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TAIWAN FUND INC  
Form N-Q  
July 30, 2007

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: 811-4893

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THE TAIWAN FUND, INC.  
(Exact name of registrant as specified in charter)

C/O STATE STREET BANK AND TRUST COMPANY  
2 AVENUE DE LAFAYETTE, 6th Floor  
P.O. BOX 5049  
BOSTON, MA 02206-5049  
(Address of principal executive offices) (Zip code)

(Name and Address of Agent for Service)

Copy to:

The Taiwan Fund, Inc.  
c/o State Street Bank and Trust Company  
Attention: Mary Moran Zeven, Assistant Secretary  
2 Avenue De Lafayette  
P.O. Box 5049  
Boston, MA 02206-5049

Leonard B. Mackey, Jr., Esq.  
Clifford Chance U.S. LLP  
31 West 52nd Street  
New York, New York 10019

Registrant's telephone number, including area code: (800) 636-9242

Date of fiscal year end: August 31, 2007

Date of reporting period: May 31, 2007

ITEM 1: SCHEDULE OF INVESTMENTS

THE TAIWAN FUND, INC.

Investments/May 31, 2007 (Showing Percentage of Total Value of Investment in  
Securities) (unaudited)

|        | US\$<br>VALUE<br>(NOTE C) |
|--------|---------------------------|
| SHARES |                           |
| -----  | -----                     |

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|   |            |              |
|---|------------|--------------|
| COMMON STOCKS - 96.6%                         |            |              |
| BASIC INDUSTRIES -- 19.3%                     |            |              |
| CHEMICALS -- 0.5%                             |            |              |
| Taiwan Hopax Chemicals Manufacturing Co. Ltd. | 2,225,000  | \$ 1,872,408 |
|   |            | -----        |
| CONSTRUCTION -- 4.4%                          |            |              |
| Cathay Real Estate Development Co. Ltd. (a)   | 4,250,000  | 2,431,512    |
| Goldsun Development & Construction Co. Ltd.   | 11,271,000 | 5,902,476    |
| Ruentex Development Co. Ltd.                  | 8,500,000  | 6,754,200    |
|   |            | -----        |
|   |            | 15,088,188   |
|   |            | -----        |
| IRON & STEEL -- 4.4%                          |            |              |
| China Steel Corp.                             | 10,000,000 | 11,654,306   |
| Feng Hsin Iron & Steel Co.                    | 1,200,000  | 1,434,842    |
| Tung Ho Steel Enterprise Corp.                | 1,800,000  | 2,007,870    |
|   |            | -----        |
|   |            | 15,097,018   |
|   |            | -----        |
| PAPER -- 0.9%                                 |            |              |
| Long Chen Paper Co. Ltd.                      | 7,200,000  | 3,192,977    |
|   |            | -----        |
| PLASTICS -- 1.9%                              |            |              |
| Nan Ya Plastics Corp.                         | 2,266,000  | 4,390,011    |
| Taiwan Hon Chuan Enterprise Co. Ltd.          | 2,668,835  | 2,314,579    |
|   |            | -----        |
|   |            | 6,704,590    |
|   |            | -----        |
| TEXTILE -- 2.3%                               |            |              |
| Formosa Taffeta Co. Ltd.                      | 8,500,000  | 8,053,580    |
|   |            | -----        |
| TOOLS - HAND HELD -- 2.3%                     |            |              |
| Basso Industry Corp.                          | 5,200,000  | 7,791,736    |
|   |            | -----        |
| TRANSPORTATION -- 2.6%                        |            |              |
| Sincere Navigation Corp.                      | 479,000    | 735,138      |
| U-Ming Marine Transport Corp.                 | 3,200,000  | 5,695,777    |
| Yang Ming Marine Transport                    | 3,645,000  | 2,532,246    |
|   |            | -----        |
|   |            | 8,963,161    |
|   |            | -----        |
| TOTAL BASIC INDUSTRIES                        |            | 66,763,658   |
|   |            | -----        |
| FINANCE -- 6.9%                               |            |              |
| BANKS -- 2.3%                                 |            |              |
| Far Eastern International Bank                | 18,000,000 | 8,118,662    |
|   |            | -----        |
| FINANCIAL SERVICES -- 4.6%                    |            |              |
| Cathay Financial Holding Co. Ltd.             | 5,248,593  | 11,073,920   |
| Fuhwa Financial Holding Co. Ltd. (a)          | 4,845,000  | 2,126,608    |
| KGI Securities Co. Ltd. (a)                   | 8,000,000  | 2,615,408    |
|   |            | -----        |
|   |            | 15,815,936   |
|   |            | -----        |
| TOTAL FINANCE                                 |            | 23,934,598   |
|   |            | -----        |
| MISCELLANEOUS -- 2.2%                         |            |              |
| GOLF EQUIPMENT -- 2.2%                        |            |              |
| Advanced International Multitech Co., Ltd.    | 3,640,000  | 7,536,734    |

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|  | SHARES     | US\$<br>VALUE<br>(NOTE C) |
|--|------------|---------------------------|
|  | -----      | -----                     |
| TECHNOLOGY -- 68.2%                          |            |                           |
| ELECTRONIC COMPONENTS -- 8.4%                |            |                           |
| Cyntec Co. Ltd.                              | 3,950,025  | \$ 7,437,311              |
| Everlight Electronics Co. Ltd.               | 1,000,000  | 3,859,543                 |
| Kinsus Interconnect Technology Corp.         | 2,488,209  | 9,979,951                 |
| Motech Industries Inc.                       | 214,614    | 2,709,067                 |
| Tripod Technology Corp.                      | 1,150,000  | 5,204,329                 |
|  |            | -----                     |
|  |            | 29,190,201                |
|  |            | -----                     |
| ELECTRONICS -- 2.7%                          |            |                           |
| Synnex Technology International Corp.        | 7,300,000  | 9,479,946                 |
|  |            | -----                     |
| IC DESIGN -- 12.5%                           |            |                           |
| Elan Microelectronics Corp.                  | 10,000,000 | 14,984,108                |
| MediaTek, Inc.                               | 1,320,000  | 20,897,836                |
| Novatek Microelectronics Corp. Ltd.          | 1,442,851  | 7,250,288                 |
|  |            | -----                     |
|  |            | 43,132,232                |
|  |            | -----                     |
| MEMORY IC -- 2.9%                            |            |                           |
| Inotera Memories, Inc.                       | 8,000,000  | 9,965,188                 |
|  |            | -----                     |
| PC & PERIPHERALS -- 12.5%                    |            |                           |
| Asia Vital Components Co. Ltd. (a)           | 4,500,000  | 3,991,221                 |
| Asustek Computer Inc.                        | 2,000,000  | 4,934,161                 |
| Catcher Technology Co. Ltd.                  | 1,077,921  | 10,278,345                |
| Foxconn Technology Co. Ltd.                  | 570,000    | 6,228,848                 |
| Hon Hai Precision Industry Co. Ltd.          | 2,524,800  | 17,845,945                |
|  |            | -----                     |
|  |            | 43,278,520                |
|  |            | -----                     |
| SEMICONDUCTOR MANUFACTURING -- 14.3%         |            |                           |
| Advanced Semiconductor Engineering, Inc. (a) | 5,500,000  | 6,326,623                 |
| Ardentec Corp.                               | 2,693,749  | 2,523,733                 |
| King Yuan Electronics Co. Ltd.               | 11,854,000 | 10,136,991                |
| MJC Probe, Inc.                              | 1,000,000  | 3,723,324                 |
| Siliconware Precision Industries Co.         | 5,965,556  | 12,460,220                |
| Taiwan Semiconductor Manufacturing Co. Ltd.  | 7,003,000  | 14,457,533                |
|  |            | -----                     |
|  |            | 49,628,424                |
|  |            | -----                     |
| TELECOMMUNICATIONS -- 11.8%                  |            |                           |
| D-Link Corp.                                 | 6,900,000  | 14,453,761                |
| High Tech Computer Corp.                     | 300,000    | 5,594,067                 |
| Merry Electronics Co. Ltd.                   | 3,932,000  | 14,164,008                |
| Silitech Technology Corp.                    | 1,385,000  | 6,624,186                 |
|  |            | -----                     |
|  |            | 40,836,022                |
|  |            | -----                     |
| TFT-LCD -- 3.1%                              |            |                           |
| Au Optonics Corp.                            | 6,899,390  | 10,651,397                |
|  |            | -----                     |
| TOTAL TECHNOLOGY                             |            | 236,161,930               |
|  |            | -----                     |
| TOTAL COMMON STOCKS                          |            |                           |

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(Identified Cost -- \$221,759,199)

334,396,920

INVESTMENTS/MAY 31, 2007 (unaudited) (continued)

|   | PRINCIPAL<br>AMOUNT<br>NT\$ | US\$<br>VALUE<br>(NOTE C) |
|---|-----------------------------|---------------------------|
|   | -----                       | -----                     |
| SHORT TERM INVESTMENTS - 3.4%                 |                             |                           |
| China Bills Finance Corp. (b)                 |                             |                           |
| 1.69%, 07/10/2007                             | \$ 50,203,933               | \$ 1,519,720              |
| 1.72%, 07/10/2007                             | 50,244,903                  | 1,520,960                 |
| 2.00%, 07/10/2007                             | 50,273,849                  | 1,521,836                 |
| 2.00%, 07/12/2007                             | 20,042,315                  | 606,699                   |
| International Bills Finance Co. (b)           | 49,893,716                  | 1,510,329                 |
| State Street Bank and Trust Co. (b)           |                             |                           |
| 1.50% dated 5/29/07 due 6/4/07                |                             |                           |
| (collateralized by U.S. Treasury Note 3.875%, |                             |                           |
| 7/31/07, market value \$389.141) (d)          | 378,000                     | 378,000                   |
| Tai Shin Enterprise Taiwan (b)                | 100,195,433                 | 3,033,008                 |
| Taishin International Bank                    | 50,131,784                  | 1,517,535                 |
| Total Short Term Investments                  |                             | 11,608,087                |
|   |                             | -----                     |
| TOTAL SHORT TERM INVESTMENTS                  |                             | 11,608,087                |
| (Identified Cost -- \$11,541,265)             |                             | -----                     |
| TOTAL INVESTMENTS 100.00%                     |                             |                           |
| (Cost -- \$233,300,464)*                      |                             | \$346,005,007             |
|   |                             | =====                     |

NOTES TO SCHEDULE OF INVESTMENTS

NT\$ New Taiwan Dollar

US\$ United States Dollar

(a) Non-income producing

(b) Certificates of Deposit and Commercial Paper that are traded through Bills Finance Corporations must be guaranteed by either a bank, a trust company or a Bills Finance Corporation. Since there is no recognized credit rating system in the Republic of China, the guarantee may not be comparable to a guarantee issued by a U.S. institution.

(c) All securities, including those traded over-the-counter for which market quotations are readily available, are valued at the last sales price prior to the time of determination of the Fund's net asset value per share or, if there were no sales on such date, at the closing price quoted for such securities (but if bid and asked quotations are available, at the mean between the last current bid and asked prices, rather than such quoted closing price). In certain instances where the price determined above may not represent fair market value, the value is determined in such manner as the Board of Directors may prescribe. Short-term investments, having a maturity of 60 days or less, are valued at amortized cost, which approximates market value, with accrued interest or discount earned included in interest receivable.

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- (d) In connection with transactions in repurchase agreements, it is the Fund's policy that its custodian take possession of the underlying collateral securities, the fair value of which exceeds the principal amount of the repurchase transaction, including accrued interest, at all times. If the seller defaults, and the fair value of the collateral declines, realization of the collateral by the Fund may be delayed or limited by legal proceedings.
  
- \* At May 31, 2007, aggregate gross unrealized appreciation for all securities for which there was an excess of value over financial reporting cost was \$117,275,418 and aggregate gross unrealized depreciation for all securities for which there was an excess of financial reporting cost over value was \$4,570,875 and net appreciation for financial reporting purposes was \$112,704,543. At May 31, 2007, aggregate cost for financial reporting purposes was \$233,300,464.

ITEM 2. CONTROLS AND PROCEDURES

- (a) The registrant's principal executive and principal financial officers have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act") (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of this Form N-Q that includes the disclosure required by this paragraph based on their evaluation of the controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934 (17 CFR 240.13a-15(b) or 240.15d-15(b)).
  
- (b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d))) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 3. EXHIBITS

The certification required by Rule 30a-2(a) of the Investment Company Act of 1940 (17 CFR 270.30a-2(a)), as amended, is attached as an exhibit to this filing.

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.

THE TAIWAN FUND, INC.

By: /s/ Benny T. Hu  
-----  
Benny T. Hu  
President of The Taiwan Fund, Inc.

Date: July 30, 2007

Pursuant to the requirements of the Securities Exchange Act of 1934 and the

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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.

By: /s/ Adelina Louie

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Adelina Louie  
Treasurer of The Taiwan Fund, Inc.

Date: July 23, 2007

By: /s/ Benny T. Hu

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Benny T. Hu  
President of The Taiwan Fund, Inc.

Date: July 30, 2007