

NEW GERMANY FUND INC  
Form N-Q  
November 29, 2006  
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

**FORM N-Q**

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

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Investment Company Act file number 811-5983

**New Germany Fund, Inc.**

(Exact name of registrant as specified in charter)

Two International Place

**Boston, MA 02110**

(Address of principal executive offices)                      (Zip code)

Paul Schubert

345 Park Avenue

New York, NY 10154

(Name and address of agent for service)

Registrant's telephone number, including area code: (212) 454-7190

Date of fiscal year end: 12/31

Date of reporting period: 09/30/06

Form N-Q is to be used by registered management investment companies, other than small business investment companies registered on Form N-5 (§§ 239.24 and 274.5 of this chapter), to file reports with the Commission, not later than 60 days after the close of the first and third fiscal quarters, pursuant to rule 30b1-5 under the Investment Company Act of 1940 (17 CFR 270.30b1-4). The Commission may use the information provided on Form N-Q in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-Q, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-Q unless the Form displays a currently valid Office of

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Management and Budget ("OMB") control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

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## ITEM 1. SCHEDULE OF INVESTMENTS

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THE NEW GERMANY FUND, INC.

SCHEDULE OF INVESTMENTS SEPTEMBER 30, 2006 (unaudited)

Shares	Description	Value
	INVESTMENTS IN GERMAN SECURITIES	86.6%
	COMMON STOCKS 78.1%	
	AEROSPACE & DEFENSE 1.6%	
145,000	MTU Aero Engines Holding AG*	\$5,416,218
	AIRPORTS, FLYING FIELDS & AIRLINES 2.4%	
204,400	Air Berlin PLC	3,238,463
75,000	Fraport AG	5,158,091
	8,396,554	
	BIOTECHNOLOGY 0.9%	
160,000	GPC Biotech*	3,025,776
	CHEMICALS 9.0%	
505,000	GEA Group*	9,102,044
180,200	K + S	14,435,101
170,000	Lanxess*	7,293,829
5,000	Wacker Chemie AG	588,120
	31,419,094	
	COMMERCIAL SERVICES & SUPPLIES 0.5%	
50,000	Interseroh AG	1,787,175
	CONSTRUCTION & ENGINEERING 1.7%	
97,200	Bilfinger Berger AG	5,764,575
	DIVERSIFIED FINANCIALS 5.3%	
190,000	Bayer Hypovereinsbank	8,308,463
90,000	Deutsche Postbank AG	6,827,389
25,000	Interhyp AG	2,259,636
20,000	Sixt AG	922,740
	18,318,228	
	DIVERSIFIED TELECOMMUNICATION SERVICES 1.7%	
255,000	Mobilcom AG	5,911,557
	ELECTRICAL EQUIPMENT 3.1%	
40,000	Conergy AG	1,931,163
160,000	SGL Carbon AG*	3,078,504
107,000	Solarworld AG	5,876,523
	10,886,190	
	ELECTRONIC EQUIPMENT & INSTRUMENTS 7.4%	
492,720	Kontron AG*	6,107,831
130,000	Q-Cells AG	5,322,233
321,600	Suss MicroTec AG*	3,432,228

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Shares	Description	Value	
150,000	Utimaco Safeware AG*		\$2,214,956
60,000	Wincor Nixdorf AG	8,719,133	
	25,796,381		
	HEALTHCARE PROVIDERS & SERVICES	0.9%	
71,000	Rhoen-Klinikum	3,186,634	
	HOUSEHOLD PRODUCTS	1.5%	
99,483	Beiersdorf AG	5,292,195	
	INTERNET SOFTWARE & SERVICES	3.0%	
760,000	United Internet AG	10,451,805	
	INVESTORS	1.3%	
55,000	MPC Muenchmeyer Peterson Cap		4,576,626
	LIFE INSURANCE	1.6%	
42,000	AMB Generali Holding AG		5,717,971
	MACHINERY	7.4%	
145,000	Heidelberger Druckmaschinen		5,974,932
38,000	Krones AG	5,013,013	
65,234	Pfeiffer Vacuum Technology		4,254,097
146,709	Rheinmetall AG	10,673,740	
	25,915,782		
	METALS & MINING	4.0%	
150,000	Salzgitter AG	14,090,164	
	MULTILINE RETAIL	1.8%	
134,625	Douglas Holding AG	6,296,512	
	PHARMACEUTICALS	11.8%	
216,000	Celesio AG	11,255,096	
142,000	Merck KGAA	15,050,346	
65,000	Schwarz Pharma AG	7,550,814	
145,000	Stada Arzneimittel	7,404,798	
	41,261,054		
	REAL ESTATE	4.0%	
60,000	Deutsche Euroshop AG		4,157,654
270,000	IVG Holding AG*	9,767,102	
	13,924,756		
	SOFTWARE	2.4%	
135,000	Software AG	8,261,312	
	SPECIALTY RETAIL	1.6%	
130,000	Hugo Boss Ag -Ord	5,753,943	

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THE NEW GERMANY FUND, INC.

SCHEDULE OF INVESTMENTS SEPTEMBER 30, 2006 (unaudited) (continued)

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Shares	Description	Value	
	TEXTILES, APPAREL & LUXURY GOODS	3.2%	
33,000	Puma AG	\$11,251,598	
	Total Common Stocks (cost \$172,744,658)		
	272,702,100		
	PREFERRED STOCKS	8.5%	
	DIVERSIFIED FINANCIAL SERVICES	0.3%	
32,600	Sixt AG	1,116,067	
	ELECTRICAL EQUIPMENT	2.5%	
222,800	Sartorius AG	8,683,769	
	HEALTHCARE PROVIDERS & SERVICES	4.4%	
85,354	Fresenius AG	15,225,043	
	MEDIA	1.3%	
163,400	Prosieben Sat.1 Media AG	4,525,343	
	Total Preferred Stocks (cost \$12,254,918)	29,550,222	
	Total Investments in German Securities (cost \$184,999,576)	302,252,322	
	INVESTMENTS IN DUTCH COMMON STOCKS	5.3%	
	AEROSPACE & DEFENSE	5.3%	
640,000	European Aeronautic Defence and Space Company (cost \$6,201,367)	18,487,248	
	INVESTMENTS IN IRISH COMMON STOCKS	3.8%	
	DIVERSIFIED FINANCIAL SERVICES	3.8%	
710,000	Depfa Bank PLC (Cost \$4,407,317)	13,102,908	
	INVESTMENTS IN ITALIAN COMMON STOCKS	1.0%	
	COMMERCIAL BANKS	1.0%	
70,000	Banca Italease* (Cost \$1,615,617)	3,451,403	
Shares	Description	Value	
	INVESTMENTS IN SWISS COMMON STOCKS	0.2%	
	OIL & GAS EXPLORATION & PRODUCTION	0.2%	
78,800	Biopetrol Industries AG (Cost \$756,589)	\$828,996	
	Total Investments in Common Stocks (cost \$197,980,466)	338,122,877	
	SECURITIES LENDING COLLATERAL	10.3%	
35,900,544	Daily Assets Fund Institutional, 5.31%	(cost \$35,900,544)	35,900,544
	Total Investments	107.2% (cost \$233,881,010)	374,023,421
	Liabilities in excess of cash and other assets	(7.2)%	(25,171,205)
	NET ASSETS	100.0%	\$348,852,216

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\* Non-income producing security.

All or a portion of these securities were on loan. The value of all securities loaned at September 30, 2006 amounted to \$34,487,635 which is 10.0% of the net assets.

Represents collateral held in connection with securities lending. Daily Assets Fund Institutional, an affiliated fund, is managed by Deutsche Asset Management, Inc. The rate shown is the annualized seven-day yield at period end.

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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: New Germany Fund, Inc.

By: /s/Michael G. Clark  
Michael G. Clark  
President

Date: November 21, 2006

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.

Registrant: New Germany Fund, Inc.

By: /s/Michael G. Clark  
Michael G. Clark  
President

Date: November 21, 2006

By: /s/Paul Schubert  
Paul Schubert  
Chief Financial Officer and Treasurer

Date: November 21, 2006