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HERZFELD CARIBBEAN BASIN FUND INC

Form N-Q

November 02, 2006

FORM N-Q  
 QUARTERLY SCHEDULE OF PORFOLIO HOLDINGS OF REGISTERED MANAGEMENT  
 INVESTMENT COMPANY

Investment Company Act file number 811-06445

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 The Herzfeld Caribbean Basin Fund, Inc.

-----  
 (Exact name of registrant as specified in charter)

P.O. BOX 161465, MIAMI, FLORIDA 33116

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 (Address of principal executive offices) (Zip code)

THOMAS J. HERZFELD  
 P.O. BOX 161465, MIAMI, FL 33116

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 (Name and address of agent for service)

Registrant's telephone number, including area code: 305-271-1900

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 Date of fiscal year end: 06/30/06

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 Date of reporting period: 09/30/06

ITEM 1. SCHEDULE OF INVESTMENTS

SCHEDULE OF INVESTMENTS AS OF SEPTEMBER 30, 2006 (unaudited)

Shares or Principal Amount	Description	Market Value
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Common stocks - 99.65% of net assets		
Banking and finance - 5.17%		
8,500	Bancolombia, S.A	\$ 243,100
21,920	Banco Latinoamericano de Exportaciones, S.A	342,390
8,000	Doral Financial Corp.	52,720
16,400	Grupo Financiero Banorte, S.A. de C.V. Series O	51,326
9,900	Grupo Financiero Inbursa, S.A. de C.V. Series O	17,333
Communications - 11.84%		
35,600	America Movil, S.A. de C.V. Series A	70,262
2,000	America Movil, S.A. de C.V. Series L	78,740
12,500	America Telecom, S.A. de C.V. Series A1	84,699
9,250	Atlantic Tele-Network, Inc.	170,940
11,900	Carso Global Telecom, S.A. de C.V. Series A1	36,236
11,000	Garmin Ltd.	536,580
725	Grupo Iusacell, S.A. de C.V. Series V	4,682
16,800	Grupo Radio Centro, S.A. ADR	107,520
14,300	Grupo Televisa, S.A. ADR	304,018

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13,400	Grupo Televisa, S.A. Series CPO	57,148
1,000	Telefonos de Mexico ADR	25,580
23,800	Telefonos de Mexico, S.A. de C.V. Series A	30,522
78,600	Telefonos de Mexico, S.A. de C.V. Series L	100,799
13,900	TV Azteca, S.A. de C.V. Series CPO	9,027
	Conglomerates and holdings companies - 2.02%	
5,400	Alfa, S.A. de C.V. Series A	29,513
42,595	BB Holdings Ltd.	125,696
13,000	Carlisle Group Ltd.	21,852
3,200	Corporacion Interamericana de Entretenimiento, S.A. de C.V. Series B	5,737
1,580	Desc, S.A. de C.V. Series B	1,344
11,000	Grupo Carso, S.A. de C.V. Series A1	32,015
600	Grupo Imsa, S.A. de C.V. Series UBC	2,619
2,525	OneSource Services, Inc.	31,691
3,300	U.S. Commercial Corp., S.A. de C.V.	720
2,900	Vitro, S.A. Series A	3,421
6,000	Vitro, S.A. ADR	21,360
	Construction and related - 8.61%	
46,718	Cemex, S.A. de C.V. Series CPO	140,985
4,000	Cemex S.A. de C.V. ADR	120,320
2,032	Ceramica Carabobo Class A ADR	3,256
4,300	Consortio ARA, S.A. de C.V.	21,115
3,583	Empresas ICA, Sociedad Controladora, S.A. de C.V.	12,905
800	Grupo Cementos de Chihuahua, S.A. de C.V.	3,012
16,600	Florida Rock Industries, Inc.	642,586
20,950	Mastec, Inc.	231,917
	Consumer products and related manufacturing - 6.96%	
800,000	Atlas Electricas, S.A.	41,426
5,900	Grupo Casa Saba, S.A. ADR	127,440
17,500	Watsco Incorporated	782,170
	Food, beverages and tobacco - 2.02%	
300	Alsea, S.A. de C.V.	1,235
4,800	Coca-Cola Femsa, S.A. de C.V. ADR	150,096
200	Coca-Cola Femsa, S.A. de C.V., Series L	622
6,300	Fomento Economico Mexicano, S.A. de C.V. Series UBD	61,168
800	Gruma S.A. de C.V. Series B	2,446
7,600	Grupo Bimbo, S.A. de C.V. Series A	26,682
7,700	Grupo Modelo, S.A. de C.V. Series C	33,609
	Housing - 0.09%	
1,700	Corporacion Geo S.A. de C.V., Series B	7,151
100	Desarrolladora Homex, S.A. de C.V.	628
400	Sare Holding, S.A. de C.V. Series B	444
1,500	Urbi Dessarrollos Urbanos, S.A. de C.V.	4,222
	Investment companies - 6.21%	
2,000	iShares S&P Latin America 40 Index	284,700
4,000	The Mexico Fund	137,640
19,000	Salomon Brothers Worldwide Income Fund	251,370
10,000	Salomon Brothers Emerging Markets Debt Fund	174,700
	Leisure - 9.65%	
14,000	Carnival Corp.	658,420
17,000	Royal Caribbean Cruises Ltd.	659,770
	Medical - 3.71%	
8,386	Micromet, Inc.	22,391

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10,660 Orthofix International N.V.	484,710
Mining - 0.03%	
1,200 Grupo Mexico, S.A. de C.V., Series B	3,758
Pulp and paper - 0.18%	
6,100 Kimberly-Clark de Mexico, S.A. de C.V. Series A	24,689
Railroad and landholdings - 20.27%	
48,500 Florida East Coast Industries Inc.	2,768,380
Retail - 1.26%	
3,700 Controladora Comercial Mexicana, S.A. de C.V. Series UBC	7,437
1,380 Grupo Elektra, S.A. de C.V. Series CPO	13,243
44,612 Wal-Mart de Mexico, S.A. de C.V. Series V	151,753
Service - 0.02%	
700 Grupo Aeroportuario del Sureste, S.A. de C.V. Series B	2,610
100 Promotora Ambiental S.A. de C.V.	120
Trucking and marine freight - 8.86%	
14,800 Grupo TMM, S.A. ADR	42,920
700 Seaboard Corporation	843,500
41,799 Trailer Bridge, Inc.	323,524
Utilities - 9.61%	
12,000 Caribbean Utilities Ltd. Class A	143,400
47,241 Consolidated Water, Inc.	1,160,711
700 Cuba Electric Company	8,120
Other - 3.14%	
3,000 Copa Holdings	102,990
55,921 Margo Caribe, Inc.	315,954
100 Mexichem S.A. de C.V.	127
843 Siderurgica Venezolana Sivensa ADR	2,825
75 Siderurgica Venezolana Sivensa Series B	251
45,000 Xcelera, Inc.	6,750
Total common stocks (cost \$8,658,503)	\$ 13,611,788
Bonds - 0% of net assets	
165,000 Republic of Cuba - 4.5%, 1977 - in default (cost \$63,038)	--
Other assets less liabilities - 0.35% of net assets	\$ 47,245
Net assets - 100% (applicable to 1,677,636 shares; equivalent to \$8.14 per share) (a)	\$ 13,659,033

(a) The cost for federal income tax purposes was \$8,721,541. At September 30, 2006, net unrealized gain for all securities based on tax cost was \$4,890,246. This consisted of aggregate gross unrealized appreciation for all securities in which there was an excess value over tax cost of \$5,490,520 and aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value of \$600,274.

### ITEM 2. CONTROLS AND PROCEDURES

(a) The registrant's principal executive and principal financial officer

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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 has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 3. EXHIBITS

The certifications required by Rule 30a-2 of the Investment Company Act of 1940, 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 Herzfeld Caribbean Basin Fund, Inc.

By /s/ Thomas J. Herzfeld

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Thomas J. Herzfeld  
Chairman and President

Date: November 2, 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.

By /s/ Thomas J. Herzfeld

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Thomas J. Herzfeld  
Chairman and President

Date: November 2, 2006

By /s/ Cecilia L. Gondor

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Cecilia L. Gondor  
Treasurer

Date: November 2, 2006