MORGAN STANLEY DEAN WITTER EMERGING MARKETS DEBT FUND INC

Form N-Q November 29, 2006

[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 5th FLOOR NEW YORK, NY

(Address of principal executive offices)

RONALD E. ROBISON

1221 AVENUE OF THE AMERICAS 5th FLOOR NEW YORK, NY, 10020

(Name and address of agent for service)

Registrant s telephone number, including area code:

1-800-221-6726

10020

(Zip code)

Date of fiscal year end:

12/31

Date of reporting period:

9/30/06

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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.

Third Quarter Report September 30, 2006 (unaudited)

Portfolio of Investments

(Showing Percentages of Total Value of Investments)

| | Face Amount (000) | | Value (000) | |
|--|-------------------------|-----|----------------|----------|
| DEBT INSTRUMENTS (98.4%) | | | | |
| Argentina (3.6%) | | | | |
| Sovereign (3.6%) | | | | |
| Republic of Argentina | | | | |
| 5.83%, 12/31/33 | | \$ | 16,530 | \$ 6,728 |
| 8.28%, 12/31/33 | (a) | | 416 | 399 |
| Republic of Argentina (Linked Variable Rate) | | | | |
| 206.81%, 4/10/49 | (b) | | 3,770 | 1,640 |
| | | | | 8,767 |
| Brazil (10.8%) | | | | |
| Corporate (0.7%) | | | | |
| Banco ABN Amro Real S.A. | | | | |
| Zero Coupon, 12/13/07 | | BRL | 3,650 | 1,725 |
| Sovereign (10.1%) | | | | |
| Citigroup, Inc. | | | | |
| 6.00%, 5/18/09 | | \$ | 2,000 | 2,006 |
| Federative Republic of Brazil | | | | |
| 8.00%, 1/15/18 | | | 3,144 | 3,462 |
| 8.88%, 10/14/19 - 4/15/24 | | | 7,688 | 9,150 |
| 10.50%, 7/14/14 | | | 1,740 | 2,191 |
| 14.50%, 10/15/09 | | | 6,040 | 7,565 |
| | | | | 24,374 |
| | | | | 26,099 |
| Bulgaria (1.6%) | | | | |
| Sovereign (1.6%) | | | | |
| Republic of Bulgaria | | | | |
| 8.25%, 1/15/15 | | | 1,699 | 2,007 |
| Republic of Bulgaria (Registered) | | | | |
| 8.25%, 1/15/15 | | | 1,490 | 1,760 |
| | | | | 3,767 |
| Chile (1.8%) | | | | |
| Corporate (1.8%) | | | | |
| Empresa Nacional de Petroleo | | | | |
| 6.75%, 11/15/12 | (c) | | 4,170 | 4,409 |
| Colombia (3.2%) | | | | |
| Sovereign (3.2%) | | | | |
| Republic of Colombia | | | | |
| 7.38%, 9/18/37 | | | 2,040 | 2,071 |
| 8.13%, 5/21/24 | | | 1,420 | 1,569 |
| 8.25%, 12/22/14 | | | 1,040 | 1,153 |
| 9.75%, 4/9/11 | | | 1,264 | 1,381 |
| | | | | |

| 11.75%, 2/25/20 | | 1,075 | 1,510 |
|-------------------------------------|--------|-------|-------|
| | | | 7,684 |
| Ecuador (1.1%) | | | |
| Sovereign (1.1%) | | | |
| Republic of Ecuador | | | |
| 9.38%, 12/15/15 | | 470 | 457 |
| 10.00%, 8/15/30 | (d) | 2,500 | 2,294 |
| | | | 2,751 |
| Indonesia (3.5%) | | | |
| Corporate (3.5%) | | | |
| Pindo Deli Finance Mauritius | | | |
| Tranche A, 6.50%, 4/28/15 | (c)(e) | 1,521 | 1,164 |
| Tranche B, 6.50%, 4/28/18 | (e) | 3,413 | 1,758 |
| Tranche C, 6.50%, 4/28/27 | (c) | 6,884 | 861 |
| Tijiwi Kimia Finance Mauritius Ltd. | | | |
| Tranche A, 6.50%, 4/28/15 | (e) | 1,396 | 1,068 |
| | | | |

| Tranche B. 6.50%, 428/15 (c)kc 2.161 1.452 Tranche B. 6.50%, 428/18 (c)kc 2.714 1.452 Tranche B. 6.50%, 428/18 (c) 3.352 4.582 Tranche B. 6.50%, 428/18 (c) 3.352 4.582 Sovereign C.2% Security | | | | |
|--|---------------------------|--------|------------|--------|
| Tranche (. 6.50%, 4/28/27 (c) 3,352 (453) 8,490 Nory Coust (0.2%) Soverigin (0.2%) Republic of Yony Coust 1973%, 3/31/18 (b) 2,045 (211) Malaysia (1.1%) Soverengin (1.1%) Government of Malaysia 7.50%, 7/16/11 (2.0%) Mexico (20.5%) | Tranche A, 6.50%, 4/28/15 | (c)(e) | 2,161 | 1,653 |
| Nory Coast (0.2%) Sovereign | | (c)(e) | | 1,452 |
| Nony Coast (0.2%) Sovereign (0.2%) Sovereign (0.2%) Sovereign (0.2%) Sovereign (0.2%) Sovereign (1.1%) Sovereign (1.2%) Sovereign (1.2%) Sovereign (1.2.%) Soverei | Tranche C, 6.50%, 4/28/27 | (c) | 3,352 | 453 |
| Sovereign (0.2%) Sovereign (1.1%) Sovereign (1.2%) Sovereign (| | | | 8,409 |
| Republic of tony Coast 1973%, 33/118 19 2,045 25 25 25 25 25 25 25 | | | | |
| 19.73%, 3,311/18 | | | | |
| Mulaysia (.1.1.9) Sovereign (1.1.9) 3.00 4.58 8.75%, 61/109 1.929 2.092 2.050 3.000 | Republic of Ivory Coast | | | |
| Soverigin (1.1%) | 19.73%, 3/31/18 | (b) | 2,045 | 521 |
| Section Sect | Malaysia (1.1%) | | | |
| 7.50%, 7.15/11 420 458 8.75%, 6/1/09 1.929 2.092 7.50% Mexico (2.5%) Corporate (7.8%) Pemes Project Funding Master Trust 6.69%, 6/15/10 (c)(e) 4.250 4.354 8.63%, 1.21/123 1.740 2.097 9.50%, 9/15/27 5.5920 7.740 9.13%, 1.01/31/0 4.040 4.533 8.63%, 1.21/123 1.740 9.13%, 1.01/31/0 4.040 4.533 8.63%, 1.21/123 1.740 8.00%, 1.21/15/15 1.740 1.740 8.00%, 1.21/15/15 1.740 1.740 8.00%, 1.21/15/15 1.740 1.740 8.13%, 1.21/13/10 1.740 1.740 8.13%, 1.21/13 1.740 8.13%, 1.21/13 1.740 1.740 8.13%, 1.21/13 1.740 1.740 8.13%, 1.23/19/19 1.740 1.740 8.13%, 1.23/19/19 1.740 1.740 8.28%, 1.141/11 1.750%, 5/15/26 1.740 4.000 8.28%, 1.141/11 1.750%, 5/15/26 1.740 4.000 8.28%, 1.141/19 1.750%, 5/15/26 8.28%, 1.141/10 1.750%, 5/15/26 8.28%, 1.141/10 1.750%, 5/15/26 8.28%, 1.141/19 1.750%, 5/15/26 8.28%, 1.150%, 5/15/26 8.28%, 1.150%, 5/15/26 8.28%, 1.150%, 5/15/26 8.28%, 1.150%, 5/15/26 8.28%, 1.150%, 5/15/26 8.28%, 1.150%, 5/15/26 8.28%, 1.150%, 5/15/26 8.28%, 1.150%, 5/15/26 8.28%, 1.150%, 5/15/26 8.28%, 5/15/26 8.28%, 5/15/26 8.28%, 5/15/26 8.28%, 5/15/26 8.2 | Sovereign (1.1%) | | | |
| 8.75%, 6/1/09 1,929 2,025 Mexico (20,5%) 2,550 Corporate (7,8%) 8 4,550 Femex Project Pinding Master Trust 4,250 4,250 6,6%, 6/15/10 (c)(e) 4,250 4,250 8,6%, 12/12/3 5,920 7,740 18,724 9,5%, 9/15/27 5,920 7,740 18,724 Sovereign (12,7%) 8 18,724 18,724 Mexican Bonos 8 144,342 14,765 1,00%, 12/5/24 144,342 14,766 14,342 14,766 1,014/12 \$ 1,70 1,870 <td< td=""><td>Government of Malaysia</td><td></td><td></td><td></td></td<> | Government of Malaysia | | | |
| 8.75%, 6/1/09 1,929 2,025 Mexico (20,5%) 2,550 Corporate (7,8%) 8 4,550 Femex Project Pinding Master Trust 4,250 4,250 6,6%, 6/15/10 (c)(e) 4,250 4,250 8,6%, 12/12/3 5,920 7,740 18,724 9,5%, 9/15/27 5,920 7,740 18,724 Sovereign (12,7%) 8 18,724 18,724 Mexican Bonos 8 144,342 14,765 1,00%, 12/5/24 144,342 14,766 14,342 14,766 1,014/12 \$ 1,70 1,870 <td< td=""><td></td><td></td><td>420</td><td>458</td></td<> | | | 420 | 458 |
| Mexico (20.5%) Corporate (7.8%) Pemes Project Funding Master Trust Femes Project Funding Master Trust 6.0%, 6.015/10 | | | 1,929 | |
| Mexico (20.5%) Corporate (7.8%) Pemex Project Funding Master Trust | | | | |
| Corporate (7.8%) Corporate (7.1%) x <t< td=""><td>Mexico (20.5%)</td><td></td><td></td><td></td></t<> | Mexico (20.5%) | | | |
| Pemer Project Funding Master Trust (c)(e) 4,250 4,54 6,69%, cl/3/123 1,740 2,097 9,50%, p/15/27 5,090 7,740 9,13%, 10/13/10 4,040 4,533 8,00%, p/15/27 18,724 Mexican Bonos 8,00%, 12/17/15 4,926 8,00%, 12/17/15 MXN 54,910 4,926 United Mexican States 144,342 14,976 United Mexican States 2,174 2,614 8,13%, 12/30/19 1,700 1,870 8,13%, 12/30/19 1,170 4,940 8,13%, 12/30/19 2,174 2,614 8,38%, 1/14/11 4,400 4,921 1,50%, 5/15/26 828 1,313 Nigeria (2,2%) 2 2,74 Central Bank of Nigeria Par Bond 2,378 2,54 6,25%, 1/15/20 2,378 2,58 Panama (2,6%) 2,378 2,58 Sovereign (2,6%) 1,90 75 Republic of Panama 7 1,90 2,47 | | | | |
| 6,69%, 6/15/10 (c)(e) 4,250 4,250 4,250 4,250 4,250 5,260 7,740 2,997 5,00%, 9/15/27 5,920 7,740 5,920 7,740 5,920 7,740 5,920 7,740 5,920 7,740 5,920 7,740 5,920 7,740 7 | | | | |
| 8.63%, 12/1/23 1,740 2,097 9.50%, 9/15/27 5,920 7,740 9.13%, 10/13/10 4,040 4,533 Sovereign (12.7%) 8 8.00%, 12/17/15 MXN 54,910 4,926 8.00%, 12/17/15 MXN 54,910 4,926 United Mexican States 144,342 14,976 United Mexican States 2,174 2,614 8.33%, 12/30/19 2,174 2,614 8.38%, 1/14/11 4,400 4,921 1.50%, 5/15/26 828 1,313 Sovereign (2.2%) 8 2,313 Central Bank of Nigeria Par Bond 2,378 2,543 6.25%, 11/15/20 3,243 2,543 Central Bank of Nigeria Credit-Linked Mortgage Bond 2,378 2,543 15.00%, 1/2009 2,378 2,543 Sovereign (2.6%) 1,910 2,010 7.25%, 3/15/15 7,00 7,51 9,38%, 41/129 1,910 2,010 7.25%, 3/15/15 7,00 7,51 9,38%, 41/129 1,910 2,010 7.25%, 3/15/15 9,00 </td <td></td> <td>(c)(e)</td> <td>4.250</td> <td>4,354</td> | | (c)(e) | 4.250 | 4,354 |
| 9.50%, 9/15/27 5,920 7,740 9.13%, 10/13/10 4,040 4,533 Sovereign (12.7%) 18,724 Mexican Bonos 400 144,342 14,976 10,00%, 12/5/24 144,342 14,976 United Mexican States 1,700 1,870 7.50%, 1/14/12 \$ 1,700 1,870 8.38%, 1,14/11 4,400 4,921 11.50%, 5/15/26 828 1,313 30,620 49,344 Nigeria (2.2%) 828 1,313 Sovereign (2.2%) 828 1,313 Central Bank of Nigeria Par Bond 2,378 2,543 6.2%, 1/15/20 (d) 2,750 2,743 Central Bank of Nigeria Credit-Linked Mortgage Bond 2,378 2,543 5.00%, 1/30/09 2,378 2,543 Sovereign (2.6%) 8 2,943 Republic of Panama 1,910 2,010 7.25%, 3/15/15 700 751 9.3%, 2/8/11 906 1,04 Post, 3/20/20 1,910 2,010 7.25%, 3/15/15 700 751 | | (1)(1) | | |
| 9.13%, 10/13/10 4,040 4,533 Sovereign (12.7%) 18.724 Mexican Bonos 34,910 4,926 10.00%, 12/5/24 144,342 14,966 United Mexican States 1,700 1,870 7.50%, 1/14/12 \$ 1,700 1,870 8.13%, 12/30/19 2,174 2,614 8.13%, 1/14/11 4,400 4,921 11.50%, 5/15/26 828 1,313 30,620 49,344 Nigeria (2.2%) 8 1,343 Central Bank of Nigeria Par Bond 2,750 2,743 6.25%, 11/15/20 2,378 2,543 Central Bank of Nigeria Credit-Linked Mortgage Bond 2,378 2,543 15.00%, 1/30/09 2,378 2,543 Sovereign (2.6%) 1,910 2,010 Republic of Panama 1,910 2,010 7.25%, 3/15/15 700 751 9.38%, 4/12/9 1,890 1,040 9.38%, 2/8/11 906 1,040 Peru (2.9%) 1,150 1,331 8.38%, 5/3/16 1,150 1,331 8.78%, 1/12/133 3,130 3,850 9.88%, 2/6/15 1,380 6,002 Philippines (12.3%) 6,002 | | | | |
| 18,724 18,724 18,724 18,724 18,724 18,725 18,725 18,726 1 | | | | |
| Sovereign (12.7%) MXN 54,910 4,926 10.00%, 12/5/24 144,342 14,976 10.00%, 12/5/24 144,342 14,976 10.00%, 12/5/24 144,342 14,976 10.00%, 12/5/24 144,342 14,976 10.00%, 12/5/24 144,342 14,976 10.00%, 12/5/24 144,342 14,976 10.00%, 12/5/24 144,342 14,976 10.00%, 12/5/24 1.00%, 13/10 1.870 1.8 | 7.13 /0, 10/13/10 | | 1,010 | |
| Maxi | Sovereign (12.7%) | | | 10,721 |
| 8.00%, 12/17/15 MXN 54,910 4,926 10.00%, 12/57/24 14,342 14,76 United Mexican States 7,50%, 1/14/12 \$ 1,700 1,870 8.13%, 12/30/19 2,174 2,614 8.38%, 1/14/11 4,400 4,921 11.50%, 5/15/26 828 1,313 30,620 49,344 Nigeria (2,2%) 8 8 Sovereign (2,2%) 8 8 Central Bank of Nigeria Par Bond 2,378 2,543 6,25%, 11/15/20 (d) 2,738 2,543 15,00%, 1/30/09 2,378 2,543 Panama (2.6%) 2,378 2,543 Sovereign (2.6%) 2 2 Republic of Panama 1,910 2,010 7,13%, 1/29/26 1,910 2,010 9,38%, 3/15/15 700 751 9,38%, 2/8/11 1,910 2,447 9,63%, 2/8/11 1,910 2,447 9,63%, 2/8/11 1,150 1,31 8,53/16 1,150 1,31 8,75%, 1/21/133 3,130 | | | | |
| 10.00%, 12/5/24 | | | MXN 54 910 | 4 926 |
| United Mexican States 7.5%, 1/14/12 \$ 1,700 1,870 7.5%, 1/14/12 2,174 2,614 8.38%, 1/14/11 4,400 4,921 11.50%, 5/15/26 828 1,313 Nigeria (2.2%) 49,344 Nigeria Par Bond 6.25%, 11/15/20 (d) 2,750 2,743 Central Bank of Nigeria Credit-Linked Mortgage Bond 2,378 2,543 15.00%, 1/30/09 2,378 2,543 Panama (2.6%) 2,278 2,543 Sovereign (2.6%) 1,910 2,010 7.25%, 3/15/15 700 751 9.38%, 4/1/29 1,910 2,010 7.25%, 3/15/15 700 751 9.38%, 2/8/11 906 1,040 6,24% Peru (2.9%) 2,47 2,48 Peru (2.9%) 3,130 3,85 Sovereign (2.9%) 1,150 1,31 Republic of Peru 3,130 3,850 8,38%, 5/3/16 1,1,50 1,31 8,75%, 11/21/3 | | | | |
| 7.50%, 1/14/12 \$ 1,700 1,870 8.13%, 12/30/19 2,174 2,614 8.38%, 1/14/11 4,400 4,921 11.50%, 5/15/26 828 1,313 30,620 49,344 Nigeria (2.2%) ************************************ | | | 144,342 | 14,970 |
| 8.13%, 12/30/19 2,174 2,614 8.38%, 1/14/11 4,400 4,921 11.50%, 5/15/26 828 1,313 30,620 49,344 Nigeria (2.2%) Central Bank of Nigeria Par Bond 6.25%, 11/15/20 (d) 2,750 2,743 Central Bank of Nigeria Credit-Linked Mortgage Bond 2,378 2,543 15.00%, 1/30/09 2,378 2,543 Panama (2.6%) 2,278 2,543 Sovereign (2.6%) 8 2,900 7,254 Republic of Panama 7,13%, 129/26 1,910 2,010 7.25%, 3/15/15 700 751 9.38%, 4/1/29 1,800 2,447 9.63%, 28/11 906 1,040 Sovereign (2.9%) 8 6,248 Peru (2.9%) 8 8 8 5/3/16 1,315 1,316 3,316 8.75%, 1/12/133 3,130 3,850 9,88%, 2/6/15 1,385 1,721 6,902 9,002 9,002 9,002 9,002 9,002 9,002 9,002 9,002 9,002 | | | \$ 1.700 | 1.870 |
| 8.38%, 1/14/11 4,400 4,921 11.50%, 5/15/26 828 1,313 30,620 49,344 Nigeria (2.2%) | | | | |
| 11.50%, 5/15/26 828 1,313 30,620 40,344 Nigeria (2.2%) Sovereign (2.2%) Sovereign (2.2%) Sovereign (2.2%) Sovereign (2.5%) Sovereign (2.5%) Central Bank of Nigeria Par Bond 6.25%, 11/15/20 (d) 2,750 2,743 Central Bank of Nigeria Credit-Linked Mortgage Bond 15.00%, 1/30/09 2,378 2,543 Enama (2.6%) Sovereign (2.6%) Republic of Panama 7.13%, 1/29/26 1,910 2,010 7.25%, 3/15/15 700 751 9.38%, 4/1/29 1,890 2,447 9.63%, 2/8/11 906 1,040 Enama (2.6%) Sovereign (2.9%) Republic of Peru Sovereign (2.3%) | | | | |
| 30,620 49,344 1 | | | | |
| Nigeria (2.2%) Sovereign (2.2%) Central Bank of Nigeria Par Bond 6.25%, 11/15/20 (d) 2,750 2,743 Central Bank of Nigeria Credit-Linked Mortgage Bond 15.00%, 1/30/09 2,378 2,543 5,286 Panama (2.6%) Sovereign (2.6%) Republic of Panama 7.13%, 1/29/26 1,910 2,010 7.25%, 3/15/15 700 751 9,38%, 4/1/29 1,890 2,447 9.63%, 2/8/11 906 1,040 6,248 Peru (2.9%) Sovereign (2.9%) Republic of Peru 8.38%, 5/3/16 1,150 1,331 8.75%, 11/21/33 3,130 3,850 9,88%, 2/6/15 1,385 1,721 Philippines (12.3%) | 11.50%, 3/13/20 | | 828 | |
| Nigeria (2.2%) Sovereign (2.2%) Central Bank of Nigeria Par Bond 6.25%, 11/15/20 (d) 2,750 2,743 Central Bank of Nigeria Credit-Linked Mortgage Bond 15.00%, 1/30/09 2,378 2,543 5,286 Panama (2.6%) Sovereign (2.6%) Republic of Panama 7.13%, 1/29/26 1,910 2,010 7.25%, 3/15/15 700 751 9.38%, 4/1/29 1,890 2,447 9.63%, 2/8/11 9906 1,040 6,248 Peru (2.9%) Sovereign (2.9%) Republic of Peru 8.38%, 5/3/16 1,150 1,331 8.75%, 11/21/33 3,130 3,850 9.88%, 2/6/15 1,385 1,721 Philippines (12.3%) | | | | |
| Sovereign (2.2%) Central Bank of Nigeria Par Bond (2.5%, 11/15/20) (d) 2,750 2,743 (2.5%, 11/15/20) (d) 2,378 2,543 (2.5%, 11/15/20) (d) 2,378 2,543 (2.5%, 11/15/20) (d) 2,378 2,543 (2.5%, 11/15/20) (d) 2,378 2,548 (2.5%, 11/15/20) (d) 2,378 2,528 (2.5%, 11/15/20) (d) 2,378 2,528 (d) 2,378 2,378 (d) | Nicorio (2.20%) | | | 49,344 |
| Central Bank of Nigeria Par Bond 4,2750 2,743 6.25%, 11/15/20 (d) 2,750 2,743 Central Bank of Nigeria Credit-Linked Mortgage Bond 15.00%, 1/30/09 2,378 2,543 5,286 Panama (2.6%) 5,286 Republic of Panama 7.13%, 1/29/26 1,910 2,010 7.25%, 3/15/15 700 751 9.38%, 4/1/29 1,890 2,447 9.63%, 2/8/11 906 1,040 6,248 Peru (2.9%) Sovereign (2.9%) Republic of Peru 8.38%, 5/3/16 1,150 1,331 8.75%, 11/21/33 3,130 3,850 9.88%, 2/6/15 1,385 1,721 6,902 Philippines (12.3%) 6,902 Sovereign (12.3%) 5,902 | | | | |
| 6.25%, 11/15/20 (d) 2,750 2,743 Central Bank of Nigeria Credit-Linked Mortgage Bond 15.00%, 1/30/09 2,378 2,543 5,286 Panama (2.6%) Sovereign (2.6%) Republic of Panama 7.13%, 1/29/26 1,910 2,010 7.25%, 3/15/15 700 751 9.38%, 4/1/29 1,890 2,447 9.63%, 2/8/11 906 1,040 6,248 Peru (2.9%) Sovereign (2.9%) Republic of Peru 8.38%, 5/3/16 1,150 1,331 8.75%, 11/21/33 3,130 3,850 9.88%, 2/6/15 1,385 1,721 Philippines (12.3%) Sovereign (12.3%) | | | | |
| Central Bank of Nigeria Credit-Linked Mortgage Bond 15.00%, 1/30/09 2,378 2,543 5,286 Panama (2.6%) Sovereign (2.6%) Republic of Panama 7.13%, 1/29/26 1,910 2,010 7.25%, 3/15/15 700 751 9.38%, 4/1/29 1,890 2,447 9.63%, 2/8/11 906 1,040 6,248 Peru (2.9%) Sovereign (2.9%) Republic of Peru 8.38%, 5/3/16 1,150 1,331 8.75%, 11/21/33 3,130 3,850 9.88%, 2/6/15 1,385 1,721 Philippines (12.3%) 5,902 Philippines (12.3%) 5,902 | | (4) | 2.750 | 2 742 |
| 15.00%, 1/30/09 2,378 2,543 5,286 Panama (2.6%) Sovereign (2.6%) Republic of Panama 7.13%, 1/29/26 7.25%, 3/15/15 700 7.51 9.38%, 4/1/29 1,890 2,447 9.63%, 2/8/11 906 1,040 6,248 Peru (2.9%) Sovereign (2.9%) Republic of Peru 8.38%, 5/3/16 1,150 1,331 8.75%, 11/21/33 3,130 3,850 9.88%, 2/6/15 1,385 1,721 6,902 Philippines (12.3%) Sovereign (12.3%) | | (d) | 2,730 | 2,743 |
| Panama (2.6%) Sovereign (2.6%) Republic of Panama | | | 2 279 | 2.542 |
| Panama (2.6%) Sovereign (2.6%) Republic of Panama 7.13%, 1/29/26 7.25%, 3/15/15 700 751 9.38%, 4/1/29 1,890 2,447 9.63%, 2/8/11 906 1,040 6,248 Peru (2.9%) Sovereign (2.9%) Republic of Peru 8.38%, 5/3/16 1,150 1,331 8.75%, 11/21/33 3,130 3,850 9.88%, 2/6/15 1,385 1,721 6,902 Philippines (12.3%) Sovereign (12.3%) | 15.00%, 1/50/09 | | 2,378 | |
| Sovereign (2.6%) Republic of Panama 7.13%, 1/29/26 1,910 2,010 7.25%, 3/15/15 700 751 9.38%, 4/1/29 1,890 2,447 9.63%, 2/8/11 906 1,040 6,248 Peru (2.9%) Sovereign (2.9%) Republic of Peru 8.38%, 5/3/16 1,150 1,331 8.75%, 11/21/33 3,130 3,850 9.88%, 2/6/15 1,385 1,721 6,902 Philippines (12.3%) Sovereign (12.3%) | Danama (2 (0)) | | | 3,280 |
| Republic of Panama 1,910 2,010 7.13%, 1/29/26 1,910 2,010 7.25%, 3/15/15 700 751 9.38%, 4/1/29 1,890 2,447 9.63%, 2/8/11 906 1,040 6,248 Peru (2.9%) Sovereign (2.9%) Republic of Peru 8.38%, 5/3/16 1,150 1,331 8.75%, 11/21/33 3,130 3,850 9.88%, 2/6/15 1,385 1,721 6,902 Philippines (12.3%) 5overeign (12.3%) | | | | |
| 7.13%, 1/29/26 7.25%, 3/15/15 700 751 9.38%, 4/1/29 1,890 2,447 9.63%, 2/8/11 906 1,040 6,248 Peru (2.9%) Sovereign (2.9%) Republic of Peru 8.38%, 5/3/16 1,150 1,331 8.75%, 11/21/33 9.88%, 2/6/15 1,385 1,721 6,902 Philippines (12.3%) Sovereign (12.3%) | | | | |
| 7.25%, 3/15/15 9.38%, 4/1/29 1,890 2,447 9.63%, 2/8/11 906 1,040 6,248 Peru (2.9%) Sovereign (2.9%) Republic of Peru 8.38%, 5/3/16 1,150 1,331 8.75%, 11/21/33 3,130 3,850 9.88%, 2/6/15 1,385 1,721 6,902 Philippines (12.3%) Sovereign (12.3%) | • | | 1.010 | 2.010 |
| 9.38%, 4/1/29 9.63%, 2/8/11 9.63%, 2/8/11 906 1,040 6,248 Peru (2.9%) Sovereign (2.9%) Republic of Peru 8.38%, 5/3/16 1,150 1,331 8.75%, 11/21/33 3,130 3,850 9.88%, 2/6/15 1,385 1,721 6,902 Philippines (12.3%) Sovereign (12.3%) | | | | |
| 9.63%, 2/8/11 906 1,040 6,248 Peru (2.9%) Sovereign (2.9%) Republic of Peru 8.38%, 5/3/16 8.75%, 11/21/33 9.88%, 2/6/15 1,150 1,331 3,130 3,850 9.88%, 2/6/15 1,385 1,721 6,902 Philippines (12.3%) Sovereign (12.3%) | | | | |
| Comparison of the comparison | | | | |
| Peru (2.9%) Sovereign (2.9%) Republic of Peru 8.38%, 5/3/16 8.75%, 11/21/33 9.88%, 2/6/15 Philippines (12.3%) Sovereign (12.3%) | 9.63%, 2/8/11 | | 906 | |
| Sovereign (2.9%) Republic of Peru 8.38%, 5/3/16 8.75%, 11/21/33 9.88%, 2/6/15 1,310 3,130 3,850 9.88%, 2/6/15 1,385 1,721 6,902 Philippines (12.3%) Sovereign (12.3%) | D (2.0%) | | | 6,248 |
| Republic of Peru 8.38%, 5/3/16 1,150 1,331 8.75%, 11/21/33 3,130 3,850 9.88%, 2/6/15 1,385 1,721 6,902 Philippines (12.3%) Sovereign (12.3%) | | | | |
| 8.38%, 5/3/16 1,150 1,331 8.75%, 11/21/33 3,130 3,850 9.88%, 2/6/15 1,385 1,721 Philippines (12.3%) Sovereign (12.3%) | | | | |
| 8.75%, 11/21/33 3,850 9.88%, 2/6/15 1,385 1,721 Philippines (12.3%) Sovereign (12.3%) | | | | |
| 9.88%, 2/6/15 1,385 1,721 6,902 Philippines (12.3%) Sovereign (12.3%) | | | | |
| 6,902 Philippines (12.3%) Sovereign (12.3%) | | | | |
| Philippines (12.3%) Sovereign (12.3%) | 9.88%, 2/6/15 | | 1,385 | |
| Sovereign (12.3%) | | | | 6,902 |
| | | | | |
| Republic of Philippines | | | | |
| | Republic of Philippines | | | |

| 8.88%, 3/17/15 | (h) | 10,980 | 12,572 |
|-----------------------------|-----|--------|--------|
| 9.00%, 2/15/13 | | 2,240 | 2,528 |
| 9.50%, 2/2/30 | | 9,365 | 11,566 |
| 10.63%, 3/16/25 | | 2,080 | 2,782 |
| | | | 29,448 |
| Qatar (0.8%) | | | |
| Sovereign (0.8%) | | | |
| State of Qatar (Registered) | | | |
| 9.75%, 6/15/30 | | 1,260 | 1,868 |
| | | | |

| Process (15.10%) | | | |
|--|---------|-------|--------|
| Russia (15.1%) | | | |
| Corporate (3.3%) | | | |
| Gaz Capital for Gazprom | | 2.670 | 4.571 |
| 8.63%, 4/28/34 | | 3,670 | 4,571 |
| RSHB Capital S.A. for OJSC Russian Agricultural Bank | | 2 000 | 2.010 |
| 7.18%, 5/16/13 | (c) | 2,800 | 2,919 |
| 7.18%, 5/16/13 | | 270 | 281 |
| 0 (11.0%) | | | 7,771 |
| Sovereign (11.8%) | | | |
| Russian Federation | () () | 2.204 | 2.500 |
| 5.00%, 3/31/30 | (c)(d) | 3,384 | 3,780 |
| Russian Federation (Registered) | | | |
| 5.00%, 3/31/30 | (d) | 5,000 | 5,584 |
| 8.25%, 3/31/10 | | 3,098 | 3,262 |
| 11.00%, 7/24/18 | | 5,901 | 8,490 |
| 12.75%, 6/24/28 | | 4,080 | 7,329 |
| | | | 28,445 |
| | | | 36,216 |
| South Africa (0.6%) | | | |
| Sovereign (0.6%) | | | |
| Republic of South Africa | | | |
| 13.50%, 9/15/15 | ZAR | 9,075 | 1,522 |
| Trinidad (1.0%) | | | |
| Corporate (1.0%) | | | |
| National Gas of Trinidad & Tobago, Ltd. | | | |
| 6.05%, 1/15/36 | (c) \$ | 2,369 | 2,282 |
| Tunisia (0.3%) | | | |
| Sovereign (0.3%) | | | |
| Banque Centrale de Tunisie | | | |
| 7.38%, 4/25/12 | | 750 | 817 |
| Turkey (6.8%) | | | |
| Sovereign (6.8%) | | | |
| Citigroup Global Markets Holdings, Inc. | | | |
| (Turkish Lira Index Linked) | | | |
| Zero Coupon, 6/28/07 | | 6,120 | 5,641 |
| J.P. Morgan Chase & Co. | | | |
| Zero Coupon, 6/27/07 | | 5,309 | 4,558 |
| Republic of Turkey | | | |
| 7.00%, 9/26/16 | | 2,920 | 2,876 |
| 11.00%, 1/14/13 | | 2,470 | 2,984 |
| 11.50%, 1/23/12 | | 320 | 387 |
| , | | | 16,446 |
| Venezuela (6.4%) | | | ŕ |
| Sovereign (6.4%) | | | |
| Republic of Venezuela | | | |
| 8.50%, 10/8/14 | | 1,510 | 1,676 |
| 9.38%, 1/13/34 | | 2,732 | 3,384 |
| 10.75%, 9/19/13 | | 8,330 | 10,204 |
| | | 0,550 | 10,201 |

| | 15,264 |
|------------------------|---------|
| TOTAL DEBT INSTRUMENTS | |
| (Cost \$228,718) | 236,600 |

| | | No. of Warrants | | |
|--|--------|--------------------|-------|--|
| WARRANTS (0.9%) | | | | |
| Argentina (0.5%) | | | | |
| Republic of Argentina | | | | |
| expiring 12/15/35 | (a)(g) | 1,182,042 | 118 | |
| expiring 12/15/35 | (g) | 37,715,134 | 1,111 | |
| | | | 1,229 | |
| Nigeria (0.2%) | | | | |
| Central Bank of Nigeria | | | | |
| expiring 11/15/20 | (g) | 3,000 | 600 | |
| Venezuela (%) | | | | |
| Republic of Venezuela Oil-Linked Payment Obligation, | | | | |
| expiring 4/15/20 | (g) | 11,350 | 409 | |
| TOTAL WARRANTS | | | | |
| (Cost \$589) | | | 2,238 | |
| | | | | |

| | Face Amount (000) | | |
|---|-------------------------|-------|---------|
| SHORT-TERM INVESTMENT (0.7%) | | | |
| United States (0.7%) | | | |
| Repurchase Agreement (0.7%) | | | |
| J.P. Morgan Securities, Inc., 5.25%, | | | |
| dated 9/29/06, due 10/2/06, | | | |
| repurchase price \$1,738 (Cost \$1,737) | (f) \$ | 1,737 | 1,737 |
| TOTAL INVESTMENTS + (100.0%) | | | |
| (Cost \$231,044) | | | 240,575 |
| LIABILITIES IN EXCESS OF OTHER ASSETS | | | (3,040) |
| NET ASSETS | | \$ | 237,535 |

- (a) Security was valued at fair value. At September 30, 2006, the Fund held \$517,000 of fair valued securities, representing 0.2% of net assets.
- (b) Issuer is in default.
- (c) 144A Security Certain conditions for public sale may exist. Unless otherwise noted, these securities are deemed to be liquid.
- (d) Step Bond coupon rate increases in increments to maturity. Rate disclosed is as of September 30, 2006. Maturity date disclosed is ultimate maturity.
- (e) 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 September 30, 2006.
- (f) Represents the Fund s undivided interest in a joint repurchase agreement which has a total value of \$1,401,259,000. The repurchase agreement was fully collateralized by U.S. government agency securities at the date of this Portfolio of Investments as follows: Federal Farm Credit Bank, 0.00% to 7.43%, due 10/2/06 to 10/23/35; Federal Home Loan Bank, 0.00% to 6.94%, due 10/2/06 to 7/15/36; Federal Home Loan Mortgage Corporation, 0.00% to 6.94%, due 10/10/06 to 9/7/21; Federal National Mortgage Association, 0.00% to 10.35%, due 10/5/06 to 3/11/19; Tennessee Valley Authority, 5.38% to 7.13%, due 11/13/08 to 4/1/36 which had a total value of \$1,429,288,878. 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.
- (g) Non-income producing.
- (h) Denotes all or a portion of securities subject to repurchase under the Reverse Repurchase Agreements as of September 30, 2006.
- BRL Brazilian Real
- MXN Mexican Peso
- ZAR South African Rand
- At September 30, 2006, the U.S. Federal income tax cost basis of investments was approximately \$231,044,000 and, accordingly, net unrealized appreciation for U.S. Federal income tax purposes was \$9,531,000 of which \$19,728,000 related to appreciated securities and \$10,197,000 related to depreciated securities.

Futures Contracts:

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

| | Number of Contracts | Value (000) Expiration Date | | Net Unrealized Appreciation (Depreciation) (000) | |
|---------------|---------------------------|--------------------------------|--------|--|--|
| Short: | | | | | |
| U.S. Treasury | | | | | |
| 2 yr. Note | 364 | \$ 74,438 | Dec-06 | \$ (227) | |
| | | | | | |

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.

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: 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 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: November 21, 2006

By: /s/ James Garrett

Name: James Garrett

Title: Principal Financial Officer
Date: November 21, 2006