

NEW GERMANY FUND INC  
Form N-Q  
May 30, 2006  
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

**FORM N-Q**

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

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Investment Company Act file number 811-5983

The New Germany Fund, Inc.

(Exact name of registrant as specified in charter)

Two International Place

Boston, MA 02110

(Address of principal executive offices) (Zip code)

Paul Schubert

345 Park Avenue

New York, NY 10154

(Name and address of agent for service)

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

Date of fiscal year end: 12/31

Date of reporting period: 03/31/06

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

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

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

### ITEM 1. SCHEDULE OF INVESTMENTS

#### THE NEW GERMANY FUND, INC.

#### SCHEDULE OF INVESTMENTS MARCH 31, 2006 (unaudited)

<u>Shares</u>	<u>Description</u>	<u>Value</u>
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#### INVESTMENTS IN GERMAN SECURITIES - 83.8%

##### COMMON STOCKS - 76.1%

##### AEROSPACE & DEFENSE - 1.8%

185,000 Mtu Aero Engines Holding Ag*		<u>\$ 6,278,160</u>
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##### AIRPORTS, FLYING FIELDS & AIRPORT - 2.2%

100,000 Fraport		<u>7,611,360</u>
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##### BIOTECHNOLOGY - 0.7%

160,000 GPC Biotech*		<u>2,559,744</u>
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##### CHEMICALS - 8.7%

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505,000 GEA Group\* 8,495,393

198,200 K + S 15,998,546

170,000 Lanxess\* 6,389,300

30,883,239

**COMMERCIAL SERVICES & SUPPLIES - 1.0%**

95,000 Interseroh 3,502,559

**CONSTRUCTION & ENGINEERING - 2.2%**

117,200 Bilfinger Berger 7,684,710

**DIVERSIFIED FINANCIALS - 4.0%**

72,000 AWD Holding 2,460,845

140,000 Deutsche Postbank 10,160,438

70,000 MLP 1,711,223

14,332,506

**DIVERSIFIED TELECOMMUNICATION SERVICES - 1.7%**

255,000 Mobilcom 6,175,019

**ELECTRICAL EQUIPMENT - 3.1%**

160,000 Sgl Carbon\* 2,924,313

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30,500 Solarworld 8,014,229

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10,938,542

**ELECTRONIC EQUIPMENT & INSTRUMENTS - 6.1%**

97,460 Funkwerk 2,948,313

542,720 Kontron\* 5,972,612

321,600 Suess MicroTec\* 3,122,131

150,000 Utimaco Safeware\* 2,099,790

60,000 Wincor Nixdorf 7,562,880

21,705,726

<u>Shares</u>	<u>Description</u>	<u>Value</u>
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**HEALTHCARE PROVIDERS & SERVICES - 1.9%**

156,000 Rhoen-Klinikum \$ 6,683,695

**HOUSEHOLD PRODUCTS - 1.4%**

33,161 Beiersdorf 4,782,745

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**INSURANCE - 0.8%**

76,800 Hannover Rückversicherungs 2,849,228

**INTERNET SOFTWARE & SERVICES - 4.4%**

130,000 Freenet.de 3,450,564

190,000 United Internet 12,225,565

15,676,129

**INVESTORS - 1.3%**

55,000 Mpc Muenchmeyer Peterson Cap 4,766,190

**LIFE INSURANCE - 1.4%**

42,000 AMB Generali Holding 5,082,764

**MACHINERY - 8.2%**

145,000 Heidelberger Druckmaschinen 6,396,936

28,000 Krones 3,387,152

65,234 Pfeiffer Vacuum Technology 4,364,311

191,709 Rheinmetall 14,870,484

29,018,883

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**METALS & MINING - 2.7%**

130,000 Salzgitter	<u>9,571,770</u>
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**MULTILINE RETAIL - 1.8%**

134,625 Douglas Holding	<u>6,340,611</u>
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**PHARMACEUTICALS - 9.4%**

108,000 Celesio	10,221,669
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134,000 Merck KGaA	12,737,659
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50,000 Schwarz Pharma	4,020,810
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145,000 Stada Arzneimittel	<u>6,256,344</u>
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<u>33,236,482</u>	
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**REAL ESTATE - 4.7%**

35,000 Deutsche Euroshop	2,470,541
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105,000 Hypo Real Estate Holding	7,199,098
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230,000 Ivg Holding Ag*	<u>6,916,036</u>
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16,585,675

**SOFTWARE - 1.5%**

95,000	Software	<u>5,302,197</u>
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**SPECIALTY RETAIL - 1.6%**

130,000	Hugo Boss Ag -Ord	<u>5,542,961</u>
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**THE NEW GERMANY FUND, INC.**

**SCHEDULE OF INVESTMENTS MARCH 31, 2006 (unaudited) (continued)**

<u>Shares</u>	<u>Description</u>	<u>Value</u>
<b>TEXTILES, APPAREL &amp; LUXURY GOODS - 3.5%</b>		
33,000	Puma	\$ <u>12,497,150</u>
Total Common Stocks		
	(cost \$166,409,664)	<u>269,608,045</u>

**PREFERRED STOCKS - 7.7%**

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**ELECTRICAL EQUIPMENT - 2.2%**

220,800 Sartorius 7,546,591

**HEALTHCARE PROVIDERS & SERVICES - 4.3%**

85,354 Fresenius 15,310,459

**MEDIA - 1.2%**

163,400 Prosieben Sat.1 Media 4,257,877

Total Preferred Stocks

(cost \$11,041,421) 27,114,927

Total Investments in

German Securities

(cost \$177,451,085) 296,722,972

**INVESTMENTS IN DUTCH COMMON STOCKS - 8.4%**

**AEROSPACE & DEFENSE - 7.6%**

640,000 European Aeronautic Defense 26,978,150

**BIOTECHNOLOGY - 0.8%**

199,150 Qiagen\* 2,944,712

Total Investments in Dutch

Common Stocks



(cost \$8,167,196) 29,922,862

**INVESTMENTS IN IRISH COMMON STOCKS - 3.2%**

**DIVERSIFIED FINANCIAL SERVICES - 3.2%**

635,000 Depfa Bank Plc(Cost \$3,035,301) 11,313,414

**INVESTMENTS IN ITALIAN COMMON STOCKS - 1.5%**

**COMMERCIAL BANKS - 1.5%**

105,000 Banca Italease\*(Cost \$2,818,230) 5,201,116

<u>Shares</u>	<u>Description</u>	<u>Value</u>
<b>INVESTMENTS IN SWISS COMMON STOCKS - 1.2%</b>		

**OIL & GAS EXPLORATION & PRODUCTION - 1.2%**

157,300	Biopetrol Industries Ag (Cost \$1,655,053)	<u>4,289,571</u>
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**SECURITIES LENDING COLLATERAL - 8.7%**

30,757,317	Daily Assets Fund Institutional, 4.73% (cost \$30,757,317)	\$ 30,757,317
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**Total Investments 106.8%**

(cost \$223,884,182) 378,207,252

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Liabilities in excess of cash and

other (23,947,385)  
assets (6.8)%

NET \$354,259,867  
ASSETS 100.0%

\* Non-income producing security.

-All or a portion of these securities were on loan. The value of all securities loaned at March 31, 2006 amounted to \$29,268,464 which is 8.3% of the net assets.

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

## 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: The New Germany Fund, Inc.

By: /s/Michael Colon  
Michael Colon  
President

Date: May 19, 2006

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

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Registrant: The New Germany Fund, Inc.

By: /s/Michael Colon  
Michael Colon  
President

Date: May 19, 2006

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

Date: May 19, 2006