				