

ABERDEEN ASIA-PACIFIC INCOME FUND INC
Form N-CSR
January 09, 2009

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: 811-04611

Aberdeen Asia-Pacific Income Fund, Inc.

Exact name of registrant as specified in charter:

800 Scudders Mill Road,

Plainsboro,

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New Jersey 08536
Address of principal executive offices:

Megan Kennedy

Aberdeen Asset Management Inc.

1735 Market Street

37th Floor

Philadelphia, PA 19103
Name and address of agent for service:

Registrant's telephone number, including area code: 800-522-5465

Date of fiscal year end: 10/31/08

Date of reporting period: 10/31/08

Item 1 Reports to Stockholders

08

Invests primarily in Australian and Asian debt securities.

Aberdeen Asia-Pacific Income Fund, Inc.

Annual Report

October 31, 2008

[GRAPHIC]

Letter to Shareholders (unaudited)

December 11, 2008

Dear Shareholder,

We present this Annual Report which covers the activities of Aberdeen Asia-Pacific Income Fund, Inc. (the Fund) for the year ended October 31, 2008. The Fund's investment objective is to seek current income. The Fund may also achieve incidental capital appreciation.

Net Asset Value Performance

The Fund's total return based on net asset value (NAV) was 24.32% over the year ended October 31, 2008 and 7.8% per annum since inception, assuming the reinvestment of distributions.

Share Price Performance

The Fund's share price decreased by 33.5% over the year, from \$6.29 on October 31, 2007 to \$4.18 on October 31, 2008. The Fund's share price on October 31, 2008 represented a discount of 14.9% to the NAV per share of \$4.91 on that date, compared with a discount of 10.0% to the NAV per share of \$6.99 on October 31, 2007. At the date of this letter, the share price was \$3.89 representing a discount of 23.7% to the NAV per share of \$5.10.

Asia: 48.5% of Total Investments Invested in Asian Debt Securities

As of October 31, 2008, the Fund held 48.5% of its total investments in Asian debt securities (including New Zealand). Of the Fund's total investments, 29.4% were held in U.S. dollar denominated bonds issued by foreign issuers, bringing the Fund's total U.S. dollar exposure to 37.6%.

Credit Quality: 71.9% of Securities Rated or Deemed Equivalent to A or Better

As of October 31, 2008, 71.9% of the Fund's 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 twelve months ended October 31, 2008 totaled 42 cents per share. Based on the share price of \$4.18 on October 31, 2008, the distribution rate over the twelve months then ended was 10.0%. Since all distributions are paid after deducting applicable withholding taxes, the effective distribution rate may be higher for those U.S.

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investors who are able to claim a tax credit.

On December 9, 2008, the Board of Directors authorized a monthly distribution of 3.5 cents per share, payable on January 16, 2009 to common shareholders of record as of December 31, 2008 and authorized a special distribution of 5.0 cents per share payable on January 16, 2009 to common shareholders of record as of December 31, 2008.

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 the Fund does not generate earnings from dividends, interest and net realized capital gains equal to or in excess of the aggregate distributions paid by the Fund, paid-in capital, which is a non-taxable return of capital. It is the Board's intention that the monthly distribution of 3.5 cents per share be maintained for twelve months, beginning with the July 11, 2008 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 March 2009.

Share Repurchase Policy

The Board's policy is generally to buy back Fund shares on the open market when the Fund trades at certain discounts to NAV. During the fiscal year ended October 31, 2008, the Fund repurchased 3,344,500 shares through this program.

Revolving Credit Facility and Leverage

The Fund has entered into a \$600 million loan facility with a syndicate led by The Bank of Nova Scotia. Under the terms of the loan facility and applicable regulation, the Fund is required to maintain certain asset coverage ratios for the amount of its borrowings outstanding. Following the broader market declines in October 2008, the Fund's management determined to pay down \$80 million of the loan facility in order to maintain compliance with these asset coverage ratios. Subsequent to fiscal year end, the Fund paid down an additional \$30 million on the loan balance. The Fund's Board of Directors continues to evaluate the use of leverage for the Fund. In December 2008, the Fund's Board of Directors authorized the Fund to use reverse repurchase agreements as another form of leverage. The Fund may implement a reverse repurchase agreement program if the Board determines it would be advantageous for the Fund and stockholders to do so.

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, D.C. Information about the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330. The Fund makes the information on Form N-Q available to shareholders on the Fund's website or upon request and without charge by calling Investor Relations toll-free at 1-800-522-5465.

Amendments to Bylaws

In December 2008, the Fund's Board of Directors adopted amendments to the Fund's Amended and Restated Bylaws dated as

Aberdeen Asia-Pacific Income Fund, Inc.

Letter to Shareholders (unaudited) (concluded)

of December 12, 2007 (Bylaws) pertaining to certain corporate governance matters. Many of these amendments reflect recent changes to the Maryland general corporation law; other amendments were also approved to conform the Bylaws to those of the other closed-end funds managed by the Investment Manager. The amended Bylaws include:

Updates to the procedures required for shareholders to call a special meeting of shareholders, including provisions that (a) clarify which shareholders may call a special meeting; (b) establish procedures to fix a record date; (c) establish procedures to set the date, time and place of special shareholders meetings; (d) address revocation of requests for special shareholders meetings; and (e) allow for verification of the validity of a shareholder request for a special meeting.

Enhancements to the advance notice provisions of the Bylaws. These amendments require shareholders to notify the Secretary of the Fund of Director nominations and other shareholder proposals to be brought at an annual meeting, beginning with the 2010 annual meeting of shareholders, not earlier than the 150th day and not later than 5:00 p.m., Eastern Time, on the 120th day prior to the first anniversary of the date of the preceding year's proxy statement.

Additionally, the enhanced advanced notice provisions (a) expand the information required to be provided by the shareholder making the proposal or nomination, including information regarding hedging activities and investment strategies of such shareholder and the shareholder's affiliates; and (b) require shareholders to update or correct any previously-submitted information.

Clarification that only those individuals nominated in compliance with the advance notice provisions of the Bylaws are eligible to serve as Directors, and that individuals must meet the substantive qualification requirements at both the time of nomination and at the time of election.

Revisions to the vote required to elect Directors of the Fund; the vote required to elect a Director will be the affirmative vote of a majority of the shares of stock outstanding and entitled to vote in the election of such Director.

Clarification that the Board and shareholders may ratify prior actions or inactions by the Fund, and amendments providing that matters questioned in litigation may be ratified and that any such ratification bars any claim or execution of any judgment as to such questioned matter.

Other amendments relating to corporate governance and the conduct of shareholder meetings.

Amendments that vest in the Board the exclusive power to amend the Bylaws.

Amendments providing that directors and officers are entitled to indemnification and reimbursement to the maximum extent permitted by Maryland law and the Investment Company Act of 1940, as amended.

Any shareholder who would like a copy of the Fund's bylaws may obtain a copy by calling Investor Relations toll-free at 1-800-522-5465 or by visiting the web site of the Securities and Exchange Commission at <http://www.sec.gov>.

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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, 2008, 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, daily updates of share price, NAV and details of distributions, please contact Aberdeen Asset Management Inc. by:

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

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

Yours sincerely,

Vincent Esposito

President

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

Aberdeen Asia-Pacific Income Fund, Inc.

Distribution Disclosure Classification (unaudited)

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, as amended (the "1940 Act"), the Fund may be required to indicate the sources of certain distributions to shareholders. 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 distributions for the fiscal year ended October 31, 2008, consisted entirely of net investment income.

In January 2009, 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 2008 calendar year.

Dividend Reinvestment and Cash Purchase Plan (unaudited)

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 Mellon Corporation (the "Plan Agent") will purchase shares for you on the New York 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 benefit from:

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Automatic reinvestment the Plan Agent will automatically reinvest your distributions, allowing you to gradually grow your holdings in the Fund;

Lower costs shares are purchased on your behalf under the Plan at low 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 Mellon Corporation

Shareholder Relations Department

480 Washington Blvd.

Jersey City, NJ 07310

or call toll free at 1-866-221-1606.

Aberdeen Asia-Pacific Income Fund, Inc.

Report of the Investment Manager (unaudited)

Share Price Performance

On October 31, 2008, the Fund's share price was \$4.18, which represented a discount of 14.9% to the NAV per share of \$4.91. As of December 11, 2008, the share price was \$3.89, representing a discount of 23.7% to the NAV per share of \$5.10.

Redemption of the Auction Market Preferred Stock

On April 18, 2008, the Fund announced that it would redeem all the issued and outstanding shares of its series of Auction Market Preferred Stock (the "AMPS") pursuant to their terms and replace the AMPS with debt financing from a loan of an equivalent amount from a syndicate of major financial institutions led by The Bank of Nova Scotia. The Fund undertook this transaction in response to liquidity issues in the AMPS market. In early February 2008, for the first time in the history of the Fund's AMPS program, the Fund did not receive sufficient hold orders and purchase requests for its AMPS. As a result, the amount sold by each selling AMPS holder was reduced pro rata or to zero. In addition, the dividend rate on the AMPS, which was normally set by means of a Dutch Auction procedure, automatically reset to the maximum rate permitted under the AMPS program.

On April 21, 2008, the Fund entered into the loan facility with a syndicate led by The Bank of Nova Scotia in the amount of \$600 million, with an initial draw of \$325 million and subsequent draws of \$100 million on April 24, 2008 and May 2, 2008, and a final draw of \$75 million on May 12, 2008 to redeem respective series of the Fund's AMPS. For the year ended, October 31, 2008, the average interest rate on the loan facility was 3.53% and the average balance of the loan facility was \$581,871,795. During October 2008, the Fund paid down \$80 million of the loan facility.

Loan Facility and the Use of Leverage

The Fund utilizes leverage to seek to increase the yield for its common stockholders. Until April 21, 2008, the Fund had issued AMPS for its leverage. The AMPS were redeemed and the leverage for investment purposes now involves borrowing under a loan facility. The amounts borrowed from the line of credit may be invested at higher rates than the rates in the Fund's portfolio. However, the cost of leverage could exceed the income earned by the Fund on the proceeds of such leverage. To the extent that the Fund is unable to invest the proceeds from the use of leverage in assets which pay interest at a rate which exceeds the rate paid on the leverage, the yield on the Fund's common stock will decrease. In addition, in the event of a general market decline in the value of assets in which the Fund invests, the effect of that decline will be magnified in the Fund because of the additional assets purchased with the proceeds of the leverage. Non-recurring expenses in connection with the implementation of the loan facility and the redemption of the AMPS will also reduce the Fund's performance.

The Fund's leveraged capital structure creates special risks not associated with unleveraged funds having similar investment objectives and policies. The funds borrowed pursuant to the loan facility may constitute a substantial lien and burden by reason of their prior claim against the income of the Fund and against the net assets of the Fund in liquidation. The Fund is not permitted to declare dividends or other distributions in the event of default under the loan facility. As described below, in the event of a default under the credit agreement, the lenders have the right to cause a liquidation of the collateral (i.e., sell portfolio securities and other assets of the Fund) and, if any such default is not cured, the lenders may be able to control the liquidation as well. The loan facility has a term of 364 days and is not a perpetual form of leverage; there can be no assurance that the loan facility will be available for renewal on acceptable terms, if at all.

The credit agreement governing the loan facility includes usual and customary covenants for this type of transaction. These covenants impose on the Fund asset coverage requirements, fund composition requirements and limits on certain investments, such as illiquid investments, which are more stringent than those imposed on the Fund by the 1940 Act. The covenants or guidelines could impede the Investment Manager or Investment Adviser from fully managing the Fund's portfolio in accordance with the Fund's investment objective and policies. These covenants also include limits on the Fund's ability to (i) issue preferred shares or forms of indebtedness, (ii) incur liens, (iii) change its investment objective or fundamental investment restrictions without the approval of lenders, (iv) amend the Fund's organizational documents in a manner which could adversely affect the rights and remedies of the lenders, or (v) create, incur, assume or permit to exist certain debt except for certain specified types of debt. In addition, the credit agreement does not permit the Fund's asset coverage ratio (as defined in the agreement) to fall below 300% at any time.

Furthermore, non-compliance with such covenants or the occurrence of other events could lead to the cancellation of the loan facility. These other events include, but are not limited to:

Non-payment by the Fund of certain obligations to the lenders and other parties;

Involuntary or voluntary liquidation, reorganization or other debt relief proceedings are commenced against or by the Fund;

Aberdeen Asset Management Limited ceases to be the Investment Adviser to the Fund; State Street Bank and Trust Company ceases to be the Fund's custodian, or Aberdeen Asset Management Inc. ceases to be the Fund's administrator;

Aberdeen Asia-Pacific Income Fund, Inc.

Report of the Investment Manager (unaudited) (continued)

Aberdeen Asset Management Asia Limited ceases to be owned or controlled by Aberdeen Asset Management PLC.

The Fund has entered into a \$600 million loan facility with a syndicate led by The Bank of Nova Scotia. Under the terms of the loan facility and applicable regulation, the Fund is required to maintain certain asset coverage ratios for the amount of its borrowings outstanding. Following the broader market declines in October 2008, the Fund's management determined to pay down \$80 million of the loan facility in order to maintain compliance with these asset coverage ratios.

The credit agreement permits, in certain circumstances, the Fund to cure non-compliance or seek waivers or approvals from the lenders. However, in the event that the loan facility were cancelled or were not available for renewal, the Fund may not be able to find other financing on acceptable terms, if at all. Should the Fund be unable to find other sources for financing, it would be forced to de-leverage by making significant sales of its portfolio investments. De-leveraging could involve the sales of some securities under unfavorable market conditions in order to repay the lenders. This could result in the portfolio's securities being sold for less than their expected value. Furthermore, these sales may realize capital gains. Because capital gains must be distributed to the Fund's stockholders, the Fund may need to sell additional portfolio securities under unfavorable market conditions in order to fund such distributions. Prices and availability of leverage are extremely volatile in the current market environment. The Fund's Board of Directors continues to evaluate the use of leverage for the Fund and will explore other forms of leverage. In December 2008, the Fund's Board of Directors authorized the Fund to use reverse repurchase agreements as another form of leverage. The Fund may implement a reverse repurchase agreement program if the Board determines it would be advantageous for the Fund and stockholders to do so. A reverse repurchase agreement involves the sale of a security, with an agreement to repurchase the same or substantially similar securities at an agreed upon price and date. Whether such a transaction produces a gain for a fund depends upon the costs of the agreements; coupled with the income and gains of the securities purchased with the proceeds received from the sale of the security. If the income and gains on the securities purchased fail to exceed the costs, the fund's NAV will decline faster than otherwise would be the case. Reverse repurchase agreements, as with any leveraging techniques, may increase the fund's return; however, such transactions also increase the fund's risks in down markets.

The Fund's Investment Management Agreement and Investment Advisory Agreement, under which management and advisory fees are paid to the Investment Manager and Investment Adviser based on the Fund's assets applicable to shares of both common and preferred stock, have been reformed in order to reflect the implementation of the loan facility and completion of the AMPS redemption. Because the Fund no longer uses preferred stock (i.e. the AMPS) for leverage, the Fund, the Investment Manager and Investment Adviser have agreed to reform the Investment Management Agreement and Investment Advisory Agreement to reflect the parties' intention that the investment management fee be paid based on the Fund's Managed Assets (including assets attributable to any form of investment leverage). For purposes of this calculation, Managed Assets of the Fund means total assets of the Fund, including any form of investment leverage, minus all accrued expenses incurred in the normal course of operations, but not excluding any liabilities or obligations attributable to investment leverage obtained through (i) indebtedness of any type (including, without limitation, borrowing through a credit facility or the issuance of debt securities), (ii) the issuance of preferred stock or other similar preference securities, (iii) the reinvestment of collateral received for securities loaned in accordance with the Fund's investment objectives and policies, and/or (iv) any other means.

Interest Rate Swaps

The Fund previously entered into interest rate swap agreements, based on an aggregate notional amount of \$240 million, which represented 40% of the total borrowings and AMPS outstanding. These interest rate swap agreements, with a nominal value of \$240 million, were terminated on June 24, 2008. On June 24, 2008, the Fund entered into interest rate swap agreements with an aggregate notional amount of \$390 million, which represented 65% of the total borrowings. Under the terms of the agreements

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currently in effect, the Fund receives a floating rate of interest (three 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 October 31, 2008	Amount (in \$ million)	Fixed Rate Payable (%)
32 months	130	4.140
24 months	116	3.980
8 months	144	3.370

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 agreements. 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

Aberdeen Asia-Pacific Income Fund, Inc.

Report of the Investment Manager (unaudited) (continued)

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

Economic Review

The past year has been an extremely challenging one for investors. The full impact of the global credit crisis combined with a substantial increase in energy costs has had a detrimental impact on global capital markets and investor returns. The main focus for fixed income markets during the past year remained on the health of the financial system; the substantial write-offs of bank capital, bank efforts to recapitalize their balance sheets and, towards the latter part of the year, extensive government efforts globally to support the financial system.

These efforts were offset to a certain extent earlier in the year by increases in official interest rates by many central banks as they grappled with rising food and energy costs and rising inflationary pressures. The ultimate collapse of Lehman Brothers in September of this year also had a substantially negative impact on investor confidence and risk appetite during this period. Indeed by the end of the year we witnessed clear signs that these developments, together with falling share markets and property market values has resulted in a dramatic weakening in investor confidence and economic growth in many countries. Fortunately energy prices dropped dramatically towards the end of the year, central banks have moved to lower rates aggressively and governments are now looking actively at substantial fiscal packages in an effort to support growth in the coming year. Nonetheless, the year concluded with substantial forced selling of assets in many markets as a result of a broad based reduction in leveraged investments and a flight into the relative safety of cash, government securities and the U.S. dollar.

Looking across the various markets in which the Fund holds investments, the continuous widening of credit spreads throughout the year and significant weakness in the Australian dollar were the primary drivers of the weakness in the performance of the Fund during this period. Over the course of the year, the Australia dollar (AUD) declined from around 93.4 U.S. cents to 66.8 U.S. cents, a decline of around 28%. Indeed the AUD declined by 15.7% in October 2008 alone, this being the worst monthly return since the floating of the AUD in December 1983 and well below the historic peak of around 98.5 U.S. cents seen only three months before in July 2008. These events affected the nature of market volatility caused by multi-decade highs and lows within the space of a few short months.

The economic landscape for most of the economies in which the Fund invests changed significantly during the year. For example, in Australia from the 4th quarter 2007 into the 1st quarter of 2008, the Reserve Bank of Australia (RBA) continued a tightening cycle. The strength of the Australian economy, largely driven by the terms of trade benefit and the high inflation outlook, lead the RBA to increase rates by 25 basis points at both the November and March meetings, resulting in a cash rate of 7.25%. Through this period Australian bond yields struggled to match the declines in U.S. benchmark yields. However, by the end of June, the weight of the global financial crisis and the slowing in the interest rate sensitive sectors of the economy led the market to believe the RBA would commence easing rates in the 3rd quarter of 2008. During this period consumer and business sentiment fell to levels not seen since the early 1990's recession. In response to these developments, the RBA reduced rates by 25 basis points at its September meeting. The RBA noted the advent of tight financial conditions, in conjunction with other factors including higher fuel costs and lower asset values that were restraining consumers and businesses. This was followed by a larger than expected 1% cut in official interest rates in October.

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Over the course of the year Australian 3-year and 10-year bonds fell by around 2.2% and 0.9% respectively to finish the year at 4.5% and 5.2%. This resulted in a return of around 10.6% in Australian dollars, however, these returns were significantly impacted by the performance of the Australian dollar during this period. Credit spreads also widened substantially in the Australian fixed income market in line with trends in global credit markets.

The Fund's investment in Asian U.S. denominated credit securities also came under tremendous pressure during the financial year as the deepening global credit crisis sparked a general re-pricing of risk assets and portfolio liquidation from distressed investors. The market was extremely weak in the last month of the review period, in particular, as the global credit crisis worsened rapidly after the collapse of Lehman Brothers. Market sentiment was further dampened by intensifying fears of a global recession. Against this backdrop, the Asian Credit markets lost 19% over the financial year, with most of the loss occurring in October 2008.

U.S. Treasury yields at the short-end of the curve fell sharply over the period as a result of flight to safety and drastic interest rate cuts by the Fed. Nevertheless, this offered little respite to Asian dollar bonds as credit spreads widened exponentially. Financial and high yield corporate credits were the worst hit amid extreme risk aversion and weakened credit fundamentals. Investment grade sovereigns fared relatively better on the back of their defensive quality. High yield sovereigns such as Philippines and Indonesia also held up well in the first half of the period on optimism that emerging markets would be able to decouple from the slowdown in the West. However, they failed to maintain their momentum in the second

Aberdeen Asia-Pacific Income Fund, Inc.

Report of the Investment Manager (unaudited) (concluded)

half, first due to inflation concerns which later gave way to recessionary fears.

The Asian dollar credit portfolio was defensively positioned throughout the financial year, underweighting some cyclical and vulnerable sectors and this aided the performance of this component of the Fund. The fact that these securities are based in U.S. dollars also cushioned the total performance of the portfolio as the U.S. dollar appreciated significantly against most of the other currencies in the Fund towards the end of the year.

In the Asian local currency markets we witnessed quite a divergence in investment performance across bond markets and currencies in the region. In the first half of the period under review, the majority of local currency Asian fixed income markets through April 2008 realized yields moving lower. This was somewhat counterintuitive given that this period was characterized by a sharp rise in regional inflation, driven first and foremost by considerable food price inflation and by record highs in oil prices. In addition, fourth quarter 2007 GDP growth numbers showed resilience to the U.S. & global slowdown, emerging stronger than expected. However, the market was firmly focused on the deteriorating U.S. economic data and the implications for regional growth prospects and policy. This led to a decline in bond yields across many Asian markets, the primary exceptions were the high yielding markets of India, Indonesia and Philippines which were more vulnerable to the developing inflation shock.

In the second half of the year under review, regional inflation surged to multi-year highs driven by a surge in oil prices from U.S.\$114 per barrel at the end of April, up to a record high of U.S.\$145 per barrel during July. Food prices, most significantly rice, also saw massive appreciation. India, Indonesia and the Philippines saw double digit inflation and the Fed had eased twenty five basis points in April. From first quarter bond yield lows to second quarter bond yield highs, markets sold off from one hundred to four hundred basis points.

In the final three months through October, reverberations from the intensifying U.S. and increasingly global financial market turmoil led to significant downward revisions to global and Asian growth. During this period a number of Asian central banks moved to cut official interest rates as rapidly as possible. Notably there was a substantial divergence in performance amongst Asian bond markets during this period. Heightened risk aversion led to a significant increase in bond yields in markets such as Indonesia and the Philippines while markets such as Hong Kong and Singapore witnessed much lower bond yields. Exchange rate performance was also very mixed with the South Korean Won, Indian Rupee and Indonesian Rupiah down 30%, 20.4% and 16%, respectively, against the U.S. dollar. The Chinese Renminbi was the exception rising around 9% against the U.S. dollar during the year.

Portfolio Composition (unaudited)

Quality of Investments

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As of October 31, 2008, 71.9% 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, judged to be of equivalent quality by the Investment Manager. The table below shows the asset quality of the Fund's portfolio as of October 31, 2008, compared with the previous six and twelve months:

	AAA/Aaa %	AA/Aa %	A %	BBB/Baa %	BB/Ba* %	B* %
October 31, 2008	38.4	11.6	21.9	10.0	16.7	1.4
April 30, 2008	46.7	6.9	20.2	9.8	15.5	0.9
October 31, 2007	45.9	4.0	20.7	10.5	17.5	1.4

* Below investment grade

Aberdeen Asia-Pacific Income Fund, Inc.

Portfolio Composition (unaudited) (concluded)

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 October 31, 2008, compared with the previous six and twelve months:

	Australia %	Asia (including NZ) %	United States %
October 31, 2008	47.4	48.5	4.1
April 30, 2008	54.8	42.0	3.2
October 31, 2007	53.6	44.7	1.7

Currency Composition

The table below shows the currency composition of the Fund's total investments as of October 31, 2008, compared with the previous six and twelve months:

Date	Australian Dollar %	Asian Currencies (including NZ dollar) %	US Dollar*
October 31, 2008	44.3	18.1	37.6
April 30, 2008	46.7	12.7	40.6
October 31, 2007	45.6	21.9	32.5

* Includes U.S. dollar denominated bonds issued by foreign issuers: 29.4% on October 31, 2008, 27.5% on April 30, 2008, and 28.9% on October 31, 2007.

Maturity Composition

As of October 31, 2008, the average maturity of the Fund's total investments was 8.4 years, compared with 7.9 years at October 31, 2007. The following table shows the maturity composition of the Fund's investments as of October 31, 2008, compared with the previous six and twelve months:

Date	Under 3 Years %	3 to 5 Years %	5 to 10 Years %	10 Years & Over %
October 31, 2008	26.8	24.3	34.4	14.5
April 30, 2008	34.7	21.6	32.2	11.5
October 31, 2007	27.0	23.5	36.8	12.7

Aberdeen Asia-Pacific Income Fund, Inc.

Summary of Key Rates (unaudited)

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

	October 31, 2008	April 30, 2008	October 31, 2007
Australia			
90 day bank bills	5.81%	7.80%	7.01%
10 year bonds	5.17%	6.29%	6.15%
Australian Dollar	\$0.66	\$0.94	\$0.93
Malaysia			
90 day T-bills	3.59%	3.34%	3.49%
10 year bonds	4.35%	3.75%	3.72%
Malaysian Ringgit*	RM3.55	RM3.16	RM3.34
New Zealand			
90 day bank bills	7.16%	8.85%	8.68%
10 year bonds	6.03%	6.54%	6.45%
New Zealand Dollar	\$0.58	\$0.78	\$0.77
Philippines			
90 day T-bills	6.84%	N/A%	N/A%
10 year bonds	9.48%	N/A%	N/A%
Philippines Peso*	₱48.92	₱42.27	₱43.68
Singapore			
90 day T-bills	0.87%	0.95%	2.27%
10 year bonds	2.95%	2.44%	2.81%
Singapore Dollar*	S\$1.48	S\$1.36	S\$1.45
South Korea			
90 day T-bills	5.01%	4.99%	6.15%
10 year bonds	5.50%	5.14%	5.56%
South Korean Won*	₩1,290.95	₩1,002.65	₩900.70
Thailand			
90 day deposits	2.38%	2.25%	2.25%
10 year bonds	3.77%	4.74%	4.81%
Thai Baht*	฿35.08	฿31.71	฿33.99
US\$ Bonds**			
Hong Kong	3.74%	3.43%	4.73%
Malaysia	7.83%	3.45%	4.68%
Philippines	8.24%	6.16%	4.58%
South Korea	7.39%	4.79%	5.10%

* 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 Asia-Pacific Income Fund, Inc.

Portfolio of Investments

As of October 31, 2008

Principal Amount (000)	Description	Value (US\$)
LONG-TERM INVESTMENTS 127.0%		
AUSTRALIA 62.4%		
AUD 15,000	ABN Amro Bank NV, 6.50%, 5/17/13 (a)(b)	\$ 8,889,303
AUD 1,300	ALE Finance Company Property Ltd., 7.54%, 5/20/15 (a)	819,059
AUD 5,000	AMP Bank, Ltd., 7.835%, 4/07/09 (a)(b)	3,293,817
AUD 8,000	AMP Group Finance Services, Ltd., 9.00%, 5/16/11	5,498,345
AUD 12,000	ANZ Banking Corporation, 6.25%, 5/23/11 (a)(b)	7,661,274
AUD 14,000	ANZ Banking Corporation, 8.50%, 4/22/13	9,808,969
AUD 10,500	Asian Development Bank, 7.125%, 3/19/13	7,375,518
AUD 9,000	AXA SA, 7.50%, 10/26/16 (a)(b)	4,219,500
AUD 8,000	AXA SA, 7.2017%, 10/26/16 (a)(b)	4,009,883
AUD 7,000	Bank of America Corp., 6.50%, 9/15/09	4,653,024
AUD 8,000	Brisbane Airport Corp., 7.30%, 6/30/10	5,329,082
AUD 16,500	Caisse d Amortissement de la Dette Sociale, 7.50%, 2/28/13	11,748,851
AUD 5,000	CFS Gandel Retail Trust, 6.0967%, 7/31/09 (a)(b)	3,270,245
AUD 4,000	CFS Gandel Retail Trust, 6.25%, 12/22/14	2,209,814
AUD 15,000	Cie de Financement Foncier, 6.25%, 1/30/17	9,944,909
AUD 11,150	Commonwealth of Australia, 6.00%, 2/15/17	7,881,127
AUD 35,200	Commonwealth Bank of Australia, 6.25%, 9/01/09	23,643,870
AUD 16,000	Commonwealth Bank of Australia, 8.50%, 6/24/11	11,207,645
AUD 6,168	Crusade Global Trust, 5.985%, 1/16/35 (a)	4,037,558
AUD 2,400	Deutsche Bank AG, 7.50%, 10/19/12	1,612,538
AUD 3,600	ELM BV for Swiss Reinsurance Co. 7.635%, 5/25/17 (a)(b)	1,567,691
AUD 3,000	Energy Partnership Gas Property Ltd., 6.50%, 7/29/09	1,996,370
AUD 15,000	Eurofima, 6.00%, 8/15/10	10,125,184
AUD 5,500	FGL Finance Australia, Ltd., 6.25%, 3/17/10	3,634,771
AUD 5,000	Gasnet Australia Operations Property Ltd., 7.00%, 3/20/09	3,325,081
AUD 6,500	General Electric Capital Australia Funding Pty, 5.75%, 2/11/10	4,086,070
AUD 9,700	General Electric Capital Australia Funding Pty, 6.00%, 8/17/12	5,348,260
AUD 11,000	General Electric Capital Australia Funding Pty, 6.00%, 5/15/13	5,820,479
AUD 30,000	General Electric Capital Australia Funding Pty, 6.50%, 11/15/11	17,562,036
AUD 4,000	General Property Trust Management, 6.50%, 8/22/13	2,003,498
AUD 12,500	Goldman Sachs Group, Inc., 6.35%, 4/12/16	6,628,843
AUD 4,000	HBOS PLC, 6.75%, 5/01/12 (a)(b)	2,372,046
AUD 5,000	Heritage Building Society, Ltd., 7.745%, 12/05/11 (a)(b)	2,921,590
AUD 10,000	HSBC Finance Corp., 6.50%, 9/22/11	5,983,632
AUD 4,000	HSBC Finance Corp., 7.65%, 9/22/11 (a)	2,355,778
AUD 24,500	Hypo Real Estate Bank Intl., 6.25%, 8/16/11	16,428,325
AUD 5,000	Hypo Real Estate Bank Intl., 7.55%, 2/22/11 (a)	2,722,248
AUD 10,000	ING Bank Australia, Ltd., 7.00%, 4/24/12	6,615,033
AUD 19,000	International Finance Corp., 7.50%, 2/28/13	13,558,955
AUD 30,000	Kreditanstalt fuer Wiederaufbau, 7.50%, 8/26/11	20,991,587
AUD 9,100	Landwirtschaftliche Rentenbank, 6.00%, 5/30/13	6,152,022
AUD 1,500	Macquarie Bank, Ltd., 6.50%, 9/15/09 (a)(b)	894,910
AUD 7,000	Macquarie Bank, Ltd., 6.50%, 5/31/12 (a)(b)	3,378,750

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AUD	5,000	Macquarie Bank, Ltd., 7.62%, 5/31/12 (a)(b)	2,445,906
AUD	10,000	Merrill Lynch & Co., Inc., 6.085%, 10/06/10	6,362,698
AUD	6,000	Merrill Lynch & Co., Inc., 6.75%, 3/12/14	3,486,203
AUD	5,000	Mirvac Group Funding, Ltd., 7.84%, 9/15/10 (a)	3,213,726
AUD	11,500	Monumental Global Funding, Ltd., 6.50%, 11/08/11	7,411,080
AUD	5,000	Morgan Stanley, 7.565%, 3/01/13 (a)(b)	2,551,974
AUD	1,500	Multiplex MPT CMBS Issuer Ltd., 7.69%, 11/21/11 (a)	965,344
AUD	20,000	National Australia Bank, 8.25%, 5/20/13	13,920,281
AUD	3,500	National Capital Trust III, 8.2717%, 9/30/16 (a)(b)	1,913,456

Aberdeen Asia-Pacific Income Fund, Inc.

See Notes to Financial Statements.

Portfolio of Investments (continued)

As of October 31, 2008

Principal Amount (000)	Description	Value (US\$)
LONG-TERM INVESTMENTS (continued)		
AUSTRALIA (continued)		
AUD 10,980	National RMBS Trust, 7.56%, 3/20/34 (a)	\$ 7,180,692
AUD 2,500	National Wealth Management, 6.75%, 6/16/16 (a)(b)	1,441,330
AUD 9,400	Nederlands Waterschapsbank, 5.875%, 3/15/10	6,315,450
AUD 20,500	New South Wales Treasury Corporation, 6.00%, 5/01/12	13,845,422
AUD 26,000	New South Wales Treasury Corporation, 7.00%, 12/01/10	17,891,410
AUD 5,000	Orica Ltd., 9.2133%, 6/11/09	3,328,410
AUD 9,811	Progress Trust, 6.2517%, 8/25/36 (a)	6,380,313
AUD 7,209	Puma Finance Ltd., 6.275%, 10/24/35	4,753,562
AUD 5,000	QBE International Holdings PLC, 9.535%, 8/03/10 (a)(b)	3,259,546
AUD 5,000	QIC Shopping Centre Fund Pty. Ltd., 7.72%, 6/05/09 (a)	3,306,676
AUD 38,000	Queensland Treasury Corporation, 6.00%, 8/14/13	25,743,928
AUD 82,000	Queensland Treasury Corporation, 6.00%, 10/14/15	55,422,939
AUD 17,900	Queensland Treasury Corporation, 6.00%, 9/14/17	12,040,931
AUD 17,000	Queensland Treasury Corporation, 6.00%, 6/14/21	11,403,618
AUD 5,000	Rabobank Capital Fund Trust, 6.415%, 12/31/14 (a)(b)(c)	2,733,303
AUD 5,000	Rabobank Capital Fund Trust, 7.9917%, 12/31/14 (a)(b)(c)	2,831,843
AUD 13,000	Rabobank Nederland, 6.00%, 3/18/10	8,704,302
AUD 11,067	REDS Trust, 7.5167%, 3/03/15 (a)	7,196,998
AUD 5,000	Royal Bank of Scotland, 6.00%, 10/27/09 (a)(b)	3,282,633
AUD 4,800	RWH Finance Pty. Limited, 6.20%, 3/26/21	2,978,323
AUD 10,000	Snowy Hydro Ltd., 5.75%, 2/25/10 (a)	6,574,523
AUD 5,000	SNS Bank Nederland, 7.74%, 11/08/11 (a)(b)	3,048,951
AUD 10,000	SPI Australia Finance Pty. Ltd., 6.25%, 11/14/08	6,644,187
AUD 15,000	SPI Electricity & Gas, 6.50%, 11/03/11	9,790,650
AUD 21,000	St. George Bank, Ltd, 10.00%, 5/09/13 (a)(b)	14,869,922
AUD 1,000	Stores Securitisation Property Ltd., 7.6733%, 5/19/09 (a)	661,738
AUD 5,000	Suncorp Metway Insurance, Ltd., 6.75%, 9/23/14 (a)(b)	2,993,992
AUD 4,000	Suncorp Metway Insurance, Ltd., 6.75%, 10/06/16 (a)(b)	1,989,295
AUD 5,000	Suncorp Metway Insurance, Ltd., 8.4733%, 9/23/14 (a)(b)	2,875,729
AUD 5,000	Suncorp Metway Insurance, Ltd., 8.75%, 5/30/11	3,461,167
AUD 3,500	Sydney Airport Finance, 6.25%, 11/21/11	2,260,061
AUD 21,500	Telstra Corporation, Ltd., 7.25%, 11/15/12	14,081,530
AUD 2,000	Telstra Corporation, Ltd., 8.75%, 1/20/15	1,366,539
AUD 2,850	Treasury Corp. of Victoria, 6.00%, 10/17/22	1,916,974
AUD 5,000	Wells Fargo & Co., 5.75%, 7/12/10	3,255,127
AUD 34,030	Western Australia Treasury Corporation, 7.00%, 4/15/11	23,509,959
AUD 25,000	Western Australia Treasury Corporation, 7.00%, 4/15/15	17,793,332
AUD 77,000	Western Australia Treasury Corporation, 7.50%, 10/15/09	52,342,121
AUD 31,320	Western Australia Treasury Corporation, 8.00%, 6/15/13	22,796,967
AUD 75,000	Western Australia Treasury Corporation, 8.00%, 7/15/17	57,128,800
AUD 9,000	Westpac Banking Corporation, 6.00%, 11/16/10 (a)(b)	5,776,925
AUD 16,500	Westpac Banking Corporation, 6.50%, 1/24/12 (a)(b)	10,373,734
AUD 5,000	Westpac Banking Corporation, 8.25%, 4/18/11	3,474,182

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AUD	9,808	Westpac Securitisation Trust, 7.4117%, 5/21/38 (a)	6,360,034
AUD	2,000	Wot CMBS Property Ltd., 7.6967%, 5/16/13	1,214,025
			802,460,251
CHINA 2.7%			
USD	7,800	CMHI Finance BVI Co. Ltd., 7.125%, 6/18/18	6,421,617
USD	3,950	Nine Dragons Paper Holdings, Ltd., 7.875%, 4/29/13 (c)(d)	1,000,464
USD	7,000	Parkson Retail Group, Ltd, 7.125%, 5/30/10 (b)	4,900,000
USD	5,100	Parkson Retail Group, Ltd, 7.875%, 11/14/11	3,570,000

See Notes to Financial Statements.

Aberdeen Asia-Pacific Income Fund, Inc.

Portfolio of Investments (continued)

As of October 31, 2008

Principal Amount (000)	Description	Value (US\$)
LONG-TERM INVESTMENTS (continued)		
CHINA (continued)		
USD 10,000	People's Republic of China, 9.00%, 1/15/96	\$ 12,000,000
USD 9,500	Xiniao Gas Holdings Limited, 7.375%, 8/05/12	6,589,143
		34,481,224
HONG KONG 9.9%		
USD 12,650	Bank of East Asia Ltd., 5.625%, 12/14/10 (a)(b)	11,959,247
USD 6,950	CITIC Ka Wah Bank, 9.125%, 5/31/12 (a)(b)	7,204,717
HKD 75,000	Hong Kong Government, 3.63%, 12/19/11	10,329,582
HKD 112,000	Hong Kong Government, 3.97%, 9/19/11	15,563,709
HKD 100,000	Hong Kong Government, 4.06%, 3/19/12	14,008,942
HKD 100,000	Hong Kong Government, 4.20%, 9/17/12	14,097,664
HKD 99,000	Hong Kong Government, 4.53%, 6/18/12	14,070,224
USD 2,700	Hong Kong Land Finance Co., 5.50%, 4/28/14	2,207,285
USD 5,100	Hutchison Whampoa, Ltd., 6.25%, 1/24/14 (c)	4,140,782
USD 16,700	Hutchison Whampoa, Ltd., 6.50%, 2/13/13 (c)	14,568,829
USD 14,100	Hutchison Whampoa, Ltd., 7.45%, 11/24/33 (c)	8,845,226
USD 4,750	Swire Pacific MTN Financing Ltd., 6.25%, 04/18/18	3,441,822
USD 11,000	Wing Hang Bank Limited, 6.00%, 4/20/17 (a)(b)	6,411,020
		126,849,049
INDIA 1.9%		
USD 7,000	ICICI Bank, 6.375%, 4/30/17 (a)(b)(c)	4,058,999
USD 8,000	ICICI Bank, 6.625%, 10/03/12 (c)	5,234,768
USD 9,600	NTPC, Ltd., 5.875%, 3/02/16	7,353,360
USD 7,250	Reliance Industries Limited, 10.25%, 1/15/97 (c)	7,262,325
		23,909,452
INDONESIA 8.5%		
USD 11,500	Bank Danamon Indonesia, 7.65%, 3/30/09 (a)(b)(c)	9,508,315
IDR 220,000,000	Barclays Indonesia Government Bond Linked Note, 10.00%, 7/15/17	13,270,642
IDR 108,000,000	Indonesian Government, 9.50%, 6/15/15	6,923,652
IDR 105,500,000	Indonesian Government, 10.00%, 7/15/17	6,455,390
USD 14,700	Indosat Finance, 7.75%, 11/05/09 (b)(c)	10,677,981
USD 6,900	Majapahit Holding BV, 7.25%, 6/28/17 (c)	4,050,721
USD 5,600	Majapahit Holding BV, 7.875%, 6/29/37	2,675,798
USD 6,000	MGTI Finance Company, Ltd., 8.375%, 9/15/10	5,773,608
USD 8,050	PT Bank Lippo TBK, 7.375%, 11/22/11 (a)(b)	7,000,852
USD 19,200	Republic of Indonesia, 6.625%, 2/17/37 (c)	10,084,013
USD 14,000	Republic of Indonesia, 6.875%, 1/17/18 (c)	9,165,982
USD 21,850	Republic of Indonesia, 7.25%, 4/20/15 (c)	16,420,930
USD 13,000	Republic of Indonesia, 7.75%, 1/17/38 (c)	7,783,295
		109,791,179
MACAU 0.1%		
USD 3,900	Galaxy Entertainment Finance, 8.133%, 12/15/08 (a)(b)(c)	1,170,000
MALAYSIA 6.2%		
USD 4,700	Hong Leong Bank Berhad, 5.25%, 8/03/10 (a)(b)	4,403,613

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USD	2,650	IOI Ventures, 5.25%, 3/16/15	1,887,415
MYR	26,900	Malaysia Government, 3.702%, 2/25/13	7,468,746
MYR	65,000	Malaysia Government, 3.718%, 6/15/12	18,105,932
MYR	49,000	Malaysia Government, 4.262%, 9/15/16	13,757,781

Aberdeen Asia-Pacific Income Fund, Inc.

See Notes to Financial Statements.

Portfolio of Investments (continued)

As of October 31, 2008

Principal Amount (000)	Description	Value (US\$)
LONG-TERM INVESTMENTS (continued)		
MALAYSIA (continued)		
USD 4,800	Petroliam Nasional Berhad, 7.00%, 5/22/12 (c)	\$ 4,630,954
USD 2,000	Petroliam Nasional Berhad, 7.875%, 5/22/22 (c)	1,788,438
USD 8,350	Public Bank Berhad, 5.00%, 6/20/12 (a)(b)	6,962,121
USD 3,200	Public Bank Berhad, 5.625%, 9/22/09 (a)(b)	3,182,912
USD 3,000	Telekom Malaysia, 7.875%, 8/01/25 (c)	2,643,993
USD 14,000	Tenaga Nasional Berhad, 7.50%, 1/15/96 (c)	10,790,080
USD 2,400	Tenaga Nasional Berhad, 7.50%, 11/01/25 (c)	2,034,415
USD 1,600	Tenaga Nasional Berhad, 7.625%, 4/01/11 (c)	1,568,597
		79,224,997
NEW ZEALAND 1.5%		
NZD 2,000	Bank of America Corp., 7.53%, 3/08/12	1,119,956
NZD 1,000	European Investment Bank, 7.25%, 2/08/10	589,843
NZD 2,000	General Electric Capital Corp., 6.50%, 9/28/15	1,048,400
NZD 2,000	General Electric Capital Corp., 7.00%, 7/15/09	1,124,778
NZD 2,000	HBOS Treasury Services PLC, 8.805%, 2/03/09 (a)	1,167,485
NZD 2,000	Morgan Stanley, 6.86%, 9/06/12	818,820
NZD 4,500	New Zealand Government, 6.00%, 4/15/15	2,617,251
NZD 4,000	New Zealand Government, 7.00%, 7/15/09	2,352,909
NZD 1,500	Province of Manitoba, 6.375%, 9/01/15	863,390
NZD 5,500	Province of Ontario, 6.25%, 12/03/08	3,201,123
NZD 4,000	Province of Ontario, 6.25%, 6/16/15	2,287,953
NZD 1,500	Province of Quebec, 6.75%, 11/09/15	841,108
NZD 1,500	SLM Corp., 6.50%, 6/15/10	665,089
NZD 2,000	Toyota Motor Credit Corp., 6.75%, 9/21/09	1,166,041
		19,864,146
PHILIPPINES 12.9%		
USD 4,000	Bangko Sentral ng Pilipinas, 8.60%, 6/15/27	3,170,000
USD 7,500	Land Bank of Philippines, 7.25%, 10/19/11 (a)(b)	6,722,062
USD 1,600	National Power Corporation, 9.875%, 3/16/10	1,606,549
USD 7,000	National Power Corporation, 6.875%, 11/02/16 (c)	4,741,044
PHP 530,000	Philippine Government, 9.125%, 9/04/16	11,086,141
PHP 95,000	Philippine Government, 13.00%, 4/25/12	2,194,579
PHP 152,800	Philippine Government, 18.00%, 11/26/08	3,141,308
USD 10,800	Philippine Long Distance Telephone Company, 8.35%, 3/06/17	8,856,000
USD 8,500	Philippine Long Distance Telephone Company, 11.375%, 5/15/12	8,245,000
USD 22,400	Republic of Philippines, 7.75%, 1/14/31	20,608,000
USD 9,450	Republic of Philippines, 8.25%, 1/15/14	9,261,000
USD 12,000	Republic of Philippines, 8.375%, 2/15/11	12,240,000
USD 4,000	Republic of Philippines, 9.00%, 2/15/13	4,040,000
USD 11,600	Republic of Philippines, 9.375%, 1/18/17	11,600,000
USD 16,050	Republic of Philippines, 9.875%, 1/15/19	17,253,750
USD 25,879	Republic of Philippines, 10.625%, 3/16/25	27,690,530
USD 4,900	SM Investments Corp., 6.75%, 7/18/11 (b)	4,583,166

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USD	9,000	URC Philippines, Ltd., 8.25%, 1/20/10 (b)	8,135,406
			165,174,535
SINGAPORE 5.8%			
USD	7,200	BW Group Ltd., 6.625%, 6/28/17 (c)	4,625,482
USD	1,300	DBS Bank, 5.00%, 11/15/14 (a)(b)(c)	886,453

See Notes to Financial Statements.

Aberdeen Asia-Pacific Income Fund, Inc.

Portfolio of Investments (continued)

As of October 31, 2008

Principal Amount (000)	Description	Value (US\$)
LONG-TERM INVESTMENTS (continued)		
SINGAPORE (continued)		
USD 10,400	DBS Bank, 5.125%, 5/16/12 (a)(b)(c)	\$ 9,405,250
USD 1,500	DBS Bank, 7.125%, 5/15/11 (c)	1,409,037
USD 7,500	DBS Bank, 7.657%, 3/15/11 (a)(b)(c)	7,486,500
USD 4,900	Flextronics International, Ltd., 6.50%, 12/18/08 (b)	3,822,000
SGD 17,400	Singapore Government, 2.625%, 4/01/10	11,962,435
SGD 16,200	Singapore Government, 2.875%, 7/01/15	11,231,832
SGD 7,600	Singapore Government, 3.25%, 9/01/20	5,110,531
SGD 13,000	Singapore Government, 4.00%, 9/01/18	9,520,944
USD 6,000	Stats Chippac, Ltd., 6.75%, 11/15/08 (b)	5,100,000
USD 5,350	Stats Chippac, Ltd., 7.50%, 7/19/10	4,547,500
		75,107,964
SOUTH KOREA 10.5%		
USD 3,500	Hana Funding, Ltd., 8.748%, 12/17/12 (a)(b)	2,222,500
USD 5,900	Hanarotelecom, Inc., 7.00%, 2/01/12 (c)	3,997,315
USD 3,800	Hyundai Capital Services, 5.625%, 1/24/12	3,119,941
USD 2,850	Hyundai Motors Manufacturing, 5.30%, 12/19/08 (c)	2,840,025
USD 10,000	Korea Electric Power Corporation, 7.00%, 2/01/27	6,706,470
USD 3,900	Korea South-East Power Co., Ltd., 4.75%, 6/26/13	3,392,228
USD 12,000	Korea South-East Power Co., Ltd., 6.00%, 5/25/16 (c)	9,592,128
USD 1,600	National Agricultural Cooperative Federation, 6.125%, 6/15/11 (a)(b)	1,409,349
USD 7,600	Pusan Bank, 5.50%, 3/14/12 (a)(b)	5,871,213
USD 3,950	SC First Bank Korea, 7.267%, 3/03/14 (a)(b)(c)	3,000,736
KRW 3,120,000	South Korea National Debt, 4.00%, 6/10/10	2,383,516
KRW 6,125,000	South Korea National Debt, 4.25%, 9/10/14	4,600,352
KRW 23,550,000	South Korea National Debt, 5.00%, 9/10/16	18,054,191
KRW 20,150,000	South Korea National Debt, 5.25%, 3/10/13	15,978,788
KRW 3,350,000	South Korea National Debt, 5.50%, 9/10/17	2,628,435
KRW 26,674,000	South Korea National Debt, 6.91%, 7/18/11	21,869,229
USD 4,100	SK Energy Co. Ltd., 7.00%, 6/19/13	3,855,423
USD 3,900	Shinhan Bank, 4.625%, 11/03/09 (a)(b)(c)	3,807,859
USD 6,650	Shinhan Bank, 5.663%, 3/02/15 (a)(b)	3,283,517
USD 800	Kookmin Bank, 3.87875%, 12/27/08 (a)	794,403
USD 10,200	Korea Railroad Corp., 5.375%, 5/15/13 (c)	8,607,831
USD 4,505	Woori Bank, 5.75%, 3/13/09 (a)(b)(c)	4,445,511
USD 4,700	Woori Bank, 6.208%, 5/02/17 (a)(b)(c)	1,970,146
		134,431,106
TAIWAN 0.3%		
USD 6,900	Cathay United Bank Co., Ltd., 5.50%, 10/05/15 (a)(b)(c)	3,958,102
THAILAND 4.3%		
USD 6,000	Bangkok Bank Public Company, 9.025%, 3/15/29 (c)	3,447,618
USD 4,700	Kasikornbank Public Company Limited, 8.25%, 8/21/16 (c)	3,459,064
USD 2,200	Krung Thai Bank PCL, 7.378%, 10/10/16 (a)(b)	963,431
USD 3,100	PTT Public Company Limited, 5.75%, 8/01/14 (c)	2,692,865

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THB	200,000	Thailand Government, 4.25%, 3/13/13	5,880,553
THB	690,000	Thailand Government, 5.125%, 3/13/18	21,638,361

Aberdeen Asia-Pacific Income Fund, Inc.

See Notes to Financial Statements.

Portfolio of Investments (continued)

As of October 31, 2008

Principal Amount (000)	Description	Value (US\$)
LONG-TERM INVESTMENTS (continued)		
THAILAND (continued)		
THB 269,000	Thailand Government, 5.25%, 5/12/14	\$ 8,285,768
THB 270,000	Thailand Government, 5.40%, 7/27/16	8,551,428
		54,919,088
	Total Long-Term Investments (cost \$1,968,940,721)	1,631,341,093
SHORT-TERM INVESTMENTS 5.4%		
NEW ZEALAND 0.1%		
NZD 2,592	New Zealand Call Deposit, 2.00%, perpetual	1,509,601
UNITED STATES 5.3%		
USD 28,593	Repurchase Agreement, State Street Bank and Trust Company, 0.05% dated 10/31/08, due 11/03/08 in the amount of \$28,593,119 (collateralized by \$21,100,000 U.S. Treasury Bond, 8.75% due 8/15/20; value \$29,170,750)	28,593,000
USD 39,074	State Street Bank & Trust Time Deposit, 0.15%, 11/03/08	39,074,000
		67,667,000
	Total Short-Term Investments (cost \$69,396,556)	69,176,601
	Total Investments 132.4% (cost \$2,038,337,277)	1,700,517,694
	Liabilities in Excess of Other Assets (32.4%)	(416,199,486)
	Net Assets Applicable to Common Shareholders 100.0%	\$ 1,284,318,208

AUD Australian dollar	KRW South Korean won	SGD Singapore dollar
CNY China renminbi	MYR Malaysian ringgit	THB Thailand baht
HKD Hong Kong dollar	NZD New Zealand dollar	USD United States dollar
IDR Indonesian rupiah	PHP Philippine peso	

- (a) Indicates a variable rate security. The maturity date presented for these instruments is the later of the next date on which the security can be redeemed at par or the next date on which the rate of interest is adjusted. The interest rate shown reflects the rate in effect at October 31, 2008.
- (b) The date presented for these instruments represents the next call/put date.
- (c) Security acquired in a transaction exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At October 31, 2008, the aggregate market value of these securities amounted to \$223,367,219 or 17.39% of net assets applicable to common shareholders.
- (d) Security was fair valued on October 31, 2008.

Interest Rate Swap Agreements

Counterparty	Termination Date	Notional Amount	Fixed Rate	Floating Rate Received by	Unrealized Depreciation

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		(000)	Paid by the Fund	the Fund	
Deutsche Bank	June 25, 2011	130,000	4.1400%	3 month LIBOR	\$ (5,071,322)
Merrill Lynch	June 26, 2009	144,000	3.3700%	3 month LIBOR	(1,966,167)
UBS AG	October 31, 2010	116,000	3.9800%	3 month LIBOR	(2,594,579)
					\$ (9,632,068)

See Notes to Financial Statements.

Aberdeen Asia-Pacific Income Fund, Inc.

Portfolio of Investments (concluded)

As of October 31, 2008

Futures Contracts

	Expiration	Contracts	Unrealized Appreciation/ (Depreciation)
Purchase contracts:			
Australian Treasury Bond 6% 10 year	December 2008	466	\$ (219,796)
United States Treasury Note 6% 2 year	December 2008	50	137,500
United States Treasury Bond 6% 5 year	December 2008	38	46,906
United States Treasury Bond 6% 10 year	December 2008	6	(12,484)
Sale contracts:			
Australian Treasury Bond 6% 3 year	December 2008	582	(130,045)
United States Treasury Bond 6% 30 year	December 2008	98	401,672
			\$ 223,753

Foreign Forward Currency Exchange Contracts

Purchase/Sale	Amount Purchased	Amount Sold	Purchase Value as of October 31, 2008	Sale Value as of October 31, 2008	Unrealized Appreciation/ (Depreciation)
Australian Dollar/United States Dollar					
settlement date 11/03/08	AUD81,000,000	USD54,158,000	\$ 53,803,811	\$ 54,158,000	\$ (354,189)
China Renminbi/United States Dollar					
settlement date 12/08/08	CNY62,957,440	USD9,200,000	9,142,685	9,200,000	(57,315)
settlement date 12/16/08	CNY5,797,595	USD850,000	840,902	850,000	(9,098)
Malaysian Ringgit/United States Dollar					
settlement date 11/24/08	MYR20,221,536	USD5,920,000	5,691,488	5,920,000	(228,512)
Singapore Dollar/United States Dollar					
settlement date 12/11/08	SGD15,090,484	USD10,555,000	10,188,844	10,555,000	(366,156)
South Korean Won/United States Dollar					
settlement date 11/13/08	KRW10,776,144,000	USD10,320,000	8,373,680	10,320,000	(1,946,320)
United States Dollar/Australian Dollar					
settlement date 11/03/08	USD69,637,370	AUD81,000,000	69,637,370	53,803,811	15,833,559
settlement date 12/03/08	USD54,000,050	AUD81,000,000	54,000,050	53,653,357	346,693
United States Dollar/Hong Kong Dollar					
settlement date 11/10/08	USD7,800,000	HKD60,832,980	7,800,000	7,849,432	(49,432)
settlement date 12/11/08	USD9,400,000	HKD73,225,060	9,400,000	9,447,785	(47,785)
United States Dollar/Indonesian Rupiah					
settlement date 11/28/08	USD4,450,000	IDR52,305,300,000	4,450,000	4,764,962	(314,962)

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United States Dollar/Philippines Peso

settlement date 11/28/08	USD7,580,000	PHP379,902,020	7,580,000	7,757,756	(177,756)
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United States Dollar/South Korean Won

settlement date 11/28/08	USD11,800,000	KRW13,633,720,000	11,800,000	10,615,700	1,184,300
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United States Dollar/Thai Baht

settlement date 11/12/08	USD6,000,000	THB209,820,000	6,000,000	5,977,408	22,592
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Net USD Total			\$ 258,708,830	\$ 244,873,211	\$ 13,835,619
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Aberdeen Asia-Pacific Income Fund, Inc.

See Notes to Financial Statements.

Statement of Assets and Liabilities

As of October 31, 2008

Assets

Investments, at value (cost \$2,038,337,277)	\$ 1,700,517,694
Foreign currency, at value (cost \$26,194,668)	24,686,469
Cash	744,854
Cash at broker	6,641,169
Receivable for investments sold	35,987,648
Interest receivable	28,517,801
Receivable for foreign forward currency exchange contracts closed	21,372,012
Unrealized appreciation on forward foreign currency exchange contracts	17,387,144
Variation margin receivable for futures contracts	223,753
Prepaid expenses and other assets	147,600
Total assets	1,836,226,144

Liabilities

Bank loan payable (Note 6)	520,000,000
Net unrealized depreciation on interest rate swaps	9,632,068
Dividends payable to common shareholders	9,162,588
Payable for investments purchased	5,671,468
Unrealized depreciation on forward foreign currency exchange contracts	3,551,525
Investment management fee payable	1,030,448
Due to broker-interest rate swap payment	773,382
Deferred foreign capital gains tax	328,161
Administration fee payable	256,086
Payable for common shares repurchased	251,191