

MORGAN STANLEY DEAN WITTER EMERGING MARKETS FUND INC  
Form N-CSRS  
August 29, 2003

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OMB APPROVAL  
-----  
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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 811-06403  
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Morgan Stanley Emerging Markets Fund, Inc.  
-----

(Exact name of registrant as specified in charter)

1221 AVENUE OF THE AMERICAS 22ND FLOOR NEW YORK, NY 10020  
-----

(Address of principal executive offices) (Zip code)

RONALD E. ROBISON  
1221 AVENUE OF THE AMERICAS 34TH FLOOR NEW YORK, NY 10020  
-----

(Name and address of agent for service)

Registrant's telephone number, including area code: 1-800-221-6726  
-----

Date of fiscal year end: 12/31  
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Date of reporting period: 6/30/03  
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Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of 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 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. Section 3507.

ITEM 1. REPORTS TO STOCKHOLDERS.

The Fund's semi-annual report transmitted to shareholders pursuant to Rule 30e-1 under the Investment Company Act of 1940 is as follows:

SEMI-ANNUAL REPORT

MORGAN STANLEY EMERGING MARKETS FUND, INC.

JUNE 30, 2003

DIRECTORS

MICHAEL BOZIC	RONALD E. ROBISON
CHARLES A. FIUMEFREDDO	EXECUTIVE VICE PRESIDENT
EDWIN J. GARN	AND PRINCIPAL EXECUTIVE
WAYNE E. HEDIEN	OFFICER
JAMES F. HIGGINS	
DR. MANUEL H. JOHNSON	JOSEPH McALINDEN
JOSEPH J. KEARNS	VICE PRESIDENT
MICHAEL NUGENT	
PHILIP J. PURCELL	BARRY FINK
FERGUS REID	VICE PRESIDENT

OFFICERS

CHARLES A. FIUMEFREDDO	STEFANIE V. CHANG
CHAIRMAN OF THE BOARD	VICE PRESIDENT
	JAMES W. GARRETT
MITCHELL M. MERIN	TREASURER AND CHIEF
PRESIDENT	FINANCIAL OFFICER

[MORGAN STANLEY LOGO]

MICHAEL LEARY  
ASSISTANT TREASURER

MORGAN STANLEY  
EMERGING MARKETS FUND, INC.

MARY E. MULLIN  
SECRETARY

INVESTMENT ADVISER

MORGAN STANLEY INVESTMENT MANAGEMENT INC.  
1221 AVENUE OF THE AMERICAS  
NEW YORK, NEW YORK 10020

ADMINISTRATOR

JPMORGAN INVESTOR SERVICES  
73 TREMONT STREET  
BOSTON, MASSACHUSETTS 02108

CUSTODIAN

JPMORGAN CHASE BANK  
270 PARK AVENUE  
NEW YORK, NEW YORK 10017

STOCKHOLDER SERVICING AGENT

AMERICAN STOCK TRANSFER & TRUST COMPANY  
59 MAIDEN LANE  
NEW YORK, NEW YORK 10030  
(800) 278-4353

LEGAL COUNSEL

CLIFFORD CHANCE US LLP

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200 PARK AVENUE  
NEW YORK, NEW YORK 10166

INDEPENDENT AUDITORS  
ERNST & YOUNG LLP  
200 CLARENDON STREET  
BOSTON, MASSACHUSETTS 02116

FOR ADDITIONAL FUND INFORMATION,  
INCLUDING THE FUND'S NET ASSET VALUE PER  
SHARE AND INFORMATION REGARDING THE  
INVESTMENTS COMPRISING THE FUND'S  
PORTFOLIO, PLEASE CALL 1-800-221-6726 OR  
VISIT OUR WEBSITE AT  
[www.morganstanley.com/im](http://www.morganstanley.com/im).

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MORGAN STANLEY  
INVESTMENT MANAGEMENT INC.  
INVESTMENT ADVISER

MORGAN STANLEY EMERGING MARKETS FUND, INC.

Overview

LETTER TO STOCKHOLDERS

PERFORMANCE

For the six months ended June 30, 2003, the Morgan Stanley Emerging Markets Fund, Inc. (the "Fund") had a total return of 15.22%, compared to 15.90% for the Morgan Stanley Capital International (MSCI) Emerging Markets Free Index (the "Index"). On June 30, 2003, the closing price of the Fund's shares on the New York Stock Exchange was \$9.75, representing a 16.1% discount to the Fund's net asset value per share.

FACTORS AFFECTING PERFORMANCE

- Global emerging markets performance hampered earlier in the year by concerns over war and high price of oil rebounded in the second quarter.
- Investor sentiment worldwide appeared to improve during the most recent quarter as expectations for better economic growth grew following the successful U.S. campaign in Iraq, and the subsequent easing in the price of oil.
- All emerging markets regions experienced strong double-digit gains with particular strength in Latin America as Brazil outperformed given reduced political and debt concerns. Asia also performed well as the threat of Severe Acute Respiratory Syndrome (SARS) eased for most markets in the region at mid-year. Meanwhile, oil-producing countries continued to benefit from firm oil prices.
- All sectors were positive performers with particular strength in health care (+43.6%, Index return), utilities (+28.2%), and energy (+26.1%).
- In terms of relative performance, stock selection was positive while country allocation was mixed. Stock selection in Asia was a strong contributor during the quarter particularly in South Korea, India and Indonesia. Country overweights in Indonesia and Russia coupled with an

underweight stance in Malaysia also added to relative performance.

- Primary detractors to performance during the period in review were stock selection in Thailand (primarily due to stock selection within banking and airline stocks) and Israel.

MANAGEMENT STRATEGIES

- In terms of portfolio positioning, we continued to focus on countries where gross domestic product (GDP) growth, fiscal policy and reform agendas remain strong, and on companies that exhibited strong management and earnings visibility.
- Our key overweight positions going into July are in Russia, South Africa, Indonesia and Thailand. China, Malaysia and Israel are our largest underweight countries.

Sincerely,

/s/ Ronald E. Robison

Ronald E. Robison  
Executive Vice President and Principal Executive Officer

July 2003

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MORGAN STANLEY EMERGING MARKETS FUND, INC.

STATEMENT OF NET ASSETS  
June 30, 2003 (unaudited)

STATEMENT OF NET ASSETS

	SHARES	VALUE (000)
-----		
COMMON STOCKS (95.1%) (UNLESS OTHERWISE NOTED)		
=====		
ARGENTINA (0.2%)		
ENERGY EQUIPMENT & SERVICES		
Tenaris SA ADR	16,600 (a)	\$ 423
=====		
BRAZIL (7.1%)		
BANKS		
Banco Bradesco SA ADR	24,573	459
Banco Itau SA	4,143,000	279
Banco Itau SA ADR	38,910	1,319
Banco Nacional SA (Preferred)	61,598,720 (a), (b)	--@
-----		
		2,057
-----		
BEVERAGES		
AmBev (Preferred) ADR	124,389	2,531

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-----		
DIVERSIFIED TELECOMMUNICATION SERVICES		
Tele Norte Leste		
Participacoes SA		
(Preferred) ADR	50,200	586
Tele Norte Leste		
Participacoes SA		
(Preferred)	32,887,000	385
-----		
		971
-----		
ELECTRIC UTILITIES		
CEMIG (Preferred)	13,322,000	124
CEMIG ADR	22,900	211
-----		
		335
-----		
METALS & MINING		
CSN ADR	25,500	633
CVRD (Preferred) ADR	74,813	2,076
CVRD ADR	9,800	291
-----		
		3,000
-----		
MULTILINE RETAIL		
Lojas Arapua SA (Preferred)	30,412,000 (a), (b)	--@
Lojas Arapua SA GDR	31,540 (a), (b)	--@
-----		
		--@
-----		
OIL & GAS		
Petrobras SA (Preferred)		
ADR	162,956	2,894
Petrobras SA ADR	110,163	2,177
Petrobras SA	9,153	164
-----		
		5,235
-----		
PAPER & FOREST PRODUCTS		
Aracruz Celulose SA ADR	16,700	352
Votorantim Celulose e Papel		
SA ADR	20,600	\$ 398
-----		
		750
-----		
		14,879
=====		
CHINA/HONG KONG (3.7%)		
AUTOMOBILES		
Denway Motors Ltd.	1,376,000	622
-----		
COMPUTERS & PERIPHERALS		
TPV Technology Ltd.	2,154,000	746
-----		
ELECTRIC UTILITIES		
Huaneng Power		
International, Inc., 'H'	1,112,000	1,269
-----		
ELECTRONIC EQUIPMENT & INSTRUMENTS		
Byd Co., Ltd.	308,000	693
-----		
ENERGY EQUIPMENT & SERVICES		

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China Oilfield Services, Ltd.	1,805,000	405
-----		
MARINE		
China Shipping Development Co., Ltd.	1,837,000	654
-----		
OIL & GAS		
CNOOC Ltd.	2,255,000	3,326
-----		
		7,715
=====		
CZECH REPUBLIC (0.4%)		
BANKS		
Komercni Banka AS	1,200	87
Komercni Banka AS GDR	3,300	79
-----		
		166
-----		
DIVERSIFIED TELECOMMUNICATION SERVICES		
Cesky Telecom AS	60,540	623
-----		
		789
=====		
EGYPT (0.9%)		
BANKS		
Commercial International Bank	33,808	208
-----		
CONSTRUCTION & ENGINEERING		
Orascom Construction Industries	39,241	317
Orascom Construction Industries GDR	60,448 (a)	958
-----		
		1,275
-----		
WIRELESS TELECOMMUNICATION SERVICES		
Egyptian Mobile Phone Network	57,125	511
-----		
		1,994
=====		

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

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MORGAN STANLEY EMERGING MARKETS FUND, INC.

STATEMENT OF NET ASSETS  
June 30, 2003 (unaudited)

STATEMENT OF NET ASSETS (CONT'D)

	SHARES	VALUE (000)
-----		

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HUNGARY (0.5%)

BANKS

OTP Bank Rt.	40,686 (a)	\$	394
OTP Bank Rt. GDR	2,300 (a)		45

-----  
439

DIVERSIFIED TELECOMMUNICATION SERVICES

Matav Rt.	45,545		156
Matav Rt. ADR	23,199		399

-----  
555

-----  
994

INDIA (4.6%)

AUTOMOBILES

Hero Honda Motors Ltd.	87,700		478
Tata Engineering & Locomotive Co., Ltd.	143,000		609

-----  
1,087

BANKS

State Bank of India Ltd.	164,550 (b)		1,426
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CONSTRUCTION MATERIALS

Gujarat Ambuja Cements Ltd.	104,500		462
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CONSUMER FINANCE

Housing Development Finance Corp., Ltd.	90		1
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DIVERSIFIED TELECOMMUNICATION SERVICES

Mahanagar Telephone Nigam Ltd.	157,430		385
--------------------------------	---------	--	-----

ELECTRICAL EQUIPMENT

Bharat Heavy Electricals Ltd.	138,700		804
-------------------------------	---------	--	-----

FOOD & STAPLES

Colgate-Palmolive (India) Ltd.	92,940		276
Hindustan Lever Ltd.	120,500 (b)		463

-----  
739

INTERNET SOFTWARE & SERVICES

IndiaInfo.com PCL	116,052 (b)		--@
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IT SERVICES

Infosys Technologies Ltd.	7,850		552
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METALS & MINING

Hindalco Industries Ltd.	19,600		315
Steel Authority of India Ltd.	1,025,066 (a)		381
Tata Iron & Steel Co., Ltd.	83,000		303

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999

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OIL & GAS		
Oil & Natural Gas Corp., Ltd.	77,000	801
Reliance Industries Ltd.	67,433	\$ 472
		1,273
-----		
PHARMACEUTICALS		
Glaxosmithkline Pharmaceuticals Ltd.	27,000	207
Ranbaxy Laboratories Ltd.	40,400	683
		890
-----		
ROAD & RAIL		
Container Corp. of India Ltd.	59,600	442
-----		
TOBACCO		
ITC Ltd.	37,000	611
		9,671
=====		
INDONESIA (3.6%)		
AUTOMOBILES		
Astra International Tbk PT	6,457,038 (a)	2,798
-----		
BANKS		
Bank Central Asia Tbk PT	2,250,500	784
Bank Mandiri Persero Tbk PT	2,110,500 (a)	173
Bank Pan Indonesia Tbk PT	2,082,000 (a)	78
		1,035
-----		
DIVERSIFIED TELECOMMUNICATION SERVICES		
Telekomunikasi Indonesia Tbk PT	3,769,000	2,113
-----		
MULTILINE RETAIL		
Ramayana Lestari Sentosa Tbk PT	2,307,000	902
-----		
TOBACCO		
HM Sampoerna Tbk PT	1,272,000	640
		7,488
=====		
ISRAEL (2.0%)		
AEROSPACE & DEFENSE		
Elbit Systems Ltd.	1	--@
-----		
BANKS		
Bank Hapoalim Ltd.	379,900 (a)	806
Bank Leumi Le-Israel	262,500 (a)	421
		1,227
-----		
COMMUNICATIONS EQUIPMENT		
ECI Telecom Ltd.	129,462 (a)	381
-----		
SOFTWARE		



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Check Point Software Technologies Ltd.	130,744 (a)	2,556
		4,164
=====		
JORDAN (0.1%) BANKS		
Arab Bank plc	480	146
=====		

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MORGAN STANLEY EMERGING MARKETS FUND, INC.

STATEMENT OF NET ASSETS  
June 30, 2003 (unaudited)

STATEMENT OF NET ASSETS (CONT'D)

	SHARES	VALUE (000)
-----		
MALAYSIA (3.0%) AUTOMOBILES		
Perusahaan Otomobil Nasional Bhd	186,000	\$ 396
-----		
BANKS		
Commerce Asset Holdings Bhd	532,000	485
Malayan Banking Bhd	783,900	1,774
		2,259
-----		
CONSTRUCTION & ENGINEERING		
Gamuda Bhd	820,000	1,327
-----		
ELECTRIC UTILITIES		
YTL Corp.	419,000	441
-----		
HOTELS, RESTAURANTS & LEISURE		
Magnum Corp. Bhd	1,233,000	866
Resorts World Bhd	222,000	573
		1,439
-----		
REAL ESTATE		
SP Setia Bhd	733,500	552
		6,414
=====		
MEXICO (7.1%) BANKS		
Grupo Financiero BBVA Bancomer, 'B'	1,947,481 (a)	1,644

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-----		
BEVERAGES		
Coca-Cola Femsa SA ADR	12,400 (a)	266
Femsa UBD	275,475	1,133
-----		
		1,399
-----		
DIVERSIFIED TELECOMMUNICATION SERVICES		
Telmex 'L' ADR	128,435	4,036
-----		
FOOD & STAPLES		
Wal-Mart de Mexico SA ADR	28,162	832
Wal-Mart de Mexico SA, 'C'	304,748	819
Wal-Mart de Mexico SA, 'V'	439,019	1,294
-----		
		2,945
-----		
TRANSPORTATION INFRASTRUCTURE		
Grupo Aeroportuario del Sureste SA ADR	40,070	586
-----		
WIRELESS TELECOMMUNICATION SERVICES		
America Movil SA de CV ADR	226,777	4,252
-----		
		14,862
=====		
POLAND (1.6%)		
BANKS		
Bank Pekao SA	67,666 (a)	1,753
Bank Pekao SA GDR	7,705 (a)	194
-----		
		1,947
-----		
MULTILINE RETAIL		
Eastbridge NV	33,600 (b)	\$ 1,344
-----		
		3,291
=====		
RUSSIA (8.7%)		
ELECTRIC UTILITIES		
United Energy System GDR	64,100	1,631
-----		
METALS & MINING		
MMC Norilsk Nickel ADR	32,800 (a)	1,122
-----		
OIL & GAS		
Gazprom (Registered) ADR	175,800	3,305
Lukoil Holdings ADR	45,619	3,604
Surgutneftegaz ADR	91,975	1,922
Surgutneftegaz (Preferred) ADR	10,739	273
Yukos ADR	47,071	2,636
-----		
		11,740
-----		
PAPER & FOREST PRODUCTS		
Alliance Cellulose Ltd., 'B'	156,075 (b)	--@
-----		
WIRELESS TELECOMMUNICATION SERVICES		
AO VimpelCom ADR	16,900 (a)	785
Mobile Telesystems ADR	33,800	1,994

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Mobile Telesystems GDS	17,400	1,016
		3,795
		18,288
=====		
SOUTH AFRICA (16.0%)		
BANKS		
ABSA Group Ltd.	88,200	415
FirstRand Ltd.	2,013,520	2,058
Nedcor Ltd.	69,900	837
Standard Bank Group Ltd.	669,880	2,939
		6,249
-----		
DIVERSIFIED TELECOMMUNICATION SERVICES		
Telkom SA Ltd.	99,000 (a)	513
Telkom SA Ltd. ADR	12,000 (a)	250
		763
-----		
FOOD & STAPLES		
Metro Cash & Carry Ltd.	1,175,642 (a)	363
-----		
INDUSTRIAL CONGLOMERATES		
Bidvest Group Ltd.	125,615	723
-----		
INSURANCE		
Liberty Group Ltd.	38,720	262
Old Mutual plc	183,000	270
Old Mutual plc (London Shares)	1,047,717	1,518
Sanlam Ltd.	883,910	828
		2,878
-----		

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

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MORGAN STANLEY EMERGING MARKETS FUND, INC.

STATEMENT OF NET ASSETS  
June 30, 2003 (unaudited)

STATEMENT OF NET ASSETS (CONT'D)

	SHARES	VALUE (000)
-----		
SOUTH AFRICA (CONT'D)		
MEDIA		
Naspers Ltd.	120,500	\$ 419
-----		
METALS & MINING		
Anglo American plc	368,348	5,711

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Anglo American plc (London Shares)	283,325	4,338
AngloGold Ltd.	25,000	793
AngloGold Ltd. ADR	26,692	852
Gold Fields Ltd.	192,900	2,311
Gold Fields Ltd. ADR	16,600	202
Harmony Gold Mining Co., Ltd.	58,200	767
Harmony Gold Mining Co., Ltd. ADR	28,800	388
Impala Platinum Holdings Ltd.	22,515	1,343
		16,705
-----		
OIL & GAS		
Sasol Ltd.	259,370	2,899
-----		
PAPER & FOREST PRODUCTS		
Sappi Ltd.	66,670	805
Sappi Ltd. ADR	9,070	112
		917
-----		
WIRELESS TELECOMMUNICATION SERVICES		
MTN Group Ltd.	763,340 (a)	1,663
		33,579
=====		
SOUTH KOREA (17.7%)		
AUTO COMPONENTS		
Hyundai Mobis	71,130	1,824
-----		
AUTOMOBILES		
Hyundai Motor Co., Ltd. (Preferred)	47,900	619
-----		
BANKS		
Shinhan Financial Group Co., Ltd.	81,880	853
-----		
CAPITAL MARKETS		
Daishin Securities Co., Ltd.	93,990	1,628
Good Morning Shinhan Securities Co., Ltd.	91,010 (a)	404
Samsung Securities Co., Ltd.	47,180	1,143
		3,175
-----		
ELECTRONIC EQUIPMENT & INSTRUMENTS		
Samsung SDI Co., Ltd.	30,750	2,329
-----		
FOOD & STAPLES RETAILING		
LG Household & Health Care Ltd.	34,870	900
-----		
FOOD PRODUCTS		
Tongyang Confectionery Corp.	14,000	\$ 865
-----		
HOUSEHOLD DURABLES		

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LG Electronics, Inc.	51,787	2,158
-----		
MACHINERY		
Daewoo Shipbuilding & Marine Engineering Co., Ltd.	32,830 (a)	277
Daewoo Shipbuilding & Marine Engineering Co., Ltd. GDR	50,900 (a)	822
Samsung Heavy Industries Co., Ltd.	169,810	681
-----		
		1,780
-----		
MEDIA		
CJ Home Shopping	23,524	1,221
-----		
METALS & MINING		
POSCO	8,780	911
-----		
MULTILINE RETAIL		
Hyundai Department Store Co., Ltd.	50,970	1,134
Shinsegae Co., Ltd.	2,180	340
-----		
		1,474
-----		
SEMICONDUCTOR EQUIPMENT & PRODUCTS		
Samsung Electronics Co., Ltd.	43,162	12,822
Samsung Electronics Co., Ltd. (Preferred)	13,260	1,892
-----		
		14,714
-----		
WIRELESS TELECOMMUNICATION SERVICES		
Pantech Co., Ltd.	30,320	286
SK Telecom Co., Ltd.	24,330	4,153
-----		
		4,439
-----		
		37,262
=====		
TAIWAN (12.4%)		
AIRLINES		
Eva Airways Corp.	2,462,628 (a)	883
-----		
BANKS		
Chinatrust Financial Holding Co., Ltd.	1,999,748	1,615
Taishin Financial Holdings Co., Ltd.	1,788,000 (a)	931
-----		
		2,546
-----		
CHEMICALS		
Nan Ya Plastics Corp.	795,000	863
-----		
COMPUTERS & PERIPHERALS		
Ambit Microsystems Corp.	180,000	557
Compal Electronics, Inc.	321,000	431

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

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MORGAN STANLEY EMERGING MARKETS FUND, INC.

STATEMENT OF NET ASSETS  
June 30, 2003 (unaudited)

STATEMENT OF NET ASSETS (CONT'D)

	SHARES	VALUE (000)
-----		
TAIWAN (CONT'D)		
COMPUTERS & PERIPHERALS (CONT'D)		
Quanta Computer, Inc.	628,200	\$ 1,300
Quanta Storage, Inc.	7,000	50
-----		
		2,338
-----		
CONSTRUCTION & ENGINEERING		
CTCI Corp.	657,000	426
-----		
CONTAINERS & PACKAGING		
Cheng Loong Co.	775,000	204
-----		
DIVERSIFIED FINANCIAL SERVICES		
Capital Securities Corp.	1,554,000 (a)	483
Fubon Financial Holding Co., Ltd.	1,193,000 (a)	956
Polaris Securities Co.	2,420,000 (a)	1,162
Yuanta Securities Corp.	1,179,000	618
-----		
		3,219
-----		
ELECTRICAL EQUIPMENT		
Phoenixtec Power Co., Ltd.	746,000	628
-----		
ELECTRONIC EQUIPMENT & INSTRUMENTS		
Hon Hai Precision Industry Co., Ltd.	617,300	2,242
-----		
INSURANCE		
Cathay Financial Holding Co., Ltd.	1,087,000	1,330
-----		
LEISURE EQUIPMENT & PRODUCTS		
Asia Optical Co., Inc.	119,000	620
Largan Precision Co., Ltd.	105,300	634
Premier Image Technology Corp.	669,000	1,035
-----		
		2,289
-----		
MARINE		

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Evergreen Marine Corp.	1,128,000	803
Yang Ming Marine Transport	784,000 (a)	522
		1,325
-----		
SEMICONDUCTOR EQUIPMENT & PRODUCTS		
ASE Test Ltd.	95,600 (a)	526
Siliconware Precision Industries Co.	1,444,692 (a)	920
Taiwan Semiconductor Manufacturing Co., Ltd.	3,742,334 (a)	6,172
Zyxel Communications Corp.	156,000 (a)	293
		7,911
		26,204
=====		
THAILAND (3.6%)		
BANKS		
Bangkok Bank PCL	1,158,400 (a)	1,858
Bangkok Bank PCL (NVDR)	152,700 (a), (b)	203
Kasikornbank PCL (Foreign)	1,146,800 (a)	\$ 1,069
Kasikornbank PCL	746,600 (a)	603
Siam Commercial Bank PCL (Foreign)	712,700 (a)	609
		4,342
-----		
CONSTRUCTION & ENGINEERING		
Italian Thai Development PCL	374,200 (a)	298
-----		
CONSTRUCTION MATERIALS		
Siam Cement PCL NVDR	492,000 (a)	1,753
-----		
HOUSEHOLD DURABLES		
Land & House PCL	3,977,800	898
-----		
MEDIA		
BEC World PCL (Foreign)	35,300 (b)	201
		7,492
=====		
TURKEY (1.6%)		
AUTOMOBILES		
Tofas Turk Otomobil Fabrikasi AS	165,021,859 (a)	192
-----		
BANKS		
Akbank TAS	78,839,493	233
Turkiye Is Bankasi AS, 'C'	96,780,000 (a)	307
		540
-----		
CONSTRUCTION MATERIALS		
Akcansa Cimento AS	130,683,500	336
-----		
HOUSEHOLD DURABLES		
Arcelik AS	166,474,000	580
-----		
INDUSTRIAL CONGLOMERATES		

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Enka Insaat ve Sanayi AS	17,173,094	589
-----		
OIL & GAS		
Tupras-Turkiye Petrol Rafinerileri AS	104,886,000 (a)	691
-----		
WIRELESS TELECOMMUNICATION SERVICES		
Turkcell Iletisim Hizmetleri AS	72,363,000 (a)	484
-----		
		3,412
=====		
VENEZUELA (0.3%)		
DIVERSIFIED TELECOMMUNICATION SERVICES		
CANTV, 'D' ADR	45,243	565
=====		
TOTAL COMMON STOCKS		
(Cost \$181,272)		199,632
=====		
INVESTMENT COMPANIES (0.5%)		
=====		
INDIA (0.5%)		
Morgan Stanley Growth Fund (Cost \$891)	4,694,400 (a), (c)	1,003
-----		

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

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MORGAN STANLEY EMERGING MARKETS FUND, INC.

STATEMENT OF NET ASSETS  
June 30, 2003 (unaudited)

STATEMENT OF NET ASSETS (CONT'D)

	FACE AMOUNT (000)	VALUE (000)
-----		
DEBT INSTRUMENTS (0.0%)		
=====		
INDIA (0.0%)		
CONSTRUCTION MATERIALS		
DCM Shriram Industries Ltd. 0.00%	INR 335 (a), (b), (d)	\$ --@
DCM Shriram Investments Ltd. 0.00%	330 (a), (b), (d)	--@
FOOD & STAPLES RETAILING		
Hindustan, 9.00%, 1/12/05	121	16
METALS & MINING		
Shri Ishar Alloy Steel 15.00%, 4/21/01	581 (a), (b), (d)	--@
=====		
TOTAL FIXED INCOME SECURITIES		



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(Cost \$1,495)			16
=====			
SHORT-TERM INVESTMENT (4.1%)			
=====			
UNITED STATES (4.1%)			
REPURCHASE AGREEMENT			
J.P. Morgan Securities, Inc.,			
1.05%, dated 6/30/03, due			
7/1/03 (Cost \$8,499)	\$	8,499 (e)	\$ 8,499
=====			
FOREIGN CURRENCY ON DEPOSIT WITH			
CUSTODIAN (0.4%)			
=====			
Brazilian Real	BRL	78	27
British Pound	GBP	1	1
Euro	EUR	43	49
Hong Kong Dollar	HKD	1	1
Hungarian Forint	HUF	275	1
Indian Rupee	INR	8,692	187
Indonesian Rupiah	IDR	36,370	5
Moroccan Dirham	MAD	68	--@
South African Rand	ZAR	68	9
South Korean Won	KRW	444	--@
Taiwan Dollar	TWD	21,100	611
-----			
TOTAL FOREIGN CURRENCY			891
(Cost \$883)			
=====			
		AMOUNT	VALUE
		(000)	(000)
-----			
TOTAL INVESTMENTS (100.1%)			
(Cost \$193,040)			\$ 210,041
=====			
OTHER ASSETS (1.5%)			
Receivable for Investments			
Sold	\$	2,313	
Dividends Receivable		442	
Interest Receivable		312	
Tax Reclaim Receivable		87	
Net Unrealized Gain on			
Foreign Currency			
Exchange Contracts		11	
Other		31	3,196
=====			
LIABILITIES (-1.6%)			
Payable For:			
Investments Purchased		(2,499)	
Investment Advisory Fees		(213)	
Custodian Fees		(123)	
Country Tax Expense		(70)	
Professional Fees		(43)	
Directors' Fees and			
Expenses		(39)	
Stockholder Reporting			
Expenses		(23)	
Administrative Fees		(10)	
Bank Overdraft		(10)	
Other Liabilities		(351)	(3,381)

NET ASSETS (100%)	
Applicable to 18,062,329, issued and outstanding \$0.01 par value shares (100,000,000 shares authorized)	\$ 209,856
NET ASSET VALUE PER SHARE	
	\$ 11.62
AT JUNE 30, 2003, NET ASSETS CONSISTED OF:	
Common Stock	\$ 181
Paid-in Capital	285,874
Undistributed (Distributions in Excess of) Net Investment Income	541
Accumulated Net Realized Gain (Loss)	(95,174)
Unrealized Appreciation (Depreciation) on Investments and Foreign Currency Translations	18,434
TOTAL NET ASSETS	\$ 209,856

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

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MORGAN STANLEY EMERGING MARKETS FUND, INC.

STATEMENT OF NET ASSETS  
June 30, 2003 (unaudited)

STATEMENT OF NET ASSETS (CONT'D)

- (a) -- Non-income producing.
- (b) -- Investments valued at fair value- see Note A-1 to financial statements. At June 30, 2003, the Fund held \$3,637,000 of fair-valued securities, representing 1.7% of net assets.
- (c) -- The Morgan Stanley India Growth Fund is advised by an affiliate of the Adviser. During the six months ended June 30, 2003, there were no purchases or sales of this security. The Fund did not derive income from this security during the six months ended June 30, 2003.
- (d) -- Security is in default.
- (e) -- The repurchase agreement is fully collateralized by U.S. government and/or agency obligations based on market prices at the date of this statement of net assets. The investment in the repurchase agreement is through participation in a joint account with affiliated funds.

@ -- Value less than \$500.

ADR -- American Depositary Receipt  
GDR -- Global Depositary Receipt  
GDS -- Global Depositary Shares  
NVDR -- Non Voting Depositary Receipt  
PCL -- Public Company Limited  
UBD -- Unit  
MYR -- Malaysian Ringgit  
PLN -- Polish Zloty  
TRL -- Turkish Lira

FOREIGN CURRENCY EXCHANGE CONTRACT INFORMATION:

The Fund had the following foreign currency exchange contract(s) open at period end:

CURRENCY TO DELIVER (000)	VALUE (000)	SETTLEMENT DATE	IN EXCHANGE FOR (000)	VALUE (000)	NET UNREALIZED GAIN (LOSS) (000)	
MYR	16	\$ 4	7/2/03	US\$ 4	\$ 4	\$ --@
PLN	398	102	7/2/03	US\$ 102	102	--@
PLN	149	38	7/3/03	US\$ 38	38	--@
TRL	104,846,443	74	7/1/03	US\$ 74	74	--@
TRL	157,776,718	111	7/3/03	US\$ 111	111	--@
ZAR	442	59	7/1/03	US\$ 56	56	3
ZAR	6,022	805	7/3/03	US\$ 798	798	7
ZAR	1,321	176	7/7/03	US\$ 175	175	1
				\$ 1,471	\$ 1,460	\$ 11

SUMMARY OF TOTAL INVESTMENTS BY INDUSTRY  
CLASSIFICATION -- JUNE 30, 2003

INDUSTRY	VALUE (000)	PERCENT OF NET ASSETS	
Automobiles	\$ 5,714	2.7%	
Banks	27,084	12.9	
Beverages	3,930	1.9	
Capital Markets	3,175	1.5	
Computers & Peripherals	3,084	1.5	
Construction & Engineering	3,326	1.6	
Construction Materials	2,551	1.2	
Diversified Financial Services	3,219	1.5	
Diversified Telecommunication Services	10,011	4.8	
Electric Utilities	3,676	1.8	
Electronic Equipment & Instruments	5,264	2.5	
Food & Staples	4,047	1.9	
Household Durables	3,636	1.7	
Insurance	4,208	2.0	
Leisure Equipment & Products	2,289	1.1	
Metals & Mining	22,737	10.8	
Multiline Retail	3,720	1.8	
Oil & Gas	25,164	12.0	
Semiconductors Equipment & Products	22,625	10.8	
Software	2,556	1.2	
Wireless Telecommunication Services	15,144	7.2	
Other	32,881	15.7	
		\$ 210,041	100.1%

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

MORGAN STANLEY EMERGING MARKETS FUND, INC.

Financial Statements

STATEMENT OF OPERATIONS

-----  
INVESTMENT INCOME

Dividends (net of \$265 of foreign taxes withheld)  
Interest

=====

TOTAL INCOME

=====

EXPENSES

Investment Advisory Fees  
Custodian Fees  
Professional Fees  
Country Tax Expense  
Administrative Fees  
Stockholder Reporting Expenses  
Other Expenses

=====

TOTAL EXPENSES

=====

NET INVESTMENT INCOME (LOSS)

=====

NET REALIZED GAIN (LOSS) ON:

Investments  
Foreign Currency Transactions

=====

NET REALIZED GAIN (LOSS)

=====

CHANGE IN UNREALIZED APPRECIATION (DEPRECIATION) ON:

Investments  
Foreign Currency Translations

=====

CHANGE IN UNREALIZED APPRECIATION (DEPRECIATION)

=====

TOTAL NET REALIZED GAIN (LOSS) AND CHANGE IN UNREALIZED APPRECIATION (DEPRECIATION)

=====

NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS

=====

STATEMENT OF CHANGES IN NET ASSETS

SIX MONTH  
JUNE  
(UN

INCREASE (DECREASE) IN NET ASSETS

Operations:

Net Investment Income (Loss)						\$
Net Realized Gain (Loss)						
Change in Unrealized Appreciation (Depreciation)						

NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS

Distributions from and/or in excess of:

Net Investment Income	
-----------------------	--

Capital Share Transactions:

Repurchase of Shares (437,465 and 339,816 shares, respectively)	
---	--

TOTAL INCREASE (DECREASE)

Net Assets:

Beginning of Period	
---------------------	--

END OF PERIOD (INCLUDING UNDISTRIBUTED (DISTRIBUTIONS IN EXCESS OF) NET INVESTMENT INCOME OF \$541 AND \$(1,027), RESPECTIVELY)						\$
---	--	--	--	--	--	----

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

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MORGAN STANLEY EMERGING MARKETS FUND, INC.

Financial Highlights

SELECTED PER SHARE DATA AND RATIOS

	SIX MONTHS ENDED JUNE 30, 2003 (UNAUDITED)	2002	2001
NET ASSET VALUE, BEGINNING OF PERIOD	\$ 10.08	\$ 10.68	\$ 11.03
Net Investment Income (Loss)	0.09+	0.03+	0.03
Net Realized and Unrealized Gain (Loss) on Investments	1.41	(0.65)	(0.43)
Total from Investment Operations	1.50	(0.62)	(0.40)
Distributions from and/or in excess of:			
Net Investment Income	--	(0.01)	--
Net Realized Gain	--	--	--
Total Distributions	--	(0.01)	--
Anti-Dilutive Effect of Share Repurchase Program	0.04	0.03	0.05
NET ASSET VALUE, END OF PERIOD	\$ 11.62	\$ 10.08	\$ 10.68
PER SHARE MARKET VALUE, END OF PERIOD	\$ 9.75	\$ 8.34	\$ 8.63

=====

TOTAL INVESTMENT RETURN:

Market Value	16.91%**	(3.28)%	(1.37)%
Net Asset Value (1)	15.22%**	(5.49)%	(3.17)%

=====

RATIOS, SUPPLEMENTAL DATA:

NET ASSETS, END OF PERIOD (THOUSANDS)	\$	209,856	\$ 186,568	\$ 201,117	\$
Ratio of Expenses to Average Net Assets		1.72%*	1.75%	1.85%	
Ratio of Net Investment Income to Average Net Assets		1.69%*	0.23%	0.21%	
Portfolio Turnover Rate		38%**	75%	83%	

-----

(1) Total investment return based on net asset value per share reflects the effects of changes in net asset value on the performance of the Fund during each period, and assumes dividends and distributions, if any, were reinvested. This percentage is not an indication of the performance of a stockholder's investment in the Fund based on market value due to differences between the market price of the stock and the net asset value per share of the Fund.

+ Per share amounts are based on average shares outstanding.

\* Annualized

\*\* Non-Annualized

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

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MORGAN STANLEY EMERGING MARKETS FUND, INC.

June 30, 2003 (unaudited)

NOTES TO FINANCIAL STATEMENTS

The Morgan Stanley Emerging Markets Fund, Inc. (the "Fund") was incorporated on August 27, 1991 and is registered as a non-diversified, closed-end management investment company under the Investment Company Act of 1940, as amended. The Fund's investment objective is long-term capital appreciation through investments primarily in equity securities.

A. ACCOUNTING POLICIES: The following significant accounting policies are in conformity with accounting principles generally accepted in the United States of America. Such policies are consistently followed by the Fund in the preparation of its financial statements. Accounting principles generally accepted in the United States of America may require management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results may differ from those estimates.

1. SECURITY VALUATION: In valuing the Fund's assets, all listed securities for which market quotations are readily available are valued at the last sale price on the valuation date, or if there was no sale on such date, at the mean between the current bid and asked prices or the bid price if only bid quotations are available. Securities which are traded over-the-counter are valued at the mean of the current bid and asked prices obtained from reputable brokers. Securities may be valued by independent pricing services. The prices provided by a pricing service take into account broker dealer market price quotations for institutional size trading in similar groups of securities, security quality, maturity, coupon and other security

characteristics as well as any developments related to the specific securities. Short-term securities which mature in 60 days or less are valued at amortized cost. For all other securities and investments for which market values are not readily available, including restricted securities, and where prices determined in accordance with the aforementioned procedures are not reflective of fair market value, values are determined in good faith, under fair valuation procedures adopted by the Board of Directors, although actual calculations may be done by others.

2. **REPURCHASE AGREEMENTS:** The Fund may enter into repurchase agreements under which the Fund lends excess cash and takes possession of securities with an agreement that the counterparty will repurchase such securities. In connection with transactions in repurchase agreements, a bank as custodian for the Fund takes possession of the underlying securities (collateral), with a market value at least equal to the amount of the repurchase transaction, including principal and accrued interest. To the extent that any repurchase transaction exceeds one business day, the value of the collateral is marked-to-market on a daily basis to determine the adequacy of the collateral. In the event of default on the obligation to repurchase, the Fund has the right to liquidate the collateral and apply the proceeds in satisfaction of the obligation. In the event of default or bankruptcy by the counterparty to the agreement, realization and/or retention of the collateral or proceeds may be subject to legal proceedings.
3. **FOREIGN CURRENCY TRANSLATION:** The books and records of the Fund are maintained in U.S. dollars. Foreign currency amounts are translated into U.S. dollars at the mean of the bid and asked prices of such currencies against U.S. dollars last quoted by a major bank as follows:
  - investments, other assets and liabilities at the prevailing rates of exchange on the valuation date;
  - investment transactions and investment income at the prevailing rates of exchange on the dates of such transactions.

Although the net assets of the Fund are presented at the foreign exchange rates and market values at the close of the period, the Fund does not isolate that portion of the results of operations arising as a result of changes in the foreign exchange rates from the fluctuations arising from changes in the market prices of the securities held at period end. Similarly, the Fund does not isolate the effect of changes in foreign exchange rates from the fluctuations arising from changes in the market prices of securities sold during the period. Accordingly, realized and unrealized foreign currency gains (losses) due to securities transactions are included in the reported net realized and unrealized gains (losses) on investment transactions and balances.

Net realized gains (losses) on foreign currency transactions represent net foreign exchange gains (losses) from sales and maturities of foreign currency exchange contracts, disposition of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions, and the difference between the amount of investment income and foreign withholding taxes recorded on the Fund's books and the U.S. dollar equivalent amounts actually received or paid. Net unrealized currency gains (losses) from valuing foreign

NOTES TO FINANCIAL STATEMENTS (CONT'D)

currency denominated assets and liabilities at period end exchange rates are reflected as a component of unrealized appreciation (depreciation) on investments and foreign currency translations in the Statement of Net Assets. The change in net unrealized currency gains (losses) on foreign currency translations for the period is reflected in the Statement of Operations.

A substantial portion of the Fund's net assets consist of securities of issuers located in emerging markets or which are denominated in foreign currencies. Changes in currency exchange rates will affect the value of and investment income from such securities. Emerging market securities are often subject to greater price volatility, limited capitalization and liquidity, and higher rates of inflation than U.S. securities. In addition, emerging market issuers may be subject to substantial governmental involvement in the economy and greater social, economic and political uncertainty. Such securities may be concentrated in a limited number of countries and regions and may vary throughout the year. Accordingly, the price which the Fund may realize upon sale of securities in such markets may not be equal to its value as presented in the financial statements.

The Fund may use derivatives to achieve its investment objectives. The Fund may engage in transactions in futures contracts on foreign currencies, stock indices, as well as in options, swaps and structured notes. Consistent with the Fund's investment objectives and policies, the Fund may use derivatives for non-hedging as well as hedging purposes.

Following is a description of derivative instruments that the Fund has utilized and their associated risks:

4. FOREIGN CURRENCY EXCHANGE CONTRACTS: The Fund may enter into foreign currency exchange contracts generally to attempt to protect securities and related receivables and payables against changes in future foreign exchange rates and, in certain situations, to gain exposure to a foreign currency. A foreign currency exchange contract is an agreement between two parties to buy or sell currency at a set price on a future date. The market value of the contract will fluctuate with changes in currency exchange rates. The contract is marked-to-market daily and the change in market value is recorded by the Fund as unrealized gain or loss. The Fund records realized gains or losses when the contract is closed equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. Risk may arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts and is generally limited to the amount of unrealized gain on the contracts, if any, at the date of default. Risks may also arise from unanticipated movements in the value of a foreign currency relative to the U.S. dollar.
5. OTHER: Security transactions are accounted for on the date the securities are purchased or sold. Realized gains and losses on the sale of investment securities are determined on the specific identified cost basis. Interest income is recognized on the accrual basis. Dividend income is recorded on the ex-dividend date, (except for certain dividends that may be recorded as soon as the Fund is informed of such dividends) net of applicable withholding taxes. Distributions to stockholders are recorded on the ex-dividend date.

B. ADVISER: Morgan Stanley Investment Management Inc. (the "Adviser") provides investment advisory services to the Fund under the terms of an Investment Advisory Agreement (the "Agreement"). Under the Agreement, the Adviser is paid a



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fee computed weekly and payable monthly at an annual rate of 1.25% of the Fund's average weekly net assets.

C. ADMINISTRATOR: JPMorgan Chase Bank, through its corporate affiliate J.P. Morgan Investor Services Co. (the "Administrator"), provides administrative services to the Fund under an Administration Agreement. The Administrator is paid a fee computed weekly and payable monthly at an annual rate of 0.02435% of the Fund's average weekly net assets, plus \$24,000 per annum. In addition, the Fund is charged for certain out-of-pocket expenses incurred by the Administrator on its behalf.

D. CUSTODIAN: JPMorgan Chase Bank serves as custodian for the Fund. Custody fees are payable monthly based on assets held in custody, investment purchase and sales activity and account maintenance fees, plus reimbursement for certain out-of-pocket expenses.

E. FEDERAL INCOME TAXES: It is the Fund's intention to continue to qualify as a regulated investment company and distribute all of its taxable income. Accordingly, no provision for Federal income taxes is required in the financial statements. Dividend income and distributions to stockholders are recorded on the ex-dividend date.

The Fund may be subject to taxes imposed by countries in which it invests. Such taxes are generally based on income and/

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MORGAN STANLEY EMERGING MARKETS FUND, INC.

June 30, 2003 (unaudited)

NOTES TO FINANCIAL STATEMENTS (CONT'D)

or capital gains earned or repatriated. Taxes are accrued and applied to net investment income, net realized gains and net unrealized appreciation as such income and/or gains are earned.

The tax character of distributions paid may differ from the character of distributions shown on the Statement of Changes in Net Assets due to short-term capital gains being treated as ordinary income for tax purposes. The tax character of distributions paid during 2002 and 2001 were as follows:

2002 DISTRIBUTIONS PAID FROM: (000)		2001 DISTRIBUTIONS PAID FROM: (000)	
ORDINARY INCOME	LONG-TERM CAPITAL GAIN	ORDINARY INCOME	LONG-TERM CAPITAL GAIN
\$ 137	\$ --	\$ --	\$ --

The amount and character of income and capital gain distributions to be paid by the Fund are determined in accordance with Federal income tax regulations, which may differ from accounting principles generally accepted in the United States of America. The book/tax differences are considered either temporary or permanent in nature.

Temporary differences are attributable to differing book and tax treatments for the timing of the recognition of gains and losses on certain investment transactions and the timing of the deductibility of certain expenses.

Permanent differences may result in reclassifications among undistributed (distributions in excess of) net investment income, accumulated net realized gain (loss) and paid-in capital. Adjustments for permanent book-tax differences, if any, are not reflected in ending undistributed (distributions in excess of) net investment income for the purpose of calculating net investment income (loss) per share in the financial highlights.

At December 31, 2002, the components of distributable earnings on a tax basis were as follows:

UNDISTRIBUTED ORDINARY INCOME (000)	UNDISTRIBUTED LONG-TERM CAPITAL GAIN (000)
-----	-----
\$ 5	\$ --
-----	-----

At June 30, 2003, the U.S. Federal income tax cost basis of investments (excluding foreign currency) was \$192,157,000 and, accordingly, net unrealized appreciation for U.S. Federal income tax purposes was \$16,993,000 of which \$32,473,000 related to appreciated securities and \$15,480,000 related to depreciated securities.

At December 31, 2002, the Fund had a capital loss carry-forward for U.S. Federal income tax purposes of approximately \$83,769,000 available to offset future capital gains of which \$65,987,000 will expire on December 31, 2009 and \$17,782,000 will expire on December 31, 2010. To the extent that capital gains are offset, such gains will not be distributed to the stockholders.

Net capital and currency losses incurred after October 31, and within the taxable year are deemed to arise on the first business day of the Fund's next taxable year. For the year ended December 31, 2002, the Fund deferred to January 1, 2003, for U.S. Federal income tax purposes, post-October currency losses of \$31,000 and post-October capital losses of \$1,966,000.

F. OTHER: During the six months ended June 30, 2003, the Fund made purchases and sales totaling approximately \$69,895,000 and \$78,929,000, respectively, of investment securities other than long-term U.S. Government securities and short-term investments. There were no purchases or sales of long-term U.S. Government securities.

Each Director of the Fund who is not an officer of the Fund or an affiliated person as defined under the Investment Company Act of 1940, as amended, may elect to participate in the Directors' Deferred Compensation Plan (the "Plan"). Under the Plan, such Directors may elect to defer payment of a percentage of their total fees earned as a Director of the Fund. These deferred portions are treated, based on an election by the Director, as if they were either invested in the Fund's shares or invested in U.S. Treasury Bills, as defined under the Plan. At June 30, 2003, the deferred fees payable, under the Plan, totaled \$38,000 and are included in Payable for Directors' Fees and Expenses on the Statement of Net Assets. The deferred portion of Directors' Fees and Expenses shown on the Statement of Operations is impacted by fluctuations in the market value of the investments selected by each Director. For the six months ended

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June 30, 2003, Directors' Fees and Expenses were decreased by \$4,000 due to these fluctuations.

For the six months ended June 30, 2003, the Fund incurred \$4,000 of brokerage commissions with Morgan Stanley & Co., an affiliate of the Adviser.

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MORGAN STANLEY EMERGING MARKETS FUND, INC.

June 30, 2003 (unaudited)

NOTES TO FINANCIAL STATEMENTS (CONT'D)

On July 30, 1998, the Fund commenced a share repurchase program for purposes of enhancing stockholder value and reducing the discount at which the Fund's shares traded from their net asset value. For the six months ended June 30, 2003, the Fund repurchased 437,465 of its shares at an average discount of 14.80% from net asset value per share. Since the inception of the program, the Fund has repurchased 4,762,021 of its shares at an average discount of 19.84% from net asset value per share. The Fund expects to continue to repurchase its outstanding shares at such time and in such amounts as it believes will further the accomplishment of the foregoing objectives, subject to review by the Board of Directors.

PROPOSAL:

1. To elect the following Directors, effective July 31, 2003:

	VOTES IN FAVOR OF	VOTES AGAINST
	-----	-----
1) Michael Bozic	15,925,167	1,035,439
2) Charles A. Fiumefreddo	15,929,511	1,031,094
3) Edwin J. Garn	15,929,551	1,031,054
4) Wayne E. Hedien	15,929,511	1,031,094
5) James F. Higgins	15,929,551	1,031,054
6) Dr. Manuel H. Johnson	15,929,551	1,031,054
7) Philip J. Purcell	15,929,511	1,031,094

2. That stockholders recommend that the Board of Directors act to adopt interval-fund status for the Fund, under which the Fund will make repurchase offers at three-month intervals for not less than 10% of the Fund's shares outstanding at not less than 98% of net asset value (NAV), and to effect the first such repurchase offer not later than September 20, 2003:

VOTES IN FAVOR OF	VOTES AGAINST	VOTES ABSTAINED
5,791,503	6,168,085	204,404

Also effective July 31, 2003, John D. Barrett II, Thomas P. Gerrity, Gerard E. Jones, Vincent R. McLean, C. Oscar Morong, Jr. and William G. Morton, Jr. have resigned from the Board of Directors.

## MORGAN STANLEY EMERGING MARKETS FUND, INC.

## DIVIDEND REINVESTMENT AND CASH PURCHASE PLAN

Pursuant to the Dividend Reinvestment and Cash Purchase Plan (the "Plan"), each stockholder will be deemed to have elected, unless American Stock Transfer & Trust Company (the "Plan Agent") is otherwise instructed by the stockholder in writing, to have all distributions automatically reinvested in Fund shares. Participants in the Plan have the option of making additional voluntary cash payments to the Plan Agent, annually, in any amount from \$100 to \$3,000, for investment in Fund shares.

Dividend and capital gain distributions will be reinvested on the reinvestment date in full and fractional shares. If the market price per share equals or exceeds net asset value per share on the reinvestment date, the Fund will issue shares to participants at net asset value. If net asset value is less than 95% of the market price on the reinvestment date, shares will be issued at 95% of the market price. If net asset value exceeds the market price on the reinvestment date, participants will receive shares valued at market price. The Fund may purchase shares of its Common Stock in the open market in connection with dividend reinvestment requirements at the discretion of the Board of Directors. Should the Fund declare a dividend or capital gain distribution payable only in cash, the Plan Agent will purchase Fund shares for participants in the open market as agent for the participants.

The Plan Agent's fees for the reinvestment of dividends and distributions will be paid by the Fund. However, each participant's account will be charged a pro rata share of brokerage commissions incurred on any open market purchases effected on such participant's behalf. A participant will also pay brokerage commissions incurred on purchases made by voluntary cash payments. Although stockholders in the Plan may receive no cash distributions, participation in the Plan will not relieve participants of any income tax which may be payable on such dividends or distributions.

In the case of stockholders, such as banks, brokers or nominees, that hold shares for others who are the beneficial owners, the Plan Agent will administer the Plan on the basis of the number of shares certified from time to time by the stockholder as representing the total amount registered in the stockholder's name and held for the account of beneficial owners who are participating in the Plan.

Stockholders who do not wish to have distributions automatically reinvested should notify the Plan Agent in writing. There is no penalty for non-participation or withdrawal from the Plan, and stockholders who have previously withdrawn from the Plan may rejoin at any time. Requests for additional information or any correspondence concerning the Plan should be directed to the Plan Agent at:

Morgan Stanley Emerging Markets Fund, Inc.  
American Stock Transfer & Trust Company  
Dividend Reinvestment and Cash Purchase Plan  
59 Maiden Lane  
New York, New York 10030  
1-800-278-4353

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ITEM 2. CODE OF ETHICS. Not applicable for semi-annual reports.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT. Not applicable for semi-annual reports.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES. Not applicable for semi-annual reports.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS. Not applicable for semi-annual reports.

ITEM 6. [RESERVED.]

ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES. Not applicable for semi-annual reports.

ITEM 8. [RESERVED.]

ITEM 9. CONTROLS AND PROCEDURES.

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-CSR 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.

There were no significant changes or corrective actions with regard to significant deficiencies or material weaknesses in the Fund's internal controls or in other factors that could significantly affect the Fund's internal controls subsequent to the date of their evaluation.

ITEM 10. EXHIBITS.

(a) Code of Ethics - Not applicable for semi-annual reports.

(b) Certifications of Principal Executive Officer and Principal Financial Officer attached hereto as part of EX-99.CERT.

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 Fund, Inc.

By: Ronald E. Robison  
Name: Ronald E. Robison  
Title: Principal Executive Officer  
Date: August 19, 2003

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: Ronald E. Robison  
Name: Ronald E. Robison  
Title: Principal Executive Officer  
Date: August 19, 2003

By: James W. Garrett  
Name: James W. Garrett  
Title: Principal Financial Officer  
Date: August 19, 2003