

MORGAN STANLEY DEAN WITTER EMERGING MARKETS DEBT FUND INC  
Form N-Q  
May 27, 2005

[Annotated Form N-Q]

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

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number 811-07694  
MORGAN STANLEY EMERGING MARKETS DEBT FUND, INC.  
(Exact name of registrant as specified in charter)  
1221 AVENUE OF THE AMERICAS 22ND FLOOR NEW YORK, NY 10020  
(Address of principal executive offices) (Zip code)

RONALD E. ROBISON  
1221 AVENUE OF THE AMERICAS 33RD FLOOR NEW YORK, NY, 10020  
(Name and address of agent for service)

Registrant's telephone number, including area code: 1-800-221-6726

Date of fiscal year end: 12/31

Date of reporting period: 3/31/05

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**Item 1. Schedule of Investments.**

The Fund's schedule of investment as of the close of the reporting period prepared pursuant to Rule 12-12 Regulation S-X is as follows:

**Morgan Stanley Emerging Markets Debt Fund, Inc.****First Quarter Report**

**March 31, 2005 (unaudited)**

**Portfolio of Investments**

**(Showing Percentage of Total Value of Investments)**

|                                              |     | <b>Face<br/>Amount<br/>(000)</b> | <b>Value<br/>(000)</b> |
|----------------------------------------------|-----|----------------------------------|------------------------|
| <b>DEBT INSTRUMENTS (94.3%)</b>              |     |                                  |                        |
| Argentina (3.0%)                             |     |                                  |                        |
| Sovereign (3.0%)                             |     |                                  |                        |
| Republic of Argentina                        |     |                                  |                        |
| 6.00%, 3/31/23                               | (a) | \$ 1,724                         | \$ 1,008               |
| 11.375%, 3/15/10-1/30/17                     | (a) | 2,599                            | 793                    |
| 11.75%, 4/7/09-6/15/15                       | (a) | 11,850                           | 3,614                  |
| 12.125%, 5/21/05                             | (a) | 1,500                            | 496                    |
| Republic of Argentina (Linked Variable Rate) |     |                                  |                        |
| 87.961%, 4/10/05                             | (a) | 4,090                            | 1,452                  |
|                                              |     |                                  | 7,363                  |
| Brazil (15.3%)                               |     |                                  |                        |
| Sovereign (15.3%)                            |     |                                  |                        |
| Federative Republic of Brazil                |     |                                  |                        |
| 3.063%, 4/15/24                              | (b) | 5,280                            | 4,792                  |
| 6.00%, 4/15/24                               | (b) | 1,490                            | 1,341                  |
| 8.00%, 4/15/14                               | (c) | 11,453                           | 11,374                 |
| 8.875%, 10/14/19-4/15/24                     |     | 5,228                            | 4,998                  |
| 10.50%, 7/14/14                              |     | 3,920                            | 4,322                  |
| 11.00%, 8/17/40                              |     | 2,335                            | 2,602                  |
| 14.50%, 10/15/09                             |     | 6,040                            | 7,616                  |
|                                              |     |                                  | 37,045                 |
| Bulgaria (1.6%)                              |     |                                  |                        |
| Sovereign (1.6%)                             |     |                                  |                        |
| Republic of Bulgaria                         |     |                                  |                        |
| 8.25%, 1/15/15                               | (d) | 1,699                            | 2,064                  |
| Republic of Bulgaria (Registered)            |     |                                  |                        |
| 8.25%, 1/15/15                               |     | 1,490                            | 1,811                  |
|                                              |     |                                  | 3,875                  |
| Chile (1.9%)                                 |     |                                  |                        |

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|                                    |     |       |        |       |
|------------------------------------|-----|-------|--------|-------|
| Corporate (1.9%)                   |     |       |        |       |
| Empresa Nacional de Petroleo       |     |       |        |       |
| 6.75%, 11/15/12                    | (d) | 4,170 |        | 4,499 |
| Colombia (2.4%)                    |     |       |        |       |
| Sovereign (2.4%)                   |     |       |        |       |
| Republic of Colombia               |     |       |        |       |
| 9.75%, 4/9/11                      |     | 2,833 |        | 3,130 |
| 10.375%, 1/28/33                   |     | 370   |        | 394   |
| 11.75%, 2/25/20                    |     | 1,865 |        | 2,229 |
|                                    |     |       |        | 5,753 |
| Ecuador (1.4%)                     |     |       |        |       |
| Sovereign (1.4%)                   |     |       |        |       |
| Republic of Ecuador                |     |       |        |       |
| 8.00%, 8/15/30                     | (e) | 3,690 |        | 3,340 |
| India (0.0%)                       |     |       |        |       |
| Corporate (0.0%)                   |     |       |        |       |
| Surashtra Cement and Chemical Ltd. |     |       |        |       |
| 19.00%, (expired maturity)         | (f) | INR   | 30,000 | @     |

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|                                       |        |    |        |        |
|---------------------------------------|--------|----|--------|--------|
| Indonesia (2.7%)                      |        |    |        |        |
| Corporate (2.7%)                      |        |    |        |        |
| Pindo Deli Finance (Mauritius)        |        |    |        |        |
| 10.75%, 10/1/07                       | (d)(a) | \$ | 11,610 | 3,541  |
| Tjiwi Kimia Finance Mauritius Ltd.    |        |    |        |        |
| 10.00%, (expired maturity)            | (a)    |    | 2,130  | 905    |
| Tjiwi Kimia International Global Bond |        |    |        |        |
| 13.25%, (expired maturity)            |        |    | 4,990  | 2,121  |
|                                       |        |    |        | 6,567  |
| Ivory Coast (0.2%)                    |        |    |        |        |
| Sovereign (0.2%)                      |        |    |        |        |
| Republic of Ivory Coast               |        |    |        |        |
| 2.00%, 3/29/18                        | (a)    |    | 2,045  | 363    |
| Malaysia (3.8%)                       |        |    |        |        |
| Sovereign (3.8%)                      |        |    |        |        |
| Government of Malaysia                |        |    |        |        |
| 7.50%, 7/15/11                        |        |    | 1,390  | 1,576  |
| 8.75%, 6/1/09                         |        |    | 6,720  | 7,715  |
|                                       |        |    |        | 9,291  |
| Mexico (20.1%)                        |        |    |        |        |
| Corporate (7.7%)                      |        |    |        |        |
| Pemex Project Funding Master Trust    |        |    |        |        |
| 4.31%, 6/15/10                        | (b)(d) |    | 4,250  | 4,346  |
| 8.625%, 12/1/23                       | (d)    |    | 1,740  | 1,979  |
| 9.125%, 10/13/10                      |        |    | 4,040  | 4,676  |
| 9.50%, 9/15/27                        | (d)    |    | 4,860  | 5,978  |
| Satelites Mexicanos S.A. de CV, B     |        |    |        |        |
| 10.125%, (expired maturity)           | (a)    |    | 3,343  | 1,722  |
|                                       |        |    |        | 18,701 |
| Sovereign (12.4%)                     |        |    |        |        |
| United Mexican States                 |        |    |        |        |
| 8.125%, 12/30/19                      |        |    | 5,363  | 6,159  |
| 8.30%, 8/15/31                        |        |    | 1,940  | 2,226  |
| 8.375%, 1/14/11                       | (c)    |    | 10,210 | 11,644 |
| 10.375%, 2/17/09                      |        |    | 3,430  | 4,063  |
| 11.50%, 5/15/26                       |        |    | 3,939  | 5,968  |
|                                       |        |    |        | 30,060 |
|                                       |        |    |        | 48,761 |
| Nigeria (1.1%)                        |        |    |        |        |
| Sovereign (1.1%)                      |        |    |        |        |
| Central Bank of Nigeria Par Bond      |        |    |        |        |
| 6.25%, 11/15/20                       | (e)    |    | 3,000  | 2,775  |
| Panama (3.9%)                         |        |    |        |        |
| Sovereign (3.9%)                      |        |    |        |        |
| Republic of Panama                    |        |    |        |        |
| 8.875%, 9/30/27                       |        |    | 2,650  | 2,862  |
| 9.375%, 4/1/29                        |        |    | 1,890  | 2,164  |
| 9.625%, 2/8/11                        |        |    | 2,380  | 2,701  |
| 10.75%, 5/15/20                       |        |    | 1,390  | 1,731  |
|                                       |        |    |        | 9,458  |
| Peru (2.3%)                           |        |    |        |        |
| Sovereign (2.3%)                      |        |    |        |        |
| Republic of Peru                      |        |    |        |        |
| 5.00%, 3/7/17                         | (b)    |    | 1,683  | 1,578  |
| 8.375%, 5/3/16                        |        |    | 1,610  | 1,683  |
| 9.875%, 2/6/15                        |        |    | 1,965  | 2,279  |
|                                       |        |    |        | 5,540  |
| Philippines (4.6%)                    |        |    |        |        |

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|                         |       |        |
|-------------------------|-------|--------|
| Sovereign (4.6%)        |       |        |
| Republic of Philippines |       |        |
| 8.875%, 3/17/15         | 8,060 | 8,181  |
| 9.50%, 2/2/30           | 2,990 | 2,930  |
|                         |       | 11,111 |

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|                                                                       |        |                 |         |
|-----------------------------------------------------------------------|--------|-----------------|---------|
| Qatar (0.7%)                                                          |        |                 |         |
| Sovereign (0.7%)                                                      |        |                 |         |
| State of Qatar (Registered)                                           |        |                 |         |
| 9.75%, 6/15/30                                                        |        | 1,260           | 1,819   |
| Russia (16.6%)                                                        |        |                 |         |
| Sovereign (16.6%)                                                     |        |                 |         |
| Aries Vermoegensverwaltungs GmbH                                      |        |                 |         |
| 9.60%, 10/25/14                                                       |        | 4,250           | 5,132   |
| Russian Federation                                                    |        |                 |         |
| 5.00%, 3/31/30                                                        | (d)(e) | 4,684           | 4,837   |
| Russian Federation (Registered)                                       |        |                 |         |
| 5.00%, 3/31/30                                                        | (e)    | 5               | 5       |
| 8.25%, 3/31/10                                                        |        | 3,820           | 4,135   |
| 11.00%, 7/24/18                                                       |        | 7,051           | 9,748   |
| 12.75%, 6/24/28                                                       |        | 10,080          | 16,525  |
|                                                                       |        |                 | 40,382  |
| Tunisia (0.3%)                                                        |        |                 |         |
| Sovereign (0.3%)                                                      |        |                 |         |
| Banque Centrale de Tunisie                                            |        |                 |         |
| 7.375%, 4/25/12                                                       |        | 750             | 834     |
| Turkey (6.9%)                                                         |        |                 |         |
| Sovereign (6.9%)                                                      |        |                 |         |
| Citigroup Global Markets Holdings, Inc. (Turkish Lira Index Linked)   |        |                 |         |
| Zero Coupon, 2/23/06                                                  |        | 2,210           | 2,842   |
| Zero Coupon, 2/23/06                                                  |        | 1,880           | 2,474   |
| Zero Coupon, 2/23/06                                                  |        | 1,690           | 2,302   |
| Republic of Turkey                                                    |        |                 |         |
| 11.00%, 1/14/13                                                       |        | 4,770           | 5,796   |
| 11.50%, 1/23/12                                                       |        | 2,700           | 3,297   |
|                                                                       |        |                 | 16,711  |
| Ukraine (1.1%)                                                        |        |                 |         |
| Sovereign (1.1%)                                                      |        |                 |         |
| Republic of Ukraine                                                   |        |                 |         |
| 6.365%, 8/5/09                                                        | (b)(d) | 2,480           | 2,654   |
| Venezuela (4.4%)                                                      |        |                 |         |
| Sovereign (4.4%)                                                      |        |                 |         |
| Republic of Venezuela                                                 |        |                 |         |
| 8.50%, 10/8/14                                                        |        | 1,510           | 1,491   |
| 9.25%, 9/15/27                                                        |        | 1,480           | 1,473   |
| 9.375%, 1/13/34                                                       |        | 2,380           | 2,362   |
| 10.75%, 9/19/13                                                       |        | 4,890           | 5,453   |
|                                                                       |        |                 | 10,779  |
| <b>TOTAL DEBT INSTRUMENTS</b>                                         |        |                 |         |
| (Cost \$224,181)                                                      |        |                 | 228,920 |
|                                                                       |        | <b>No. of</b>   |         |
|                                                                       |        | <b>Warrants</b> |         |
| <b>WARRANTS (0.1%)</b>                                                |        |                 |         |
| Nigeria (0.0%)                                                        |        |                 |         |
| Central Bank of Nigeria, expiring 11/15/20                            | (f)(g) | 8,750           | @       |
| Venezuela (0.1%)                                                      |        |                 |         |
| Republic of Venezuela Oil-Linked Payment Obligation, expiring 4/15/20 | (b)(g) | 11,350          | 241     |
| <b>TOTAL WARRANTS</b>                                                 |        |                 |         |
| (Cost \$@ )                                                           |        |                 | 241     |

|                                                                                                           | Face<br>Amount<br>(000) |
|-----------------------------------------------------------------------------------------------------------|-------------------------|
| <b>SHORT-TERM INVESTMENT (5.6%)</b>                                                                       |                         |
| United States (5.6%)                                                                                      |                         |
| Repurchase Agreement                                                                                      |                         |
| J.P. Morgan Securities, Inc., 2.78%, dated 3/31/05, due 4/1/05, repurchase price \$13,557 (Cost \$13,556) | (h) \$ 13,556           |
| <b>TOTAL INVESTMENTS + (100.0%) (Cost \$237,737)</b>                                                      | <b>242,717</b>          |
| <b>LIABILITIES IN EXCESS OF OTHER ASSETS</b>                                                              | <b>(19,816)</b>         |
| <b>NET ASSETS</b>                                                                                         | <b>\$ 222,901</b>       |

(a) Security is in default.

(b) Variable/Floating Rate Security Interest rate changes on these instruments are based on changes in designated base rates. The rates shown are those in effect on March 31, 2005.

(c) Denotes all or a portion of securities subject to repurchase under the Reverse Repurchase Agreements as of March 31, 2005.

(d) 144A Security - Certain conditions for public sale may exist. Unless otherwise noted, these securities are deemed to be liquid.

(e) Step Bond - coupon rate increases to maturity. Rate disclosed is as of March 31, 2005. Maturity date disclosed is ultimate maturity.

(f) Security was valued at fair value. At March 31, 2005, the Fund held fair valued securities, each valued at less than \$500, representing less than 0.05% of net assets.

(g) Non-income producing security.

(h) Represents the Fund's undivided interest in a joint repurchase agreement which has a total value of \$955,894,000. The repurchase agreement was fully collateralized by U.S. government agency securities at the date of this Portfolio of Investments as follows: Federal Home Loan Mortgage Corp., Gold Pools: 4.00% to 7.50%, due 1/1/07 to 1/1/35; Federal National Mortgage Association, Conventional Pools: 4.00% to 8.50%, due 1/1/09 to 3/1/35; and Federal National Mortgage Association, Adjustable Rate Mortgages: 4.091% to 5.327%, due 3/1/34 to 5/1/38, which had a total value of \$975,016,856. The investment in the repurchase agreement is through participation in a joint account with affiliated parties pursuant to exemptive relief received by the Fund from the SEC.

+ At March 31, 2005, the U.S. Federal income tax cost basis of investments was approximately \$237,737,000 and, accordingly, net unrealized appreciation for U.S. Federal income tax purposes was \$4,980,000 of which \$14,526,000 related to appreciated securities and \$9,546,000 related to depreciated securities.

@ Value/Face Amount is less than \$500.

INR Indian Rupee

**Futures Contracts:**

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The Fund had the following futures contract(s) open at period end:

|               | Number of<br>Contracts | Value<br>(000) | Expiration<br>Date | Net<br>Unrealized<br>Appreciation<br>(Depreciation)<br>(000) |
|---------------|------------------------|----------------|--------------------|--------------------------------------------------------------|
| <b>Short:</b> |                        |                |                    |                                                              |
| U.S. Treasury |                        |                |                    |                                                              |
| 2 yr. Note    | 310                    | \$ 64,136      | Jun-05             | \$ 118                                                       |



**Item 2. Controls and Procedures.**

(a) The Fund's principal executive officer and principal financial officer have concluded that the Fund's disclosure controls and procedures are sufficient to ensure that information required to be disclosed by the Fund in this Form N-Q was recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, based upon such officers' evaluation of these controls and procedures as of a date within 90 days of the filing date of the report.

(b) There were no changes in the Fund's internal control over financial reporting that occurred during the registrant's fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Fund's internal control over financial reporting.

**Item 3. Exhibits.**

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**SIGNATURES**

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.

(Registrant) Morgan Stanley Emerging Markets Debt  
Fund, Inc.

By: /s/ Ronald E. Robison

Name: Ronald E. Robison

Title: Principal Executive Officer

Date: May 19, 2005

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

By: /s/ Ronald E. Robison

Name: Ronald E. Robison

Title: Principal Executive Officer

Date: May 19, 2005

By: /s/ James Garrett

Name: James Garrett

Title: Principal Financial Officer

Date: May 19, 2005

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