

ABERDEEN GLOBAL INCOME FUND INC
Form N-CSR
January 03, 2007

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:	811-06342
Exact name of registrant as specified in charter:	Aberdeen Global Income Fund, Inc.
Address of principal executive offices:	800 Scudders Mill Road, Plainsboro, New Jersey 08536
Name and address of agent for service:	Mr. Christian Pittard Aberdeen Asset Management Inc. 1735 Market Street 37 th Floor Philadelphia, PA 19103
Registrant's telephone number, including area code:	866-839-5233
Date of fiscal year end:	10/31/06
Date of reporting period:	10/31/06

Item 1 Reports to Stockholders.

Invests primarily in global fixed-income securities

Annual Report

October 31, 2006

Letter to Shareholders

December 18, 2006

Dear Shareholder,

We present this Annual Report which covers the activities of Aberdeen Global Income Fund, Inc. (the Fund) for the year ended October 31, 2006. The Fund's principal investment objective is to provide high current income by investing primarily in fixed income securities. As a secondary investment objective, the Fund seeks capital appreciation, but only when consistent with its principal investment objective.

Net Asset Value Performance

The Fund's total return based on net asset value (NAV) was 5.4% for the year ended October 31, 2006 and 8.2% per annum since inception, assuming the reinvestment of distributions.

Share Price Performance

The Fund's share price decreased by 0.4% over the year, from \$13.05 on October 31, 2005 to \$13.00 on October 31, 2006. The Fund's share price on October 31, 2006 represented a discount of 3.4% to the NAV per share of \$13.46 on that date, compared with a discount of 5.9% to the NAV per share of \$13.87 on October 31, 2005. At the date of this letter, the share price was \$13.44, representing a discount of 0.4% to the NAV per share of \$13.50

Credit Quality: 86.3% of Securities Rated or Deemed Equivalent to A or Better

The credit quality of the Fund's investments has been maintained. As of October 31, 2006, 86.3% of the portfolio was invested in securities where either the issue or the issuer was rated A or better, or judged by Aberdeen Asset Management Asia Limited (the Investment Manager) to be of equivalent quality.

Distributions

Distributions to common shareholders for the twelve months ended October 31, 2006 totaled \$1.085 per share (including a special distribution of 34 cents per share). Based on the share price of \$13.00 on October 31, 2006, the distribution rate over the twelve months then ended was 8.3% (5.7% excluding the special distribution). Since all distributions are paid after deducting applicable withholding taxes, the effective distribution rate may be higher for those U.S. investors who are able to claim a tax credit.

On December 13, 2006, the Board of Directors authorized a monthly distribution of 6.5 cents per share, payable on January 12, 2007 to common shareholders of record as of December 29, 2006.

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The Board's policy is to provide investors with a stable monthly distribution out of current income, supplemented by realized capital gains and, to the extent necessary, paid-in-capital. It is the Board's intention that a monthly distribution of at least 6.5 cents per share be maintained for twelve months, beginning with the July 2006 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 2007.

Aberdeen Global Income Fund, Inc.

Letter to Shareholders (continued)

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 1-866-839-5233.

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 related to portfolio securities during the twelve months ended June 30, 2006, is available: (i) upon request and without charge by calling Investor Relations toll-free at 1-866-839-5233; and (ii) on the SEC's website at <http://www.sec.gov>.

Quarterly Reports to Shareholders

In 2004, in an effort to reduce Fund expenses, the Fund discontinued the printing and mailing of quarterly reports to shareholders for the three-month periods ending January 31 and July 31, and instead posted such reports on the Fund's website. The Board of Directors has determined that the Fund will no longer prepare formal quarterly reports for the periods ending January 31 and July 31, but, as noted above, shareholders will be able to obtain essential information about the Fund for such periods through the Fund's reports on Form N-Q, available on the Fund's website or upon request and without charge by calling Investor Relations toll-free at 1-866-839-5233. Semi-annual and annual reports to shareholders will continue to be prepared and mailed to shareholders.

Investor Relations Information

For information about the Fund, daily updates of share price, NAV, and details of recent distributions, contact Aberdeen Asset Management Inc. by:

calling toll free on 1-866-839-5233 in the United States,

emailing to InvestorRelations@aberdeen-asset.com, or

visiting the website at www.aberdeenfco.com.

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

Yours sincerely,

Martin Gilbert

President

All amounts are U.S. dollars unless otherwise stated

Aberdeen Global Income Fund, Inc.

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Your Board's policy is to provide investors with a stable monthly distribution out of current income, supplemented by realized capital gains and, to the extent necessary, paid-in capital.

The Fund is subject to U.S. corporate, tax and securities laws. Under U.S. tax accounting rules, the amount of distributable income for each fiscal period depends on the actual exchange rates during the entire year between the U.S. dollar and the currencies in which Fund assets are denominated and on the aggregate gains and losses realized by the Fund during the entire year.

Therefore, the exact amount of distributable income for each fiscal year can only be determined as of the end of the Fund's fiscal year, October 31. However, under the U.S. Investment Company Act of 1940, the Fund may be required to indicate the sources of certain distributions to shareholders. 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, 2006 were comprised of 91% net investment income and 9% return of paid-in capital.

In January 2007, 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 2006 calendar year.

Aberdeen Global Income Fund, Inc.

Automatic Dividend Reinvestment and Cash Purchase Plan

Common shareholders are automatically enrolled in the Fund's Automatic 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, unless an election is made to receive distributions in cash. Distributions made under the Plan are taxable to the same extent as are cash distributions. The Plan also enables you to make additional cash investments in shares of at least \$100 per transaction, with a maximum of \$10,000 per month, and an aggregate annual limit of \$120,000. Under this arrangement, The Bank of New York (the Plan Agent) will purchase shares for you on the American Stock Exchange or otherwise on the open market on or before the investment date. The investment date is the 15th day of each month, but if such date is not a business day, the preceding business day.

As a participant in the Plan you will benefit from:

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, please contact the Plan Agent, The Bank of New York, Shareholder Relations Department, P.O. Box 11258, Church Street Station, New York, NY 10286 or call toll free on 1-800-432-8224.

Aberdeen Global Income Fund, Inc.

Report of the Investment Manager

Share Price Performance

On October 31, 2006, the Fund's share price was \$13.00, which represented a discount of 3.4% to the NAV per share of \$13.46. As of December 18, 2006, the share price was \$13.44, representing a discount of 0.4% to the NAV per share of \$13.50.

Auction Market Preferred Stock (AMPS)

The Fund's \$30 million of AMPS continued to be well bid at the regular auctions. The average interest rate paid was 4.926% over the year ended October 31, 2006, compared with an interest rate of 4.8234% for 30-day U.S. commercial paper over the same period. These rates were higher than for the preceding year. The key driver of the increase in the AMPS interest rates was a general rise in market interest rates following the U.S. Federal Reserve's tightening of monetary policy on six occasions by a cumulative 1.5% during the year ended October 31, 2006.

Over the year ended October 31, 2006, the impact of the AMPS on the net asset value attributable to common shareholders was negative. Bond movements made a negative contribution, as ongoing inflation concerns placed upward pressure on global bond yields. However, this negative effect was mitigated by the locking in of fixed rates on 80% of the AMPS, pursuant to the interest rate swap agreement referred to below, prior to the U.S. Federal Reserve commencing its current monetary policy tightening cycle. The Fund's locking in of fixed rates on a portion of the AMPS has meant that the differential between the AMPS funding rates and the yields at which the Fund invests remained positive despite the rise in U.S. short-term interest rates. Currency movements also made a small positive contribution.

These factors, in combination, produced a loss of 1.2% due to AMPS over the year ended October 31, 2006.

The Fund has entered into an interest rate swap agreement, based on an initial aggregate notional amount of \$24 million, which represented 80% of the total AMPS outstanding. A portion of the interest rate swaps, with a nominal value of \$4.8 million, expired on October 31, 2006. Upon expiration, the unhedged portion of the AMPS increased from a nominal value of \$6 million to \$10.8 million, and the coverage of the AMPS decreased from 80% to 64% of the outstanding AMPS. Under the terms of the agreement, as currently in effect, the Fund receives a floating rate of interest (one month USD-LIBOR BBA rate) and pays fixed rates of interest for the terms and based upon the notional amounts set forth below:

Remaining Term as of	Amount (in \$ million)	Fixed Rate Payable (%)
October 31, 2006		
48 months	4.8	4.055
24 months	7.2	3.540
12 months	7.2	3.160

Aberdeen Global Income Fund, Inc.

Report of the Investment Manager (continued)

A significant risk associated with interest rate swaps is the risk that the counterparty may default or file for bankruptcy, in which case the Fund would bear the risk of loss of the amount expected to be received under the swap agreement. There can be no assurance that the Fund will have an interest rate swap in place at any given time nor can there be any assurance that, if an interest rate swap is in place, it will be successful in hedging the Fund's interest rate risk with respect to the AMPS. The implementation of this strategy is at the discretion of the AMPS Hedging Committee of the Board of Directors.

PORTFOLIO COMPOSITION

Quality of Investments

As of October 31, 2006, 86.3% of the Fund's total investments were invested in securities where either the issue or the issuer was rated at least A 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, 2006, compared with the previous quarter and twelve months:

Date	AAA/Aaa %	AA/Aa %	A %	BBB/Baa %	BB/Ba* %	B* %
October 31, 2006	64.4	9.5	12.4	0.9	9.1	3.7
July 31, 2006	66.8	8.4	11.7	0.2	9.3	3.6
October 31, 2005	66.7	9.9	10.5	1.8	8.8	2.3

* Below investment grade

Geographic Composition

The Fund's investments are divided into three categories: Developed Markets, Investment Grade Developing Markets and Sub-Investment Grade Developing Markets. The table below shows the geographic 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, 2006, compared with the previous quarter and twelve months:

Date	Developed Markets %	Investment Grade Developing Markets %	Sub-Investment Grade Developing Markets %
October 31, 2006	71.8	17.2	11.0
July 31, 2006	74.5	15.2	10.3
October 31, 2005	83.3	10.5	6.2

Aberdeen Global Income Fund, Inc.

Report of the Investment Manager (concluded)

Currency Composition

The table below shows the currency composition of the Fund's total investments as of October 31, 2006, compared with the previous quarter and twelve months:

Date	Developed Markets %	Investment Grade Developing Markets %	Sub-Investment Grade Developing Markets %
October 31, 2006	79.0	17.5	3.5
July 31, 2006	81.9	15.0	3.1
October 31, 2005	83.7	15.0	1.3

Maturity Composition

As of October 31, 2006, the average maturity of the Fund's total investments was 5.9 years, which was unchanged from October 31, 2005. The table below shows the maturity composition of the Fund's investments as of October 31, 2006, compared with the previous quarter and twelve months:

Date	Under 3 Years %	3 to 5 Years %	5 to 10 Years %	10 Years & Over %
October 31, 2006	41.2	15.8	29.7	13.3
July 31, 2006	41.0	18.3	31.5	9.2
October 31, 2005	39.7	14.3	35.0	11.0

Aberdeen Global Income Fund, Inc.

Summary of Key Rates

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

	October 31, 2006	July 31, 2006	October 31, 2005
Australia			
90 day bank bills	6.38%	6.21%	5.65%
10 year bonds	5.66%	5.84%	5.48%
Australian Dollar	\$ 0.77	\$ 0.77	\$ 0.75
Canada			
90 day bank bills	4.19%	4.27%	3.17%
10 year bonds	4.03%	4.31%	4.17%
Canadian Dollar	\$ 0.89	\$ 0.88	\$ 0.85
Malaysia			
90 day T-bills	3.55%	3.55%	2.82%
10 year bonds	3.98%	4.81%	4.18%
Malaysian Ringgit*	RM 3.65	RM 3.66	RM 3.78
New Zealand			
90 day bank bills	7.59%	7.51%	7.39%
10 year bonds	5.75%	5.85%	5.95%
New Zealand Dollar	\$ 0.67	\$ 0.62	\$ 0.70
Philippines			
90 day T-bills	5.73%	6.33%	6.16%
10 year bonds	7.61%	9.89%	11.71%
Philippines Peso*	(Peso) 49.84	(Peso) 51.47	(Peso) 54.89
Singapore			
90 day T-bills	3.35%	2.91%	2.33%
10 year bonds	4.91%	5.05%	3.03%
Singapore Dollar*	S\$ 1.56	S\$ 1.58	S\$ 1.70
South Korea			
90 day T-bills	4.57%	4.54%	3.72%
10 year bonds	4.91%	5.05%	5.49%
South Korean Won*	(Won) 942.20	(Won) 955.70	(Won) 1040.20
Thailand			
90 day deposits	3.25%	3.25%	1.75%
10 year bonds	5.16%	5.49%	6.51%
Thai Baht*	฿ 36.72	฿ 37.84	฿ 40.80
United Kingdom			
90 day bank bills	4.80%	4.50%	4.45%
10 year bonds	4.51%	4.61%	4.34%
British Pound	\$ 1.91	\$ 1.87	\$ 1.77
U.S.\$ Bonds**			
Malaysia	5.24%	5.57%	4.95%
Philippines	5.46%	6.05%	5.70%
South Korea	4.96%	5.20%	4.34%

* These currencies are quoted Asian currency per U.S. dollar. The Australian, Canadian and New Zealand dollars and British pound are quoted U.S. dollars per currency.

** Sovereign issues.

Aberdeen Asset Management Asia Limited

December 2006

Aberdeen Global Income Fund, Inc.

Portfolio of Investments

As of October 31, 2006

Principal Amount (000)	Description	Moody s Rating (unaudited)	S&P Rating (unaudited)	Value (US\$)
LONG-TERM INVESTMENTS 113.1%				
ARGENTINA 1.8%				
USD 2,225	Republic of Argentina, 8.28%, 12/31/33	NR	B+	\$ 2,241,676
AUSTRALIA 21.3%				
AUD 500	ABN AMRO Bank NV, 6.50%, 5/17/18(a)	A1	A+	383,304
AUD 500	Australia and New Zealand Banking Group, Ltd., 6.25%, 5/23/16(a)	A1	A+	379,779
AUD 1,000	Brisbane Airport Corporation, Ltd., 7.30%, 6/30/10	Aaa	AAA	791,190
AUD 550	Commonwealth of Australia, 10.00%, 10/15/07	Aaa	AAA	439,967
AUD 1,750	7.50%, 9/15/09	Aaa	AAA	1,405,562
AUD 250	5.75%, 6/15/11	Aaa	AAA	192,294
AUD 100	6.50%, 5/15/13	Aaa	AAA	80,333
AUD 250	6.00%, 2/15/17	Aaa	AAA	198,437
AUD 500	FGL Finance Australia, Ltd., 6.25%, 3/17/10	Baa2	BBB	379,734
AUD 500	General Electric Capital Australia Funding Pty, 6.00%, 5/15/13	Aaa	AAA	377,185
AUD 600	6.00%, 4/15/15	Aaa	AAA	449,325
AUD 500	GPT RE, Ltd., 6.00%, 6/28/08	NR	BBB+	381,743
AUD 500	Macquarie Bank, Ltd., 6.50%, 5/31/17(a)	A3	A-	381,713
AUD 500	National Capital Trust III, 7.1683%, 12/29/49(a)	A2	A-	386,859
AUD 500	National Wealth Management, 6.75%, 6/16/26(a)	NR	A-	380,618
AUD 3,700	New South Wales Treasury Corporation, 7.00%, 12/01/10	NR	AAA	2,941,964
AUD 1,250	Northern Territory Treasury, 6.75%, 7/14/09	NR	NR	977,643
AUD 800	Publishing & Broadcasting Finance, Ltd., 6.15%, 7/04/15	NR	A-	594,930
AUD 1,000	Queensland Treasury Corporation, 8.00%, 9/14/07 (Global)	Aaa	AAA	785,548
AUD 1,500	8.00%, 9/14/07	Aaa	AAA	1,178,323
AUD 1,700	6.00%, 6/14/11	Aaa	AAA	1,309,875
AUD 2,700	6.00%, 8/14/13	Aaa	AAA	2,089,264
AUD 2,200	6.00%, 10/14/15	Aaa	AAA	1,704,510
AUD 1,250	6.00%, 6/14/21	Aaa	AAA	976,265
	RWH Finance Pty, Ltd.,			